

THE SECRET ARMY

**CHIANG KAI-SHEK
AND THE DRUG WARLORDS
OF THE GOLDEN TRIANGLE**

Richard Michael Gibson with Wen H. Chen

The Secret Army

Chiang Kai-shek and the
Drug Warlords of
the Golden Triangle

The Secret Army

Chiang Kai-shek and the
Drug Warlords of
the Golden Triangle

Richard M. Gibson
with
Wenhua Chen



WILEY

John Wiley & Sons (Asia) Pte. Ltd.

Copyright © 2011 by John Wiley & Sons (Asia)
Published in 2011 by John Wiley & Sons (Asia) Pte. Ltd.
1 Fusionopolis Walk, #07-01 Solaris, South Tower Singapore 138628

All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as expressly permitted by law, without either the prior written permission of the Publisher, or authorization through payment of the appropriate photocopy fee to the Copyright Clearance Center. Requests for permission should be addressed to the Publisher, John Wiley & Sons (Asia) Pte. Ltd., 1 Fusionopolis Walk, #07-01 Solaris, South Tower Singapore 138628, Tel: 65-6643-8000, Fax: 65-6643-8008, e-mail: enquiry@wiley.com.

This publication is designed to provide accurate and authoritative information in regards to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering professional services. If professional advice or other expert assistance is required, the services of a competent professional person should be sought.

Neither the authors nor the publisher are liable for any actions prompted or caused by the information presented in this book. Any views expressed herein are those of the authors and do not represent the views of the organizations they work for.

Other Wiley Editorial Offices

John Wiley & Sons, 111 River Street, Hoboken, NJ 07030, USA

John Wiley & Sons, The Atrium, Southern Gate, Chichester, West Sussex, P019 8SQ,
United Kingdom

John Wiley & Sons (Canada) Ltd., 5353 Dundas Street West, Suite 400, Toronto,
Ontario, M9B 6HB, Canada

John Wiley & Sons Australia Ltd, 42 McDougall Street, Milton, Queensland 4064,
Australia

Wiley-VCH, Boschstrasse 12, D-69469 Weinheim, Germany

Library of Congress Cataloging-in-Publication Data

ISBN 978-0-470-83018-5 (paperback)

ISBN 978-0-470-83020-8 (ePDF)

ISBN 978-0-470-83019-2 (Mobi)

ISBN 978-0-470-83021-5 (ePub)

Typeset in 10.5/13.5 ITC Galliard by MPS Limited, a Macmillan Company
Printed in Singapore by Markono Print Media Pte Ltd

Table of Contents

Introduction: Two Young Chinese Soldiers	vii
Glossary of Key Players	xiii
List of Abbreviations	xvii
Chapter 1: Retreat from Yunnan	1
Chapter 2: Sorting Things Out in Tachilek	15
Chapter 3: Lieutenant General Li Mi	29
Chapter 4: Li Mi and His American Friends	45
Chapter 5: Li Mi's Yunnan Anticommunist National Salvation Army	57
Chapter 6: Attacking Yunnan	69
Chapter 7: Washington Opts Out	87
Chapter 8: Li Mi's Army Settles into Burma	97
Chapter 9: Washington Cuts Its Losses	113
Chapter 10: Southern Strategy and Karen Allies	121
Chapter 11: The Road to the United Nations	131
Chapter 12: The United Nations vs. KMT Duplicity	139
Chapter 13: First Evacuation from Burma	153
Chapter 14: Liu Yuan-lin's Yunnan Anticommunist Volunteer Army	165

Table of Contents

Chapter 15: A Resurgent KMT	181
Chapter 16: Operation Mekong: Sino-Burmese Forces Rout the KMT	191
Chapter 17: Air Battle Over Burma and American Weapons	205
Chapter 18: The Second KMT Evacuation	213
Chapter 19: Removing KMT Remnants from Laos	225
Chapter 20: Nationalist Chinese Armies in Thailand	235
Chapter 21: Thailand's Troublesome Guests	251
Chapter 22: Intelligence Bureau of the Ministry of National Defense	265
Chapter 23: Resettlement in Thailand	281
Chapter 24: Soldiering on for Thailand	293
Chapter 25: Postscript	305
Bibliography	309
Index	329

Introduction

Two Young Chinese Soldiers

The origins of this book date from January 1990, when I was the American Consul General in Chiang Mai, Thailand. A colleague and I were travelling a recently graded, little used road along Thailand's northern border with Burma. The road runs immediately adjacent to the border until a few kilometers west of Doi¹ Mae Salong and then continues eastward as the border curves to the north. The cool air carried sound easily and we could hear distant explosions of mortar rounds from Burma. The ongoing battle was between two drug trafficking armies contesting control of that portion of the border and its smuggling routes. The United Wa State Army (UWSA), then loosely allied with the Burmese armed forces, or *Tatmadaw*, was at war with the Shan United Army (SUA) of Sino-Shan drug kingpin Chiang Ch'i-fu, better known by his Shan *nom de guerre* Khun Sa. We had driven to the border to gather information and report on that fight.

