CHINESE MINORITIES IN SOUTHEAST ASIA

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SUMMARY

The long-standing Chinese minority issue in Southeast Asia has gained new prominence since V-J Day as a source of international friction in the Far East. This issue centers around 4,500,000 alien Chinese and millions more persons of part-Chinese blood, who for many years have occupied an unusually strong economic position in Southeast Asia countries, built largely around their domination of the profitable "middlemen" trades—retailing, distribution, processing, and financing. They have maintained this strong position even through the long Japanese occupation.

The economic activities of overseas Chinese, their disposition to live in isolated political and cultural groups and to retain strong ties with China, have been a recurrent source of irritation to the natives in Southeast Asia and have on many occasions led to the imposition of restrictive measures by the local governments.

Since V-J Day, the resurgence of nationalism in Southeast Asia countries has been accompanied by revived resentment against the alien Chinese. Anti-Chinese riots and demonstrations have taken place on several occasions in the Netherlands East Indies, Malaya and Siam. There has been an increasingly spirited press campaign against all aliens in the Philippines since Independence Day. In all Southeast Asia countries, public opinion has been demanding official restrictions on Chinese immigration, dual citizenship rights and economic and political activities.

Both in the pre-war period and since V-J Day, the Chinese Government has attempted—by diplomatic representations, propaganda campaigns, and other "ad hoc" measures—to defend its nationals abroad against discrimination and ill-treatment. Its efforts to this end, however, have been seriously undermined by the political and military situation in China itself. Internal civil conflict has monopolized the Government's attention, thus blocking the formation of a well-defined policy on behalf of Chinese minorities abroad. Moreover, these minorities themselves, vitally interested in affairs at home, have split into much the same political factions as exist in China. The existence of strong rival Kuomintang and Chinese Communist organizations in Southeast Asia not only has aggravated native resentment there but also has prevented the overseas Chinese from forming a united front against local pressures.
Regardless of China's internal developments, the Central Government can be expected to make greater efforts in the future on behalf of overseas minorities, who represent both a valuable economic asset and a potential tool for the extension of China's influence in Southeast Asia. These efforts will be vigorously opposed by nationalistic groups in Southeast Asia and hindered by China's internal conflict and its overseas counterpart. If the Chinese Government's unilateral efforts fail to secure more protection and freedom from discrimination, the question of Chinese minority rights may be placed before the United Nations.

A more comprehensive discussion of this subject is contained in the enclosure hereto.
BACKGROUND

The Chinese minority issue in Southeast Asia, involving about 4,500,000 alien Chinese and millions more persons of part-Chinese blood, did not achieve significant international status until the present century, even though the Chinese have been emigrating to that area for hundreds of years. Minority problems, which centered around economic and political restrictions, immigration curbs, and the question of dual citizenship, developed during the 1920's and 1930's from (1) the national tendency of overseas Chinese to remain in isolated groups, retaining strong ties with the homeland by means of many public and secret societies; (2) the alien Chinese' deep penetration of the economic structures of Southeast Asia countries—where they not only comprised an important part of the local labor force but also gained a dominant position in 'middlemen' activities: retailing, processing, distributing, and money-lending, a position achieved and maintained by business practices that were consistently shrewd and often ruthless and discriminating; (3) the economic difficulties of the less capable native workers; and (4) a growing feeling of national self-consciousness among the native peoples of Southeast Asia.

Stimulated by increasing popular resentment against Chinese minorities, the governments in Southeast Asia made deliberate attempts before the Pacific War to loosen the Chinese' economic hold and, in varying degree, to restrict Chinese political representation and activities. Native antagonism and local governmental restrictions, while tending to weaken the influence of overseas Chinese, also gave impetus to the Chinese' own disposition to isolate themselves politically and culturally, and to direct their loyalties to China. This allegiance to the homeland, however, has for several years been a divided one, since the political conflict within China has been reflected in the formation of rival camps among the overseas Chinese, headed by opposing Nationalist and Communist associations.

