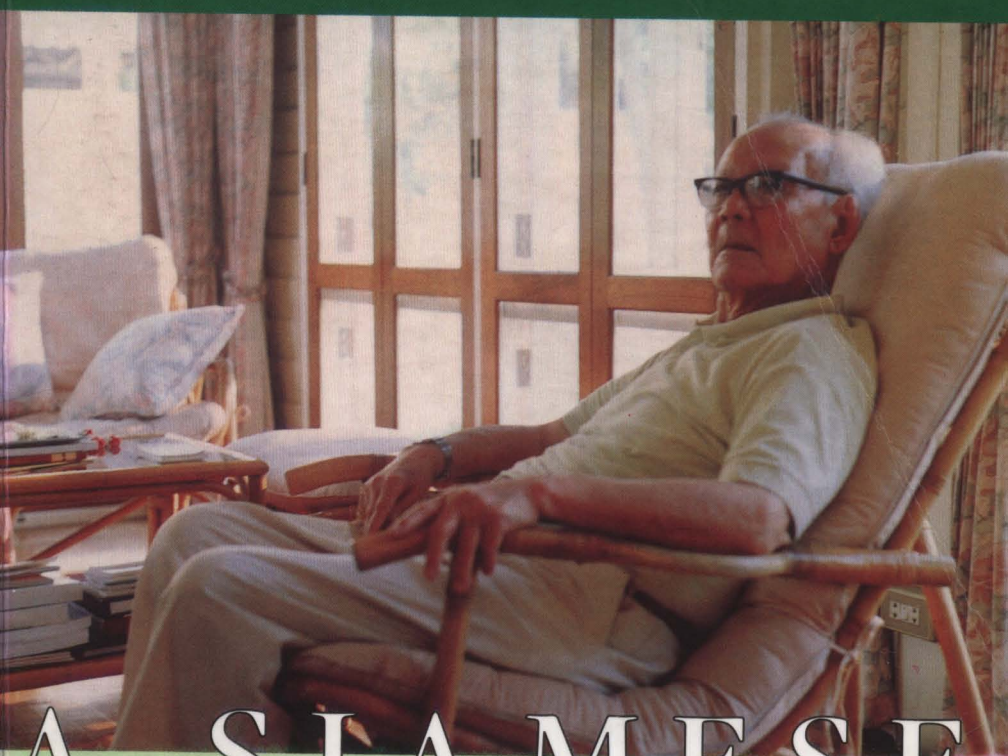


COLLECTED ARTICLES BY AND ABOUT PUEY UNGPHAKORN



# A SIAMESE

F O R A L L S E A S O N S

Fifth Edition




มูลนิธิภูมิปัญญาวัฒนธรรม

# PUEY UNGPHAKORN

## A SIAMESE FOR ALL SEASONS



 เนื้อหาทั้งหมดใน OpenBase ถูกเผยแพร่ภายใต้สัญญาอนุญาต Creative Commons Attribution-Noncommercial-Share Alike 3.0 Unported License ท่านสามารถนำเนื้อหาทหขึ้นไปใช้และเผยแพร่ต่อได้ โดยต้องอ้างอิงแหล่งที่มา นำมาไปใช้เพื่อการค้า และต้องใช้สัญญาอนุญาตชนิดเดียวกันนี้เมื่อเผยแพร่งานที่ดัดแปลง เว้นแต่จะระบุเป็นอย่างอื่น

# **A SIAMESE FOR ALL SEASONS**

## **Collected Articles by Puey Ungphakorn**

ISBN # 974-7232-68-5

Fifth Edition Printed in November 2000

Amount printed : 2,000 copies

Published and Printed by:

Komol Keemthong Foundation Publishing

8/23 Soi Baanchanglor, Phraannok Road,

Bangkok Noi, Bangkok 10700

Tel. (662) 412-0744, (662) 866-1557

Fax. (662) 848-9756

E-mail: komolpublishing@access.inet.co.th

<b>Managing Editor</b>	<b>:</b>	<b>Thitima Kunatiranont</b>
<b>Editing Division</b>	<b>:</b>	<b>Suchada Seso, Somporn Somboonsiripan, Pinpaka Ngamsom</b>
<b>Marketing and Sales</b>	<b>:</b>	<b>Apavadee Ngamkum, Praroam Kananurak</b>
<b>Administrative</b>	<b>:</b>	<b>Sunate Rungjangsuwan</b>
<b>Public Relations</b>	<b>:</b>	<b>Pilailak Promjan</b>
<b>Accounting</b>	<b>:</b>	<b>Bualee Papinit</b>
<b>Cover Design and photograph</b>	<b>:</b>	<b>Pote Kritkraiwan</b>
<b>Book Design</b>	<b>:</b>	<b>Procom Graphic</b>
<b>Production</b>	<b>:</b>	<b>Santi Sathapornsathid</b>
<b>Distribution</b>	<b>:</b>	<b>Kledthai Co.Ltd. Tel. (662) 225-9536-9</b>

Collected Articles  
by and about  
**Puey Ungphakorn**  
**A SIAMESE FOR ALL SEASONS**

Fifth Edition



KOMOL KEEMTHONG FOUNDATION

## **Komol Keemthong Foundation**

Permission granted by The Ministry of Education on 6 September 1971

Permission No. ๑. 144/1971

Permission granted by The Ministry of the Interior on 25 December 1973

Registration No. 763

### **Committee**

Mr. Sanya Dhammasakti	Founding President of the Committee
Mr. Puey Ungphakorn	Founding Vice-President of the Committee (deceased)

- |                                  |                            |
|----------------------------------|----------------------------|
| 1. Mr. Udom Yenrudee             | Honorary President         |
| 2. Mr. Sulak Sivaraksa           | President of the Committee |
| 3. Mr. Charnvidith Aramridth     | Treasurer                  |
| 4. Mr. Chalerm Dhongsribhongse   | Legal Counsellor           |
| 5. Ms. Rosana Tositrakul         | Manager                    |
| 6. Ms. Thitima Kunatiranont      | Assistant Manager          |
| 7. Phra Phaisan Visalo           | Member                     |
| 8. Mr. Karuna Kusalasaya         | Member                     |
| 9. Mr. Kasemsant Weerakun        | Member                     |
| 10. Mr. Naris Chaiyasoot         | Member                     |
| 11. Mr. Bunchar Portgpanich      | Member                     |
| 12. Mr. Pracob Cooparat          | Member                     |
| 13. Mr. Prapote Petrakard        | Member                     |
| 14. Mr. Prawes Wasee             | Member                     |
| 15. Mr. Pibhop Dhongchai         | Member                     |
| 16. Mr. Sanphasit Koompraphant   | Member                     |
| 17. Ms. Aurasri Ngamwittayaphong | Member                     |
| 18. Mr. Uthai Dulyakasem         | Member                     |
| 19. Ms. Siriwan Nitcharoen       | Secretariat                |

---

The Komol Keemthong Foundation was founded in 1973, and has since aimed to promote and support selfless acts committed for the good of society, strong ideals, and solid, moral role models, such as Komol Keemthong, whose death in 1971 was a great loss to society. He was a teacher who had dedicated his life to serving the poor and destitute.

# CONTENTS

---

Foreword	<i>by Sulak Sivaraksa</i>	(7)
Explanatory Notes to the Fourth Edition		(9)
Preface	<i>by Udom Yenrudee</i>	(10)

## PROLOGUES

Recollections of Dr. Puey	<i>by Laurence D. Stifel</i>	3
Puey	<i>by Thomas Silcock</i>	9
Puey Ungphakorn	<i>Ramon Magsaysay Award Foundation</i>	19

## DR. PUEY'S ARTICLES

National Policy Priorities in Thailand		45
The Scope and the Promise of Non-Governmental Cultural Interchange within Southeast Asia		51
Violence and the Coup d'État, 6 October 1976		59
Crisis in Thailand : Politics, Development and Agony of Intellectuals		83
Trends in Thailand		99
Human Rights in Thailand		127
The Prospects of Cooperation among S.E. Asian Countries		173
Step to International Monetary Order		189
Temporary Soldiers		231
Looking Back, Looking Ahead		275

## **EPILOGUES**

**Right is Might:**

**Puey's formula for Thailand** *by Surin Pitsuwan* 319

**A meeting with Dr. Puey Ungphakorn  
in London** *by Surin Pitsuwan* 323

## **ADDITIONAL MATERIALS**

1. **A Remembrance of Dr. Puey** *Murray Thomson* 331

2. **Dr. Puey's Memoranda** 333

2.1 **Introduction** *Charivat Santaputra*

2.2 **Cover Letter from Professor  
Harold J. Laski**

2.3 **Memorandum I The Rice Famine and Siam's  
Contribution**

2.4 **Memorandum II Anglo-Siamese Relations**

**Appendix A** 357

**Appendix B** 360

**Appendix C** 361

## FOREWORD

---

We published the fourth edition for Dr. Puey's birthday in 1984. In 1999 he passed away on July 28th. This new edition includes his obituary and several other relevant articles.

The publication date of this edition is to be October 2000. The month is appropriate for Dr. Puey since the great political event on October 14th 1973 was largely due to his letter to the then Prime Minister and dictator. This letter will be translated and included in the memorial volume to be published on his next birthday anniversary, March 9th 2001.

Again in 1976, the bloody events on October 6th tragically affected Dr. Puey along with many others. Given the violence and turbulence of the time, what he described in this volume is mild and objective.

His ashes, together with those of his mother and grandmother, are now installed under a Buddha image in Wat Pathumkongka. In fact, he used to run around this temple when he was a boy and was also a temporary novice at this temple in his teens. Some of us have asked the abbot of the temple to create a



Puey Forum in the temple for young people to use for intellectual discussion as well as for other activities in pursuit of peace, happiness, truth, goodness and beauty—all subjects to which Dr. Puey was deeply committed.

If you wish to find out more about the Puey Forum and/or the memorial volume in his honor, please feel free to contact the Komol Keemthong Foundation, which will celebrate its 30th anniversary on February 22nd 2001. Dr. Puey was one of the founders of the KKF and was the first lecturer of the KKF's annual lecturs in 1974.

*Sulak Sivaraksa*  
*President*

# **EXPLANATORY NOTES TO THE FOURTH EDITION**

---

Since the publication of the last edition, we discovered new documents written by the author shortly after the Second World War, which we feel are important for understanding his role in serving his country. Therefore, we decided to add this writing to relevant materials on the same theme. We thank Dr. Charivat Santaputra who found these documents for us for kindly writing an introduction to them, helping the readers to understand their importance. Murray Thomson, Director of Project Phoughshares in Canada, has also kindly written an additional appreciation of Dr. Puey, which we are now including.

This new edition will hopefully be published in time for Dr. Puey's birthday anniversary. Let us hope that he will enjoy peace and happiness in his old age as he has done so much for his country and for humanity.

## **PREFACE**

---

*Here is a collection of papers which places on the record the life, achievements, and the guiding conviction of our distinguished citizen, Dr. Puey Ungphakorn, up to 1977.*

Much water has flowed down the Chao Phya River through Bangkok since then. From a distance in time, though a short one so far, what was considered emotionally as controversial some years ago may now be fairly evaluated objectively to detect the true nature of Dr. Puey's efforts to serve his motherland-*this Thailand.*

Only during times critical would men be tested for their quality of courage and conviction. For courage, twice Dr. Puey did step forth: once in his youth when the survival as an independent Thailand was at stake and recently in his prime when democratic freedom in Thailand was in jeopardy.

For conviction and matters of principle, he was consistently loyal to his chosen career as a conscientious government

civil servant and to his role as a model citizen. It demanded both conviction and courage to refuse offers of cabinet posts, highly remunerative jobs, and leadership of a popular political party. He was even aloof to the prospect of becoming prime minister. Yet he gladly helped to establish this Foundation and been serving it faithfully as Vice-President of the Board of Trustees.

*Udom Yenrudee,  
President  
Komol Kheemthong Foundation  
Bangkok, July 10th 1981*



## **PROLOGUES**

---



---

## **RECOLLECTIONS OF DR. PUEY**

**I** was deeply curious about the sources of Dr. Puey's mystique when I moved to Bangkok in the early 1960s to work at the National Economic Development Board. I had heard of his extraordinary technocratic achievements. Principal architect of the government strategy that sparked the country's impressive economic growth, he was responsible for the three primary stages in strengthening the financial system: the liberalization of the multiple exchange rate, the establishment of the Budget Bureau, and the introduction of national economic planning. He had skillfully mobilized the support of foreign aid donors as a powerful lever in the internal political effort to make these changes. Moreover, it was well known that Dr. Puey repeatedly declined cabinet positions—and the great rewards attached to them—in order to retain his independence as Governor of the Bank of Thailand.

But how had this brilliant technocrat become elevated into a symbol of integrity that inspired a generation of young

officials in the government service? The mystery was compounded for me when newspapers carried stories that Dr. Puey had attempted to resign from the prestigious governorship of the Bank of Thailand in order to take up the bureaucratically insignificant position of Dean of the Faculty of Economics at Thammasat University.

I was frankly disappointed when we first met. He had parked the little Morris car that he drove himself in the compound of the planning board. Balding, stocky, nondescript, he was rushing, with a bundle of papers under his arm, into a meeting there. Could this be the person who had such magnetic appeal to the sophisticated economists in my office?

At the first meeting that we attended together, Dr. Puey appeared less concerned about the orthodox economic questions relating to the second Economic Development Plan than I had expected. Instead he wanted to know how the benefits of the plan were going to reach the poorer segments of the population. About a decade before equity-orientation became part of the conventional wisdom of economic planners, Dr. Puey was arguing that the fruits of economic growth should be shared more equitably by people in the urban slums and rural areas. I came to understand that Dr. Puey, son of a poor fishfarmer, had experienced the oppression of poverty and prejudice in his own life and he was morally committed to building a more just, more humane, and more rational society for all citizens.

In the course of work on the preparation of the new plan, I naturally heard a great deal about Dr. Puey and I began to appreciate the reasons for his charisma—and to share in the widespread respect and admiration for him. First, there was his engaging modesty and good humor. The story of the newspaper reporter who went to his house to interview him about receiving

the Magsaysay Award, the Nobel Prize of Asia, was typical; the reporter asked the gardener working in the front of the modest house whether Dr. Puey was at home—the gardener responded, “yes, what can I do for you?” Dr. Puey believed that he could be most effective if he avoided the political limelight and worked quietly within the system; he liked to say that “a Central Bank Governor should behave toward his Finance Minister as a dutiful wife should toward her husband. She can praise him both in public and in private, but any wifely criticism should be offered in private.” Paradoxically, the power of Dr. Puey’s ideas and ideals had political impact far surpassing that of cabinet ministers. Except for an occasional social event honoring a close friend or colleague, he completely eschewed evening receptions, parties and the conventional formalities relating to his exalted rank, in order to share time and love with his wife and children to whom he is completely devoted and who have sustained him in times of need.

Second, there was the integrity for which he was famous. This was commonly equated with his absolute incorruptibility and unswerving commitment to honesty in public service, in an atmosphere where those qualities were all too rare. But I think Dr. Puey’s integrity had a deeper and more general meaning—a belief in consistent moral principles or ideals about how individuals and society should behave and the courage to risk everything for their realization. During World War II this meant risking his life with the Free Thai Movement in order to liberate the country from an alien, anti-democratic occupation. Among his guiding ideals is a stated belief in truth and its potency in a free and open society to contribute to the well-being of society. At a later stage of his life political turbulence would severely test but never blemish the courage of his commitment to



this ideal.

By the time my assignment at the planning board was nearing completion, Dr. Puey and the Prime Minister had reached a compromise solution that permitted him to double up with two jobs, the Faculty of Economics at Thammasat in the morning and the Bank of Thailand in the afternoon. He genially told the banking community that he preferred to be addressed as Dean rather than Governor Puey. I knew enough about Dr. Puey then to understand that he turned to the University, in this case his own alma mater, because of the temporal limits of his own engagement with social issues; the next generation and successive generations thereafter had to be equipped with the knowledge and the ideals to assume the burden of the struggle for a better society. The brightest young faculty members rallied to support his efforts to reform the system of higher education, to free Thammasat and other universities from bureaucratic regulations, and to create an atmosphere conducive to free and critical inquiry about problems of national development. Although an intellectual, a lover of the arts, and an advocate of liberal education, Dr. Puey viewed the University primarily in instrumental terms, as a mechanism for training people to serve the kingdom and for producing knowledge useful for development.

The success of these initial efforts in the University attracted the attention of the Rockefeller Foundation which agreed to support Dr. Puey's plans to build modern undergraduate and graduate programs in economics. Dr. Puey suggested that I join the Foundation staff and work with him on the project. The opportunity to remain in Thailand, which all my family loved, and to share with this heroic figure the task of pursuing a common vision of the University's potential was exhilarating indeed. I agreed to accept and devoted the next seven years to

the cooperative project designed to implement his academic plans at Thammasat University.

With characteristic dedication and energy, Dr. Puey labored over every detail of his responsibilities at the University particularly the selection of junior lecturers and graduate students. When some of my colleagues wanted him to focus on more general issues, he was frequently agonizing over the case of an individual, his concerns, potentiality and goals in life. In each teacher and student, he sought that precious sense of idealism that could be kindled into an understanding and compassion for the common man, especially the farmer. In his work at the University and development agencies, his energies were increasingly drawn to rural development. On sabbatical leave at Cambridge University, he studied and wrote about rural development and, when Prime Minister Sanya's government had been formed, he returned to direct a field research project to analyze the characteristics of rural poverty and plan development projects addressed to the real conditions in the countryside. Elections were being planned at that time and many supporters urged Dr. Puey to throw his hat into the political ring, but he sincerely felt that he could contribute more to society—while maintaining his integrity—by remaining outside the maelstrom of Thai politics, even if he could have been prime minister.

As Dean and Rector, Dr. Puey could not escape the turbulent politics of the 1970s, particularly when radical student politics became a national issue. Faithful to the principle that truth will result from the open and fair clash of ideas, he tried to moderate the ideological tempest. Although the appearance, the manners and the rhetoric of the radical students often were obnoxious to him, he defended their right to free expression at the cost of slanderous attacks on himself personally. His message

was one of a peaceful and non-violent struggle for reform. Seldom complaining, he did unburden himself in writing an introduction to a series of essays in memory of his trusted associate, Khunying Suparb. He wrote: "Straight opposition, I welcome; crooked opposition saddens me. Pleas for freedom of conscience have been declared tantamount to cowardice, evasion, immoral and even treason. Academic freedom has been attacked as dangerous license... In writing these lines, I do not intend to complain to make anybody, least of all you, feel sorry for me. I just want to congratulate you, Suparb, for the fact that your struggle is now ended. Whether you will agree with me on these particular issues of freedom is of little consequence. What is more important is the fact that you and I have always agreed that ideals are worth fighting for."

The question frequently arose whether Dr. Puey could have accomplished more for his country if he had directly entered the political arena. Basically, I think, he is not a political creature. Perhaps he is too honest, too idealistic, too stubbornly committed to the three guiding ideals in his life, Truth, Beauty and Goodness. Some have criticized him for being naive or unThai because of his courage in standing against the current. The cruelest attacks came from those who charged that he was alienated from Thai values because of his Chinese lineage or his English wife and foreign education. Dr. Puey would brush aside such charges with the response that Truth, Beauty and Goodness are universal values—supported by both Buddhism and Christianity, they define what it means to be human.

---

*Laurence D. Stifel*



---

## PUEY

In Direk Jayanama's *Thailand in World War II*, Puey has written the following account of his capture on an intelligence mission behind the Japanese lines:

I find it hardly possible to believe that, within less than a second at that time, so many different thoughts came flooding into my head. From the time that I became conscious that there were people surrounding me, to the time that they reached me, so many different thoughts and images passed through my brain that I do not know which came before, which after. I thought of my lover in London; I thought of Mani Sanasen's last words to me before we left England; I thought of my friends still in India; I thought of my two friends still hiding in the grove nearby; I thought of my friends and relatives living in Bangkok; I thought of the official letter from the High Command to 'Ruth' that was still in my wallet; and I

thought of the poison that lay in a pouch against my chest. This last thought was the last to come to me. Ought I to swallow the poison? Or should I let them capture me alive? Better let them take me dead! For there were many, many secrets that I carried with me; and if I were captured alive I should be forced to betray these secrets. Better yet not to let them capture me! As for these documents which I carried on my person. I should still have the power to protect them as long as I had life. If I died, how could I protect them? Life is a thing so fresh and beautiful; and so long as life lasts we may still hope. If the Japanese do torture me, I suppose it would be more comfortable to die now. Yet I saw that there were no Japanese in the group coming to capture me. Don't do it then! When you meet a tiger you might as well face a fight to the death. Better let them take me alive! Don't die yet!

Since I read this very moving account of his capture I have often thought how different the recent history of Thailand would have been if he had taken the poison which the army had provided for him in case he was captured. There might well have been no loans from the International Bank to Thailand, and hence no rapid rural development. The influence of the Bank of Thailand might have disappeared with the death of its founder, Prince Viwat, in 1959, or even earlier. Without either the loans or the steadying integrity of the Bank, Thailand might well by now have degenerated into the hopeless corruption of some of its neighbours, and perhaps been over run by communism.

There is, however, for me an even stronger reason for thankfulness that he faced the prospect of torture and decided to survive. In a time when heroic qualities in the West seem paralysed by the smallness of men in comparison with the greatness of events, Puey has lived his life—in a comparatively small country—on a heroic scale. His bearing is so modest, almost to the point of diffidence, that in his presence it is difficult to believe the scale and the range of his achievements. He once privately reproached me for extravagance in comparing him with Prince Viwat. For anyone who knows the Thai scene this is as if Winston Churchill accused one of extravagance in comparing him with Robert Menzies.

After an outstanding undergraduate career at Thammasat University, he was a postgraduate student at the London School of Economics when Thailand was invaded in World War II. Giving up his studies to join the British army, he was selected as the leader of the first party to be air-dropped into Thailand behind the Japanese lines. Though the drop was a complete failure (most of the equipment fell in the middle of a village, and he was almost immediately captured), his influence on all the Thais he encountered was such that he was able to establish a complete secret network in Bangkok, while still nominally remaining a prisoner-of-war. He was even sent back by air to London, before the end of the war, to try and negotiate with the British government on behalf of Thailand.

All this, however, was merely a preliminary to his career. Within a decade of taking his higher degree he had mobilised enough influence to bring about a major reform in the Thai budgetary system, had been appointed Deputy Governor of the Bank of Thailand, and had resigned this position in protest against financial irregularities by the Prime Minister.

For a young man in his early thirties this might well have been the end of a promising career, but not for Puey. There are several reasons for this. One is, of course, Puey's great value to the Thai government. He is not merely a very able and very practical economist and administrator. He is also a transparently honest and firm man, in a country where dishonesty is very easy and firmness usually undervalued. His character inspires confidence. Yet there is one special feature which would be important anywhere, but is especially important in Thailand. He is able to believe in people, even while feeling compelled to protest against some of their actions. He is no self-righteous protester, prepared to blacken characters for the sake of condemning wrong.

In the particular case in which he felt he had to resign, the Prime Minister had, for political reasons, condoned a serious financial irregularity. I believe that Puey accepted the fact that the Prime Minister considered this necessary because of the way political power was organized in Thailand. He spoke strongly and forthrightly to the people concerned, making it clear that he could not accept such 'necessity', but was on this occasion prepared to resign privately and without publicity. It was a moral stand, not a political protest. He was to show his capacity for political protest later, when he had a goal to achieve and protest could help.

After a spell as Financial Counsellor in Europe he returned to the Bank as its Governor. Partly through his own resignation, partly though those of other key men, the Bank had acquired a good deal of moral authority. It administered most of the overseas loans to Thailand, and lenders who had good reason for caution in lending to the Thai government were prepared to trust the Bank. In bringing Puey back to head the Bank, the Prime Minister was knowingly setting limits to his own capacity, and that of his

ministers, to divert public funds to private use. He had sources beyond Puey's control, but he realised that it was for Thailand's good that a great part of the country's assets should be in safe hands. A few years later, when he established the Budget Bureau, he made Puey head of that too.

Since Puey has been Governor of the Bank he has had plenty of opportunity to make use of political protest. When he had been Governor five years the Bank published a collection of his public speeches. This makes it easy to see what he has been trying to do and to observe his mind and character at work.

There have been well-timed attacks on abuses, where a shift in public opinion could be effective. Here, a speech would mobilise business opinion against a monopoly in foreign trade. There, a criticism of inefficient public enterprise would set people asking questions. Direct abuses in government departments were needed, but without pointing to any particular individual. These attacks have certainly stimulated press comment and had their effect on the organization of Thai society. They are limited in scope, lacking in personal bitterness, and timed (apparently) to achieve a specific effect.

Yet there is another kind of comment, designed to achieve a more long-run result. Here the aim is to change the nature of Thai banking by playing on a fundamental inconsistency in the character of Thai bankers. Thai bankers at present have to be two things at once. They have to organize a professional service, with all the necessary skills and qualities of character that a banker must possess to command public confidence; yet, they are also actively involved in Thai politics, furthering the rather shady interests of particular politicians and business groups.

The chief occasions for Puey's long-run efforts are his annual speeches at the dinner of the Thai Bankers' Association,



and sometimes also his speeches at professional associations or faculty meetings. His aim here is to make Thai bankers more professional and strengthen them against the abuses that come from associating with politics. This aim he also pursues in his teaching; for like many Thai civil servants Puey was a part-time lecturer in a University, and unlike most of them he continued to teach even when he had risen to the highest levels of the service. In one of his books—a textbook based on his lectures—there is a fascinating attempt to derive, from Buddhist ethics, the moral duty of the practising economist. Clearly one of his motives in continuing to teach is his conviction that it is, above everything, important to train Thai professional men who will be firm in carrying out their professional obligations.

Not many years ago he made front-page news in Thailand by asking to be allowed to resign his post as Governor of the Bank to serve full-time as Dean of the Faculty of Economics at Thammasat University. The Prime Minister persuaded him to stay on and hold both posts simultaneously. Reluctantly he agreed to do this for a time, but from then on he treated his University post as the more important, and preferred to be called the Dean rather than the Governor.

The next time he was invited to the Thai Bankers' Association he was in excellent form. It was the first time, he said, that the Thai Bankers' Association had invited the Dean of Economics to address them. However, he thought it would interest the assembled bankers to know something of the topics on which the Department hoped to undertake research projects. He then proceeded to enumerate several problems which were worthy of investigation; every one of them involved some scandal which a bit of public reaction might have led to some cleaning-up.

Though this was in part a playful reaction, the underlying intention involved, in transferring his attention increasingly to University education, is far from playful. Puey has become convinced that the forces of decency and professional integrity are not strong enough in Thailand, mainly because not enough is done in the universities to train character in future professional leaders. This is partly because University teachers give too little of their time to their University work. The main reason is that they are paid very little, and feel they have to spend some time supplementing their income. No doubt Puey feels that if the Governor of the Bank of Thailand gives up his position to teach full-time it will have an effect in two different directions. It will help stimulate the morale of University teachers and encourage them to give as much time as they can possibly afford to their University work. Yet it is perhaps even more important that it will stimulate new attitudes towards University teaching among those who have good reason to respect the importance of Puey' work. Senior civil servants and businessmen may manage to despise Thai University teachers; but most of them know from practical experience the influence Puey has exerted. The shadier ones may not like him, but none of them can despise him.