We reached the mountaintop village of Ban Mae Salong,² originally established by remnants of Chiang Kai-shek's *Kuomintang* (KMT) army that retreated into Burma and Thailand following the communist victory on the Chinese Mainland. On a wooded slope near the mountain's peak, we stopped for lunch at the Sakura Hotel, a ramshackle collection of bungalows and a restaurant owned by Lei Yu-tien. After Tuan Hsiwen's death in 1980, Lei Yu-tien assumed leadership of the remnants of his KMT Fifth Army.³ Our lunch finished, we returned to our vehicle and continued along a winding road through wooded countryside en route to Chiang Rai city.

Descending the mountain, we passed a security post manned by khaki-uniformed, armed members of Lei Yu-tien's private militia. Despite diplomatic license plates and a prominent whip radio antenna, our large Toyota Land Cruiser prompted only passing interest from the young men on duty. Armed with shotguns, Lei Yu-tien's militiamen could be seen patrolling the village and environs much as Thailand's national

Introduction

police do in other rural communities. Ban Mae Salong, however, was not a usual Thai community. Although officially administered by Thailand's Ministry of Interior (MOI), there were no Thai officials to be seen.

Descending through well-tended orchards interspersed among the forest and underbrush, we passed a group of soldiers in olive green battle dress and old-fashioned canvas sneakers. The young men were armed with American-manufactured M-1 carbines from the Korean War-era and carried ammunition bandoleers slung over their shoulders. Our immediate thought was that they might be from one of the drug trafficking armies fighting just across the nearby border, as the Wa and Khun Sa's men wore similar Chinese-style uniforms and neither were strangers to Thailand. I had previously encountered armed units of both groups using convenient roads inside Thailand to avoid the Burma Army and rival drug gangs when moving between locations within Burma. The UWSA and the SUA purchased most of their supplies from local merchants and Thai civilian hospitals frequently treated sick and wounded. Thai authorities tolerated such activities as long as the visitors did not cause trouble inside Thailand.

Near the base of Doi Mae Salong, we stopped at a Thai police checkpoint and reported our sighting of armed troops along the road. The police appeared unconcerned, saying we had seen "Chinese soldiers" from Ban Mae Salong that often patrolled the area. Reassured, we drove back up the road to get a closer look at the soldiers. The patrol had dispersed, but my colleague and I stopped and spoke with two young men resting in an orchard along the road. Both were 19 years of age and appeared physically fit. They identified themselves as "Chinese soldiers" and pointed to the cherry blossom, or *sakura*,⁴ emblem on their uniform caps. Although their first language was Chinese, the young men had attended Thai schools and spoke clear, standard Bangkok Thai. Both were born of former Nationalist Chinese soldiers and, respectively, Akha and Shan hilltribe mothers.⁵

The soldiers explained, that they, like other young Sino-Thai men in the surrounding area, had been conscripted into Mae Salong's local militia. They received lodging, two meals daily, and a modest salary equivalent to about 25 dollars monthly. After two years of active duty, the soldiers would continue as reservists for an unspecified number of years. Their carbines appeared clean and in good working order, ammunition pouches were full, and their rifles were loaded. When I observed that nearby UWSA and SUA forces were armed with more modern rifles,

the young men replied that their unit kept M-16s and other modern infantry weapons in an armory for unspecified “special” missions. Their attitude was matter-of-fact as they described their role in a private army known for its involvement in narcotics trafficking and other illegal activities.

The two soldiers said their primary mission was to maintain security around Ban Mae Salong. They recounted an incident some weeks previously in which local Akha hill tribesmen had held up some automobiles on the road from Ban Tha Ton that we had traveled earlier that day. One of the victims had used a “Polaroid” camera to secretly photograph the armed bandit that took money from those in his automobile. When the traveler reached Ban Mae Salong, he reported the incident to KMT militiamen. With photo in hand, the young soldiers said, their colleagues were able to track down the holdup man at a local village. When asked, one replied simply that the militia shot him dead. Tourism was important to Mae Salong.

The soldiers explained that the Thai government had granted them citizenship because of military service by close family members against Communist Party of Thailand (CPT) insurgents during the 1970s and early 1980s. The father of one of the young men had been killed fighting under Royal Thai Army (RTA) command. The other’s older brother had lost a leg to a mine during the 1981 Khao Ya battle that effectively ended the communist insurgency in North and Northeast Thailand. Eventually the two young men became ill at ease talking to us. Sensing that our conversation had ended, my colleague and I took our leave and continued on to Chiang Rai city.