Pre-war efforts of local governments to stem the influence of Chinese minorities were opposed to some extent by China's Central Government, mainly through diplomatic representations. Overseas Chinese represented a substantial economic asset to China. In their role of middlemen, they provided the means of stimulating trade with the rest of Asia on favorable terms for China. Also, a large portion of overseas profits and wages returned to the homeland in the form of remittances, thereby expanding domestic purchasing power and swelling China's foreign exchange resources.

During the Pacific War, overseas Chinese in areas occupied by
JAPAN SUCCEEDED IN PRESERVING TO A LARGE EXTENT THEIR LEADING ROLE IN TRADE AND FINANCE ALTHOUGH SUFFERING FINANCIAL LOSSES. POLITICALLY, THEY WERE COMPelled TO RENDER LIP SERVICE TO THE PUPPET REGIME IN NANKING, BUT MANY IMPORTANT CHINESE TOOK ACTIVE PART IN THE UNDERGROUND RESISTANCE MOVEMENT.

CURRENT SITUATION

GENERAL. SINCE V.J DAY, RISING NATIVE NATIONALISM AND ANTI-FOREIGN SENTIMENT IN THE COUNTRIES OF SOUTHEAST ASIA HAVE LED SEVERAL SOUTHEAST ASIA GOVERNMENTS AGAIN TO FOCUS THEIR ATTENTION UPON THE CHINESE PROBLEM. THIS HAS BEEN ACCOMPANIED BY A NUMBER OF ANTI-CHINESE INCIDENTS AND RESTRICTIONS WHICH HAVE BEEN OPPOSED BY CHINESE MINORITY GROUPS AND BY THE CHINESE GOVERNMENT WITH VARYING DEGREES OF SUCCESS.

SIAM. IN SIAM, THE PERIOD IMMEDIATELY AFTER V.J DAY WAS MARKED BY SEVERE ANTI-CHINESE RIOTS SET OFF BY SIAMESE RESENTMENT AGAINST CHINESE VICTORY CELEBRATIONS. ALTHOUGH A SINO-SIAMESE TREATY OF AMITY WAS CONCLUDED IN JANUARY 1946, NO REAL MOVES TO IMPLEMENT THIS AGREEMENT HAVE YET BEEN UNDERTAKEN. SIAM APPEARS TO BE UNWILLING TO CARRY OUT CONCESSIONS PROVIDED IN THE TREATY AND CHINA APPARENTLY IS TOO OCCUPIED WITH INTERNAL AFFAIRS TO PRESS FOR EXECUTION OF THE TERMS. HOWEVER, THE CHINESE AMBASSADOR TO SIAM DECLARED IN A SPEECH ON 20 NOVEMBER THAT SINO-SIAMESE FRIENDSHIP COULD NOT BE POSSIBLE UNLESS SIAM REDRESSED WRONGS DONE TO CHINESE. THE CHINESE MILITARY ATTACHE IN BANGKOK IS ATTEMPTING TO ORGANIZE THE CHINESE IN SIAM AGAINST NATIVE DISCRIMINATION AND AGAINST CHINESE COMMUNIST COUNTER-ORGANIZATIONS THROUGH THE MEDIUM OF THE SAN MIN CHU I YOUTH CORPS, WHICH WAS RECENTLY INVOLVED IN CLASHES WITH THE SIAMESE POLICE. THERE ARE OCCASIONAL REPORTS THAT AGENTS OF THE CENTRAL GOVERNMENT'S SECRET POLICE HAVE APPEARED IN SIAM FOR THE PURPOSE OF RALLYING LOCAL CHINESE SUPPORT FOR KUOMINTANG POLICIES IN CHINA.