Since his first attempt to leave the Bank, Puey's influence among Thai intellectuals has greatly increased. Many of the keen young academics, even in fields far from his own, now look to him for leadership and inspiration. This is not only because of the distinction that he has brought to the academic profession. In spite of his great responsibilities he has found time to produce important scholarly works in the Thai language: among others, a book on public finance and a half-share in the best individual text on the economy of Thailand. Yet there is another reason for his standing among intellectuals beyond his own field. For this

surprising man is also a literary artist, not only in prose but also in verse.

I do not know whether he has published any serious poetry; if he has, I have not seen it, but for me it is a hard struggle to read Thai poetry and I have very little idea what is available. I know that two of his speeches to the Thai Bankers' Association were made entirely in verse-elegant, graceful verse with plenty of wit and verbal playfulness, clearly the work of a man who is at home in the medium. His recent vivid and effective account of his wartime experiences quotes some verse that he wrote when, with a group of other young Thais, he was undergoing preliminary training in the British army; so that he must have been writing verse for over twenty years.

Once I congratulated him on the fact that he had produced these speeches in verse, and wondered whether he was the only Central Bank Governor in the world who would either think of doing such a thing or have the talent to do it. He smiled his charming deprecatory smile. I thought once again how difficult it was to remember, when talking to him, the achievements of this diffident man. For not merely is he modest to a fault; he is not in any way physically distinguished. He is of average height for a Thai, a little bald, with nothing except his smile that is easy to remember. Looking more carefully one notices the uniformly quick movements, invariably smooth and unrushed, that must contribute something to the vast amount of work he gets through, and the air of kind authority that seems natural to him in talking to any subordinate. Yet even these things convey little of the power of his personality.

He ignored the element of congratulation in my question, choosing to treat it as mere curiosity about why he should have taken the trouble to write in verse instead of in prose. It would

not, he said, have been worth the time if he had not had a good many critical things to say about the government, which the new Prime Minister might find hard to take. He was a good man—they all began this job with good intentions—and the main thing was to point out what needed to be done. It would be much easier for the Prime Minister if it was said lightly, in verse.

How many men are there, in present-day politics, who could cite—with complete candour—such civilised ‘reasons of state’ and implement them with such felicity? The courage to join a foreign army for his country’s good, to face charges of treachery and risk torture, alone; the strength to resign, privately and on grounds of principle, an important post, on the threshold of his career; the grace, even in this crisis, and in later crises, to seek the good in his adversary and not to vilify; the ability to administer a great and powerful institution, combined with humanity to care deeply about the moral development of an individual student; and, with all this, the capacity to clothe his thoughts in vivid and distinguished prose or in graceful, felicitous verse: these are the qualities that make Puey an inspiration to many young professional Thais. These are the qualities which make me, personally, richer for having known him.

---

*PROUD AND SERENE sketches from Thailand by*  
THOMAS SILCOCK, AUSTRALIAN NATIONAL UNIVERSITY PRESS,  
Canberra, 1968



*Ramon Magsaysay Award Foundation  
Ramon Magsaysay Center  
Roxas Boulevard, Manila  
Philippines*

---

## **PUEY UNGPHAKORN**

**T**he principal figure behind Thailand's achievement of economic growth with financial stability, Puey Ungphakorn has made his contribution quietly. While little known to the public, in Thai government and banking circles even those who have opposed his efforts accord him high respect. International bankers consider him one of the outstanding central bank governors in the world.

Puey Ungphakorn was born in the family home in Talad Noi in the heart of the business section of Bangkok, Thailand, on March 9, 1916, the fourth child in a family of five sons and two daughters. His father, Nai Sar Ungphakorn, who had migrated from China and was a Wholesale fish merchant, died when Puey was only 10, leaving the upbringing of the seven young children to the mother. Nang Soh Cheng, a spirited second-generation Thai-Chinese, was determined that her

children have a first-class education irrespective of the cost. "Mother had a very hard time trying to earn enough to support and educate all of us," Puey reminisced to a friend in later years.

Puey studied diligently at the elementary and secondary schools (French Section) of the Catholic Mission's Assumption College in the Bank Rak District of Bangkok. His marks were particularly good in French and mathematics. Upon his graduation in 1932 he was retained by the college as a junior instructor at a salary of Baht 40 per month--a sizeable income at a time when the starting salary of government clerks was Baht 15. Mentioning to a family acquaintance that her 17-year-old son gave her Baht 30 and retained only Baht 10 for his own expenses, his mother said proudly: "Puey is now taking my place in the family."

In 1934 a new government University of Moral and Political Science, later to become Thammasat University, was established in Bangkok. Class attendance was not compulsory and published lectures were distributed by the University at a nominal cost of about Baht 2 per course to enable working students to study at their convenience. Like several thousands of other young, ambitious Thais, Puey enrolled at UMPS while teaching at Assumption College. Studying evenings and weekends, he was graduated in 1937 with a degree of Bachelor of Law and Political Science. Thereafter, he resigned from his teaching position and was employed for about eight months as an interpreter attached to a French professor at UMPS.

In 1938 Puey won, through competitive examination, a Siamese Government scholarship to study economics and finance in a foreign country. His beloved mother had the satisfaction of knowing of this achievement before her death that year. Puey

elected to study at the London School of Economics, University of London, where he became a student of Lionel Robbins, Frederick Hayek and Harold Laski. In 1941 he received a degree of Bachelor of Science in Economics.

Though many Thais before and since have received similar degrees from the London School of Economics, Puey is the only Thai to graduate first in First Class Honors. For this accomplishment he was awarded a Leverhulme Studentship and allowed to work toward a doctorate without first acquiring a Master's degree. His studies were interrupted shortly after the outbreak of the Pacific War when Thailand declared itself an ally of Japan. Refusing repatriation, Puey and a group of fellow students founded the "Free Thai Movement" in England. In August 1942, aware of British and American efforts to establish Allied units behind the Japanese lines, they volunteered in the British Army Pioneers Corps with the aim of establishing contact with the resistance movement they believed would be organized in Thailand.

A modest account of his wartime activities was written by Puey in a booklet entitled *Temporary Soldiers*, distributed on the occasion of the cremation, in July 1953, of his brother-in-law, Colonel San Yudhawongse. Described by a fellow "temporary soldier" as a typical "British understatement" of his role in the success of the Free Thai operation in occupied Thailand, the story is written in the first person, Puey's code name being "Khem."

The main Thai group, known as "The White Elephants," were taken, in November 1942, to a Force 136 training center outside Poona, India, for instruction in guerrilla warfare. In September 1943 Puey was chosen as a member of the first party

of three Thais to be put ashore off the coast of Siam from a submarine with wireless equipment to establish radio contact with British headquarters in India for intelligence purposes. For this Puey and one companion were sent to a school near Calcutta for training in intelligence and security, and the three were given further training in landing from a submarine at Trincomalee, Ceylon before sailing to Siam. For a tense week the small submarine waited off the coast to catch prearranged signals which never materialized. Returning to India, Puey underwent further preparation, including parachute training at Rawalpindi for those who would be “dropped blind”—without a reception party—to establish radio communication in Thailand.

Puey, now commissioned a Lieutenant in the British Army, was mistakenly dropped in a field near a village instead of in heavy jungle cover. Apprehended, he was taken to the district police headquarters and then to Bangkok where he was joined by his two companions who had been caught in a second village. Soon apprehended members of other infiltration teams were brought in, some having come from the U.S. by land, from Yunnan and others by sea from Colombo. Interrogated by the Japanese, but under Siamese police protection, the prisoners fared well at the hands of the police who gave them the run of the compound, and closed their eyes to their night-time activities.

Radio communication with British headquarters in India was made possible in September 1944 by the help of the internal resistance organization members who risked their own homes to let them be used as stations. During the day the prisoners remained in the police compound making sanitary arrangements and otherwise busying themselves to cover nocturnal “escapes.” In the following months, they succeeded in enlisting prominent



Thais into the resistance movement. The police network cooperated, and partisans were identified in all branches of the Siamese armed forces. By May 1945 the movement was well enough developed for Puey to be taken out of Thailand by a Catalina flying boat from the seaside resort of Hua Hin. He was later returned to an official airfield in northeastern Thailand.

In September 1944, Puey had been promoted to Captain while in "captivity," in June 1945 he became a Major and was later decorated an M.B.E. (Member of the British Empire).

Puey was back in England by December 1945 to resume his interrupted doctoral study at the London School of Economics. In 1949, upon completion of his thesis, *International Tin Control between the Wars (1920-1940)*, he was awarded a Ph.D.

In 1946, shortly after his return to England, he married Margaret Smith of London. In his undergraduate class at the London School of Economics, she had majored in sociology. Their eldest son, Jon, was born in London in September 1947, followed in Bangkok by sons Petter Mytri in March 1950 and Giles Ji in October 1953.

The "Free Thai" students, in recognition of their wartime service, were exempted from the rule that all Thai who study abroad under government scholarship are required to serve the government for a prescribed period. With his academic and military record, Puey was offered remunerative employment by private firms both abroad and at home, but he returned to Siam—by then renamed Thailand—in 1949 to join government service, starting like other beginners as a third-grade official earning the equivalent of about US\$ 80 per month.

Puey's contribution to Thailand's economic develop-

ment and currency stabilization dates from the beginning of his government service. His efforts consistently reflected his premise that a modern, sensible government ought to have three economic objectives: (1) development, i.e., increase in income and wealth of the nation; (2) stability, i.e., steady growth, rather than braking and accelerating, and (3) social equity, i.e., fairly even distribution of wealth.

First holding the position of Economist in the Comptroller General's Department of the Ministry of Finance, Puey began his career when negotiations were being initiated for loans from the International Bank for Reconstruction and Development (World Bank) for repair and improvement of basic facilities. For these improvements, recognized by the Government as requisite both to diversification and increased production in agriculture and to industrialization, external borrowing was needed in order not to deplete foreign exchange reserves. Among early priorities were: construction of the Chao Phraya Dam at Chainat in Central Thailand for irrigation of rice land, rehabilitation of the Railways workshop in Bangkok partially destroyed by wartime air raids, and the expansion and improvement of Bangkok port facilities.

Though he was only a junior official, colleagues concede that Puey's detailed knowledge of the economy and the projects, his good judgement and his hard work figures significantly in the successful conclusion of these loans which gave major impetus to Thailand's postwar rehabilitation and economic growth. In connection with the loans, Puey was sent to the U.S. for training under auspices of the world Bank.

In 1952 Puey was promoted to a senior position as Technical Assistant to the Permanent Undersecretary of Finance.

Concerned with education and wanting to share the knowledge he had gained as a student abroad, he also served as Special Lecturer in Economics for evening classes at Thammasat and Chulalongkorn universities.

Puey's lectures to fourth-year Chulalongkorn students in Applied Economics, intended to popularize the study of economics, were published in October 1955 in a book entitled *The Economy of Thailand*. Brought up-to-date and in some instances "toned down" by an assistant, Suparb Yossundara, whom he listed as co-author, the lecture on moral principles that should be followed in economics was left in its original form. Referring to Buddhist precepts, Puey emphasized that *dharma* and *sila* go together in economics, the former meaning help toward improvement of the individual and the general public—of which an essential component is justice—and the latter meaning to restrain from harming oneself as well as others. He enumerated examples which would be contrary to *dharma* and *sila*, or "moral principles," in economics:

(1) a government officer who accepts a bribe or uses official authority for personal gain;

(2) an official involved in private business as chairman or member of the board of a company, the interest of which conflicts with that of the organization for which he is working, even if the man is honest and does not use his official position to benefit the business;

(3) an official, though honest, who does not carry out his duties efficiently;

(4) an economic policy which favors a small group while

harming the many;

(5) private individuals who conspire with government officials to take advantage of the general public;

(6) restrictions unjustifiably imposed by government;

(7) evasion of tax payment by individuals and corporations;

(8) hoarding of goods during times of shortage with the purpose of profiteering in the black market;

(9) a private citizen who has no occupation, does not try to occupy himself honestly, nor to understand his duty as a citizen, is neither sober nor temperate, tries to take advantage of others, and does not educate himself but hampers progress;

(10) a small group who becomes extremely wealthy while the mass is extremely poor; and

(11) a man who does well in business and earns large personal income or legally inherits great wealth and does not invest his resources in a productive way to help economic development.

Puey added that it is not in conformity with the moral code for the poor to demand that the rich share their wealth while the poor do not work. Neither is it righteous to take wealth from the rich by force, nor to cause prejudice against them which will deprive them of the will to work and increase output. Income taxation at a progressive rate according to the level of income and inheritance tax would be peaceful solutions, he concluded.

In 1955 Puey gave one of the first public lectures

dealing in a straightforward manner with the application of economic science in Thailand. "A qualified and experienced economist should be entrusted with economic problems. It is generally recognized that political considerations determine the application of economics, but," he warned, "statesmen and politicians should be reminded that the application of economics as a tool of public policy is quite different from trying to bend economic laws to suit political whims."

In 1953 Puey was appointed Deputy-Governor of the Bank of Thailand, the central banking institution, and member of the Board of Directors of The National Economic Council. Holding these posts as well as his previous assignment in the Ministry of Finance, he was in a strategic position to advocate and to help in the formulation and execution of sound reforms in trade, exchange and monetary and fiscal policy that were to have far-reaching effects.

In 1955 the government rice export monopoly was terminated and exchange proceeds no longer had to be surrendered at an arbitrary official rate. To compensate for the loss of exchange profit, a flexible premium was put on rice exports whereby the price of rice for export would be competitive in the world market but kept at a lower price domestically for the benefit of the general public. This was a less complete relaxation of control than Puey favored but the best solution in the given circumstances.

The multiple exchange was also abandoned in favor of a single exchange rate which was to determine its own level by the demand and supply in the free market. An Exchange Equalization Fund (EEF), created to eliminate short-term fluctuations in the exchange rate by buying surplus exchange from commercial

banks and selling when demand exceeded supply, was organized as a separate entity with offices at the Bank of Thailand. Policy control is by a four-man board chaired by the Minister of Finance; other members are the Ministers of Economic Affairs and Foreign Affairs and the Governor of the Bank of Thailand. EEF resources, consisting of foreign exchange and *baht*, are kept separate from those of the Government and the Bank of Thailand. With skillful manipulation of its initial capital of 1.2 billion bath, augmented periodically by transfer from currency reserves and exchange gained in its operations, the EEF has been able to keep fluctuations within the prescribed limits.

In 1956 the rate of interest payable on long-term Government bonds was raised to eight percent per annum with tax exemption. With the considerable investment in these securities by the Government Saving Bank, commercial banks, many private organizations, corporations and individuals that followed, substantial funds were mobilized to finance government spending, lessening the need for recourse to borrowing.

As a result of these changes, the government's fiscal position steadily strengthened so that by 1958 its deficit could be kept within reasonable proportion to earnings. The reforms, however, were not easily won. Remarking to a friend that his function was "not so much doing good as preventing the Government as much as possible from doing harm," Puey frequently was at odds with influential persons.

In late 1953 prominent military members of the Cabinet found Puey opposing their scheme of taking over a commercial bank and had him removed from his position of Deputy Governor. This was in the middle of the financial and trading reforms which were continued and completed in 1956 by Puey's

like-minded colleagues.

Puey requested leave of absence to take up a research post at Chatham House in London, following correspondence with his former professor Frederic Benham. The Government instead offered him the post of Economic and Financial Counselor at the Royal Thai Embassy there which he accepted.

In addition to acting as the representative of the Ministry of Finance, Puey was entrusted with promotion in Europe and the U.K. of foreign investment in industry and development of the rubber and tin trade. After Thailand joined the International Tin Council, he was appointed as permanent Thai delegate and was elected Vice-Chairman of the Council for 1958/1959. As chief of the Thai delegation, he proved an able negotiator, obtaining for Thailand an increase in tin quotas from 7.35 to 8.8 percent—or an additional 2,200 long tons—in the difficult years when the world tin market was depressed.

Soon after the “Revolutionary Party” came to power in the 1958 coup that overthrew the government of Pibul Songkhram, Puey was named Director of a new Budget Bureau formed in the Prime Minister’s office under Marshal Sarit Thanarat. He commuted between London and Bangkok for a time until tin negotiations for 1960 were completed. Thailand’s quota was further increased to nine percent of the world market and the difficult problem of tin smuggling was satisfactorily settled within the Tin Council.

In 1955 Puey had instigated a study by the U.S. Public Administration Service of the Thai accounting and budgetary system. This study, carried out during his absence in London, resulted in the drawing up of the Budget Procedure Act of 1959, enactment of which took place when he became Budget Director.

The Act defined procedures covering budget preparation, control and disbursement. Since its enforcement, spending of government funds in excess of annual budget appropriations—formerly flagrant—has become negligible.

The Budget Bureau, staffed principally with economic experts and accountants, is responsible for collecting budget estimates from the various government departments, recommending allocation of funds and submitting a draft budget to the Council of Ministers. From the Council, the preliminary version of the budget is passed to Parliament, where, after scrutiny by a Commission appointed to reexamine the draft and empowered to make further adjustments, the final version is enacted into law. The Government now publishes the budget in more detail to let the people know how much is to be spent and for what purpose. Moreover, after the enactment of the National Economic Development Board (NEDB) Act of 1959, government agencies and enterprises with autonomous boards are required to submit their capital projects for consideration and approval by the NEDB, irrespective of whether or not they request funds from the budget.

A new post was created in 1959 of Director of the Fiscal Policy office to serve as adviser to the Minister of Finance on policy problems and act as the Minister's "Chief of Staff." Upon the recommendation that a senior official enjoying high prestige should fill this directorship, the Minister insisted on Puey.

In June 1959, when a well-publicized "Banknote Printing Scandal" forced the Finance Minister and concurrent Governor of the Bank of Thailand to resign and face court prosecution, Puey was appointed Governor of the Bank.

Established in December 1942, the Bank, as the central



monetary institution, is banker to the government and commercial banks, the currency issuing authority, and the controller of money and credit. The Bank also acts as the government's fiscal agent in management of exchange controls and the public debt, in supervision of commercial banks and in its cooperation with international financial institutions. The Bank accepts no private deposits and pursues no commercial banking operations. More than any another entity, it is responsible for the stability of money that is necessary for day-to-day business and for development, and upon which confidence in the financial and economic security of the country largely rests.

Dr. Puey has unobtrusively brought to the Bank of Thailand a new image of professional competence and uncompromising adherence to moral values. As Governor he has been independent and not involved in politics. Recognizing that orthodoxy in economic practice is not enough, he has actively participated in discussion and planning of development programs and has opposed high authority when he feels that public interest is not well served. Leading, but slowly, he has advised, coaxed and sometimes pressured tactfully to bring wayward officials and commercial banks into line. In any serious conflict over principle, he has always been prepared to resign.

In its first 16 years the Bank of Thailand was unable to provide funds on a substantial scale to the trade sector because a large part of its resources were devoted to financing government deficits. Consistent with his position that the remedy was not to restrict imports but to expand trade, a series of prudent innovations and reforms in finance and banking initiated by the Bank of Thailand under Puey's administration have promoted exports and contributed significantly to orderly

and effective banking operations. More scope in the use of government and commercial securities as currency reserves granted in the Currency Law revised in 1958 coupled with other measures taken to improve the government's financial position, enabled the Bank to concentrate more on channeling funds to the private sector.

From September 1959 the Bank of Thailand granted an automatic facility to commercial banks whereby they could at any time issue promissory notes to borrow against government securities deposited with the Bank at the rate of eight percent per annum.

A few months later, the interest rate of Treasury bills was increased from 2.9 to 4.5 percent and then to five percent in 1961. Though Treasury bills available on tender have not been as popular with banks and private investors as the long-term eight percent bonds, commercial banks have taken to investing their idle funds in Treasury bills of various maturities made available to them from the Bank of Thailand portfolio.

The rediscount rate, which had been fixed at seven percent per annum in February 1945, was little used until November 1959 when the Bank announced a lower rate of five percent per annum for rediscounting bills arising from exports. In 1963 rediscounting facility was extended to promissory notes arising from the procurement of raw materials for industrial use; in 1964 notes on sales-on-credit of industrial products were also accepted for rediscounting. A ceiling was fixed for the total rediscounting facility available to each bank to be constantly reviewed in the light of the economic situation. Banks not conforming with legal cash reserve requirements were denied this facility.

These innovations encouraged public confidence in com-

mercial banks, enabling them to undertake greater activity and fill an important role in providing funds to meet financial needs of development and expanding trade. Evidencing their increased popularity was the decrease in currency held by the public from an estimated 82 percent of money supply in 1942 to only 56 percent at the end of December 1964.

The commercial Bank Act of 1962, of which Puey was the principal author in the final stages, gave the Bank of Thailand greater control over the banking system. The Act legalized a reasonably high rate of interest on deposits to bring into line commercial banks previously paying much higher rates than were legally permissible. It also required commercial banks to maintain at the Bank of Thailand as a cash reserve a certain percentage of deposits held. The risk assets of a bank were to be tied in a certain proportion to its capital funds.

Thought regulations on loan collateral and interest rate at first were widely abused, Puey did not precipitously close errant banks but tried by persuasion to encourage compliance. In a country with only recent experience in commercial banking, it is to his credit that most banks have complied with the new rules with the notable exception of one or two banks with strong political backing. Problems and matters requiring clarification are usually satisfactorily dealt with at monthly consultative meetings with the Thai Bankers' Association and in periodic discussions with the foreign banking group.

Under the Currency Act of 1958 the Bank of Thailand must maintain reserves of gold, foreign exchange and securities to the extent of not less than 60 percent of Thai currency notes issued. By 1962-1963, because of the sound financial policy pursued by the Government under Puey's guidance, currency

reserves exceeded this prescribed minimum by a very large margin.

An assiduous advocate of fiscal responsibility, Puey succeeded in October 1963 in overcoming long-standing opposition to fixing the par value of the *baht* at a value of 0.0427245 per fine gram of gold, giving it an exchange rate in line with current market value of Baht 20.80 to US\$1. The exchange rate, the Bank announced, would be allowed to move in the free market within one percent above and below par for spot transactions and for forward transactions a wider range would be permitted. Amounting to *de jure* guarantee to keep the currency value stable, this was a logical move when Thailand's note issue enjoyed the backing of a reserve in gold and hard, convertible foreign exchange equivalent to 80 percent of the currency notes in circulation, and its gold and foreign exchange reserves stood at the value of 10 months of imports.

This move had been awaited with some impatience by international and local banking institutions and traders since 1949 when Thailand signed the articles of agreement of the International Monetary Fund (IMF), which provided that each member was to fix the par value of its currency in terms of gold to maintain stability of exchange rates between various currencies. Many IMF officials, Puey recognized, were puzzled at the country's failure until 14 years later to fulfil its pledge since the currency was stable and reserves adequate. In explanation, he told a Thai story of an unwed couple who had lived happily together and begotten bonny children but were finally married "when the wife caught the husband in a good mood."

The Bank is now housed in a permanent location after occupying rented quarters on two premises since its inaugura-

tion. Operations in the provinces, which are still expanding, have necessitated the opening of the first branch in the south with two more under consideration in the north and northeast.

Another of the government's innovations encouraged by Puey was the establishment in 1959 of the Board of Investment, representing the first attempt to stimulate private domestic and foreign investment. Within a year some 88 promotion contracts were signed, *69 by the Board and nine by the Ministry of Industry*. Total registered capital of all promoted industry amounted to 874.1 million baht of which 154.8 million was from foreign investors. It would create 20,254 jobs. The Promotion Industrial Investment Act of 1962 granted broader privileges and benefits to private investors, domestic and foreign alike, including income tax exemption for a reasonable period, various degrees of duty exemption on production machinery, equipment, and on principal raw material, and an increase in duty on competing products where needed.

Puey also figured largely in the introduction of systematic central planning. In 1957 the World Bank, at his instigation, was asked to send a study team to Thailand to prepare a general development program. Its recommendations resulted in creation by the government in 1959 of the National Economic Development Board (NEDB) as the agency responsible for drafting the First Six-Year Plan (1961-66).

The Plan, completed in late 1960, outlined basic development patterns, such as agricultural diversification, intensive farming, industrialization, and improvement in social services. Maximum flexibility was provided to build the basic framework for economic self-support. The modest target was maintenance of the rate of annual gross investment at 15 percent of the gross

national product in order to provide employment for the expanding population and increase the level of per capita income by at least three percent annually. The Plan was to be financed firstly with budgetary appropriations and internal borrowing. While external borrowing and foreign assistance were still considered indispensable and estimated at 30 percent of the total outlay, greater effort was to be made to step up the rate of domestic savings.

The government declared its firm intention to carry out this program with as little resort to central bank financing as possible and within the first three years avoided using central bank facilities. To expand credit to the Banking system as development activity increased the demand for money, the government relied on an increase in tax revenue due to normal growth and made up the difference by non-inflationary domestic borrowing through investment in government bonds. In the first three years of the Plan foreign aid and loans averaged only 1,350 million *baht* per year. This relatively small volume indicates that Thailand has tried to achieve as much as possible economic development on her own resources.

As one of the 10 members of the Executive Committee of the NEDB since its inception, Puey has been given the subcommittees on national highways, drainage and sewerage systems for Bangkok, and education.

His interest in highways dates back to 1953 when he proposed to the Director of the U.S. economic assistance mission that a model highway be built to demonstrate both how to build a good highway and what the actual cost of construction would be without kickbacks or other malpractices. The outcome was the U.S.-financed "Friendship Highway" in northeast Thailand,

which opened up vast inaccessible jungle land for new and diversified crops, including maize, kenaf (fiber) tapioca, castor and soya bean. The area accounted for about 25 percent of the country's maize production in 1964 when maize exports, insignificant a few years before, exceeded 900,000 tons and ranked third as exchange-earner after rice and rubber. The area also produces most of the kenaf which now ranks as the sixth largest export. Upon the recommendation of Puey's Committee, the government since 1960 has undertaken a series of major highway projects which promise similar benefits to the economy.

A new drainage and sewerage system for the capital and major port of Bangkok was one of the recommendations made by a U.S. firm whose city planning service was engaged by the Government in 1957/1958. There was no follow-up until a committee was set up under the NEDB with Puey as Chairman. Work on the project, which required considerable financing, is now well underway with built-in controls to insure efficient and honest utilization of funds.

Keenly aware, as an economist, that education is an important factor in economic development, Puey has rendered important service in focusing government attention on gearing education to the ever increasing manpower needs of a growing economy. It has been his concern that emphasis should be on continuity of training and on quality as well as quantity. Above all, he has felt that problems of educational management must be thoroughly studied, analysed and solved, not only by professional educators but also by commercial firms, industrial and agricultural enterprises who would employ the graduates. In his capacity as a member of the Committee on Educational Development under the NEDB, he formed a voluntary working committee

of like-minded government officials, educators, and economists which met every week for two years. The resulting 37-page proposal for a "Loan Project for Education Development, 1965-1970," submitted in 1963, was endorsed in principle by the Executive Committee of the NEDB and submitted to the Council of Ministers for consideration. It formed the basis of a series of loan projects conceived by a special committee chaired by the Minister of Education. Since the implementation of these projects called for large expenditure, it was decided that part of the program should be financed by external loans.