By the time of that January 1990 encounter, I had served in Thailand and Burma with the US Department of State for nearly seven years and knew something of the history surrounding the KMT in Southeast Asia’s “Golden Triangle.” Well into the 1990s, veterans of Chiang Kai-shek’s armies remained heavily engaged in the narcotics trade and consequent drug wars in the border regions. Reporting on their activities, one of my office’s responsibilities, spurred my interest in one day telling the story of those former Nationalist Chinese soldiers. After retiring from the State Department, I returned on multiple visits to Thailand, Burma, and Laos gathering material for this book, including interviews with Thai officials and KMT veterans that had settled in North Thailand. Handicapped by ignorance of the Chinese language and inability to access Republic of China historical documents, I made only modest progress.

Introduction

Several years later, Bertil Lintner, a friend, well-known author, and recognized authority on Southeast Asian insurgency and drug trafficking, introduced me to Wenhua Chen. Wenhua had recently retired from a career with the United Nations and had authored in Chinese a book about Khun Sa and other “Golden Triangle” drug traffickers. Over lunch in New York City, Wenhua and I shook hands and agreed to collaborate on a history of the Kuomintang army in Burma, Thailand, and Laos. Our research led us to government archives and documents, published works in several languages, and interviews with participants in the events of the time.

Wenhua and I have used the traditional Wade-Giles Romanization system for Chinese names despite the newer *pinyin* system’s predominance outside of Taiwan. That choice does not imply judgment as to the relative merits of the two systems. We chose the Wade-Giles system out of convenience and because the story told takes place during a period when that system was the more widely used. Moreover, historical documents from the period uniformly used the older Wade-Giles system.

Dr. Chin Yee Huei, a former teenaged KMT soldier in Burma, provided us with invaluable assistance. After his military service in Taiwan, Dr. Chin earned a doctorate degree in England and went on to write extensively in Chinese about the history of KMT armies in the Southeast Asia. Wenhua and I could not have written this book without Dr. Chin’s generous assistance and friendship. We are grateful for both. We also owe a debt of thanks to Burritt Sabin, a 20-year friend from my years in Japan, for his valuable advice as we put together our manuscript.

Special appreciation goes to my wife of 45 years Patricia for her patience and understanding as I pursued this book project over the years. She has been a supportive sounding board, a proofreader/editor, and an invaluable contributor to the book. Had she been otherwise, the book would not have come to fruition.

On behalf of the team that put this book together, I should mention that the opinions and characterizations in it are those of the authors and do not necessarily represent official positions of the United States Government or any other entity.

Richard M. Gibson

Notes

1. *Doi* means mountain in the language spoken in North Thailand.
2. *Ban* is a Thai word for village. Mae Salong is now known officially as Santi Khiri. It is, however, commonly known by its traditional name.

3. While officially designated by the Thai government as Chinese Irregular Forces (CIF), the Fifth Army and other Nationalist Chinese military remnants in Southeast Asia are referred to almost universally as the *Kuomintang*, or simply by the acronym KMT. For convenience, the authors have followed that custom.
4. The Fifth Army used a cherry blossom, complete with its Japanese name *sakura*, as its symbol.
5. Two of the many ethnic minorities common to the Thai-Burma border region.

Glossary of Key Players

Ai Hsiao-shih	Leader of the Wa National Army and Zone 1920 recruit
Aung Gyi	A senior general staff officer and Chief Burmese representative in the JMC
Boun Oum	Laos Prime Minister following the 1960 <i>coup d'état</i>
Ch'en Ch'eng	ROC Prime Minister (1950)
Ch'en Cheng-hsi	Unprincipled ROC military attaché in Bangkok
Ch'ien Po-ying	YANSA Chief of Staff
Chang Ch'i-fu	(Alias Khun Sa) leader of the Shan United Army
Chatchai Chunchawan	Bangkok representative to the JMC and Thailand's Prime Minister (1988–1991)
Cheng Kai-min	Nationalist Chinese intelligence chief
Chiang Ching-kuo	Chiang Kai-shek's son, responsible for ROC guerrilla operations on the Mainland
Chiang Kai-shek	President of the Republic of China
Chou Chih-jou	ROC Chief of Staff
David McKendree Key	American Ambassador to Rangoon
Dean Acheson	Secretary of State during the Truman administration
Dean Rusk	Assistant Secretary of State for Far Eastern Affairs
E. F. Drumright	American Ambassador to Taipei during the Privateer investigations
Edwin F. Stanton	American Ambassador in Bangkok
Fu Ching-yun	Eighth army division commander
G. S. Bajpai	Indian Foreign Minister
George K. C. Yeh	Taipei Foreign Minister
Harvey Toy	Fuhsing Airline's Vice President
Hkun Hkio	Burmese foreign minister