MALAYA. IN MALAYA, BRITISH PROPOSALS FOR POSTWAR GOVERNMENTAL REFORM, AS EMBODIED IN THE MALAYAN UNION PLAN, GAVE PROMISE OF IMPROVING THE POSITION OF THE LARGE CHINESE MINORITY IN THAT AREA—CONSTITUTING FULLY 43 PERCENT OF THE TOTAL POPULATION OF MALAYA—BY OPENING MALAYAN CITIZENSHIP TO ALL CHINESE BORN OR RESIDENT THERE FOR 10 YEARS. OPPOSITION TO THE PLAN ON THE PART OF THE MALAY POPULATION HAS CENTERED AROUND THIS POINT AND HAS PROVED SUFFICIENT TO FORCE THE BRITISH TO POSTPONE AND RECONSIDER THE SCHEME. ANY BRITISH RETREAT FROM THE PROPOSAL OF CITIZENSHIP FOR THE CHINESE HAS BEEN ATTACKED BY THE CHINESE PRESS AS A BETRAYAL OF THE LEADING CHINESE ROLE IN THE UNDERGROUND RESISTANCE MOVEMENT DURING THE WAR. INTRARACIAL FEELING ON POLITICAL ISSUES HAS RUN HIGH AND HAS RESULTED IN NUMEROUS RIOTS AND DEMONSTRATIONS BY BOTH MALAY AND CHINESE GROUPS. AS IN SIAM, EFFORTS TO UNIFY CHINESE GROUPS IN MALAYA HAVE BEEN SPONSORED BY THE KUOMINTANG AND CENTRAL GOVERNMENT AND DIRECTED THROUGH CHINESE CONSULAR OFFICES. BECAUSE OF BRITISH RECOGNITION OF THE CENTRAL GOVERNMENT OF CHINA, BRITISH CONTROL AND RESTRICTION OF KMT...
ACTIVITIES IN MALAYA IS A DELICATE PROBLEM. LIKEWISE, BRITISH CONTROL OVER CHINESE COMMUNISTS, WHO DOMINATE THE MALAYAN COMMUNIST PARTY, IS COMPLICATED BY THE PUBLIC RECOGNITION ON THE PART OF BRITISH AUTHORITIES OF THE USEFUL ROLE OF CHINESE COMMUNISTS IN THE UNDERGROUND. STRONG COMPETITION FOR MEMBERSHIP BETWEEN KUOMINTANG AND COMMUNIST GROUPS CAN BE ANTICIPATED, HAMPERING CHINESE UNITY AGAINST NATIVE HOSTILITY AND WEAKENING THE INFLUENCE OF THE CHINESE CENTRAL GOVERNMENT IN MALAYA.


PHILIPPINES. IN THE PHILIPPINES, THERE HAS BEEN STRONG PUBLIC PRESSURE, LED BY VIGOROUS ANTI-FOREIGN PRESS CAMPAIGNS, FOR GREATER RESTRICTIONS ON RESIDENT ALIENS (OF WHOM THE CHINESE COMprise OVER 60 PERCENT). THIS PRESSURE HAS INCREASED APPRECIABLY SINCE INDEPENDENCE DAY. IN THE LAST REGULAR SESSION OF THE PHILIPPINE CONGRESS, ENDING IN SEPTEMBER, BILLS WERE ENERGETICALLY PUSHED, ALTHOUGH NOT PASSED, TO PLACE MORE STRINGENT REQUIREMENTS ON IMMIGRATION AND TO DOUBLE THE REQUIRED 'CONTINUOUS RESIDENCE PERIOD' FOR ALIENS SEEKING FILIPINO CITIZENSHIP. OTHER MEASURES BEFORE THE RECENT SESSION OF CONGRESS RESTRICTED ALIEN LABOR AND BUSINESS ACTIVITIES. ATTEMPTS BY THE PHILIPPINE GOVERNMENT TO OFFER SOME RESISTANCE TO THE ANTI-FOREIGN TREND HAVE LED TO SHARP PUBLIC CRITICISM. THE CHINESE GOVERNMENT HAS MADE REPRESENTATIONS TO PRESIDENT ROXAS ON CURRENT ANTI-CHINESE LEGISLATION (AND HAS EVEN MADE AN ILLEXCONCEALED EFFORT TO ENLIST US SUPPORT IN BEHALF OF CHINA), BUT THESE REPRESENTATIONS WERE ANSWERED BY ROXAS ON 8 OCTOBER WITH THE STATEMENT THAT THE PHILIPPINE ADMINISTRATION WOULD 'ACTUALLY RESTRAINING PUBLIC SENTIMENT AND MOVING MUCH SLOWER IN THE DIRECTION OF ANTI-CHINESE MEASURES THAN PUBLIC OPINION DEMANDED. FINALLY, THE CHINESE MINORITY QUESTION HAS BEEN ONE OF THE CHIEF STUMBLING-BLOCKS IN PHILIPPINE-CHINESE NEGOTIATIONS FOR A TREATY OF AMITY, AND FOR A COMMERCIAL TREATY. AMITY TREATY DISCUSSIONS ARE BELIEVED TO BE AT AN IMPASSE. IN THE COMMERCIAL TREATY NEGOTIATIONS, THE CHINESE WERE
compelled to withdraw their insistence that alien Chinese be accorded national treatment in Filipino retail trade. The proposed commercial treaty has reportedly been pared down to a set of very general provisions 'begging the entire question of Chinese in the Philippines' domestic trade.'