The World Bank has manifested an increasing interest in education projects of developing countries and indicated it would give sympathetic consideration to a definite and comprehensive education development program for Thailand. A UNESCO technical mission, sent at the request of the World Bank in August 1963 to explore needs and possibilities, used the proposal by Puey's committee as the principal working paper for its report. At present, an initial loan for vocational training schools is in its final stage of negotiation with the World Bank.

In Thailand, as in most other developing countries, the more work an outstanding official can perform, the more he is asked to do. In addition to his positions with the Bank of Thailand, the Fiscal Policy Office and the NEDB, Puey was for several years a member of the National Research Council and head of its economic branch. Since 1959 he has held a seat in the Constituent Assembly although he rarely attends. His presence on the National Statistics Board from 1961 has contributed to substantial improvement in the gathering of up-to-date and accurate statistics without which, he emphasizes, sound economic policy cannot be formulated. Since 1962 he has



been adviser to the Industrial Promotion Board. In March 1964 he was named by the Prime Minister to a five-member committee to investigate allegations regarding public funds in the estate of the late Prime Minister Sarit.

Puey has served since 1963 as Thai representative on the Governing Council of the UN Asian Institute for Economic Development and Planning.

In recognition of his services in government, he received in 1957 the Knight Grand Cross (First Class) of the Most Noble Order of the Crown of Thailand and in 1959 the Knight Grand Cross (First Class) of the Most Exalted Order of the White Elephant. In 1961 he was named a Knight Commander (Second Class) of the Most Illustrious Order of Chula Chom Klao by the King and in 1962 was decorated with the Special Class of this Order. In 1964 was made a Knight Grand Commander (Second Class, Higher Grade). He received in 1964 the Highest Class of this Senior Order.

During 1963 Puey regularly lectured on the principles of economics to classes of first and second year liberal arts students at Thammasat University and also served on the University Governing Board. In September 1964 he was appointed Dean of the Faculty of Economics. Eager to devote himself to the challenge of developing a program for education of future economists for Thailand, he asked to be relieved as Governor of the Bank of Thailand. Aware that he has been in large measure responsible for the confidence at home and abroad in the management of the Bank, the Prime Minister asked him to remain until a successor could be found. Reportedly, candidates approached have insisted they could not fill his shoes.

Puey treats none of his offices as a sinecure but is active

and conscientious in the discharge of his many responsibilities. He is generous in giving credit where it is due among his colleagues and staff, and, once an office has been put in order, has recommended his replacement to allow promotion of subordinates. An example was his resignation as Director of the Budget Bureau in favor of his deputy.

Of Puey's perseverance, an associate once observed: "Seventy percent of his efforts are spent combating inefficiency and corruption, yet he never becomes disheartened." Others marvel at the calm, reasoned approach he has maintained in protecting the integrity of the Bank and his government. This has included opposing even the late Prime Minister in connection with a scheme to use surplus reserves for increasing note issue to finance grandiose development projects. Aware that the effect would be dangerously inflationary, Puey used his utmost skill to win his point against the increased note issue while agreeing to utilize part of the surplus reserve for development purposes. When he had to defend Thailand at the International Tin Conference in connection with a tin smuggling scandal, he took exception to the government's instruction to walk out of the conference, asked for new orders in the interest of Thailand's future and good reputation, and was told to do as he pleased.

His public speeches have had a sobering effect, leading occasionally to salutary changes. Under the political circumstances in Thailand of a constitutional monarchy, with near absolute power held by a ruling military regime, he often makes his point in subtle but unmistakable ways. At the annual dinner of the Thai Bankers Association in 1964, he referred to Prime Minister Thanom Kittikachorn's praiseworthy principle that no minister should be involved in trading activity but cited one question he

said he himself was unable to answer: "Is banking a trading activity?" After reading the speech the following day, the Prime Minister resigned from the boards of two banks and issued a directive to all ministers to do likewise, exempting the Military Bank.

A man without pretention or "air," Puey insists that he should not be over-paid. Although he accepts less than would be authorized, he recognizes that his income is still far above the national average. A humanitarian in deed as well as philosophy, and remembering his mother's difficulties in raising a large family, he frequently helps others in similar circumstances, sometimes anonymously but always without advertising his generosity. Though he has no private means, he has never been known to be interested, directly or indirectly, in any business pursuit.

Puey entertains only at official functions required of the Governor of the Bank, either at the Bank or in public restaurants, and reserves his scarce free time for his family. Individualistic in his personal habits and indifferent to decorum, he does not own a dinner jacket and insists he does not need one. His three sons are now attending Thai schools in Bangkok in contrast to children of other families of high rank who are frequently sent abroad for secondary education. His hobby, he has admitted with a wry smile, is "working." Concerned both with the betterment of Thailand in general and of her less fortunate citizens in particular, Puey translated into Thai an article on social service in England written by his wife. This forms a part of a book distributed at his mother's cremation in 1950. And was subsequently reproduced by the National Council of Culture for the first social work training course in

Thailand. Sharing the interest of his wife, who is an active social service volunteer, Puey was President of the Foundation for the Crippled in 1955/1956.

By his own example, Puey has imbued his staff with pride and a respect for quality performance and has provided inspiration to other hardworking public servants. A man to whom "simplicity is beauty and honesty the highest virtue in public life," his rule and counsel to colleagues has been: "We, economists in the pursuit of truth and in the practice of our science, not only must be learned and efficient. We must also be honest, appear to be honest, and honest enough to urge other people to be honest."

---

*August 1965*

*Manila*



## **DR. PUEY'S ARTICLES**

---



---

## **NATIONAL POLICY PRIORITIES IN THAILAND**

1. Since October 1973 when the dictatorial regime was toppled, Thailand has been groping for the solution to three main problems: democracy, law and order, and foreign policy. The overall economic and financial problems (national economic growth, balance of payments etc.) appear to be of secondary importance. The boom in commodity prices in 1973-1974 to a large extent offset the petroleum crisis. The national economy remains sound; although price inflation was severe and unprecedented during the past two years, it has subsided to a manageable degree in 1975. This essay will therefore focus on the social, political and international affairs of Thailand.

2. The Sanya "care-taking" governments and the National Legislative Assembly (October 1973 - January 1975) managed to produce a constitution which in the main guarantees sufficient freedom and human rights at least on paper. The provision on parliamentary election resulted in forty-two political parties vying in the general election of January 1975, from which twenty-two parties succeeded in getting elected into the

House of Representatives of 269 seats. The largest party, the Democrats, obtained 72 seats. After frantic attempts to form a government, a coalition of two parties of some size, the Democrats failed to obtain a vote of confidence. In March, another coalition of some 17 parties succeeded with Kukrit Pramroj of the Social Action Party with 18 seats, as Prime Minister. At first this coalition appeared to be fragile; but it has gathered strength and solidity, through political skill, ingenuity, and, some would say, tricks. And although still an uneasy coalition, the government looks likely to stay its full four-year term.

3. The students' movement, so much extolled for its power to topple the dictatorial regime, has become somewhat weakened and split. A group of vocational students, apparently not very large, became detached from the main student movement, against whom they now fight in almost all issues. They call themselves the "Red Gaurs." Although not large in number, they resort to violent means of actions—bottle bombs, grenades, firearms. It is generally known that these Red Gaurs receive financial support and are trained by Army and Police officers bent on destroying the student power.

4. The University students (the NSCT = National Students Centre of Thailand) and other students, including the majority of vocational students, remain tolerably united. They have however also weakened in popular opinion through their own imprudence (espousing too many issues however trivial) and through slanders and lies created by their opponents (see paragraph 8). They evidently need new strategies and tactics if they want to remain a strong force in the national scene.

5. The allies of the students are the underdogs in the

social scale: town labourers and farmers. With the new freedom, these latter no longer tolerate the hard life and abominably low incomes that was their sort in the old regime. Strikes have become the wage-earners' weapons against proprietors and managers. Most of them, noisy and verbally violent, have remained peaceful, until the Red Guards and their associates recently joined in, on the side of capital and management. Farmers, after two years of drought and after long years of suppressed rice prices, have resorted to pressures and demonstrations. Many of them, having lost their land, have pressed the Government for some remedy. Other grievances, previously tolerated, now lead to massive gatherings and demonstrations and petitions. Again, recently, the Red Guards and other groups have emerged—or, shall we say, re-emerged—to discredit the farmers' movements with slanders, to assault and kill their leaders and to terrorize them into silence.

6. The Government, in order to pacify the farmers and presumably to win their votes, have authorized large amounts of money to be spent on farmers and the rural areas: lending to them on easy terms to redeem their debts, to build roads, wells, bridges, schools, etc. These actions, worthy in principle, are however mostly hasty, ill-conceived and ill-planned. But they achieve the short-run objective in most cases.

7. Meanwhile, the insurgents in some thirty provinces (out of the total 72) remain strong, despite huge amounts of money and personnel engaged in suppressing them. It is feared that with peace in the neighbouring countries and availability of arms in great number no longer needed elsewhere, the strength of the insurgents would considerably increase. Some of the insurgents are communistic in ideology; but the vast



majority of them are common bandits, villagers fighting against tyrannical local officials, and minority racial groups seeking more freedom.

8. The name of the organization used by the previous governments to fight insurgents has been changed from Communist Suppression Command to Internal Security Command; but the brutal, erratic indiscriminatory and oppressive methods remain essentially the same. The ISC, moreover, has acquired the partnership of the Red Guards; it has created a psychological warfare organization called the Nawapol group to spread likely falsehoods, rumours, and draw the allegiance of believers against the student movement, labourers, farmers and intellectuals; it also creates groups of violent citizens which called themselves 'the Protectors of Thailand' to wreck demonstrations and generally create chaotic conditions for which they blame on their opponents.

9. The fall of Saigon and Pnompenh and the changes in Laos intensified even further the nervousness among well-to-do Thais. The "Domino" theory must be true, according to their fear, unknown amounts of currency and capital must have been exported by the rich.

10. Attempts to normalize relations with Hanoi and Saigon have failed. Some advisors to the Government have been saying that from the point of view of Thailand, we must negotiate from a position of strength. That probably explains the dilatory characters of the talks. In July, however, the Prime Minister went to China, signed a joint declaration with Chou En-Lai, had an hours' conversation with Mao Tse-Tung, several banquets and sightseeings and returned in triumph. Taiwan diplomats quietly had previously left Bangkok.

11. Public opinion vis-à-vis the U.S. Government was at its lowest during the Magayez affairs. However, with the announcement of the intention to withdraw all American troops from Thailand during a period of twelve months, popular feelings became more pro-U.S. Thais, never extremely Xenophobic, in general have more trust in the U.S. people (perhaps not much in the US Government or the Pentagon) than in the Chinese people.

12. Taking all these three inter-linked main problems: democracy, law and order, and foreign affairs, as they exist now, Thailand has still a long way to go before real solutions could be found. Do we have enough time in which to find them? Are we using the right method? Are we still giving too much power to the wrong people? Are new outlook and radical changes in the administrative systems necessary? These and many other questions should receive our serious attention before we can star-gaze into the future of Thailand, and perhaps into the future of Southeast Asia.

---

WILLIAMSBURG V

Vancouver, British Columbia

September 10-13, 1975

*The Economic and Strategic Challenges to Leadership within  
and among Countries of the Pacific Region 1974-76*

*"The Dynamic of Current National Priorities: Political,  
Economic and Strategic"*



---

## **THE SCOPE AND THE PROMISE OF NON-GOVERNMENTAL CULTURAL INTERCHANGE WITHIN SOUTHEAST ASIA**

*(Dr. Puey placed this essay in the mail on the day before events in Bangkok caused him to depart from Thailand for Great Britain.)*

**M**an is born free; everywhere in Southeast Asia, he is in chains.

The Philippines are de jure and de facto under emergency rule. In Singapore, Indonesia, Burma, Laos, Cambodia and Vietnam, only one political party is permitted. And in many, perhaps all of these countries, the press is directly or indirectly subject to censorship, and the number of political prisoners is staggering. Malaysia has enjoyed parliamentary democratic government; but she is obsessed by communist insurgency and internal racial problems, in such a way that a citizen or an intellectual finds it safer to conform. In Thailand, since 1973, the formal political system is democratic and freedom is seemingly enjoyed; but since the middle of 1974 there emerged

organized groups which do not hesitate to use arms and other means of violence to terrorise liberal opponents. Some political parties, members of the coalition governments are overtly against labour unionism. Political assassinations have been frequent.

In my view, freedom is essential to cultural development and political and economic freedom are closely linked with culture.

In the situation, intellectuals, at any rate for the moment, of ASEAN countries find themselves in a dilemma. The scope of their cultural interchange is severely limited by the rules of many countries to withhold passports for any suspect international meeting. In some cases, threat of imprisonment or house arrest, and other accompanying punishments, are sufficient deterrents. Even when conferences have been held, with obvious and important absentees, the proceedings or contributory articles of such conferences cannot be freely printed or published.

Nevertheless, intellectuals in this part of world have doubled their efforts in the face of these difficulties in order to communicate among themselves within the nations, and with each other across the borders. Of these groups, undoubtedly numerous, I know of only a few. I shall attempt to describe some of the activities of these few that I know.

If we include among these groups student bodies, I find that everywhere I go in ASEAN countries, students like to come and talk to me secretly about the role of Thai students in bringing about a change of regime in Thailand in 1973. Everywhere else in ASEAN countries, students are under strict rules, especially after the visit of Japanese Prime Minister Tanaka to Southeast Asia a few years back. Whenever groups of

students visit Thailand, whether on sportive activities, or cultural activities, some of them have talked with the leaders of the Thai student movement. Solidarity among the student bodies in ASEAN countries manifests itself from time to time, on important issues only, for fear of repression at home. Nevertheless I believe the contact is continuous.

Within Thailand, a group of University teachers, weary of the polarised conflict, resort to the ancient Buddhist practice of meeting open air in public parks to eat together one meal a day, sharing it with monks and discuss love and symphathy to all. This was successful for a short time: participants go home with more peace in their mind. But this does not prevent assassinations or violence of various kinds.

Another group in Thailand started meeting with the subject "Peaceful Means." They discuss more earthly topics such as economic and social development, social justice and democracy. They soon were branded communists by the rightist groups and the movement is at best moribund.

With this kind of Buddhist philosophy at the back of our minds, a group of us has worked closely with non-Buddhists in Asia, in organizations such as the Asian Religious and Cultural Forum in Development (ARCFOD), which was funded initially by the World Council of Churches and the Papal Commission on Peace and Justice.

ARCFOD is a provisional organization of individuals and groups belonging to the principal religious groups in Asia: Buddhists, Hindus, Muslims, Protestants and Catholics unified in a common moral concern for development.

Recognizing the limitations and inadequate relevance of social service, educational and "spiritual" roles that the religions

of the Asian Region have hitherto played, ARCFOD strives for a common regional initiative that will be sustained by innovative Action Projects and well-documented research projects.

ARCFOD views development as a process in which modernization and tradition interact in ways by which traditional values are adapted or transformed to meet the needs of modernized societies. It views development as a normative concept, whose norms and values are no more than interests of people, and objectivity no other than agreement in community through free and informed participation in the determination of their own advancement.

ARCFOD recognizes that the most fundamental problems of development are moral in nature, viz. unjust international and international economic structures that systematically worsen the poverty of Asian peoples. Development has increasingly become the development of the rich countries and the anti-development, or under-development of the poor countries, particularly the broad agrarian populations of the latter.

Consequently, ARCFOD accepts as its foremost task and responsibility the promotion and strengthening of efforts to stimulate among the vast Asian populace an awareness of their condition, and the strength to strive towards meaningful participation in, and direction of, their own processes of change.

In this respect, ARCFOD hopes that the member-governments of the United Nations in Asia will adhere in more practical ways to their common agreement and official resolution to develop an outreach to the growing sector of international non-governmental organizations, national non-governmental organizations, voluntary agencies and voluntary programmes.

The link between Southeast Asian intellectuals and the International Association for Cultural Freedom is of long standing. The IACF still tries to encourage Southeast Asian intellectuals individually or collectively to study and discuss culture. At the moment, research is being done under IACF auspices by a teacher of the University Sains Malaysia on 'Technology and Culture'. He is assisted by two Thai researchers and has a team of international advisers. The IACF also is joined at times in their activities by other organizations such as the Aspen Institute for Humanistic Studies and the Japan Cultural Forum.

The Quaker International Seminars in Southeast Asia, with office in Singapore, have helped cultural exchanges among Southeast Asians on many occasions. At the present time, their ambition is to bring about an international seminar in which all ASEAN intellectuals as well as those from Vietnam, Cambodia, Laos and Burma will participate. If possible, it will be held early in 1977. Upon its success will depend the future of dialogues between intellectuals of different political ideologies in this part of the World.

Groups of Southeast Asian Scholars also meet on their own. One such group is called "The Southeast Asia Study Group," perhaps for want of a more explicit name which may be dangerous to some. This group has held several meetings in recent years. The last one has as its subject "Perceptions of social justice in transitional societies in Southeast Asia" at which the keynote paper was written by one of the conveners of our Williamsburg meeting. Other papers presented were: The Chinese Community in Singapore; Cultural Justice; Traditional and Modern Social Justice in Malaysia; The Concept of Justice

in the Thai Tradition; Confrontation with Reality: Rural Development Problems and Prospects; Changing Conceptions of Social Justice among the Chinese in Malaysia; Social Justice and Singapore's Youth; the Socio-economic status of women in Singapore. The next meeting of this group is due in January 1977 and the subject of discussion will be "Village of Southeast Asia 1990."

The "Pacific Asrama" is another group, related somewhat loosely to the Southeast Asian Study group. The word Asrama comes from Sanskrit and means "abode" or "retiring place." Its concept is described in the following terms:

"In the turbulence of rapid changes and the strong challenges to tradition which are shaping the Pacific of tomorrow, critically concerned men and women of the area must from their own experiences and analyses be able to create and formulate new concepts and values in relation to problems of growing urgency, magnitude and complexity. These future leaders of the Pacific must also be able to communicate with one another in the formation and exchange of these new concepts and values. The opportunities, however, for quiet reflection and stimulating interaction are rare in the era of intensive professionalism and institutional pressures and formal, specialized and politically oriented international conferences and exchange. In the Pacific world to date, there has been little deliberate effort to promote the leisurely and reflective approach to international dialogue and association.

The Pacific Asrama is a modest effort to meet this need by the establishment of a place to which promising young Asian leaders with a few occidentals living and working in Asia will be invited for periods of contemplation, creative self-expression



and dialogue. Thus, it is planned that in a series of such sessions small, congenial but not identical groups of promising individuals concerned with human values and social developments in Asia will meet under circumstances designed to promote both mutually invigorating, enterprising and rewarding long term relationships. As direct or indirect consequences of Asrama sessions may come such specific products as articles and books, poems and painting, curricula and policy papers, or merely the enrichment of the Asrama participant's contribution to society.

In the initial two years of the Pacific Asrama program, individual sessions will be held in various locations in Asia. These sites will be chosen for their cultural and scenic richness and their quiet environment with the minimum outside pressures distracting from intellectual pursuits. Each session will last approximately three weeks during which period of time approximately 15 participants will be free to contemplate, create and converse as they wish. Ultimately, it is hoped that a permanent Asrama venue may be established which would provide continuing facilities for retreat and interaction. But until more is known through pilot sessions about methods and suitable locations and until more human and financial resources are developed, such long term commitments and investments will not be made."

The method pursued by this group is as follows: "In keeping with the fundamental principle of stressing maximum freedom for individual contemplation and creativity and for stimulating person-to-person exchange and interaction, there will be no pre-arranged topics or themes for discussion nor will there be agendas confining broad intellectual exploration. Instead, interests and concerns will be brought to the sessions by the

participants and based on their values and experiences. These interests and concerns will form the base of reflection and the framework for individual participants' creative activities and for dialogue within the assembled group. In a typical Asrama day, participants may devote their morning to writing, thinking or painting, part of their afternoon to informal but nonetheless profound discussions of mutual intellectual concerns with other participants and their evenings in spontaneous small groups of two, three or more persons in deep and far reaching exploration of personal insights and values.

In all Asrama sessions, participants will be encouraged to undertake creative activity in the medium and language of their choice. In the first one or two Asramas, English will have to serve as the basic common language for dialogue. Serious consideration will be given, however, to the development of skills and techniques of introducing Asian languages along with English."

The Pacific Asrama has so far held four Asrama sessions, in Malaysia, Thailand, Japan and again in Thailand. The ambition of the group is to have a permanent site suitable for the purpose, perhaps in Thailand.

---

A WILLIAMSBURG PAPER

PREPARED FOR WILLIAMSBURG VI

November 15-18, 1976

Penang, Malaysia



---

## **VIOLENCE AND THE COUP D'ETAT, 6 OCTOBER 1976**

### **The aims and the brutalities**

1. On Wednesday October 6th 1976, at about 7:30 a.m., Thai police, on the order of the government of Seni Pramoj invaded Thammasat University, using terrible war weapons and shooting indiscriminately. The police were aided and abetted by the forces of the "Red Gaur," the "Neighbourhood Scouts" and the "Nawapol." Some of these went into the University, with the police; others surrounded the University in order to attack those who fled outside. Those who were killed were left to die; those who were hurt were left unattended or killed; those who tried to escape, some already hit, ran the risk of utter brutality. Some were hanged; others were soaked in oil and burned alive; a great number of students were savagely attacked. Official news gave the number of the dead as 40; many observers estimated more than a hundred dead, and several hundred wounded.

Several thousand unarmed people surrendered peacefully: they were the students from various universities and colleges,

many were ordinary citizens; a number of University officials and faculty members on duty to look after the property of the University were also arrested with the rest.

When those arrested were taken to the police stations and other places of detention, they were further subject to physical and mental attacks. Some were tortured to reveal the names of their teachers, friends and companions.

2. Many groups of people have always wanted to destroy the forces of those students and citizens who wanted democracy. In October 1973, during the carnage that eventually resulted in the change of regime, some people remarked that if twenty or thirty thousand students were killed then, Thailand would be peaceful. Some people still hold this idea today. In the general election of April 1976, some political parties proclaimed that "Every kind of Socialism is Communism."

And a "Nawapol" monk, Kittivudho, stated in a press interview that it is not a sin to kill a communist. Even in September/October 1976, well-known people are reported to have said that it might be a cheap investment to kill some 30,000 of those who rallied against the return of Field Marshal Thanom.

3. Those who had lost political power in October 1973 were military and police officers, and officials of the Ministry of the Interior, particularly governors and district officers. Those who are afraid of losing their economic and financial power in a democratic system are industrialists, bankers, big traders, landowners. There are others who do not want Thailand to have democracy at any price. These groups of people have tried continually to destroy their opponents through various means: radio, television, the press, hand bills, anonymous letters, threatening letters, rumours, etc. They have organized as their tools various units which will be described in paragraph 20 and

subsequent paragraphs.

These various groups used, and are still using, the bogey of Communism for their purpose. Anybody who is in their way would be called a Communist, even Prime Ministers Kukrit or Seni, or high ranking Buddhist monks. At the same time, they claim for themselves alone, love and loyalty for the nation, religion and crown. All their political opponents are condemned for betraying these three institutions.

4. In September/October 1976, when F.M. Thanom returned to Thailand, he used the Buddhist religion to protect him against public opinion by becoming a monk. The attack and slaughter in Thammasat University were done under the pretext of protecting the monarchy.

## **The Hanging**

5. F.M. Thanom re-entered Thailand on September 19th 1976, against protests from students, labourers, farmers, M.P.s and the general public. But this time, the protests followed a different course from earlier ones, including the recent return of F.M. Praphas. The protesters now said that they would give time and opportunity for the democratically elected government to solve the problem either by sending Thanom back or by arresting him and suing him for the crime he committed in 1973 and earlier. Meanwhile, posters were put up in public places denouncing Thanom, and rallies took place from time to time (until October 4th).

These actions met with violent retaliation from the anti-student groups. Two Thammasat students and one Chulalongkorn student putting up posters were attacked by thugs, the latter student seriously injured. At Nakorn Pathom, 60 km. from

Bangkok, two officials of the Electricity Authority went out one night to paste posters against Thanom's return. They were killed and hanged in a public place. Subsequently the government admitted that the assassins were members of the local police force.

6. In the demonstration against F.M. Thanom, "the October 14th 1973 heroes" joined in. These were the people who survived the military attack on students and the general population in 1973, but who were crippled and otherwise incapacitated as a result, and the relatives of those who died. These "heroes" fasted in protest outside the Government House for a few days, when they were subject to interference and ill treatment by the police and Government House officials.

On Sunday October 3rd, those heroes were brought into Thammasat University by the students to continue their fast. They were installed at the famous Bo Tree Court. The University authorities, foreseeing that big crowds would gather there, which would interfere with the scheduled examinations, on Monday the 4th wrote urgently to the Prime Minister and to the Minister in charge of University Affairs, asking them to provide an alternative safe place for the protesters.

7. At midday on Monday October 4th, the crowd gathered at Bo Tree Court as expected, about 500 strong from various universities and the general public. Two topics were raised at this meeting: (1) F.M. Thanom, and (2) the assassination of the two men at Nakorn Pathom. A parody of the hanging in Nakorn Pathom was enacted by two students, one of whom is Apinand, a second-year liberal arts student and a member of the dramatic society.

From the report of several teachers who went to look at the rally, the students acted well. No teacher or student reported

that he or she was struck by the resemblance of Apinand to the Crown Prince; nobody noticed any dressing up. Everyone understood that the parody was directed towards the hanging in Nakorn Pathom.

8. Next day, most newspapers published the news of the rally and the photos of the "hanging." From press photographs in general, one can now detect certain resemblance between Apinand and the Crown Prince; but not an absolute or intentional resemblance. In the photo published by *Dao Siam* ("The Star of Siam," long-time opponent of the students) however, there was a striking resemblance, so much so that it was thought that the photo in *Dao Siam* must have been retouched.

The Armoured Division Radio (also enemy of the students, famous for leading the attack on Thammasat University by bombing and arson in August 1975) took the matter up. They emphasized that the Student Centre was Communist, bent on destroying the monarchy, and that the students in fact dressed up Apinand to look like the Crown Prince whom they wanted to hang. *In their broadcast, they urged people to kill all the students assembled in Thammasat.* This broadcast was repeatedly made from 6 p.m. on Tuesday October 5th till the morning of Wednesday the 6th.

## **The Demonstration of October 4th 1976**

9. The National Student Centre of Thailand (NSCT) organized a rally at Sanam Luang (public green by the Grand Palace and in front of Thammasat University) on Friday October 1st, demanding that (1) the government deal with F.M. Thanom and (2) punish the Nakorn Pathom assassins. According to the students, this rally was in fact a test of public opinion.

During the weekend of October 2nd and 3rd, no rally was held in order to allow the weekend open-air market to take place. The next demonstration was fixed for the afternoon of Monday October 4th.

Some student leaders indicated that they fixed such demonstration at the beginning of October, because during this period, important posts among the military changed stands. Some commanders retired on September 30th. The NSCT learned that because some changes had caused dissatisfaction among the generals, there might be a coup d'état. If student power were thus demonstrated, it might prevent a coup d'état, according to the students. At the same time, the theme of the protest was as above described.

The Labour Council promised to cooperate by staging a one-hour strike on Friday October 8th, as a beginning.