Indo China. In Indo China, the presence of Chinese nationalist armies in the northern, and most nationalistic, area after V-J Day prevented any significant anti-Chinese activity on the part of the native population. However, the conduct of Chinese occupying forces and their efforts to influence domestic politics through two Kuomintang-sponsored parties, have left a legacy of resentment against the National Government in the native mind. French authorities have also been antagonized by their experiences with Chinese Nationalist military control in Northern Indo China and their alarm at the growth of Chinese Communist elements in the state of Vietnam. Although the position of the Chinese population in Indo China as regards taxation and justice was guaranteed by the Franco-Chinese Treaty of February 1946, it is expected that native and French dislike will make itself distinctly felt in the future.

Chinese government support

In its defense of overseas Chinese throughout Southeast Asia, the Chinese Government has as yet shown no well-defined policy, but has operated on an 'ad hoc' basis. Generally speaking, Chinese policy is presently on the offensive for Chinese minority objectives in Siam and Malaya, and on the defensive in the NEI, the Philippines, and Indo China. Greater efforts by the Kuomintang to unify overseas groups through the medium of KMT organizations can be expected in the future, with Central Government policies disseminated and implemented among overseas populations under the direction of Chinese diplomatic officials and military attaches. Extensive propaganda campaigns, coupled with demands for the education of Chinese in overseas Chinese schools, can be anticipated as part of the plan to stress Chinese home ties. Cultural and diplomatic missions will tour the Southeast Asia areas, emphasizing the interest of the Central Government in the affairs and well-being of Chinese abroad. This interest was clearly expressed in an official statement in September 1946, which announced that China's sympathy for independence movements in all countries would be withdrawn if those movements resulted in actions detrimental to overseas Chinese.

Probable future developments

Despite occasional changes from the press in Southeastern countries that China intends to use its overseas minorities as fifth column spearheads for expansion, there is little concrete
EVIDENCE THAT WOULD REFUTE THE CENTRAL GOVERNMENT'S REPEATED PRO-
NOUNCEMENTS THAT CHINA HAS NO TERRITORIAL AMBITIONS IN SOUTHEAST
ASIA. THE MINORITIES, NEVERTHELESS, REPRESENT AN IMPORTANT TOOL
THAT CHINA MIGHT USE IN EXTENDING ITS ECONOMIC AND POLITICAL IN-
FLUENCE IN SOUTHEAST ASIA. CHINA'S EFFORTS TO MAINTAIN THE
INDEPENDENCE AND PROTECT THE INTERESTS OF OVERSEAS CHINESE, THERE-
FORE, WILL PROBABLY INCREASE. THESE EFFORTS, HOWEVER, WILL BE
VIGOROUSLY OPPOSED BY NATIONALISTIC GROUPS IN SOUTHEAST ASIA AND
HINDERED BY CHINA'S INTERNAL CONFLICT AND ITS OVERSEAS COUNTERPART.
IF UNILATERAL EFFORTS BY THE CHINESE GOVERNMENT FAIL, THE QUESTION
OF CHINESE MINORITY RIGHTS IN SOUTHEAST ASIA MAY BE PLACED BEFORE
THE UNITED NATIONS.