When the NSCT rallied at Sanam Luang on Friday the 1st, several reporters asked M.R. Seni Pramroj the Prime Minister what he would think if the demonstration moved into Thammasat University. The Prime Minister replied that that would be very good. (Asked by reporters subsequently on this point, the Rector of Thammasat replied that that would not be good at all.)

10. The demonstration on October 4th took the same course as that in August against F.M. Praphas, i.e. when it rained, the crowd forced their way into Thammasat University at about 8 p.m.

The University authorities, according to the rule, reported the incident to the local police station which sent some 40 policemen to supervise the demonstration from a distance, at Wat Mahathat, together with the Deputy Rector for Student Affairs. With the crowd estimated at 25,000 - 40,000 people,



those 40 policemen would not be able to do much, unless they were prepared to use arms to prevent the crowd coming into the University. If they used arms, there would be a riot which nobody, least of all the government, wished to see. It was therefore a situation which had to be accepted. Besides, the demonstration was peaceful, in accordance with the law and democratic principles.

The Red Gaurs and Nawapol, students' opponents, gathered at another corner of Wat Mahathat. Because they were only a handful in number, they did not do anything then.

The NSCT crowd, reinforced by other citizens, spent that night and the following day and night at Thammasat. On Wednesday morning the slaughter began.

11. On that Monday evening, when the crowd broke into Thammasat, the Rector immediately telephoned the Chairman of the University Council, Dr. Prakob Hutasingh, who is also a Privy Councilor, and with his approval, declared the University closed in order to prevent any risk to other students, teachers and officials who happened to come into the University for other purposes. (On the occasion of the return of F.M. Praphas, the University was not declared closed until the shooting and bombing resulted in two deaths). The Rector also consulted and got the approval of the Minister in charge of University Affairs. He then reported in writing to the Prime Minister and to the Minister.

## **Mob Mobilization and Mob Rule**

12. The Armoured Division Radio and other stations allied to it then embarked upon a campaign urging listeners to hate the students and people in Thammasat and continued to do so

for several days and nights. The main allegation was that these people wanted to destroy the monarchy. No mention was made about F.M. Thanom, except to excuse him. The Red Gaur, Nawapol and the Neighbourhood Scouts were told to do two things: (1) to kill the "Communists" in Thammasat; (2) to protest to the government for having left two right-wing former ministers out of the Cabinet (Samak Sunthornvej and Somboon Sirithorn).

For the first task, the Red Gaur and other hooligans were commanded to fire into the University from midnight October 5th until the morning of October 6th. From Thammasat, the defenders fired a few shots from time to time.

13. The insistence of the Armoured Division Radio was successful with the government. M.R. Seni Pramoj called an emergency cabinet meeting late at night on Tuesday the 5th, and decided to bring student leaders and Apinand in for investigation.

Early in the morning of the 6th Sutham Saengpratum, Secretary-General of the NSCT and a number of student leaders together with Apinand, in an effort to declare their innocence of any attack on the monarchy, went to see the Prime Minister at his house. But the Prime Minister had left for the Government House. He then telephoned the police chief and told him to detain the student leaders for investigation. At the time of writing, the result of this investigation has not been revealed.

14. The slaughter at Thammasat ("battle" is a wrong word, because it was mostly one-sided) by the police, with the approval of the Prime Minister, was exclusively a decision of the government. The Rector was not consulted; although he talked on the telephone with the Prime Minister at 11 p.m. on Tuesday, no mention of the plan was made by the Prime Minister. If the latter wanted only to call student leaders for investi-

gation, he had only to say so to the Rector, and the student leaders would have come peacefully. Violence would have been avoided; the use of force beyond government control, far in excess of necessity, would have been avoided.

15. The attack on the crowd in Thammasat University which was started by the Red Gaur, was followed at about 3 a.m. by deploying police forces all around the University. Heavy firing by the police started at 6 a.m. and continued in spite of the surrender signs posted by those inside. Requests for a temporary cease-fire to allow women out were similarly ignored by the police.

### **Arms in Thammasat?**

16. The Armoured Division Radio and the Red Gaur all the time made out that there were heavy war weapons such as machine guns in Thammasat. That was one reason why in the morning of October 6th, the police forces, nervous as they were, became more and more ruthless.

This allegation of heavy arms in Thammasat dates back to 1974; but there were frequent occasions when this allegation was disproved. When the Red Gaur burned Thammasat in August 1975, or when the police went in to clear the areas after the Praphas demonstration in August 1976, there were no arms found inside at all.

Even this time, all the authorities could show as arms captured in Thammasat were two rifles, several pistols, some ammunition and some grenades. Nothing like machine guns or heavier artillery. It was just lies.

Ever since late 1974, politicians and student leaders found it necessary to be armed for self-defence, because the Red Gaur,

the police, the armed forces and their assassins began then to murder labour leaders, farmer leaders, student leaders and politicians and in none of these cases were the killers ever found. In general, there was some justification for being armed as self-defence.

It is regrettable that the police at mass demonstrations like the October one did not prevent armed violence by setting up road blocks to search for arms among the crowd. It is also well known that the police have always turned a blind eye when the Red Gaurrs appeared in public carrying machine guns and grenades and explosives.

In any case, this writer believes that all gatherings, political or otherwise, should be done in a peaceful manner and without any kind of arms.

17. Another allegation by the police and the armed forces was that Thammasat University had many secret tunnels which were used for illegal and subversive purposes. This was mentioned by Uthis Nagsawat in his t.v. talks, and published by several newspapers. It turned out to be outright lies. Mr. Damrong Cholvicharn, Director-General of Public Works, and Chairman of the appointed committee to study the damage to the University, stated in mid-October that there was no tunnel in Thammasat, that the allegation was only rumoured.

Uthis and many other spokesmen and spokeswomen of the Army Radio and Television and most newspapers also made many wild allegations regarding the University and their other adversaries. Lies are the order of the day.

## **The Destruction of Democracy by Mob Rule**

18. Another demand by the Armoured Division Radio and the people behind it was to reinstate Samak and Somboon as

Ministers of the Interior and to purge three “left-wing” Democrat Ministers, i.e. Surin Masdit, Chuan Leekphai, and Damrong Lathapipat. This, in fact, was a sore point with the Armoured Division Radio.

In September, when Seni Pramoj resigned as a result of his party’s attack on his government’s indecision regarding F.M. Thanom, the Armoured Division Radio hired a large number of “citizens” to go on the air to voice “public opinion.” Those hirelings were prompted to say, many rather haltingly, that they wanted Seni to be returned as Prime Minister, and that bad members of the Cabinet ought to be purged. The people purged turned out to be Samak and Somboon, friends of the military, and the three “left-wing” Ministers were reinstated. So their propaganda backfired on them.

19. On Wednesday October 6th, then, the Armoured Division Radio succeeded in mobilizing the Neighbourhood Scouts, the Nawapol and the Red Gaur, and several other groups of the same family to gather in thousands in the Square outside Parliament in order to demand that the Prime Minister reconsider this cabinet formation. When the slaughter at Thammasat was done, the number of these groups increased and they continued their rally until the Prime Minister could not resist anymore. He promised to reorganize the cabinet in the afternoon.

About an hour later, a group of the Armed Forces seized power, at about 6 p.m.

20. It should be noted that, since October 14th 1973, the opponents of the students, labourers and farmers have kept on accusing the latter of using the method of “mob mobilization” and “mob rule” to undermine law and order and have condemned them for it. The activities of the Armoured Division Radio, the Red Gaur, Nawapol, the Neighbourhood Scouts and other

similar groups can be nothing, if not mob mobilization and mob rule. What should be condemned is the incitement to kill, and the use of arms to terrorize and undermine peaceful demonstration and the law.

And this did not just begin in 1976. Their activities started in 1974. The Red Gaurs were established by the Armed Forces, gathering hooligans from vocational students, ex-students, drop-out students and others in order to undermine student power, even while we were busy drafting the Constitution. The Foreign Press frequently made reports on them and mentioned Colonel Sudsai Hasdin as the organizer. There has never been any denial. The "Internal Security Operation Command" (ISOC) not only founded them, it also trained them in the use of arms, armed them and paid them out of its secret budget fund.

Since the middle of 1974, the Red Gaurs were able to carry guns, machine guns, and explosives in the open, immune from Police or Military arrest. Every peaceful rally by the NSCT was countered by them, using arms and explosives to kill or terrorize: in 1974 at a protest against certain provisions in the Constitution; at the 1974/1975 protests against American bases; at the protests against the return of Praphas and Thanom. In August 1975, they attacked Thammasat University. In most instances, there were a number of people killed as a result; even press photographers attempting to take pictures of the armed hooligans were assaulted. In the General Election of April 1976, the Red Gaurs were rampant, often attacking with guns, grenades and explosives the candidates that they labelled "left wing."

21. A few words on the Internal Security Operation Command. Apart from organizing the Red Gaurs, the ISOC was

responsible for the creation and guidance of a few other groups and units which worked for the military and the elements in the Ministry of the Interior. One such group was Nawapol.

The ISOC was originally called the "Communist Suppression Command" which became "The Communist Suppression Directorate." Later, when the Government decided to contact China, it dropped its anti-communist name and became ISOC. This organization was originally commanded by Field Marshal Praphas using the Armed Forces of which he was the C-in-C, and the Ministry of Interior (Governors and District Officers) of which he was the Minister.

The achievement of this organization can be summed up in terms. At its creation, more than ten years ago, its budget allocation was 13 million Baht and three provinces in the North East were declared a sensitive (Communist-operated) area. In 1976, its budget amounted to more than 800 million baht and the total sensitive area covered more than thirty (out of some 72) provinces.

The operations of the ISOC were all secret. Much of their funds were also secret, i.e. not subject to auditing. They may have killed some Communists; but they also killed and maimed non-Communists from the outset. Innocent villagers refusing to submit themselves to the local armed forces or local administrators were reported as Communists and killed. The infamous "Red Containers of Pattalung" in which villagers were burned to death was only one instance of their brutality and false accusation. In the "sensitive" provinces, villagers suffered and are suffering in all ways at their hands. Those who could escape went into the jungle and joined up with the Communists against the Government.

During the period of freedom, in 1974, 1975 and 1976,

Parliament attempted every year to reform the appropriation of the ISOC. Some members wanted to cut it out altogether; others wanted to make the appropriate subject to normal scrutiny and audit. But the ISOC remains intact and has been able to use public funds to destroy democracy.

22. Nawapol also came from the ISOC, which uses it as a weapon of psychological warfare, in conjunction with the armed Red Gaur. This organization works with landowners, business people, and monks, who want to keep the status quo in society, against students, labourers and farmers. The main theme is the threat to the wealth and profits of the rich, well-to-do and middle-income, should there be changes brought by the democratic system. Their activities consist in meetings, rallies, press publicity, writings and counter-demonstration. Their organizer, Wattana Keovimol, was introduced to the ISOC by General Saiyud Kerdpol from America. There were a number of people who thought Nawapol was going to help change society for the better and who were disillusioned, e.g. Mr. Sod Kuramarohit, a well-known enthusiastic "Robert Owen."

Nawapol, under the banner of a New Society, in fact works for the good old days of corrupt generals and capitalists.

23. The Neighbourhood Scouts, known also as Village Scouts, were organized from the model of South-Vietnamese grassroot defence against communists. They pretended to be non-political; but in reality, they again served and are serving capitalists and generals. In the General Election of April 1976, the Neighbourhood Scouts were able to influence the results in many provinces. In Vietnam, their American advisors met with failure; in Thailand the Scouts were successful because lies here have been more effective, and their slogan here is more effective. For the Nation, for the Religion and the King. The



Ministry of the Interior is responsible for this organization, usually inviting richer citizens to be chief-scouts and to pay for the rallies. The political rally of October 6th 1976 of the Neighbourhood Scouts provided a clear indication of their objective.

24. Apart from these three groups, ISOC and the Ministry of the Interior organized several other groups, similar in purposes. Some of the groups were just the Red Gaurs or Nawapol under new names, e.g. the Thai Bats, the Housewives Group, the Patriotic Front. The activities included distributing hand bills, anonymous letters, anonymous circulars, poison letters and intimidating telephone calls.

25. Political assassinations dated from mid 1974. Farmer leaders and trade union leaders were gradually eliminated. Next came student leaders, such as Amaret of Mahidol University and politicians, like Boonsanong Boonyotayarn of the Socialist Party of Thailand. In all these cases, the police have never been able to make any arrest. Suspicion grew that perhaps the police had an active role. When police killed police or when there was a rare attempt on the life of a right-wing politician, the culprits were soon identified.

26. During the government of M.r. Kukrit Pramoj in 1975, the mass media including t.v. and radio stations which belong to the government or to the Army began to be manipulated. General Pramarn Adireksarn, the Deputy Prime Minister and Leader of the Chart Thai Party, was responsible. Broadcasters and commentators must belong to the "right" wing and they must attack students, labourers, farmers and university teachers. The regulars among them were Dusit Siriwan, Prayad S. Nakanat, Thanin Kraivichien, Uthis Nagsawat, Tomayanti, Akom Makaranond and Utharn Snidvong. The control of the mass media persists today.

27. Most of the students are well-intentioned; they want freedom and democracy; they wish to help the under-dogs; they have set about correcting social injustice; they are not communists. Student power in this context is essential for parliamentary democracy. Hence those who want to destroy democracy have the NSCT for target, and false accusations are their chief weapon.

However, in the face of organized opposition as emerged in 1974 and 1975, the NSCT carried on their activities just as in 1973. At the height of their success in 1973, those in power and other politicians flattered them. Whatever they wanted, they were given. They were encouraged to go out in the rural areas to “teach democracy” as if democracy could be taught in such a way, let alone taught by young students to older villagers. The University student leaders then became overconfident, arrogant and created too many enemies among officials, landowners, businessmen. The NSCT thought their popularity would be enough to fight ISOC, the Ministry of the Interior and their allies. They protested on so many issues that people became indifferent, if not hostile. Most of their rallies attacked the government, elected or not. The subject of American withdrawal was taken up again and again, despite the promise of the government. Many of their exhibitions concentrated on extolling communist nations, none to counter-balance. Thammasat University was their favourite play ground, without the slightest regard to the University authorities. Thammasat then became the sole target of the “right wing.” Spreading out the risk was beyond the imagination of NSCT. The strategy and tactics of the students remained predictable to the enemy, because they were the same all through. Their popularity also waned and although, still a force, the student power became weaker.

The criticism of the students, after they have sacrificed

and lost so much, may seem harsh and heartless. But I have often expressed this opinion to the students themselves and now it may serve as a lesson to be learnt for the future. I still think that the student movement has been law-abiding and peaceful on the whole and that the stand they have taken is morally right even if the tactics may have been counter-productive.

## **The Coup d'État**

28. The people who seized power on October 6th 1976 called themselves the "National Administrative Reform Council" (NARC) to sound different from the "revolutions" of F.M. Sarit and F.M. Thanom, because those "revolutions" have become tiresome to the populace. In fact, there is no difference. All the ingredients were there: abolition of the constitution, abolition of the National Assembly, dismissal of the Cabinet, coercion, legislation by decrees and mass political arrests.

29. Clear evidence suggests that apart from this successful group, there are at least two other groups aspiring to seize power and abrogate parliamentary democracy. This may have been a preemptive coup, and because it took place before others, other aspirants were left helpless. Soon, we saw General Chalard Hirsiri, coup expert and ally to the Chart Thai party, become a monk at Wat Bovornnives, the very temple where monk Thanom sought refuge. (Wat Bovornnives is now unrecognizable.) He was dismissed from the Army for failing to report to the new regime. Another general, Vitoon Yasawasdi, of CIA fame, who double-crossed Thanom in 1973, was told to go and supervise students in Tokyo.

In any case, this was a coup d'état—not an administrative reform by any stretch of imagination.

30. It has been the practice of all Thailand's coups d'état of the last twenty years to pay lip service to Democracy. In order to prepare for Democracy, the country would evolve in three stages:

- A. Stage One : Immediately after the coup, the leader assumes absolute power. Constitution, Parliament, Cabinet are all done away with. The leader issues decrees and orders which become the law of the land. He appoints his deputies, assistants, council, advisers. Permanent civil servants act as ministers. Political enemies and others are arrested.
- B. Stage Two : An interim constitution is declared. A cabinet is formed by the leader. A parliament is appointed by the leader to legislate according to the pleasure of the leader. Dictatorial power is still vested in the leader.
- C. Stage Three : The Parliament appointed in Stage Two has now completed the "permanent" Constitution. There is to be a general election of Members of Parliament. The leader of the revolution then prepares to influence the election.

Each stage is controlled by the leader. The duration of each stage varies according to the wish of the leader. In F.M. Sarit's coup, the dictator made it known that Stage Two would take at

least ten years and should not terminate while he lived. He succeeded in dying before the ten years were completed.

The arrests of political opponents and other dictatorial measures can take place any time, at any stage, thanks to the Anti-Communist Decree, the provision (usually Article 17) of the interim or permanent constitution, giving arbitrary powers to the revolutionary leader or the prime minister, as the case may be.

31. In the present coup, phase one lasted from October 6th to October 22nd. At this moment, we are in phase two. However, Prime Minister Thanin Kraivichien has fixed the duration of phase two as four years. Phase three, according to him, will last eight years: in the first four years, he will still reserve some of his dictatorial power "in order to give time to the people to learn how to use their democratic rights."

32. The present course of the coup differs from previous coups in three main respects:

1) The revolutionary leader has not assumed premiership but appointed a civilian prime minister, and announced it fourteen days in advance;

2) According to the interim constitution promulgated on October 22nd, the prime minister and his cabinet enjoy less autonomy in administration than in the past: they are still controlled by the Advisory Council (all military); and

3) Untruths are more rife than in previous coups.

33. In every coup d'état in Thailand in the past, the leader was an army man. This time, the declared leader is from the Navy, and the deputy leader from the Air Force. It is generally speculated that Admiral Sangad Chaloryu perhaps was just a titular leader, because his temperament and control of the forces would not be such as to bring about the coup. The puzzle grew when a civilian prime minister was named, instead of the

Admiral himself. If the rumours are true, then who is behind the coup? It may have been planned before; but the way it was hurriedly executed after the Thammasat massacre, leaves one wondering.

34. The October 22nd constitution gives wide power to the prime minister. According to Article 21, which resembles Article 17 in previous constitutions, the prime minister can punish anybody in any manner he pleases. But this time, his pleasure is subject to that of the Advisory Council as well as that of his Cabinet, the key posts of which are appointed by the military (Article 18 and 21). The Advisory Council in fact is the October 6th NARC, i.e. 24 military and one police general.

35. Article 8 of the Constitution deals with individual freedom and rights. It has only one sentence: "The individual enjoys rights and freedom according to the law." We can guess who enacts the law.

Furthermore, the citizen has no access to truthful, impartial information. What he is fed with is the government's "facts." NARC has set up two committees dealing with information from the press. The first committee is to screen the newspapers and issue licences; the second to censor those that are licensed. In this way, about fifteen newspapers were not permitted to appear. The members of both committees mostly come from the "right-wing" newspapers. They are expert in lies.

The "right-wing" newspapers themselves are also experts in lies.

One example only. The "Star of Siam" published the news that Mr. Khamsingh Srinauk, a member of the Socialist Party was wanted by the Police and that his home at Korat was searched. They produced a group photograph seized at Khamsingh's house and said that the people in that photograph were plotting against

the nation. A European-looking man in the photo was identified as a Russian from the K.G.B. In Fact, the man is an American quaker and the group photograph was in fact taken at a seminar on the resettlement of people moved to make way for a dam, which several government officials attended.

This is typical of the lies which have existed since 1974. TV and radio are even worse because they fall under complete control of the "right-wing." One of the first actions taken by NARC to please the Armoured Division Radio was to sack five senior officials of the government-controlled Thai t.v. and radio for daring to be objective regarding the demonstration in Thammasat, refusing the allegations of the Armoured Division and the "Star of Siam."

### **The Cabinet of October 22nd 1976**

36. Prime Minister Thanin Kraivichien, is beyond reproach as far as his judicial duties are concerned. He often appeared on TV and radio programmes, speaking against Communism, and the NSCT. He is well-known as "extreme right."

He was educated in London, and on returning to Thailand some twenty-five years ago, he wrote prolifically on the need to change our society, so much so that he was reported to Sarit as being a dangerous Communist. Since then, he has been more cautious and has gone to the other extreme.

Thanin is intelligent and he knows that he is intelligent and efficient. The question is how he, an honest man, can tolerate being controlled by the Advisory Council, especially as some of the members of the Advisory Council are known to be the opposite of honest.

37. Within the Cabinet, the Military reserved three seats :

a deputy prime minister, the minister and deputy minister of defence.

There are eight cabinet posts filled by middle-rank civil servants: the second deputy prime minister, the Deputy Minister of the Interior, the Ministers of Foreign Affairs, Commerce, Justice, Education, Health, and University Affairs. Several of these are Thanin's personal friends.

The Minister of Finance is a retired auditor, Agriculture goes to a seventy-seven year old pensioned official, Industry to a retired air-force officer, Communication to a woman who formally ran the White Bus Company in Bangkok.

The Minister of the Interior is suitable for the sobriquet of his portfolio: "the Mafia Ministry."

The Minister for the Cabinet Office, in charge of mass media among other things, is a liar and has been rewarded for his lies.

38. Those not yet thus rewarded are Professor Dr. Uthis Nagsawat, Akom Mokaranond, Utharn Snidvong, Wattana Keovimol, Tomayanti, Prayad S. Nakanat and their friends in the press, radio and t.v. (Latest news: the last three names have been appointed members of the National Reform Assembly.)

## **The Consequence**

39. This writer recently, in an interview with the weekly *Chaturat*, (which was quoted in the *Far Eastern Economic Review*) stated that in the event of a coup d'état in Thailand, a number of teachers, students, labourers and farmers would take to the jungle to join forces with the Communists (without being Communists themselves). The news after the coup seems to confirm this statement. Furthermore, the violence in Thammasat



which caused great bitterness in students and other citizens, would tend to increase the number of refugees.

40. What is most regrettable is the fact that young people now have no third choice. If they cannot conform to the government, they must run away. Those interested in peaceful means to bring about freedom and democracy must restart from square one.

41. Within the Armed Forces, there is no unity. Defeated factions will renew their attempt to seize power. Numerous rumors of new coups persist. Perhaps Thanom will now emerge as the unifying factor, as in so many instances in our history when strong men came out of monkhood to unify the country? and what about Praphas? and what about Narong?

42. Whichever way the wind blows, the twelve-year plan for democracy announced by Thanin seems to be remote from the reality. There are too many factors working against this regime. But one thing is certain: basic human rights and freedom will be destroyed; the right of the betterment for labourers and farmers will be ignored; the people who will suffer most will be the common people.

43. When labourers cannot bargain with employers, when rural development is branded Communist, when land reform is Socialist therefore Communist, when the price of rice has to be kept down, when there is no representative of the people in Parliament, when the governing group is capitalist and military, the economic and social development will remain as before 1973. There will be more acute economic and social problems: the wealth and income gap will grow wide, the rural areas and urban slums will be neglected. The wealthy in Bangkok and other big cities will indulge in more luxury. Corruption in public life will prevail.

Educational reform, health service to rural areas, the decentralization of administration, all those endeavours begun during the free period, will be stopped and reversed.

44. The United States' influence in Thailand will increase, they will still expect Thailand to be in the front line in their anti-Communist strategy. For that matter, all the other ASEAN participants should be delighted: Thailand now joins the Dictators' Club as well as serving as the buffer Domino.

The new Thai Government will not be very friendly with their communist neighbours. NARC lost no time in sacking two or three senior officials of the Ministry of Foreign Affairs for having "misled" the previous ministers into cordial negotiations with Laos, Cambodia and Vietnam. This policy was attacked by the generals. The Vietnamese refugees, and the descendents of Vietnamese immigrants are the scapegoats. There are border problems in all three directions and any small incident could grow in such an atmosphere into a bigger armed conflict. Will such conflicts, if and when they happen, grow even wider?

45. This account and assessment seems to be gloomy and depressing.

Where is the light to come from?

---

*(Reproduced from the original Thai version  
written on October 28th 1976.)*



---

## **CRISIS IN THAILAND: POLITICS, DEVELOPMENT, AND AGONY OF INTELLECTUALS**

**Introduction**, Dr. Robert Textor, Dept. of Anthro. & Educ.,  
Stanford Univ.

**O**ctober 6, 1976 was a crucial day in the history of modern Thailand. On that day the hopes of many people were dimmed. On that day, military power was once again asserted in the politics of Thailand. On that day, many young Thai students lost their lives on the campus of Thammasat University under circumstances that more extremely violated Buddhist ethics than any other single event in modern Thai history. Since that day, many Thais and friends of Thailand have wondered whether Thailand's post-1932 quest for freedom and order in a context of distributive development will endure. Thais and friends of Thailand can and do differ as to the interpretation that may be placed on the events of October 6th. But all of us will lament in human terms the brutality of that day. Certainly, all of us, as people who wish well to that troubled land, lament the passing of academic and civic freedom. These tragic events

did not happen in an international vacuum, and it might well behoove each American present to reflect upon the fact that American influence has been predominant among foreign influences in Thailand for more than twenty years. Moreover, it might be observed in passing that the report of the Thai scene in the American press has generally been limited and superficial.

Stanford University is honored to have as its guest today a man whose name has doubtless long since been known to every Thai in this room. For the benefit of the non-Thai in the audience, however, a word of introduction is required.

Were there to be a poll taken among a random sample of a hundred Thai intellectuals, in which the question was asked as to what five individuals have done the most to provide both intellectual and practical leadership in development and freedom in Thailand, I dare say the name of Dr. Puey Ungphakorn would be on almost every list.

Dr. Puey is an economist, educator, administrator and publicist. During World War II he was an officer in the Free Thai Movement and was parachuted into Thailand. He holds a Ph.D. from the London School of Economics, with First Class Honors. For many years he served as Governor of the Bank of Thailand, and then for some time as Director of the Bureau of the Budget, where he established a national reputation for incorruptability in a political and economic system where corruption is in some ways institutionalized. He has also served long years as Dean of Economics at Thammasat University. Later, he became Rector of that University, a post which he held until 10:00 a.m. on October 6th last. On the evening of that day, he was fortunate to escape from Thailand with his life.

Dr. Puey has received numerous international honors and

distinctions. He has served on the governing boards of, among other institutions, the Asian Institute of Technology, the International Council on Educational Development, The East-West Center, the International Food Policy Research Institute, and he has received the Ramon Magsaysay award for government service. Amidst all these top-level assignments, Dr. Puey has found time to write on such subjects as “a Buddhist approach to economic development,” and to produce a series of University textbooks, written or rewritten so as to address theoretical problems in a specifically Thai cultural context. He was also the founder of a youth development corps, a sort of Thai analogue to the American Peace Corps, which encouraged young Thai students and intellectuals to do development work at the village level. In addition to all of this, he somehow found time to serve stints as visiting professor at Princeton and visiting fellow at Cambridge. It is an honor for Stanford to welcome Dr. Puey who will now address us.

## **Lecture**

My friends, Dr. Textor referred to the honor of Stanford University to welcome me tonight. I would rather say the opposite—it is an honor for me to have been invited by Stanford University to come and speak tonight. And if I may inject a personal note, I was pleasantly surprised to see a few old friends; a niece of mine whom I did not expect to see here, and, among the younger generation, some of my friends’ children are here, too. So it gives me great pleasure to be unexpectedly received in this way. I just learned this evening that the title of my talk will be “Crisis in Thailand: Politics, Development,

(and, moreover, this is the most difficult of all), the Agony of Intellectuals.” This unexpectedness of mine was in no way a reflection on the people responsible for this talk. It was my oversight not to ask them what they expected me to talk about. But, here goes. Let’s hope for the best.

Dr. Textor also referred to the events of October 6, 1976, and he said rightly, that there are so many versions and so many interpretations of that event. That is quite natural, because in any political event like that, a violent event like that, so many passions and so many of our, shall we say vices, shall come up and one should be able to distinguish between truth and untruth. Being in an academic circle here and coming from the academic circle myself, I shall endeavor not to mix passion with facts. In other words, I shall try to be as objective as possible. In politics, although one tries to be objective, it is very difficult, and it is undesirable, I think, myself, not to have a subjective evaluation of one’s values. And, with that, I would like to start the talk tonight.

There are many political ideals, and the complex of political ideals is difficult to explain. I think that we can simplify in this complex society, modern society, by stating, perhaps, that my own political aims would be classified twofold.

Number one goal is to live in an atmosphere of freedom. Freedom can be defined in various ways, but I would just leave it to you to define in accordance with international practice what the U.N. wanted to state as human rights: freedom, personal freedom, political freedom, freedom to express ourselves, and freedom for association. This aim of freedom may be regarded as “western,” but in fact it is not “western” —it is clearly ingrained in the word “Thailand.” The Thai are

free. The word “Thai” means “free,” and therefore, to be worthy of freedom is just a Thai virtue.

My second aim in the political life is to enjoy the right to participate in the affairs of the society, of the state in which we live. You will notice that I do not use such difficult words as “democracy” or other ones. But, I just say that I would like to have the right to participate in the affairs of my society. Whatever from it is, I don’t care. But the right is there; the right of each individual in the society is to be able to participate in the affairs of that society. I’m not asking more: in asking for this right, I’m not asking more than what is already implied in the Buddhist concept of *Sangha*. *Sangha* means the collective of the church people. And when the church people, in Buddhism, want to decide on something, then they call a meeting. And, when they call a meeting, each one can express his own opinion for the conduct of the church as he wishes. And, therefore, many people might say, well, the right for elections is a “western” concept—I would deny that. It is “western,” yes, but is also “eastern,” in the sense that it is a Buddhist right of any Buddhist man, or woman, for that matter. Now, I have stated my viewpoint regarding the political aim and future of every Thai and every American, I’m sure, every human being from South Africa to the North Pole, from Japan to the Latin American countries—I would say that this is just the innate responsibility of each person.

Now, let us look at the history of Thai politics. Let us not go too far—let us start with the year 1932 when in Thailand there was a change of system of government from absolute monarchy to constitutional monarchy.

The first ten years after 1932 was supposed to be a

transitional state to make people more politically aware and better educated so that they would be ready to exercise their rights and freedom. And, therefore, in 1932 in Thailand, we devised a system of a transitional state, a system that had been subsequently called "Guided Democracy." But that "Guided Democracy" system lasted until 1938 and 1939 when the Second World War was threatening and actually happened. Then we had a soldier who became Prime Minister of Thailand, Field Marshal Pibul Songkhram.

Field Marshal Pibul Songkhram lost his head over the power that he had and, therefore, he postponed the time by which the people could exercise freedom and rights—the rights that they have at this time—"until further notice," meaning indefinitely. Now, the Second World War came and at the end of the War, Field Marshal Pibul was duly ousted and a civilian government was put in its stead. This civilian government had tried and attempted to do without "Guided Democracy" and in the Constitution of 1946 we see, in letter, as in practice, that Thailand enjoyed a period when freedom prevailed and the right to participate in the affairs of the society was a reality. Unfortunately, in the next year, there was a military coup, again. And in 1947, this freedom and rights that I spoke of disappeared. Field Marshal Pibul duly returned to power and he governed for a long period, until 1959, when he was deposed by Field Marshal Sarit. Then, after the death of Field Marshal Sarit in 1963, he was succeeded by Field Marshal Thanom, with Field Marshal Praphas as Deputy Prime Minister. And then, Field Marshal Thanom exercised a revolution or coup d'état against his own government in 1971 and declared himself leader of the revolution, until in 1973, the popular demand for the return of



the rule of the law and for the right to vote, demand for a constitution that should be liberal enough, succeeded in amassing a gigantic crowd of more than 200,000 in the streets of Bangkok. And events then succeeded one another and together with luck, together with the intervention of His Majesty, and another factor was the double-crossing within the army ranks of one general against another, all this combined to put an end to the dictatorship in Thailand. Starting from October 1973, this was the period that again, we enjoyed freedom and the right to participate in the affairs of Thailand. But as referred by Prof. Textor, this brief period again ended on October 6, 1976, and then, and now, we have a government under military dictatorship.

During this stretch of years that we have been speaking about, there were two brief periods of democracy, if you like, in 1946-1947 and again in 1973-1974. As you can see, our Prime Ministers always have to have the title of Field Marshal, even the Deputy Prime Minister was Field Marshal. So, that means that the military, the armed forces, have been in the habit of governing all along with the exception of these two periods, one, one year and a half, and the other, about three years.

As I said, the present government is a government working under military rule. It is a civilian government. It is headed by a former judge by the name of Thanin Kraivichien. And Mr. Thanin, at the beginning of his premiership, announced that he was for "social democracy," but the social democracy must be evolved in stages: four stages in all, making each stage four years, making in all, sixteen years, and then we will reach Thanin's utopia, in sixteen years. In the meantime, arrests have been made. The killing, although not the responsibility of the Thanin government, that is true, but the killing at Thammasat University happened in the

morning and the coup d'état happened in the evening. And the Thanin government had been at pains to point this out, that the killing was not the responsibility of the government. But then one might as well ask, if it's not the government's responsibility, then why does not the government release all the political prisoners that had been arrested during the morning? One would have thought that the government would have done just that. And one might as well ask why further arrests have been made in subsequent days and months. The last arrest was made on Thursday, the 13th of January, as near as that, and thirty-three more people have been arrested, making, in all, the people under bars, behind the bars in my country, 5,000 in all. Some of them may be in isolation, kept in isolation, many of them are kept in the Police Hospital because they have been attacked and tortured while prisoners. On the whole, the brutality of the 6th of October had not been repeated, that was a thankful reflection. But for those who are in danger of their lives, in danger of being arrested, that is not an excuse at all. Moreover, what Thanin promised to us is sixteen years of imprisonment. Consider that we shall not be free until the end of sixteen years, we shall not be able to exercise our rights to vote or to associate ourselves together, we shall not be able to participate in Thailand's affairs until the end of sixteen years. That means that Thailand is in fact a virtual prison, gigantic prison. Sixteen years is a chunk of our lives, particularly a chunk of the younger generation's lives. So, in all, according to Thanin's dream, we are condemned to sixteen years' lack of freedom. But a question might arise: will this sixteen years produce the result that Thanin foresees? This is very doubtful, because, at the end of the sixteen years, or even before, a postponement, (assuming that Thanin is still there), a postponement

might be inevitable. But even if we begin this sixteen years and hoping for the result, will this plan last?

Already in Bangkok, quite a lot of people are dissatisfied with the present government. Everybody, I said, is dissatisfied with Thanin's government. Although the military does hold power through the civilian government, they are not quite satisfied, because they want to govern by themselves. They want to govern the country by themselves. The military recently has become more and more impatient and rumors have it in Bangkok that there will be a second coup.

Then, from the 9th of January, 1977, a second dictator, former dictator, arrived back in Thailand. Field Marshal Thanom, the former Prime Minister, arrived in September and that caused the coup. Field Marshal Praphas arrived on the 9th of January, after the government had declared that neither Thanom nor Praphas was responsible for the killing in 1973. So Praphas arrived. And a few days later, he went on the t.v. and declared that if the country wants him, he is ready to serve.

In Bangkok, astrologers have been very busy. In December, before Praphas arrived, the astrologers predicted that there will be a second coup, some say in February and some say in March. After Field Marshal Praphas arrived back in Bangkok, the astrologers changed their schedule, and predicted that the coup may happen in January or in February, now. I'm not referring to astrologers lightly. There is some reason to believe the astrologers, because the generals, when they want to stage a coup, usually go and ask the astrologers, "What is the appropriate time, propitious time... to do something?" Well, the astrologers can guess what that "something" is. And the astrologers, no less than any other Thai, are quite talkative, and so

the rumors spread out. And this is why I refer to them in this context, because you cannot take it very lightly. But, of course, they can change their minds about the time later on, too. So, I think that Thanin's sixteen year scheme might not last very long. There may be a second coup, and, on the government side, we never know when the military dictatorship will end.

On the other side, as you know, we always have had since 1964, insurgents, communist insurgents, fighting the government troops. At first, the communists confined themselves to the Northeast. And then the government appropriated money for the army to combat them. The army was so successful in combatting Communism that it spread all over, to the South and to the North, at present. In the end, at this moment of time, I think at least 35 of the 73 provinces of the Kingdom have been declared "sensitive areas" where there are communist insurgents. Now, the Communists gathered strength very slowly; they were joined by bandits, whom the authorities, the police and the army authorities condemned as "Communists" as well, although they were not. They were joined, normally, by villagers, who have been, perhaps, demanding money and refusing to give to the officials, who perhaps want to refuse any kind of surrender of daughter or niece to the soldiers and police, and then had to join with insurgents in the forest. But this is the process of strength-gathering of the Communists during the previous period.

But since October the 6th, many of the students, many of the intellectual academics, many of the trade unionist laborers and farmers consider themselves hopeless. Previously, they were willing to fight for their rights and freedom, through peaceful means. But now, they came to the conclusion, after the brutality and atrocities of the 6th of October, that armed struggle is the only

thing left to them. And, therefore, they went into Laos and came back through the jungle, or they went to the South and joined the Communists, straight away, and some of them have declared a common front with the Communists. So, the events of October the 6th have helped the people in the jungle very much and very rapidly. I got word from a friend of mine who decided to go into the jungle himself, and said that the jungle people were pleasantly surprised that so many intellectuals and Thai educated people had joined them. To a certain extent, they told the people about to go, that they should go a bit slower, because the jungle cannot support so many people, so quickly. But the result is that the jungle has been reinforced. And, already, three or four months after October, we see that the guerilla warfare, waged by the communist insurgents, has been intensified. The army and the police of the government, on the other hand, have intensified their fight. The latest news that I have, was that after an interval of several years, the government had begun to drop napalm bombs in the South.

So, what is the result of all this? I fear that there will be civil war. It will, the struggle will, reach the size of a civil war, with its suffering not by the combatants, principally, but by the men and the women in the field, in the battlefield. If my analysis is right, then we might expect a period of civil war, similar to what happened in Vietnam. The question is, which side will win? The question is, will there be intervention by any big power on either side? The question is how long, before there will be a result? But, in my mind, whichever side will win in the end, my political aspirations, and my friends' political aspirations, that is to say, freedom and the right to participate in the affairs of society, will not, be fulfilled. Whether it's going to be a communist victory, we know that the

Communists have restrictions on political freedom. If it is going to be the government, the dictatorial government, then we will go on having a right-wing dictatorship.

In this a dilemma between Communism and Military Fascism, is there a third way? Is there a means of stopping, without too much armed struggling, without, ideally, any armed struggling at all, is it possible, is it then possible, at the end of the road, at some stage, to attain a situation where the freedom and the right of citizens will prevail? This I do not know. I cannot say. I do not know whether we can do it, we can achieve it. But whether we can or we cannot achieve it, we *must* achieve it. I think, for myself and for my friends, this is the *only* way of society, that we want to live. We do not live in any other kind of society. And if we set our aim in this way; we *must* enjoy freedom, we *must* have the right to participate then, even if it is difficult, even if it is failure after failure, we *must* bear that in mind and *try* to achieve it. I repeat, I do not know whether we can do it, we have only the *will*. We must study the way to achieve our aim; we must talk together, we must discuss together, because if every one of us said, "It is difficult, I am not going to do it, I'm not going to do anything," then, we will never attain this end in any way.

I will refer briefly to the second subtitle of my talk, development. In Thailand, in the 1950's and in the 1960's, we have been able, as a country, to develop fairly well. And I emphasize, *as a country*. Our gross national income, for the whole country had gone up steadily: some years 6% (that is a bad year), some years 10% (that is a very good year), and some years even 15% or 16%. We have been among the best in the list of the developing countries. What did we do, in this way?

Well, in brief, Thailand's administration had been rather archaic. The budget account had been in a mess after the Second World War. The rice trade and other trades are subject to chaotic uncertainties. Exchange rates were multiple exchange rates and the statistics of trade, international trade, statistics of government spending or taxation was rather belatedly got five years after the event—in other words, we were more strong in history than in current affairs. And, in 1950, we changed all this, in the late 1950's, with some big steps that the government had taken, and with the aid of some United States' personnel, giving aid, technical assistance, on these matters.

Then we started building the infrastructure of our country; when trade had become easier and more certain, when the government income and expenditure had been subject to big reform, then we started building roads, rails, the ports, the communications, irrigation canals, and so on. This is what I call, or we call, infrastructure-building. And the result is that with the orderly transformation of the system, the country could grow. There was diversification of crops. In my young days, it was enough to memorize four products in Thailand: rice, timber, tin, and rubber. Nowadays, we have twenty, thirty main products. As I said, the national income went up by leaps and bounds. Our balance of payments year after year was favorable. Our reserves of gold and dollars grew. And, therefore, as a whole, in the country, we had nothing to reprove ourselves.

But, it has its reverse side. The other side of the coin is that the countryside had not benefitted from this growth. Somehow it is rather the reverse. In many rural areas, life had become even more difficult than before—due partly to the rapid growth in the population. In Bangkok, on the other hand, where the rich, where

the more educated people reside, where the bankers and industrialists reside. Bangkok had grown. Until now it is a monstrosity, a monstrous city. The canals are gone from Bangkok, the trees have gone, and also we are left with ugly cement and concrete, reminiscent of Calcutta, perhaps New York. Well, but in Bangkok, you live as luxuriously as in San Francisco, or Stanford—and you have big buildings with air conditioning, you have bowling alleys in great number—you can, you can do almost everything that Americans in search of pleasure could do, and perhaps a little more...

In the countryside, we are left high and dry. This is the situation again that breeds poverty, and poverty breeds discontent, and discontent breeds communism.

Someone has said to me today, that the right kind of development is the development of people. I believe that is true, perfectly true. And the development of people means the development of the grassroots. In order to correct all this, I mean, I say “correct” because I think that the infrastructure development is all very well, it was essential to achieve the kind of development that was necessary, but it was not sufficient. We have got to develop the grassroots, in other words, we have to take certain measures in order to enable development to reach the lowest level of the society. We must have several reforms done by the government: educational reform, land reform where it’s necessary, fiscal reform, welfare measures, social measures, and in all this, I did not spell out in detail. But, except to say that in the period of 1973 to 1976, we have been attempting to begin all these reforms. Some are, were in blueprints, some have been started, some are still in discussion, but the situation was reversed in 1976. And the indication is that the generals, or the civilian



government under the generals, at this moment, will revert to the practice before 1973. In other words, the consequence will be that Bangkok will become even bigger than now, and the countryside will be neglected. So, even on the criterion of development, as well as in the criterion of politics, this seizure of power on the 6th of October, 1976 was really a detriment to my country.

I would like to sum up my talk by saying that intellectuals now, well, at any rate, perhaps one intellectual, has to choose between dictatorship of the right—if he chooses dictatorship of the right, he of course, will bow to totalitarian rule. Secondly, he can choose dictatorship on the left. That has yet to gain power. Again, he will have to bow to the victors, eventual victors. Or, he may have a third choice: the third choice is the difficult choice—difficult to achieve, and difficult to do. It is the difficulty of the political ideal and the economic ideal: the issue of freedom, of the right to participate in the affairs of the society, of doing development properly. It is going to be difficult, if not impossible. And in the process of trying again and again to attain this objective, the intellectual may be bloodied, but he will never bow. Thank you.

---

25 January 1977

*Dr. Puey gave similar lectures in the UK, Europe, USA, New Zealand and Australia from October 1976 to September 1977 when he suddenly fell seriously ill on the eve of his departure to the USA once again. He also planned to visit Japan later on that year. All these and his scheduled Visiting Professorship at Bristol University had to be cancelled ever since.*



---

## TRENDS IN THAILAND

**Moderator :** *The seminar will be off the record. I will be taping it here, but it will be only for background use for our studies. It is on a non-attribution basis. We have asked Dr. Puey to speak for about half an hour, to be followed by questions, comments and general discussion. We have some microphones scattered around and there are seats which have been left open. Those are for those who were unable to sit around the table. If you would like to make a comment or ask a question, please come to one of the microphones and speak.*

*Dr. Puey does not need any introduction at all. Most of you who are participating today are very familiar with his background, but we prepared a short biographical sketch which is attached to your list of participants. We are delighted to have him here and without any further introduction I am going to ask Dr. Puey to begin his comments.*

**DR. PUEY UNGPHAKORN:** Madam Chairman, friends, I am also delighted to be given this opportunity to speak in this building today. I was told to keep to a time limit of 30 minutes

and I hope that you will remind me when I am about to overstep my time.

First of all, I would like to remind everybody here that what I am going to tell you is my version of the story. There are many other versions, perhaps the one that might be diametrically opposite to mine is the government version. I would urge you not to believe every word I say, but to weigh them against the government version and the version of the press from Thailand. Incidentally, my version happens to be close to the *New York Times* and the *Washington Post* and the *Far Eastern Economic Review*, so you have been warned that perhaps we are in league together.

I don't need to introduce the subject by elaborating on the history of the politics in Thailand at great length. It suffices for me to remind this assembly that ever since 1947 or 1948 until 1973 we have had a military dictatorship all along. This is a stretch spanning at least one generation.

The prime ministers during that period of dictatorship all had the rank of field marshal. You could not be prime minister unless you were a field marshal.

When I talk about a military dictatorship, perhaps I am talking in sweeping terms. Our military dictatorships in Thailand are sometimes very mild and sometimes it becomes more rigid and more forceful. For instance, when Field Marshal Sarit took power from Field Marshal Phibul, for the first year or so, he became very severe with our people, particularly his opponents. The question of human rights was, of course, in the background. Later on he became a bit more lenient, shall we say, or forgetful about suppression. Then he died. I do not need to say how many million baht he left behind; I do not need to tell you how many hundred of widows he also left behind him.

Field Marshal Thanom became Prime Minister and then he soon declared a constitution and later on we had a general election. That, again, lasted for a few years until Field Marshal Thanom could not govern the country. Then he staged a revolution against himself and called himself the leader of the revolution in 1971.

In 1973, of course, partly because of luck—I think mostly because of luck, partly because of the division within the army, partly because of the mistakes of the military leaders to promote student power at first against the Japanese and later against themselves in October 1973, partly, also, because of the intervention of His Majesty, in October 1973 we suddenly found ourselves set free. Free in the sense that previously in the universities and colleges you could not mention Marx, you could not mention Lenin. The history of the world was taught for only half of the world with no mention of the other half. Before 1973 we could not have freedom of association. The Labor Law was adopted and enacted towards the end of 1973, giving full freedom to negotiate and freedom to strike. The minimum wage during the dictatorship until 1973 was about 60c per day which is very low by any standard. The price of rice in Thailand had been kept down by the deliberate policy of favoring the urban population, etc.

Even though during this period, since the 1950's and '60's, our economy as a whole had shown great progress. For some years the gross national income might rise 15% at any rate between 8% and 10% every year. The balance of payments was in good position and the international reserves continued to accumulate. At the same time, the social and economic problems—because of the factors I have mentioned—the minimum wages, the rice prices, the economic and social problems within

the country, as I saw it, were acute. It is a problem of distribution, a problem of bridging the gap between the rich and the poor. During dictatorship, the rich got richer and the poor got poorer. During that period, perhaps in conjunction with the Vietnam War, we had insurgencies in Thailand that gained momentum slowly. In 1963 three provinces were declared "sensitive" provinces, that is to say, they were provinces that the communist insurgents were operating in. In 1973 those three provinces became thirty-two provinces out of some seventy provinces in the country.

As I saw it, the economic and social problems began to be felt, more and more seriously. In 1973, from October 1973 until October 1976, we had progress, not only in the political field. That is to say, freedom of the press, personal freedom, academic freedom and the freedom of association were allowed to flourish. During this period we tried to solve many problems. The minimum wage went up from 60c per day to 80c to \$1.00 to \$1.25 in 1975. This had not been achieved without quite a lot of negotiation and, in certain cases, big rallies by the trade unions. I was then the Chairman of the Economic Advisory Council to the Prime Minister. We had been calculating this minimum wage matter and discovered two pertinent things. One is that if you take all the protein and calorie intake, the minimum for a man and a wife, and you take also the minimum calorie and protein intake for food, and you take minimum shelter, clothing and medical care plus a little tidbits here and there, we found that in 1974 the minimum wage should be \$1.35, not \$1.25. Nevertheless, there was improvement. Another thing we found is that on the average the wage bill that goes into the industrial product made in Thailand was only 9%. We came to the conclusion that the minimum wage could go up without endangering the econo-

mic conditions for the employers.

During that period the price of rice had been subject to negotiation, was questioned in Parliament, and the result was that the government found itself guaranteeing the minimum price of rice and sugar cane and other commodities. The rural area was a matter of attention by various people. The rights and the conditions of work of the farmers had been defended. The mining companies in the North had been using the streams to dispose of their tailings to the detriment of the farming community. That was the subject of negotiation. In the end the farmers won a victory over the mining company.

Measures for land reform were drafted and other kinds of reform had been begun, especially the all-important educational reform that we had been working at for more than two years. All this improvement, all this partial solution of the economic and social problems was accompanied by disturbance, definitely. How else could you negotiate with reluctant employers if you did not strike? How else do you push the government to intervene in your favor against the mining company without some kind of rally and demonstration? All these so-called disturbances were usually arranged by the student body-the National Student Center of Thailand. This was composed of members of all the universities.

Looking back, I think we were all short-sighted when we complained about the disturbances. If we don't have these kind of disturbances and this kind of negotiation, perhaps we could sit back and be quiet, but in the end it would turn into an explosion-like Russia in 1917. I personally feel that we ordinary people dislike strikes, we dislike rallies because they disturb the calm of our daily life. Maybe we have been wrong about all this.

What happened in 1976? My version is this, because of the habit of the military for a long time to rule the country, I think

the military really wanted that power back. I realized this as early as 1974, in the middle of 1974 while we were drafting the Constitution. We knew that certain people were plotting to organize various hooligan groups who armed themselves to the teeth and appeared in the streets of Bangkok and were never arrested by the police. There was a psychological warfare group that was organized by the army. There was a vigilante group that was organized by the Ministry of the Interior people. The army in 1973 and 1974 had never been touched by the administration of Thailand; local administration which is highly concentrated in Bangkok, had never been reformed. These people had been able to organize various groups in order to seize power again. They were not concerned whether Democracy would work or not.

That was the forefront of the change in 1976. I think that when you look at the association of these groups of military people with the police, with the governors of the provincial district offices, the alliance of this group with the big landowners and big bankers and industrialists and even small men in the villages that act as middle men, moneylenders, you will see that they were all on the side of so called "stability" that might be provided by the army. I am mentioning even the small moneylender or middle men because the students have been accused quite often for being Communists, purely because the students might organize the villagers into some kind of cooperative. When you organize a cooperative, you cut out the middle man and his profit disappears and, thus, he would certainly side with the military against the students.

I don't need to explain to you what happened in 1976, October 6, last year. The world press is full of horrid, horrific pictures and stories. I would like to mention to you something that, although it appeared in the world press, has not been

circulated very widely. On the sixth of October, after the killing of the students in my University, not one group was prepared to seize power, but at least two, maybe three. The group that has become the present government was the first one to go into the field. That is to say, they seized power at 6:00 p.m. of that day. The second group planned to seize power at 10:00 p.m. on that day. They could not do very much. Maybe the second group's astrologers were not as smart as the first group's astrologers in the sense that they could tell a more propitious time to stage a coup. One of the leaders of the second group was, of course, General Chalard Hiransiri who was subsequently dismissed from the army and became a priest in the same temple as Field Marshal Thanom. We don't know where he is now.

There may be a reason to believe that a third group of the army tried to stage a coup later on, too. The result was that one of the generals who belonged to that group was sent to supervise students in Japan and now he is back and will become Ambassador in the Netherlands. In your American system, you appoint as ambassadors those who have campaigned for your president and so on. In the Thai system, whenever there is a scandal, those people involved in the scandal become ambassadors. This has happened again and again.

I would skip to the present day. What is happening in Bangkok now? My diagnosis happens to coincide with the latest issue of the *Far Eastern Economic Review* (February 11). That is to say, the present government, although under the control of one group of generals, is in a precarious position. I must say that although the present government, which is civilian, does not see eye to eye with me in many respects, still they are controlled by the relatively moderate among the competing groups of generals in Bangkok. Since Field Marshal Praphas



has returned in January and because of the presence of Field Marshal Thanom inside Bangkok, the generals tend to rally around these two gentlemen. I believe that the present government realizes that the danger comes from this group.

Another group, apart from Field Marshal Praphas and Field Marshal Thanom's groups, would be the group that was led by one of the political parties, the Thai Nation. If you will remember, the leading members of this group originated from the family of General Phao. I must explain a little bit. When Field Marshal Phibul was Prime Minister, there were two rival camps under him. One was Field Marshal Sarit, who succeeded, and one was General Phao who did not succeed and eventually died in Switzerland. This branch of General Phao is again trying to seize power. They were allied with the second group on the sixth of October. They were also identified with the party that was in the coalition with Kukrit and in coalition with Seni Pramoj. They were in the government all the time during the parliamentary period.

A fourth group of army officers that might threaten the safety of the present government belongs to another group. For simplicity's sake I will say that they are those who have double-crossed Field Marshal Thanom and Field Marshal Praphas in 1973 and became more powerful—those who would like Field Marshal Thanom to go out, who do not like the prospect of serving under Field Marshal Thanom and Praphas should these two people become powerful again.

This is the situation in Bangkok nowadays as far as I can see. What about the rest of the country? Here I am on shaky ground. I am not supported by press reports, but I know from my correspondents and former students that quite a number of students and teachers and journalists and trade unionists, farm

leaders have gone into the jungle to join the Communists since October last year. How many? We don't know. I venture a guess of two or three thousand. Six thousand people are missing from regular University attendance. I take the number of those missing and divide by two. The number does not matter as much as the quality. The Communists have never been blessed with so many qualified people: medical students, engineering students, science students, educators, communications students and so on. In other words, the coup d'état that was launched in the name of anti-Communism, helped the Communists in the jungle of Thailand to become stronger. The result, as you may read in the paper, is that frequent attacks by the people in the jungle are being made.

On the other hand I hear, this time I am quoting the *Christian Science Monitor*, that the government forces have now resumed dropping napalm bombs on the guerrillas to the South and using chemical warfare in the North and the Northeast. The result is that there is fiercer fighting at this moment and in the future I am afraid it will become fiercer still.

Many of my friends and my students explain their own reasons for joining the communists in this way : we have tried by peaceful means to change society, we failed. Some of us have been killed. The only way to do it is by armed struggle and that is why they are, at this moment, forming a common front with the communists. I can understand them better now although I do not agree with them. I still believe that violence should not be resorted to and I still believe in the middle way. I do not want to live under Communism, but I do not want to live under the dictatorship. A group of friends share my view and we feel that we want two things. It doesn't matter what kind of model of Democracy it might be, but we want two

principles. One is freedom, some measure of freedom and human rights. Secondly we want to be able to participate in determining the destiny of the society. After all, these two principles are not new; they are not western. They are asian. Our name is "Thai"; that means "free." Every Thai would say that they want to be free. The principle of participation is embedded in the Thai culture. It is the idea behind the word "Sangha." Sangha means a collection of priests more than four in number who will determine what they want to do together—they consult each other. To those people who say that we are not literate and we are not rich, we cannot enjoy freedom, we are not ready to participate in the affairs of the country, I would say that that is not right. In fact, I and my friends' mission at this moment is to try to get to the middle way. We find it very difficult. We find it much harder to find the middle way in 1977 than we did in 1973. Whether we succeed or not, this is the aim we have set for ourselves. We will try and try again even if we fail 100 times.

One last word about what I want the American people to do or the American administration and Congress to do. In short, to support me, to support me and support my friends in this endeavor. Of course you cannot interfere with the internal affairs in Thailand, but at least as the member of a free country you should support those people who are legally and morally fighting for freedom. Secondly I would like the Congress to hold a hearing on Thailand with regard to determining the policy. It is about time that the American Congress and government revised their attitude towards the Cold War and the fighting in Asia. They should look at the history of the past 20 years. You have a knack, in Asia anyway, of backing the wrong horse and you side with the people who are not only defeated, but who are wicked and corrupt. Why don't you look at your own policy again? Thirdly,

I would like the American government to abstain from giving armed aid to either side. Of course, to give arms to the Communists is beyond question for the Americans, but do not give it to the Thai government because if you do the Communists will go to Hanoi and Peking and ask for more armed aid and then where are you?

At this moment I have the information fairly accurately that the arms used by the Communists in the jungle do not come from Hanoi or anywhere. They are bought in the black market or seized by the Communists inside Thailand from police stations or army detachments. I would ask you this, perhaps it is too much to ask for more. That is to say, to ask the American government to pressure the Thai government--whatever complexion it might be--to regard human rights as inviolable rights of the Thai people. Perhaps we should take heart from what President Carter has said quite often in regard to human rights. I think he is aiming at Soviet Russia and Czechoslovakia; how about beaming it to Chile and Thailand as well?

## QUESTIONS

*I would just like to ask Dr. Puey if he would explain a little bit more about the influence of the Communist Party elements in the student movement in Bangkok. You seem to indicate that there was little or no influence which is, of course, counter to much of what we've read. I wonder if you might like to comment on this particular question.*

**DR. PUEY:** I would not say that there is no Communist influence among the students in Thailand. There has always been and I have been fighting with the students on this issue for

two long years. I know for sure that there has been some influence, but I think the influence is very small numerically. The communist tactics have been very influential sometimes among the non-Communist students as well. I don't deny that. I would like to report on one thing. When the students went out to Laos and declared on the radio of the Communists, the Voice of the Thai people, that they are now joining the Communists in a common front, the words 'common front' I interpreted as meaning that they are not Communists and they do not belong to the Communist Party, but that they are working with the Communists against the dictatorship. My assessment, even now, is that it is not too late for us to try to bring back those people who have formed a common front with the Communists. If they leave it too long, perhaps, as in the history of many other countries, the people who have joined the common front with the Communists will eventually come under the influence of the Communists.

*You started your comments with some references to the state of the Thai economy in the years before 1976. I wasn't clear from your remarks whether you feel that economic influences played any significant part in the 1976 developments. I wonder if you'd address this subject and comment whether you would expect in the future the state of the economy to be influential at all in what transpires.*

**DR. PUEY:** I am afraid I was rather short on this subject. Before 1973 I would say that we had progressed fairly well with the orthodox way of development, disregarding perhaps, to our regret, the social problems that accompanied that. We looked, together with many less-developed countries, at the gross national income

and the rate of growth; we did not look inside. For this I must blame myself as one of those who had devised this kind of development. As I said, the countryside was stagnant before 1973 and Bangkok, as you probably know, had grown bigger and bigger.

Between 1973 and 1976, the aggregate side of the economy went on as usual. Even last year we still had a balance of payments surplus; we had a growth rate of 6.5%. There was nothing to worry about on the macro side of the economy. The micro side, the distribution of income, wealth was our main purpose. As I said the bankers do not like it. The common man did not like it because of the disturbances I talked about. Big landowners looked at the prospect of land reform with horror although they dare not say so. Rich people do not like the inheritance tax in Thailand. All this played a big role in precipitating the coup, together with the quest for power by the military. It was a quite effective means for them to gain power.

Ever since October 1976, strikes have not been allowed. Minimum prices for commodities have been given up. Land reform appeared in the statute books, but no real political will exists to implement it. I could cite many things. Education reform has just been dumped. At the present moment, again, we are in the same situation that appeared before 1973. You can detect some economic motives and financial motives in all this, but I think they are supporting the political quest for power.

*I wonder if you could give us your interpretation of the role of American policy in the years leading up to the 1973 establishment of democracy through the coup and how you view whether or not, American interests were served both by the establishment of parliamentary government and by the reestablishment of military dictatorship.*

**DR. PUEY:** In the 1960's I happened to be the Budget Director and as such I was led into the conversations between the military and civilian people on the Thai side. All these bases, all the training of the border patrol police, and so on, I conceived, even at that time, as serving the American obsession for Cold War. Thailand is just a link in the international chain of strategy of containing Russia and China. It must have benefited the country, given your assumption that Thailand had to be protected from the Communists somehow. I think we all learned a lesson that the operation in Indochina was a failure. I think the operation in Thailand was a failure too. Coupled with this was the rumors—I do not think the rumors were unfounded—that military aid from the U.S. had enriched certain generals. On the whole I think the American influence in the defense of Thailand—I am not speaking about the American soldier—had been mixed. Looking back now we are a bit wiser. We can see that, on the whole, it had been futile in containing Communism. I don't claim that I foresaw in the beginning that it would come to this.

During the free period, 1973 to 1976, when the Americans were withdrawing from Indochina, the students demanded that the American forces should be withdrawn entirely and the American bases should be shut down and equipment taken out. In other words, quite a chauvinistic way of doing it. I believe that that was the time when the American influence had been rather negative, even momentarily. You appointed an Ambassador in Thailand in 1973 who had a great reputation for CIA adventure, although you withdrew him later on—it was a bit too late, the damage had been done. I must say that in my opening I said that—and I say this to my students often—all this, looking through history, the Americans have been our best friends all the time. They have never been, until now perhaps, imperialistic.

We have nothing to fear about losing territory to Americans. On the contrary, they have helped us, in 1914 to regain our sovereignty by being the first country, and by supplying a good foreign advisor in the person of Dr. Francis Sayer to go around the world and get other countries to withdraw their extra-territoriality rights. In 1945, at the end of the Second World War, I had first hand knowledge of how the American government had helped Thailand during the defeat of the Japanese against the claims of the British, the French and the Australians so that we were not a loser in the war. That was all very good influence.

The bad influence of the Americans started to be felt in the 1960's and the 1970's. Nevertheless, most Thai people still regard the Americans as our best friends and people who help us. The government cares for its image abroad. After all, they don't like me speaking to you; they make it quite clear that they don't want me to speak in Washington, D.C. because that will spoil their image. Nevertheless, it shows that they care for the image abroad, international public opinion and therefore they are a bit easier to influence than the people in Argentina or the people in Chile.

*(.....is there any hope for that?)*

**DR. PUEY:** I don't see any hope at all. I foresee if the coup d'état from any group of the three groups that I mentioned happen, then there will be more arrests and they will be more ruthless, because at the moment the military dictatorship is being hampered by the civilian cabinet. Many generals believe, they must have a fully military government. This is the rumour that circulates back home.



*During the inauguration you didn't mention anything about the role of the palace in this. I thought that during the uprising of the students in 1973 it appeared more or less that the king had helped the students to succeed, but in 1976 I think, according to a rumor I heard and read about in the newspaper it seemed to be the other way around. Do you have any comment about that?*

**DR. PUEY:** Well, I did mention about 1973 and it is true that I did not mention anything about the King or the Queen in my speech. That was deliberate because I feel that there are enough rumors in Thailand and across the press already. I feel that it is damaging to Thailand if too much is made out of what the King or the Queen is doing. I am not a royalist, I am not an ultra-royalist in the sense that I would consider the King as divine person. But I believe sincerely that the Monarchy has a role in Thailand, in a country like Thailand, a unifying role and a beneficial role. Therefore, I consider that it is my duty not to try to spread more news about the King. This is the simplest.

*Dr. Puey, it seems that you've given us a very penetrating and profound insight into the two groups particularly, that is the military and the students. I want to ask if there is any other groups in Thailand developing political alertness, political consciousness. I have in mind for example, in the first elections of the 1960s, when a group of Thais with whom I was associated, maybe a dozen of them, 12, 15 of them wouldn't take the time. Now, these were people, college graduates, University graduates—they were disinterested completely. I was the only one trying to urge them to go vote. To them, they were completely defeatists, what's the difference? Now of course I realize those people had never lived under anything except that military dictatorship I speak of. Now are there any other groups developing today with more political alertness other than just students?*

**DR. PUEY:** I'm afraid that at this moment the other groups are either silent or very small. I mean, people who think like myself, there are many, numerous. I hope in Thailand many of the ex-members of Parliament are trying to find a way out. Even Kukrit himself, by rumor, is trying to manoeuvre the situation somehow, but so far without success. So I would say that there are certainly some people in Thailand at this moment who are thinking roughly in the same way as my friends and myself. But at this moment nobody trusts any other person and therefore they keep quiet. Perhaps they will emerge later on as a third force for democracy.

On the other hand, quite a lot of young men, both inside the country and outside, have given up the idea of democracy by peaceful means. They think there is no choice now between the two: military dictatorship & communism. They have to join one or the other.

*Dr. Puey, I would like to ask for your comment about something I found out when I was in Bangkok. I happened to go to Bangkok two days after the coup and some of the western observers I talked with told me that the students had overestimated their power. They went too far, because by asking the expulsion of Thanom, they were asking something that was against the Constitution that they and the rest of the intellectuals had worked so hard to bring about. They gave me this article from the constitution, section 47, which says "no person of Thai nationality shall be deported from the kingdom." And they said that it is very ironic that both the students and the intellectuals who worked so hard to bring true Democracy to Thailand have been the tools, or have been the force in bringing the military regime back.*

*Do you think that if the students had not over-demon-*

*strated, had not asked for things that really were beyond the power of the Seni government, because Seni, as we all know, is a lawyer, maybe military dictatorship would not have come back? Would there have been another occasion, another opportunity for the military to decide that they should take over? Because what I have been told was that the days before the military takeover were real anarchy and nobody was happy with the situation. So would you like to comment on that?*

**DR. PUEY:** I must give my own opinion, my honest opinion. I can't hide my opinion. But I believe that you have been told half-truths. What the students had been asking the Seni government was to do either one of two things. Either to expel him or to bring him to court. The students, in fact, had been demanding this. But, I am not arguing for the students at all, but they did actually ask for two things; one or the other. Either expel him like Praphas, or if not, to bring him into court. And Seni's government, from the 19th of September to the 6th of October had not done anything at all, except to postpone decision. Well, that is my version of the story.

Another version of my story, is regarding the chaos that reigned before the coup d'état. In my opinion, the demonstration of the students in Thammasat, although I don't like it at all, was peaceful, a peaceful demonstration. There was no chaos, anything about it at all. The chaos was caused by the police going into the University at dawn, on the 6th of October and firing indiscriminately. And that created the chaos that you were talking about. And therefore, that was the time, the conditions from which you could stage a coup d'état, under the pretext that it was chaos. But if you will reread the *New York Times* and the *Washington Post*, if not the *London Times*, the *Guardian*, if not the Japanese newspaper, this is the situation.

So who created chaos? I'm not saying the students are not at fault. I agree with your informer that the students were over-confident about their power. I wrote in the Thai language, and translated into the English language, my account of the situation. There was a paragraph that I have written about the student and perhaps I will give you a copy. I said the same, that the students were over-confident, they took up every issue, small or big, and tried to demonstrate, tried to create, so-called disturbances. Their popularity has waned. That is true. I have written that. It is true as far as the student's own behavior, that they create their own destruction. But it is not true in the sense that they had created chaos by any means.

*Dr. Puey, you used to be mentioned rather frequently as a possible prime minister, and I don't really want to ask you what you might have done if you had been Prime Minister, but I wonder if in retrospect, there are some kind of general policy areas perhaps in relation to military or domestic politics or foreign policy where the democratic government might have done differently in order to permit Democracy to really take root in Thailand.*

**DR. PUEY:** I think this is a subject that my friends and I intend to study and talk together. We must learn from the past. What have we done or have we omitted that creates situations by which democracy has just been destroyed. I think they are really important subjects and we intend to conduct some sort of seminars over this. My own opinion is that Democracy in my country has to be practices, or in any country. It cannot be done like in a classroom. In other words you cannot have a guided democracy and then suddenly you reach Democracy. You have to practice in this imperfection all the time. And therefore, it takes

time before you strike the right note. After all, Britain took several decades to do this. The French failed again and again and again and they reached this situation, although imperfect, still of democracy. And you yourself, you have since 1776 learned to be a free country, I am not flattering you at all, but the fact is that you prize Democracy very highly. But nevertheless, I think it takes time.

In order to allow some time for it to grow somehow, and then flourish, I think you need to take some action. In other words, I think we should have reorganized the army so that it could not strike back within two or three years. Perhaps if we reorganized the army then in 1973 the army might have seized, might have staged the coup right away. Perhaps, but that might be better than leaving three years before they strike. Perhaps we ought to do some kind of administrative reform so that we have local government control by the local people instead of being controlled by Bangkok. There are many other things that remain to be done. But we need time. We will have to study more about this.

*Dr. Puey, your address left the impression, at least in my mind, that the U.S. presence in the sixties was sort of unilaterally imposed. I remember sitting in on some meetings in Bangkok with Marshal Sarit, Ambassador Young, and with you if I'm not mistaken in which there was a commonly perceived interest in having a U.S. military presence in Thailand. This was a Thai desire as well as an American one.*

**DR. PUEY:** Oh, I'm sorry if I gave you that impression. I think that this was mutual, a mutual agreement between the U.S. and the Thai government definitely.

*I think that one can argue that the presence was prolonged beyond necessity. I think that there's a good argument on that score. But another point I wanted to raise: Thailand and Vietnam have had an historical opposition that goes back, in warfare, at least 500 years. If one posited that in 1954, when the French left Indochina that we were left holding the bag there, we had a choice of either not taking up from the French role or staying on. We perhaps made the wrong choice. But if we had not made the choice we did, and we did make that choice I believe, because of the example of Korea in 1950 and the several examples in Europe in the years after World War II. At any rate, if we had not made that choice and had just walked out in 1954 along with the French I would guess that North Vietnam's takeover of the South would have been precipitated within a couple of years. Instead of occurring by 1975, it would have occurred by 1956 and 1957. Now Thailand, between 1957 and 1975 at least had the opportunity to build itself up economically. It had an awfully good opportunity to build up its road infrastructure for example, particularly in the Northeast. We bought time for Thailand really, in their whole presence, however disastrous it was in Vietnam. How do you think things would have turned out for Thailand given the historical North Vietnamese-Thai rivalry, if we had not stayed on in Vietnam in 1954?*

**DR. PUEY:** I think that your analysis would presuppose a deliberate policy of the North Vietnamese to attack Thailand and you also presuppose that Thailand in the 1950's was even weaker than Vietnam in the 1950's. I don't believe that these two assumptions are true. You see, as a matter of fact, I don't know, after years of suffering, unnecessarily I think, suffering,

North Vietnam had taken over. Whether it's a good thing or a bad thing to have it happen in 1975 or have it happen in 1953 without so much suffering, I don't know. You have to judge for yourself. For myself, I would judge that if they were going to take over in 1953, without too much suffering, North Vietnam I mean, perhaps let them do it. I mean, I'm not encouraging the Communist takeover, as you can see not only from my words but from my actions and speech and writing. But again, in the 1950's, I think that Thailand, if we could not defend ourselves then it is hopeless for the Thai people; that is, I mean, if we cannot help ourselves, be self-reliant in defense against the Vietnamese, even if the Vietnamese wanted to attack us. Well I feel that Thailand came out of the Second World War fairly well, untouched, whereas Vietnam had been fighting war with the French. I think that we had the strength. I think that if you are tackling about inter-war strategy and tactics, military tactics, I think we could fairly well defend ourselves.

*You went through a long list of the reforms that were instituted, or at least begun between October 1973 and October 1976. I have one simple question and that is, why wasn't there a groundswell of popular support and unification around the democratic forces within the country that would have made it impossible for the military to reassert itself?*

**DR. PUEY:** Well, the short answer is that there was not enough time at that time. And also, the military had organized several groups of people to attack the students. Not only the students, but attack the farmers, the workers, urban workers as well. The psychological warfare that had been waged, had been waged successfully by the army. So on the one hand, there was not enough time, on the other hand, as I said, the students

spoiled their chance, their own chance. On the other side, the people who wanted to disrupt that system, who wanted to come back to power had time and money, that is, public money, to organize their resistance to the democratic forces.

Between 1974 and 1976 at least the terrorization and the political assassination took place in 50 or 60 cases, including of course, Dr. Boonsanong who was known to many of you here.

*I have recently heard that there was a fairly large scale attack by the Khmer Rouge on several villages in the bordering areas that involved the killing of I guess 40 to 50 villagers in a brutal kind of way. I'm wondering if you would speculate as to the reason for the Cambodians trying to provoke a more powerful neighbor that is in a situation really, to retaliate, not to assist them economically, should that ever be possible, unless some outside force might be in a provocative posture.*

**DR. PUEY:** It is incomprehensible for me why they should do so. But today in the *New York Times* there is an explanation put out by the Khmer to say that all these provinces belong to them and all these villages, and they are free to kill anybody who lives in that territory. That is rather lame duck excuse anyway. I was quite surprised because of a story I got from Kukrit himself. Kukrit when he was Prime Minister went to China. When he came back he told us, in a drinking session, that Mao had already told the Cambodians to be friendly with Thailand. Kukrit himself had asked Mao to use his influence so that the Khmer should send somebody to come and talk and normalize relationship between the two countries in Bangkok. And Iang Saree, the Foreign Minister of Cambodia came to Bangkok in the Chinese plane and talked. We were thinking



that we were all good friends. One thing I'm pretty sure of is the cruelty of the Khmer Rouge soldiers in their own country reflects the weakness of the Khmer Rouge among the Khmer population and therefore they have to be more ruthless.

After all, within Cambodia, apart from what Lon Nol might have created, they have to contend with the people who want to follow Sihanouk, they are still in great numbers. The explanation that variously reaches us was, regarding the attack on these villages on the border is that the Thai really took their money and promised to deliver goods to the Khmer and because they had not delivered the goods, they were killed. But I found it beyond reason to kill all the children and the women. I mean, I don't quite understand it at all, so I just take the explanation at face value.

*You obviously do not expect much in the way of social reforms from the present government or any of the other possible coup groups that might replace it. Why is it that the military who does not need the support of the big landowners or the community in the same sense that another government might need it, why is it that they are so reluctant to move ahead with land reform, to move ahead with minimum wage reform. I can see the education reform, but the minimum wage and to help persons who are indebted and so on, why the great resistance to this within the military?*

**DR. PUEY:** I can only venture to guess. I think they are short-sighted and that's why. I mean if they had been a bit more lenient to political prisoners, if they had undertaken some reform, they would be much more popular. They would be able to consolidate their position much better. I think that there is just short-sightedness.

*when I saw you in Bangkok a couple of years ago, less than that actually, and talked with you and Prime Minister Kukrit about the zone of peace, freedom and neutrality, both of you were looking optimistically, for a trend that would create this kind of arrangement in a Southeast Asia that would embrace both the Socialist states and ASEAN. How would you guess that events in Bangkok over the past few months are effecting thinking about this strategic outlook.*

**DR. PUEY:** The situation is reversed. When Kukrit told you his idea I think he was really sincere about it and I think even nowadays he still holds on to that. The first step of the Kukrit government as well as any government was to normalize the relationship with our communist neighbors in order to take advantage of the declared principle of Panchasila that had been invoked since Nehru and Chou En Lai's time in 1955. Unfortunately, this matter had been reversed because of the intransigence of the military group. You see, when Pitchai Rattakul, the Foreign Minister under Seni, went to talk with Hanoi, the military at that time openly stated their disapproval. Immediately after the coup our old friend Anand Panyarachun who was Undersecretary of Foreign Affairs was investigated. It was only much later that he was found innocent of any charge.

All the rumors that the government had encouraged to happen about the Vietnamese in Thailand, all sorts of stupid rumors, showed that the Thai government at this moment regards their Communist neighbors as enemies, ready to fight them at any time. Of course, they exercise patience with regard to the Khmer Rouge, that is true, but the kind of provocation that they spread about the Vietnamese is unthinkable. But you see, that zone of peace has disappeared, unfortunately.

*Dr. Puey, there were several references in your presentation to what you call the "stagnation of the rural areas" during the, I guess up till 1973. Actually, from the middle 1960's on, isn't it true that the government did initiate, and actually implement a large number of rural programs which, while I think they might have been motivated because of insurgency and political reasons rather than a desire for social and economic reasons, but weren't those same programs later pursued, furthered, by the government after 1973, from 1973 to 1976?*

**DR. PUEY:** The government arm for rural development consists of the ARD (The Accelerated Rural Development) and I think that they have done some good work. They have done that with American money, I acknowledge that. They have also the Border Patrol Police to look after the hill tribes. That is not very successful. On the contrary, I know of many cases where opium is the commodity that attracts more attention of the police rather than law and order.

They have also enlarged the work of the Public Welfare Department under the Ministry of the Interior. That is true, but in my mind and I have surveyed quite a lot, they have not penetrated the problem at all. That is why I feel, as you said, you are quite right, the motive of the ARD was to combat insurgencies. There are quite a lot of rural people, leaders, who say that if you want the government to take care of you, you must create a Communist in your village. Otherwise, the government would not come to do anything at all. And that is true of perhaps 80% of the countryside. The central plain where the land reform problem is the most acute, well, not very serious like in many countries, but relatively acute, had never been touched by the government.

In the meantime, I feel that there has been a gap between government services and the local people. You go and look at the government extension service, how do you call, your agricultural extension officer, you go and look at the work, say in the health service, for people in the rural areas, the education people in the rural areas, they just sit in their office instead of going out to help the people. Something needs to be reformed in this field.

*The second part of my question, (the moderator intervenes to say, "we have four minutes left, so if you could please, make it in four minutes.") What happened from 1973 to 1976 with these rural programs?*

**DR. PUEY:** They went on, but the students, again I'm talking about students, although I'm criticizing them, the students went on to work in the rural areas on top of what the government would have provided. Well, I was involved in a scheme of three universities working together, called the Maeklong Project, that sent students out to help the countryside.

**Moderator:** *Thank you. Just one more question.*

*Dr. Puey, what kind of restrictions, if any, have been placed on faculty in the different universities since the takeover. What they can teach, what they can't teach.*

**DR. PUEY:** Well, they cannot teach any political theory. They cannot teach comparative economic systems. Of course, the whole Socialist literature, I'm talking about the range between Social Democrat and Communist, is totally banned and books are burned or confiscated. They are not to allow any student

union in their University. In general, it's more like universities in Singapore, a bit more.

**Moderator:** *Well, I've promised Dr. Puey and all those who have participated this evening that I would end this at seven o'clock. I'd like to thank Dr. Puey very much for giving us his personal point of view about the situation in Thailand and the future of Thailand and thank you very much for coming and participating in this seminar. (Applause)*

---

*February 15, 1977*

*At The Center for Strategic & International Studies,  
Georgetown University, Washington D.C.*

*Moderator: Dr. Serino Carlson*



---

## HUMAN RIGHTS IN THAILAND

*STATEMENT OF DR. PUEY UNGPHAKORN  
FORMER RECTOR, THAMMASAT UNIVERSITY,  
BANGKOK*

**Mr. Puey:** Thank you, Mr. Chairman.

First I would like to thank you and the committee for having invited me to come before you today.

I have served various governments of Thailand in various capacities since 1949. My principal posts were: Governor of the (Central) Bank of Thailand for 12 years, member of the Executive Committee of the National Economic and Social Development Board, Budget Director, Director of the Fiscal Policy Office, Chairman of the Prime Minister's Economic Advisory Council, and Rector of Thammasat University. My curriculum vitae is in appendix I of this testimony.<sup>1</sup>

---

<sup>1</sup> Appendixes I through V are retained in the subcommittee files.

During my public service, I have worked with American diplomats in Thailand: Ambassadors, Embassy officials, USOM directors, et cetera. I have many close friends among American bankers, American foundation officers, American intellectuals and academics. My attitude toward the United States and regarding United States-Thai relations is well known to them. I feel, however, it is a pity that there is no representative from the Bangkok Government in this hearing. Although I understand that the Chairman has extended the courtesy of inviting someone to come to this hearing.

**Mr. Fraser:** I interject here that for reasons that I think are probably evident normally it has not been appropriate for governmental officials from another government to appear but in the past we have notified embassies of our intention to hold hearings and invited them to suggest nongovernmental witnesses that they think would help to round out the testimony that we are going to hear.

You are right in this case, we did extend such an invitation to them.

**Mr. Puey:** Thank you, sir. That is my point exactly.

My reason for saying this is that it would be better for you to hear both sides of the story.

In response to your query regarding the status of human rights in Thailand at present, I would say in Thailand at the present time there are numerous instances of gross violations of human rights. The violence in Thammasat University and the coup d'état of October 6, 1976, marked the beginning of the severe repression that continues to this day. My account of the

events in October 1976 is appended as appendix II.

The violations of human rights has taken several forms: arbitrary arrests and detention, tortures, executions without trial; restrictions on the freedom of opinion and expression, and on the freedom of the press and other mass media; restrictions on academic freedom; suspension of normal judicial procedures; and terrorization and other aspects of social control over citizens. Elected parliament and cabinet were abolished on October 6, 1976, and superseded by the appointed ones. Similarly, the armed forces coup leaders abrogated the 1974 Constitution, replacing it with their "Constitution" drafted by the junta.

There were more than 3,000 people arrested at Thammasat University on October 6, 1976, after the killings. After 5 or 6 months of detention, with many cases of tortures and assaults, most of them were found innocent even by the Bangkok government and released without compensation or apology. The government, anxious to create a better image of itself abroad, especially in the United States, announced that only 110 of those arrested would be tried by court procedure. The Department of Public Prosecution has already washed its hands over these 110 accused by deciding that there was no evidence to prosecute 36 of them, and that the remaining 74 fell outside its jurisdiction because they would have to be tried by the military court, the charges brought against them by the police being those according to the anti-Communist law. When the military court tries them, these 74 accused will not be allowed any legal representation nor, if they are sentenced, is there any opportunity to appeal.

In any case, there is always a possibility of the Government using article 21 of the Constitution in order to punish those



whom the courts might free. By this article, the Prime Minister can sentence anyone to death, imprisonment, or any other punishment without going to court. And since April 1977, the Government has used this provision several times already, resulting in a few executions and a number of imprisonments.

In order not to antagonize international public opinion, the Government has not openly announced many arrests since November 1976. It also avoids arresting well-known people in Bangkok or other big cities. But like other dictatorial regimes in other countries, it has resorted to secret arrests and detentions, and even executions, and it arms itself for this purpose with an administrative reform decree No. 22 by which those considered "endangering society" could be arrested and detained for long periods. The definition of "endangering society" is very wide and vague. Anyone disliked by the police or administrative officers or fellow citizens can be regarded as "endangering society." Detainees need not be charged by any specific activity and the authorities do not need any evidence. The charge is not brought to open court but is heard by committees of the local officials, leaving individuals defenseless against victimization by those officials because of personal vendetta, et cetera. A very respectable religious group in Thailand estimated that since October 1976, 8,000 people have been arrested under this charge, some 6,000 have been released after periods of detention ranging from a few days to many months. At present an estimated 2,000 people are still detained all over the Kingdom, including many Buddhist monks, some of them having been summarily executed by their jailers—Congressman Fortney Stark, Jr., has details about them.

The ploy of secret arrests and detention serves the useful

purpose of deceiving foreign observers, especially embassy people, into thinking that there is fair play in dealing with accused and defendants. The Government declares, in the same way as the dictators in the Philippines, the U.S.S.R., Chile, et cetera, that there are no political prisoners in Thailand, only crooks and criminals. In fact, among those detained as "danger to society" are doctors, teachers, students, monks, farmers, shopkeepers, and trade unionists.

The maltreatment of prisoners of the pre-1973 era has been reused in various ways: torture, solitary confinement, long-term severe detention, and "tiger cages." An affidavit of a previous detainee on the tiger cages appears in appendix III.

The junta has outlawed political meetings of more than four people. The right to peaceful assembly is thereby denied. Laborers cannot organize themselves effectively. Strikers will be arrested. Discontented farmers likewise cannot collectively appeal for justice. Student unions have been abolished.

Newspapers and other mass media were strictly and formally censored. One committee was set up by the junta to screen and permit any newspaper seeking to publish; another committee to examine in detail the contents of the publication. Very few papers survived after October 6, 1976. Those that did were right wing, and even they have been periodically suspended or had their permits withdrawn almost without exception. At the moment of writing, ex-Prime Minister Kukrit's paper is suspended for criticizing a cabinet minister, however mildly. Is that what the committee or the State Department or even Mr. Oakley would call that there is no formal censorship of the press? Is that what you would tolerate in the United States?

High school and University teachers have been told to keep to patriotic themes, without mentioning political systems, not even Democracy. Secret agents sit in the classes to check lectures.

Strict curfews have been imposed all through the Kingdom for several months now and are unlikely to be lifted although the Government announces that everything is back to normal. I think Wall Street and the Japanese business communities also echo that everything is back to normal. Long period curfews harm rubber tapping and other occupations both in town and in the country.

Terrorization is rampant, as in other dictatorial countries. No one dares to speak his mind, except those who are lucky enough to be permitted to travel abroad.

Mr. Chairman, there are many factors which contributed to the failure of Democracy in Thailand. There was no real reform in the period 1973-1976; there were too many political parties which affected the strength of elected governments; the bad behavior of politicians, et cetera. All of these factors need time to right themselves, and there was a tendency for improvements in all respects during the free period. The most important factor, however, was the determination of those losing power in 1973 to regain it. They were backed by some large landowners and businessmen with vested interests. They were given the opportunity to organize, since mid-1974, various gangster groups such as the "Red Gaurs" which were openly armed by the army, various psychological groups such as the "Nawapol," the "Village Scouts," et cetera.

Here I must interject a little bit because I think this is usually misunderstood, about the period of 1976. It has been alleged that the 1973-1976 period was a period of chaos, that the

students were mostly responsible for that. But my reading is this. In the face of so much social injustice which has been the result of a generation of dictatorship, since 1947, there had been a movement to try to solve those social injustices and this had been done in a peaceful way.

The students are normally not armed at all nor the trade unionists, nor the farmers, but on the other hand, the chaos that had arisen during that period, as had been said, rightly, caused by the paramilitary group that were openly armed, went in and killed anybody. On March 21, 1976, they killed, during a rally, seven or eight people, a peaceful rally. They ransacked my own University without any punishment for them in August of 1975. They also hanged people and burned people with impunity, in front of my University on October 6, 1976.

I am not one of those who believe that the violence and coup of October 6, 1976, was the result of the U.S. interference. The factors among Thais were sufficient to bring about the coup and there is no evidence of immediate American mastermind, then. But the long years of Thai-United States association in the Vietnam War, in the ways of training, arming, advising Thai Armed Forces and police would have the indirect effect upon the events of October 1976.

**Mr. Fraser:** We have a vote in progress on the floor so we will take a brief recess.

*(A short recess was taken.)*

**Mr. Fraser:** The subcommittee will resume its hearing. Dr. Puey

**Mr. Puey:** Mr. Chairman, you kindly asked me to give my opinion about the current U.S. policy toward Thailand.

As a non-American, I must first of all thank the subcommittee for allowing me to give my opinion on the U.S. policy. And I owe it to the subcommittee to state clearly my own political standing regarding my own country.

I firmly believe in Democracy and the dignity of every human being. I may have learned this from the Fathers of the American Constitution, among others. I believe in freedom and human rights as defined in the U.N. proclamation, and in the right of every man and woman to participate in the determination of the fate of the society in which he or she lives. To deny them this right because they are poor, because they are ill-educated, is to me an outrageous thing to do. I abhor dictatorship whatever form and complexion it may take. And I believe in acquiring Democracy by peaceful means because I want to avoid using armed force to keep control of government. As an example, my talk at Stanford University on January 25, 1977, appears in appendix IV.

My country is heading toward civil war. The events of October 1976 and subsequent measures taken in Bangkok vastly help the insurgents in a way never dreamed of before by either side, not only the quantity, the number of the people that had gone into the jungle—Mr. Oakley had quoted the Government figure of several hundred—I would say stands at several thousand. I would say this because it bears on the fact that there were so many displaced persons among the universities and colleges and the farms and the trade unions, all over the country. There are 6,000 people missing at the moment. Divide them by three, you still have 2,000 people. But the number of people who joined the insurgents is not as important as the quality of the people. For the first time in the Communist Party of Thai-

land's history, we have doctors, engineers, trade unionists, educators, all sorts of academicians and students joining them. That is why you can see now that the fighting in Thailand between the Government and the insurgents had assumed a dimension which approaches the civil war that I had been talking about. To quote the Government figures alone—unfortunately this is in Thai—it can be seen that for the first 3 months of this year the Government said 554 people, soldiers and police were killed.

Last year for the whole year it was 460. The year before it was 420. And the year before—this is not too good—it was 522. As I repeat, for the first 3 months of this year—only 3 months—554.

Mr. Chairman, you were really right indeed in questioning the previous witness regarding the strength of the Thai Government and instead of saying that the Government is stable, I would submit to you, sir, that the present government in Bangkok is really unstable. There was a coup attempt already in March. There are rumors in Bangkok every day about a new takeover by another military group, about changes of government, about the undesirability of certain administrators, about the discontent of the colonels in the army, which is a fact. So, instead of having the desired stability that everybody wants, you now have a very precarious government in Bangkok.

You were also talking about the economic well-being of the people. As someone who had with my own hands and intellect, tried to build up investment of the country for the past 20 years, I could say that you need not worry about the problem of the country as a whole. The country as a whole is rich. We have enough reserves and we seldom have crises. But the main

problem in Thailand, economic and social, is a distributive problem which has been aggravated by the coup d'état, by the dictatorship.

The minimum wage that the Government boasted about in 1973 was 60 cents per day. During the free period it was raised to \$1.25. The Department of Labor has submitted respectfully to the Government to increase the minimum wage very slightly and that was turned down. The Government boasts about the land reform that we had done in the free period but of course, as Robert Mc Namara used to say, investment by propaganda is quite easy. The political will is lacking. So, you see that the investment process of the Government at the present time is in the wrong way. It reversed whatever we had done in the past.

Mr. Chairman, on the one hand you have a strong Communist insurgent people. On the other hand you have a fragile, precarious government. In this situation, the onus of avoiding the danger of civil war falls on every humane Thai. My friends and I, both inside and outside Thailand, are seeking the opportunity of advocating national reconciliation whenever it is possible to do so, and we are working, slowly, admittedly, toward that.

The best thing we would wish to see is that the chance of national reconciliation is not disturbed. Therefore, we must endeavor to seek abstention on the part of the superpowers from supplying arms to either side. I, therefore, ardently implore your Government and Congress to stop supplying arms to the Government of Thailand. See appendix V.

I am asking America not to send arms to Thailand, to the Government of Thailand, because, as Mr. Holbrooke stated recently, there is no evidence in regard to the equipment from

Vietnam going to the Thai Communist Party forces. Now, if the United States, or any other country, supplies one side with arms, the other side will have to seek arms from the other side, and the loser will be the common man in my country.

Civil war will be longer and the suffering equally long.

If I may, I would submit that such an abstention will be in the interest of the United States, in order to avoid any commitment similar to those in Vietnam, Laos, and Cambodia. You may think, and many Americans have asked me this question, that you are anxious about American defense in that part of the world, Southeast Asia.

I would plead with you: please learn whatever happened in the past decade in Southeast Asia. The Defense Department always assumes the amount of equipment, technology, computers, could replace alliance with a group of honest and patriotic people. Unfortunately, in the past the U.S. Government has the knack, in Asia anyway, of backing the losing side. Not only do you back the losing side but you back the corrupt, the people who enrich themselves with narcotics and there are many in Thailand. There are people who are 5 percenters, out for the commission of arms. So please be aware of this. And please advocate that the United States in any case should learn from past mistakes.

Second, my humble prayer and suggestion is for the United States to continue in other ways to be friendly to Thailand, especially in the field of economic and social assistance. I would prefer that you make sure that such assistance should reach the poorer sections of my compatriots, and not the richer bureaucracy, military or civilian, nor the landowner, big farmers, or business people.



Third, out of the friendship that you show to Thailand, I hope that you would be able to use your influence to bring the Thai authorities back to the right path on the human rights issue. The stand that the new U.S. administration and Congress are taking on these issues have heartened us all over the world. You may not be able to apply your ideal everywhere; but the lesson from the Philippines recently is very encouraging. Thus the Thai Government and military groups are sensitive to American opinion. This is a country where you can save a good number of lives and spare a great deal of suffering. Don't be deceived by the benign appearance of the dictators, they always hide something from you, and the best of your Embassy in Bangkok could easily be deceived.

**Mr. Fraser:** Dr. Puey, there is another vote on. It will take another 8 minutes. I think that is the last vote so we will be able to continue after that without interruptions.

*(A short recess was taken.)*

**Mr. Fraser:** The subcommittee will resume its hearing. Dr. Puey.

**Mr. Puey:** Mr. Chairman, I apologize for the length of my statement but I hope I shall finish before you have to have another recess.

I was going to say that I had only three suggestions to make regarding the American policy, but listening to Mr. Oakley—unfortunately he is not here—I hoped he would be here because I would like to talk in front of him rather than behind his back. Listening to Mr. Oakley's statement I find he keeps on quoting the Bangkok government several times. I am puzzled whether he really believes everything that the Bangkok govern-

ment has told him directly via the Embassy or whether the facts as independently acquired by U.S. intelligence coincides with the government of Bangkok. I wonder.

What about the constant coup rumors? He did not say. What about the crimes that appear every day in the newspaper, however censored? What about the bombing? How about the curfew? All this should be brought in order to enable the committee, I think, this distinguished committee, to assess more fairly and to the advantage of the United States.

Because Mr. Oakley has no chance of replying to me I shall have to go away without hearing his answer.

Well, I made three suggestions. One is that you should abstain from supplying arms to the Bangkok government. Second, that you continue to help us in economic and social matters and most important of all, that you should try to influence the Government of Thailand to become more humane. How you should act, if you agree on these three points, on the human rights issue in Thailand, I need not presume to make suggestions, but if it is your wish I stand ready to supply further facts and advice upon being called upon to do so.

Thank you, sir.

**Mr. Fraser:** Thank you, Dr. Puey.

We will turn now to our final witness for the afternoon, Prof. W. Scott Thompson of the Fletcher School of Law and Diplomacy, Tufts University.

*STATEMENT OF W. SCOTT THOMPSON  
PROFESSOR, FLETCHER SCHOOL OF LAW  
AND DIPLOMACY, TUFTS UNIVERSITY*

**Mr. Thompson:** Thank you, Mr. Chairman.

I appreciate the chance to be here in the company of so distinguished a Thai as Dr. Puey.

**Mr. Fraser:** Thank you very much, Dr. Thompson. Mr. Thompson, What countries do you have in mind that it would be useful to hold hearings on?

**Mr. Thompson:** Cambodia, which I gather you are doing.

**Mr. Fraser:** We have had.

**Mr. Thompson:** And Indochina?

**Mr. Fraser:** Any others?

**Mr. Thompson:** Vietnam, Laos.

**Mr. Fraser:** We held hearings on Vietnam. We have more coming up.

**Mr. Thompson:** Are we going to have an impact?

**Mr. Fraser:** On them?

**Mr. Thompson:** The point is it is not symmetrical. Allies are sensitive to what we say sometimes in the wrong way. I don't think that in Hanoi they are terribly concerned, so one has to be all the more forceful in his examination of this and one has to devote all the more attention to it to compensate for their greater insensitivity.

**Mr. Fraser:** I think you understate the problem with those countries. They are not only insensitive, they are determined to

proceed in a manner in which they aggravate societies. This is one of the problems. We, generally speaking, are not giving them economic and military aid. Our leverage on them is considerably smaller than so-called allies.

I was just curious as to your view on that matter. We held hearings on North Korea, too, although we had trouble finding competent witnesses on that score.

Maybe just for a beginning, you have heard Dr. Puey's description about the general state of affairs in Thailand now since the last October coup. I don't mean to pin you down here but do you have any basic disagreement with him about what has transpired or how things are?

**Mr. Thompson:** I would think he had overstated—I would respectfully say he overstated the extent of the decay. I think there are rumors of coup in Thailand, yes. But I have never been in Thailand when there have not been rumors of coups. I have been there off and on since 1969, so I think that is the way the Thais do things, at least that has been true since 1932. So that would not be surprising.

I do not think what he calls a civil war is yet really what I would call civil war. Incidentally, one of my fields is in that area. I teach a course entitled "Low Level Violence." I would not have proposed to "stop selling arms" as he proposes, because I don't think there are two sides in that sense yet. I don't think the Thai society is that divided.

Thailand has three insurgencies and they get some of their support from external sources. They have also been joined by a certain number of students as a result of the October coup. I think that is a marginal fact. I would have thought that is a concern but it is nowhere near as central as the greater liberty the Thai

neighbors have now for sending in arms with impunity and providing as they see fit.

**Mr. Fraser:** Dr. Puey, do you have any thought on that?

**Mr. Puey:** Professor Thompson and I disagree about the facts. I wonder what his source of information would be. Every letter that I receive from Bangkok and the newspaper which was allowed to be published in Bangkok also talks about rumors. It is true we have rumors about a coup all the time but the recent one is more intensive. Would you agree with that?

**Mr. Thompson:** I would but I think the pertinent point is what is going to happen as a result of that. There will be another military government and what difference is it going to make?

**Mr. Puey:** If you look at it in an indifferent way, OK, but I cannot be indifferent to my own country.

**Mr. Thompson:** You are an economist. Don't you have an indifference curve between authoritarian.

**Mr. Puey:** I am not speaking as an economist. I am speaking as a Thai citizen.

**Mr. Thompson:** Wouldn't one have an indifference curve as between the various military governments that might come to power now?

**Mr. Puey:** Various people have various difference curves as you will be teaching to your students. So let us leave it at that. I also feel that foreigners normally say, with a wave of the hands, "The marginal number of students had gone into the jungle and therefore the civil war that I was talking about..."—by the way, I am talking about heading toward it, not that the civil war has started, and I have supported that by figures.

Now it is a matter of guesswork. As for myself I feel that I am a bit more on solid side because I did not only take the

trouble to take the people missing from their usual homes since October 1976. I also have correspondence with my friends and students and so—of course, one should not believe them all—but I feel that this particular exodus of scholars and students and liberal people into the jungle is very significant indeed.

Now we can neglect that at our peril. I do not like it at all because it reinforces the Communist regime in the jungle. I do not like it but I must take this into account in order to assess what we should do.

**Mr. Thompson:** I would just say we academics in Bangkok or Boston have a terrible tendency to overemphasize our own importance. I get a lot of letters from Thailand, too, and most of them would confirm your general line. Most societies can survive despite the defection of some academics, however.

**Mr. Puey:** Perhaps Professor Thompson forgets that I also was a realistic Governor of the Central Bank for 12 years.

**Mr. Thompson:** I appreciate that—but I wasn't referring to you. I am saying right now that the people that are bearing the largest burden from the present Thai Government, are academics and that would be my impression and I think one does not want to blow that out of proportion to the problem as a whole.

On the whole my impression is that the average Thai is, as Mr. Oakley suggested, relieved that the country is back in the hands of military. I am sorry it is that way but that would be my impression. Would you disagree with that?

**Mr. Puey:** I disagree because if you don't terrorize the common people and allow them freedom of expression, would they flatter the Government in this way or would they say they are content in this way. It is not a fair assessment at all because whatever you say freely you can be held for it being a danger to the

society.

**Mr. Thompson:** Societies have different dangers. In the fall of 1973 or early 1974 when the new Thai Government drew up its list of priorities I think there was a list of 13 or 14 or 15, not one of which was the insurgencies. Thereafter there was a period of real neglect during which the insurgencies got worse because the Government did not take them seriously. That is one of the concerns.

In other words, I am saying one cannot be too focused on any one thing. I am not in the position here as an advocate of the present Thai Government, and I thought I made that very clear. I am distressed by the same things that you are distressed by. I would see them as having a different order of importance in relation to the overall scheme of things and particularly in relation to American interests.

I am sure if I were a Thai in exile my position would understandably be a very different one.

**Mr. Fraser:** Dr. Puey, you were in Bangkok at the time of the October 6 events?

**Mr. Puey:** Yes, I left Bangkok under threat of being lynched in the evening of October 6.

**Mr. Fraser:** Who was threatening to lynch you?

**Mr. Puey:** The paramilitary group that we were talking about.

**Mr. Fraser:** Why were they going to single you out?

**Mr. Puey:** They said I was responsible for the unrest in Thammasat University.

**Mr. Fraser:** Were you?

**Mr. Puey:** If you ask me a direct question I will say that I was not. On the contrary, I was the one to try to contain the students.

**Mr. Fraser:** What gave rise to the students' demonstration?

**Mr. Puey:** I beg your pardon?

**Mr. Fraser:** What was the cause of the students' demonstration on October 5?

**Mr. Puey:** The students started the demonstration in various ways. Since field marshals arrived back in Bangkok, since September 19th—on the 4th of October because the Government then did not do anything—so the students together with the people demonstrating moved into my university. As soon as they moved in, I as rector, informed the police. I informed the Prime Minister and I informed the Minister in charge of the University and I evacuated my office into the National Education Council Office because at that time it was examination time.

If you did not declare the University closed then you run the risk of having fighting inside Thammasat. In the previous time when Field Marshal Praphas came in Thammasat quite a few people were hurt and some even died because of the bombing inside my university so this time we learned the lesson and then we moved out. I talked to several of the organizers of the rally and tried to persuade them that Thammasat was not a suitable place for them to demonstrate and that is true because once the police moved in and anybody could shoot them, there is no escape.

I tried to dissuade them. I asked the police to come—of course you cannot use this brutal force—to try to protect Thammasat University, but the crowd was so big that in the evening of the 4th the chain and the gate were broken down by the crowd and they moved in.

**Mr. Fraser:** What was the enrollment at the University at that time?

**Mr. Puey:** The University was not involved at all as a university.



It is only the National Center of Students of Thailand that organized this. It was not merely a Thammasat University affair. It was the national body of students. They chose Thammasat because of historical reasons, because of geographical reasons.

In 1973 they gained power. They gained freedom at Thammasat University, and Thammasat is quite near the various government departments including the Prime Minister's residence and quite near what we call the Hyde Park where political rallies usually take place.

So they chose always Thammasat, my own university, as the place to demonstrate. But it is not Thammasat versus Field Marshal at all.

**Mr. Fraser:** In your judgment was there an intention on the part of the military to take control of the Government? In other words was there a plan in effect or did it happen spontaneously?

**Mr. Puey:** The coup d'état had appeared for several months before October—I don't mind saying that myself, I had to have my suitcase in the car every day and decide before I go home whether I should go home or stay with my friends or relations because if there is a coup d'état definitely I was the target—one of the targets—because I have been against military dictatorship all the time.

**Mr. Fraser:** You have worked under prior military governments?

**Mr. Puey:** Yes; but even so, even while I was serving under dictators I did not limit myself in my criticism of the military when they did wrong. I am not really against military as military but I am against narcotics, corruption, corruptive practices. I cannot stand that and in my 3 years as Budget Director—as you know, a budget director has always many enemies—but in my 3 years as Budget Director I have created many more enemies that

the ordinary budget director might have created.

So all this made me very careful, especially after 50 or 60 people had been assassinated during that period including one of the Socialist leaders, Dr. Boonsanong. So we had to be careful all the time. That is why I had to be careful, because of the coup possibilities.

In fact, there were many coup attempts during that period. Now, Mr. Chairman, when you ask about the 6th of October, whether it was spontaneous or it was planned before, I would say in general the coup leaders had planned before to stage a coup. The timing was right for them on that night. That is why they staged a coup.

**Mr. Fraser:** Dr. Puey, what is your view—I think Dr. Thompson has perhaps referred to it—but what is your view of the idea that the notion of democratic liberties, civil and political rights particularly, are something that are valid only by the intelligentsia and for most of the peoples especially in Third World countries this is not a matter that lies either within their experience nor is it a matter to which they attach great importance?

**Mr. Puey:** Well, Mr. Chairman, sir, civil liberties is a funny thing. It is only when you yourself are deprived that you feel the pinch. You can always say that other people can live under repression. If you are a farmer and if your son had been taken away by the police without provocation, without anything, without charge, then you will feel very hard. So I don't think that it is really a matter for intelligentsia to worry about. All the small people that had been hit by the lack of liberty, by the bullying that they had at the hands of this tyrant, then they suffer. It is only the intelligentsia who can speak out. Farmers do not know how to

Speak out, but they feel strongly.

I would like to remind you, sir, that the word "Thai" means free and we Thais, living in Thailand, must be free, whether we are poor, whether we are Third World, whether we are illiterate. I don't see any way of living for my own compatriots except to be free, reasonably free.

**Mr. Fraser:** There is a view that no matter how much or how many international communities would like to live under general conditions of freedom, free press, the right to elect a government, that sometimes there is lacking in the society a degree of coherence, lacking the traditions, in other words, that it may not be ordained from on high that self-government will always work or provide an adequate level of governing competence so as to enable society to function.

What would your view be of that? In other words, maybe these 3 years were destined to fail.

**Mr. Puey:** I would agree in the view that conditions may not be ripe in order to benefit fully from Democracy, from full freedom, but my conclusion after that is quite different from those advocated that you were quoting. I would say that let us work for it rather than let us have a dictatorship. Democracy takes time, certainly, and we must work toward the establishment of that.

It cannot be taught in the classroom at all. I don't particularly care in what form Democracy takes place in my country. It has got to suit the condition and the cultural background of my own country. Western Democracy, Parliamentary Democracy in the Western way may not suit us. I would agree to that.

But let us be free to research into this and after all I would like to have two things, one is the freedom, normal

freedom, and the other one is the right to participate in the fate of the society. After all, these two things are not exclusively a Western concept. In the concept of *Sangha* in the Buddhist teaching, we have consolidation and representation in the concept of *Sangha*, only that we neglect that and we thought that Democracy is beyond our reach and therefore we tend to think that we must look for the stability of dictatorship.

**Mr. Fraser:** Dr. Thompson, you wanted to interject?

**Mr. Thompson:** I wanted to raise the question of whether in fact the word "Thai" in its sense of meaning free didn't refer more to the state of the Kingdom in relation to its environment; that it was free of colonial oppression, that Thailand survived as no other country in Southeast Asia survived independently, rather than "free" in any relation to the Western sense of freedom of the individual and so forth. I had a sense that when you were talking about the Thai people as reacting now against the tyrant that somehow for many generations they had lived in a state of Democracy and I was struggling, other than the past 3 years, to remember, what those periods were. I am sure under Marshal Sarit you would not argue they were in a springtime of freedom. Or before 1932 obviously there was a traditional order that accorded much better with the times than the period thereafter.

It is a complex question on which it is difficult to shed light on. I wonder if we can come back to the question of what we can do about this in reference to what Dr. Puey just said. If we stop selling arms to the Thais, does this in fact alter their practices? Do they in fact become so vulnerable and so desperate that many worse things could happen?

If you look at the order of battle, compare Thailand and

Vietnam, it is really quite pathetic. Thailand is just unbelievably vulnerable. It is partially their own fault. That does not change the situation. I am wondering why Dr. Puey would want us to stop selling arms to Thailand?

**Mr. Puey:** If I may. The reason I want the United States to abstain from selling arms is that from the Thai point of view, in order to minimize suffering. I stated that if the Thai Government in Bangkok takes arms from the United States, the people in the jungle will certainly be pushed hard into accepting or seeking the arms from the other side or from the other superpowers. This is the mere reason from the Thai point of view.

**Mr. Thompson:** But they are doing that anyway aren't they?

**Mr. Puey:** I quoted Mr. Holbrooke as saying that there is no evidence in regard to equipment coming from Vietnam.

**Mr. Thompson:** He may not know of any but I do.

**Mr. Puey:** Can you cite evidence?

**Mr. Thompson:** Yes, I think there is abundant evidence that equipment has come. I think it is available in this town.

**Mr. Puey:** Did you know that the arms that the Thai Communists are using are mostly American arms?

**Mr. Thompson:** Sure, but that was true in Vietnam also. You know that does not mean—

**Mr. Puey:** I said mostly.

**Mr. Thompson:** That is the exaggeration. Don't worry, if we stop selling arms to Bangkok the insurgents would still manage to get arms. If not from us they would get them from their friends.

**Mr. Puey:** From the black market in Bangkok.

**Mr. Thompson:** They would get American arms from the leftover stockpiles in Vietnam, from their friends there. I am asking what you seriously expect would happen if the United

States were seen not only to have pulled the rug out completely from under the Thai Government as it has, in so many ways in the last few years but then, then committed the final insult, of not selling them arms. Do you think the Vietnamese would then refrain from the temptation of launching more than the kinds of operations they have in the past, supplying arms and the like? do you think they could resist the temptation?

**Mr. Puey:** My information at this moment which may disagree with you, is that North Vietnamese have other things to consider—apart from supplying arms—to the insurgents. They first of all wanted formal relations with their neighbors including Thailand. That is right. If that is right then—

**Mr. Thompson:** On their terms.

**Mr. Puey:** On whatever terms. When you negotiate you negotiate on your own terms.

**Mr. Thompson:** They were not prepared to make any concessions.

**Mr. Puey:** Let us not quarrel. The fact remains there is no—at this moment any way—

**Mr. Thompson:** Do you seriously believe there are no Vietnamese arms going to the Thai insurgents?

**Mr. Puey:** I would not say no but I would say very little.

**Mr. Thompson:** You feel there is no direction and support, important morale-building support at all, along with the various other things that motivate insurgents?

In other words, can you really see the Vietnamese, who certainly found it difficult to resist the various temptations between 1973 and 1975 which were there, and with their longer experience in not resisting temptations, they would be able to resist this temptation in Thailand if we completely scuttled our alliance with the Thai state, the Thai nation. This is irrespective

of the regime, quite apart from the merits or demerits of the regime—and in large measure, I am in agreement—but from the point of view of our alliance which transcends the present Thai Government, it is with the Thai state.

**Mr. Puey:** Mr. Chairman, Professor Thompson and myself will have to agree to disagree on this. Professor Thompson's information may be from some sources but my own information is from another source, that the Vietnamese have told everybody that they wanted the principle of "Panja Sila." Panja Sila means non-interference with their neighbors. Now, you may say that the Vietnamese are big liars.

**Mr. Thompson:** Is that why they have 6,000 troops in Laos?

**Mr. Puey:** Whatever it is. We may disagree about this, but I think that they are very anxious to appear to the world as one of the good neighbors in Southeast Asia. So from that point of view, I don't think that they are as anxious as you said to send arms to the insurgents in Thailand. I don't see that.

**Mr. Fraser:** Dr. Puey, during the 3 years of democratic rule, the insurgency was active.

**Mr. Puey :** They were less active as my figures show. There was less fighting.

**Mr. Fraser:** If the then Government had asked the United States for assistance in dealing with whatever level of insurgency continued, would you have thought that the United States should provide military arms?

**Mr. Puey:** No, I would not have. I would advise against it similarly because I feel that the solution of insurgency in my country cannot be solved by armed forces alone. Of course, I cannot stop them fighting at this moment. Nobody can stop them fighting. But I believe that the way to do away with insurgency

is to try to develop the country in the right way and have the artificial barrier removed.

Now, what I am saying here is that we should learn from the lesson of combating insurgents a la military. In 1964 when we started we had three provinces as insurgent provinces of the whole Kingdom—we poured money and arms. We asked U.S. advice and so on in order to combat insurgency. At this moment we have 32 provinces already declared by the Government as sensitive provinces. There may be some fallacy there but whatever fallacy there might be it just showed that armed fighting with the insurgents does not produce the result you hope to.

**Mr. Fraser:** There is another example in Southeast Asia and that is Malaysia which went through an insurgency which did not succeed. There were arms used against it.

**Mr. Puey:** They are still contained.

**Mr. Thompson:** But it was defeated. You are right, there are 500 or so CT's but would you argue that if nothing had been done since 1964, if there had been no arms, no combat, no CSOC, no ISOC, et cetera, the insurgency would be less?

**Mr. Puey:** If there is nothing else there is insurgency. The insurgency will be more but the Government does not pursue the right policy.

**Mr. Thompson:** I can agree with that. The main thing that one would say about the Thai Government's attitude toward the insurgencies was, whether they took a military or a political approach, they did not take enough of either. The insurgencies were always an extremely low priority. It was very difficult to convince the Bangkok-minded elite in Bangkok that anything beyond Bangkok mattered anyway. You know that if it was up in the Northeast, they would say that those are Lao-Thai anyway;



“who cares.” It was difficult to combat this attitude.

If one wanted to do something in Bangkok to convince people it was important, then they should try to apply a combined military-political approach with the emphasis on a political solution.

**Mr. Puey:** Again, I disagree with Professor Thompson because in 1964—when I talked about the three provinces, the budget allocation was baht \$30 million and 10 years afterward the budget allocation was nearly baht \$1 billion. It is true the military did not get the support in fighting from the budget. I personally feel that those moneys had been wasted.

**Mr. Thompson:** Judging from the results, I think you are right.

**Mr. Fraser:** Do you have evidence of torture that you believe exists since the October 6 coup and is that fairly solid evidence?

**Mr. Puey:** Yes, sir.

**Mr. Fraser:** How extensive is it?

**Mr. Puey:** That I cannot say. But, certainly there was evidence of torture and execution, summary executions as well.

**Mr. Fraser:** Without the benefit of a trial?

**Mr. Puey:** Without the benefit of trial and not by the Prime Minister but by the local police. Three Buddhist monks in Pipoon District in the South, just were detained and disappeared and a local priest also reported that. There was an instance of a school headmaster in the South by the name of Mr. Udom Pakakrong who was arrested with 10 others. They were thrown into sacks and thrown into bundles until they confessed. Many instances of torture appeared in the report that Congressman Stark had details about.

People are willing to testify on this provided their names should not be revealed. You have also an affidavit of someone who had been detained so it is quite substantial, I think.

**Mr. Fraser:** That is the so-called tiger cage?

**Mr. Puey:** Yes.

**Mr. Fraser:** The affidavit describes cells  $1\frac{1}{2}$  meters long, 1 meter wide and just over 1 meter high.

**Mr. Puey:** If I may add a personal note. On the 6th of October 1976 in the evening when I was about to leave the country a policeman came and arrested me and he detained me for 3 hours until the coup leaders ordered him to let me go. I asked him why he arrested me. He said that three students had implicated me in the plot to upset the Monarchy. I said who are they and how did they say so. The policeman, whether he is stupid or not, he said these three students would not admit anything at all until they were burned by cigarette butts. Then they implicated me. This sort of thing. Eyewitnesses could be called for the 6th of October but after the October event those people who had been free can testify to the kinds of tortures that they themselves had undergone or have seen other people undergo.

**Mr. Fraser:** Dr. Thompson, is it your view that how the Thai Government conducts itself in relation to Thai citizens may have an effect on the outcome of the incipient struggle in Thailand?

**Mr. Thompson:** Marginal one. Obviously if it goes around behaving nastily in the provinces it is not going to engender support but I don't think that is the issue. The question in the provinces is whether they can find the right mix of policies, sociological, military, to diffuse the insurgencies and that does not have anything to do with the fate of the regime in Bangkok. It is more likely that certain types of regimes will find that mix but it isn't going to be a civil rights campaign in Udorn that is going to stop the insurgency there. It is going to be some combination they found like, for example, was found in Malaysia and the problem with military regimes is they usually over-

react on the military side. One would hope that this government would not do so.

**Mr. Fraser:** Well, they seem to have made a beginning here by whatever numbers enlarging the recruits to the insurgency.

**Mr. Thompson:** Yes. I would again say that is probably, in the over-all military balance of the thing, fairly marginal; although I think it probably does have morale effect that is deleterious. I am not trying to define it out of existence. I am just saying that was considered to be a very major factor after the coup. The military analyses I have seen of the effects 6 months later would tend to suggest that it evanesced a bit.

**Mr. Fraser:** You heard Dr. Puey cite the increased level of violence.

**Mr. Thompson:** That has nothing to do with the students joining it as far as I can see. That separates right out.

**Mr. Fraser:** What does account for it? He cited figures that suggested the first 3 months--

**Mr. Thompson:** Dramatic increase in the first several months.

**Mr. Fraser:** By whom, by the Thai military?

**Mr. Thompson:** More Thai casualties as I understand it.

**Mr. Puey:** Thai police and military.

**Mr. Fraser:** Why should the casualty rate be as low as it was in 1976?

**Mr. Thompson:** Because it was heating up. It has been heating up all along. I would disagree during the 3 years of civilian rule that in fact the level of the insurgencies calmed down.

There were a few little turndowns on the graph but the trend has been up since 1965 generally. I would say it would be quite predictable at the beginning of a new military regime's power that the insurgency would launch a tough thrust to try to send them a message to knock it off. Precisely the way the Viet

Cong did in several stages when we were thinking of escalating in Vietnam. There are a number of precedents. A lot of people were predicting that—at the time of the coup in Bangkok the insurgency experts in town here were saying if there is a military coup in Bangkok you know what will happen, the communist territories will heat up the battle very rapidly in the next few months. That is precisely what happened.

As Dr. Puey correctly stated, there was a 300 or 400 per cent increase in casualties. It has been on a low to gently rising level and it is now at a new level of magnitude. I would expect it to continue to accelerate until the Thai polity in its totality finds a way of dealing with the insurgencies that works. They have not found it. They didn't find it under civilian rule. They didn't try.

In the previous military government they had some good formulations. They unfortunately were not of indigenous derivation and that was probably the main problem. I think there were good formulations. But they were not credible and nobody really believed in them.

**Mr. Fraser:** Dr. Thompson, what is the ultimate interest of the United States as to what kind of government rules in Thailand?

**Mr. Thompson:** I would take it with any ally we would hope for as many shared beliefs as possible with the way we govern. We would hope that every country in the world shared our approach to things but we learned we don't have the power to go around enforcing that and with our allies in distressed situations, I think we have even less. Our interest in it is that Thailand is still strategically situated, and highly vulnerable.

**Mr. Fraser:** Vulnerable to what?

**Mr. Thompson:** Vulnerable to Indochinese and possibly—

**Mr. Fraser:** Say a Communist government takes over, it probably

is not vulnerable anymore.

**Mr. Thompson:** Sure, Western Europe can fall and then—

**Mr. Fraser:** I am talking about Thailand.

**Mr. Thompson:** Thailand can fall.

**Mr. Fraser:** Thailand won't fall, it will have a change of government.

**Mr. Thompson:** It will have a change in government.

**Mr. Fraser:** It won't disappear. We won't lose it.

**Mr. Thompson:** The Government would fall.

**Mr. Fraser:** The Government would fall just as the last one did in October.

**Mr. Thompson:** It is more basic when you go to a Communist government.

**Mr. Fraser:** Much more durable.

**Mr. Thompson:** In a hard and harsh sense.

**Mr. Fraser:** What is our interest in that?

**Mr. Thompson:** The same as our interest in preventing Communist governments from appearing anywhere.

**Mr. Fraser:** That does not help me. What is our interest in Thailand?

**Mr. Thompson:** How can you say it doesn't help you?

**Mr. Fraser:** Because I would like to deal with a concrete specific.

**Mr. Thompson:** The concrete specific is that it would add to this sum total of human misery. It would strategically be deleterious to our interests.

**Mr. Fraser:** In that way?

**Mr. Thompson:** The sense of this is strategic air space, this is —

**Mr. Fraser:** You mean the overflight?

**Mr. Thompson:** More than that. It is an air crossroads of great importance. It is a listening post.

**Mr. Fraser:** Listening to whom?

**Mr. Thompson:** Listening to the Chinese for example.

**Mr. Fraser:** But we have many opportunities for that.

**Mr. Thompson:** We did have and we could well have again.

**Mr. Fraser:** What do you want to listen to the Chinese for?

**Mr. Thompson:** Why not?

**Mr. Fraser:** It could be convenient. We have lots of mechanisms for listening to them, satellites.

**Mr. Thompson:** Our best intelligence, technical intelligence, we gave up, fortuitously. That was the *Ramasoon* facility in Thailand.

**Mr. Fraser:** Are you saying our interest in the question of which government rules Thailand is based on the fact it would be convenient for us to listen in on Chinese activities?

**Mr. Thompson:** No, you asked me what the specifics were and I was listing them in descending order of importance.

**Mr. Fraser:** Start at the top. What is the most important thing?

**Mr. Thompson:** The most important reason for our having an interest in what kind of government is in Thailand is simply the abstract one. We don't want a Communist government in Thailand because it would add to the overall power of Communist governments in the world, however many branches of the "church" there are.

**Mr. Fraser:** In other words, you see this as an addition to the aggregate Communist power to attack the United States or—

**Mr. Thompson:** Not to attack the United States.

**Mr. Fraser:** Vital interests of the United States?

**Mr. Thompson:** No.

**Mr. Fraser:** Then what are you talking about?

**Mr. Thompson:** To weaken the Western international system. I am saying that there was an international system constructed at the conclusion of World War II that had the World Bank, the IMF, United Nations, and such other institutions at its core.

The rules of the game were organized largely by us, perhaps one could say for our convenience. This system has been under steady erosion, you may have noticed in recent years, with attacks at the United Nations on us and so forth and so on. We are not in the same position we were in the immediate post-war era. The addition of more governments to the general cluster of governments that are not open to free enterprise, not open to our institutions, not open to trade, not open to the free exchange of people and ideas, simply diminishes—do you see what I am getting at ?

**Mr. Fraser:** Yes, I see. You say not open to trade. That is not right. We have traded with quite a few.

**Mr. Thompson:** We don't have much.

**Mr. Fraser:** You are talking about ideas and institutions. These are concepts that I tend to put under human rights consideration.

**Mr. Thompson:** Maybe we construe human rights as different things.

**Mr. Fraser:** I am really interested in this. It may be one thing for us to have shared concern about how people are forced to live under governments in which they may have very little voice as a matter of our concern about their future, sharing a common market. It is another thing to say we want to have something to say about this because it affects the economic interests of the United States. In other words, we don't worry about the Thai people but we worry about the United States. It seems to me there is a fundamental difference here. The fact that we may not be able to share values with the Thai people, I would think is a concern to us because we see it as a deprivation to the Thai people but it seems to me that is a qualitative difference from saying loss of Thailand as a loss of Vietnam is a significant factor in our security or our economic well-being as Americans.

I am not clear where you come out on this.

**Mr. Thompson:** You are drawing a distinction without a difference.

**Mr. Fraser:** It makes a lot of difference in what we do and how we are prepared to go about it. If American interest is at stake we don't care what happens in Thailand as long as we protect our interests. If we are concerned about the Thai people we might want to think somewhat more sensitively.

**Mr. Thompson:** You are concerned about the Chinese people in China. There are a lot more of them than there are Thai, if you want to go at it by this approach.

**Mr. Fraser:** That is right. I remember the Chinese increased in population every year by the total population of Vietnam over which we expended an enormous treasury. I never understood the argument you advanced.

**Mr. Thompson:** What argument?

**Mr. Fraser:** That there is an incremental shift in the world climate because now they are lost to us. We are going to have another voice attacking us in the United Nations.

**Mr. Thompson:** You don't think there has been a shift in the world climate since 1975?

**Mr. Fraser:** Yes, I think there has been. However, I don't see that these countries which are relatively powerless add or subtract importantly to this and I am wondering exactly what price we are prepared to pay there in terms of just human misery that we may perpetuate in our efforts to serve our interests rather than serving the interests of the people.

**Mr. Thompson:** Where are we perpetuating misery?

**Mr. Fraser:** I don't want to reargue the whole Vietnam debate but I thought it was a useless war although I supported it for 6 months. But I don't see we have learned anything. What I am



interested in is how much we have learned from the Vietnam experience. Enormous misery caused by the United States in Vietnam.

**Mr. Thompson:** We caused it?

**Mr. Fraser:** I think it is fair to say we caused it.

**Mr. Thompson:** You don't put any responsibility on Hanoi's side?

**Mr. Fraser:** They won the war against the French and were entitled to the freedom. We decided we didn't like their ideology and we set up a train of events.

**Mr. Thompson:** That is why refugees were going away, how many thousands in 1968 and 1975? Why didn't they go North?

**Mr. Fraser:** They didn't like the regime.

**Mr. Thompson:** Why are refugees now coming to Thailand rather than going from Thailand to Cambodia?

**Mr. Fraser:** Because they don't like the regimes. Do you think a loss of several million lives and 50,000 of our own, an expenditure of over \$100 billion to delay the outcome by 20 years was a worthwhile undertaking? I think we imposed a lot of needless misery on these people.

**Mr. Thompson:** Who could have said in 1954, 1955, that it inevitably was going to end up that way?

**Mr. Fraser:** If we listened to the French we might have understood.

**Mr. Thompson:** If we tried to learn anything from the French—which we made no effort to do—we might have seen its futility.

**Mr. Fraser:** In other words, it seems to me our interest in Thailand ought to be based on the Thai people. It seems to me beyond that, the U.S. strategic interests, commercial interests, have to be marginal.

**Mr. Thompson:** I would disagree profoundly with that. I

would be interested to know what you mean by the Thai people.

**Mr. Fraser:** We have a belief that such ideas as freedom of expression, right to be free of arbitrary governmental interference in one's life, that these are important values and that we have an interest in that because they are shared values and that our belief is, that in long run, where we can promote decent governments that do respect these kinds of rights, in the long run perhaps the environment for our values worldwide is going to be improved.

**Mr. Thompson:** Do you do that in Thailand by cutting off their military aid right now?

**Mr. Fraser:** I have not reached that point. I am puzzled as to what we do. But what is not clear to me is that no matter what that Government does, if we feed it military aid we are pursuing a destructive course but this goes to question of whether they are going to hold the loyalties, especially of the young people if they pursue the course that they seem to be on. Now my problem is that this is not a judgment for me to make. It is a very difficult judgment to make. Dr. Puey, who lived there a long time, seems to think we should discontinue military aid. He seems to think that would be true no matter what kind of government exists there.

**Mr. Thompson:** He is very consistent. He was known to be one of the few people courageous enough during the period of the Praphas-Thanom dictatorship who spoke out forcibly within government counsels, and was well known for his views so this is not a sudden change in views.

**Mr. Puey:** Mr. Chairman, if I may remark upon your interchange. I wish very much in my country people like you and Professor Thompson could do the same. I admire the United States for having this.

**Mr. Fraser:** None of us contests that, Dr. Puey. What is it the United States constructively can do that will increase the prospect that you and I or Dr. Thompson and I could go to Thailand and have this kind of dialogue. Where do we come out on this?

**Mr. Puey:** That is more difficult. But, my main purpose at this moment is to minimize suffering and to save lives in Thailand, unnecessary loss of life.

**Mr. Thompson:** Isn't one of the things we learned from Vietnam that we not be messianic about our feelings? I think right now around the world people are getting the feeling the United States is on another one of its virtue kicks. John Foster Dulles all over again. Take out the old editorials. We are using the same jargon except it is not about non-alignment; it is about human rights. Same thing as Teddy Roosevelt. We have done it throughout our history.

Is it going to be useful for us to have a "virtue kick" so soon after Vietnam? I really wonder whether this is terribly useful. I think governments like in Thailand should get some private criticism. I think they know what we feel but I think they are entitled to some understanding in the circumstances and we would hope that within a reasonable period of time the situation would calm down and that they would improve their image and so forth in their own interest.

But I am wondering if the way to do that is by virtue crusade. I am not addressing that to you, needless to say. I think **this** is ceasing to be very constructive from what I hear, but the **problem** is of its getting out of hand with everybody competing to **be** on the power curve of virtue.

**Mr. Fraser:** As one member of the State Department, who has been interested in human rights said, for 3 years there was

a rain dance to promote human rights and now they are drowning. It is a flood. I agree. I think my own view is that public confrontations on human rights issues are normally not productive and the only thing, though, that I have sensed about American policy is an insensitivity. One of the reasons I think an interest in human rights is important is simply to have a better understanding of the dynamics of our society.

You made the point which I agree with. I think sometimes human rights violations are often the symptoms of underlying malfunctioning societies. That may be a poor choice of words but they reflect the stresses that are in societies.

**Mr. Thompson:** Another thing we could do, which I indirectly pointed out here, is in cases where there are good performances, we could do more to strengthen them.

**Mr. Fraser:** That in my view is clearly the way we should be going. For one thing, you cannot lose doing that. If you find governments moving in a direction we think is helpful to their own people and to our interests, we give them help. We don't say we caused it. Simply where we find friends—I wish we could define "friends" as people with shared values rather than military alliances—but where we find friends we should back them, give them help when they need it and want it.

**Mr. Thompson:** For example, were there any congressional exchanges with the Thai Parliament during the 3 years—I would have thought that sort of thing would have been reinforcing and could have been done in the few places in the Third World where there are democratic institutions.

**Mr. Fraser:** Those parliamentary exchanges can never compete with those in Europe.

**Mr. Thompson:** But they would have more effect.

**Mr. Fraser:** Mr. Smeeton.

**Mr. Smeeton:** I will pose these questions to both of you. On the specific subject of human rights in Thailand, one of the things that I have taken note of with respect to foreign press reports emanating from Bangkok—at least the datelines seem to be Bangkok—is that a number of them have been quite critical of the regime's human rights record.

From that, am I wrong in deducing that there is not much of an effort, if any, by the current regime to censor foreign press reports?

**Mr. Thompson:** Then they threw out Norman Peagam?

**Mr. Puey:** I guess, and they threatened to ban his Far Eastern Economic Review. In the days immediately after October 6 last year, any foreign newspaper sent into Thailand that had news about Thailand was cut off. One of my nephews was very cross because he found his newspaper all mutilated and he could not read about Thailand at all. The present Minister of the Interior said that all Western foreign correspondents in Bangkok tell lies, every one of them without exception. So that is still the attitude.

**Mr. Smeeton:** But at the same time he allows these reports to continue to be disseminated from Bangkok. There appears to be no effort to stop them from being sent out to their home offices.

**Mr. Puey:** The Economic Review, Far Eastern Economic Review, has to be very careful. I know that a reporter of the New York Times and the Guardian in London had been warned several time about sending news on Thailand. Some newspaper had referred to the newspaper that I read in London—used pseudonyms for their reporter in order to protect their own reporter. That is a practice at this moment.

**Mr. Thompson:** I would say in terms of the other oppressions of the present Thai Government it is relatively loose in the press side. You would have expected it to be tougher.

**Mr. Puey:** Inefficiency in Thai dictatorships is our saving grace.

**Mr. Thompson:** I would say a neighboring very small country which will remain nameless may be overall a slightly easier country to live in but its press policy is much tougher than in Bangkok now.

**Mr. Puey:** I admit.

**Mr. Thompson:** Because it is more efficient.

**Mr. Puey:** I would not put it nameless either.

**Mr. Smeeton:** Turning to some of the other freedoms, is it pretty easy to travel around Thailand? Are there any restrictions placed on travel within Thailand?

**Mr. Puey:** I think foreigners can travel.

**Mr. Smeeton:** I was thinking of natives.

**Mr. Puey:** There are certain areas where they are not allowed to be free. There was a story which we can substantiate about a group of villagers in the South that had been evacuated from their village and told by the police without giving any reason that they were not allowed to go out. Well, after a few days the villagers thinking about their harvest, the rice is ripe, they went out without the police knowing and they were all killed, most of them were killed.

I would not say all. Most of them were killed by gunfire from helicopters. They are thinking this is a Communist group.

Now in Thailand you are told not to go anywhere in the evening, in sensitive areas. In the daytime you can travel but do not go into official cars, transport.

**Mr. Smeeton:** By sensitive areas do you mean those 32 areas you talked about earlier?

**Mr. Puey:** Thirty-two provinces but otherwise they are still free to travel.

**Mr. Smeeton:** How about property rights? Are there any restrictions on owning or moving property?

**Mr. Puey:** Move property?

**Mr. Smeeton:** Or continue to own property. Has there been any confiscation of property?

**Mr. Puey:** No.

**Mr. Smeeton:** Personal property and so on.

**Mr. Puey:** That is alright.

**Mr. Smeeton:** That has not been touched?

**Mr. Puey:** No.

**Mr. Smeeton:** Dr. Puey, I think you alluded to the factionalism within the military and I gather some of that factionalism reaches into the Royal Palace.

Could you elaborate a little bit on what lies behind the friction that seems to be developing?

**Mr. Puey:** I think there are always rumors about the King favoring this group or that group of officers. So far I don't think that the rumors have been substantiated and I believe that the King himself tried to be really neutral. Whether he had any part in the event of the sixth at all I do not know. And I have no evidence to say one way or the other.

**Mr. Smeeton:** Would you say the King remained neutral?

**Mr. Puey:** Between the factions?

**Mr. Smeeton:** Did he remain neutral at the time of the October coup?

**Mr. Puey :** I heard the same stories about the King.

**Mr. Smeeton :** I got the impression that maybe for the first time in history the Royalty had sided with one faction.

**Mr. Thompson:** That is my understanding. This is really of quite enormous importance to Thai developments although it is a difficult one to discuss with Thais because their attitude is so reverential with respect to His Majesty that it is almost impos-

sible to discuss. Yet something has happened.

**Mr. Puey:** I must say the Government has denied so far that the King had any interference.

**Mr. Thompson:** I think what is assumed is that some time between January of 1976 and October 1976 the King let it be known he would not be displeased if the military came back to power. This was quite surprising to most students of Thai politics to put it mildly.

**Mr. Smeeton:** One final question, Mr. Chairman. It has been noted by a number of people—those who have been described as veteran observers of the Thai political scene—that during this last period of democracy, the 1973-1976 period, neither the left nor the right had much patience with the democratic experiment and this led to the showdown of October of 1976.

I would be interested in getting both of your comments. Is that an on-target observation or an exaggerated claim as to what happened during this democratic interlude?

**Mr. Thompson:** That is true but it is a necessary but not sufficient part of the explanation of what happened.

**Mr. Smeeton:** You would say it is more peripheral than anything else?

**Mr. Thompson:** it was not really central. To me the central issue was the growing domestic anarchy, in the context of the revolution next door, that made the Thai military feel that it was a hopeless situation. They simply could not have threats, both externally and internally.

Historically the Thais always tried to balance the two and have made alliances with great powers to balance off difficulties internally or vice versa. To have threats on both fronts was considered more than they felt could be tolerated.



**Mr. Puey:** I would agree with Dr. Thompson as far as to say that that was a necessary condition but not a sufficient condition. But I would not agree with the rest of his statement. Considering that even with Laos, Cambodia, and Vietnam remaining as before, not being Communist governments at all, I think that the event of the 6th of October would still occur because, in my opinion, the most important factor is that the military wants to come back to power. It is as simple as that. And they have been preparing this—while we were drafting the Constitution in 1974, they have been preparing all the time. And in 1974 you must admit that Vietnam had not become Communist yet.

**Mr. Thompson:** Yes, but the question is would the plots have succeeded. Why didn't they succeed until 1976 and until after the Americans had let them down and vacated the bases? They were plotting; they were always plotting, but I think there was fair knowledge among Thai observers that what really finally precipitated their willingness to go "whole hog" was the collapse of their security arrangements in the region. We ran out on them. I think here again we agree to disagree.

**Mr. Puey:** I agree with you but I think the weight we put to each factor is different.

**Mr. Thompson:** It is possible there would have been a coup anyway but the particular coup that occurred happened as a specific part of a logical sequence of events in 1976 and all the coups attempts previously, between 1973 and 1976, had not been able to generate enough enthusiasm because the Government was not strong enough. The Government could not provide the kind of strength that the military felt was necessary for the country to have.

I didn't mean military strength, I mean the combined

assets of economics, sociological stability, and internal security. I don't think countries can really concentrate on developing when they don't have their security clear in their own minds. This was certainly the case in Thailand the latter part of the period.

**Mr. Smeeton:** Thank you Dr. Puey and thank you Professor Thompson. Thank you, Mr. Chairman.

**Mr. Fraser:** My thanks to both of you. I apologize for the hearing running so late but this has been very constructive. We appreciate your responses to the questions. The Subcommittee stands adjourned.

(Whereupon, at 6 p.m., the Subcommittee adjourned, subject to call of the Chair.)

---

*Hearings before the Subcommittee on International Organizations  
of the Committee on International Relations House of  
Representatives, ninety-fifth Congress, First Session,  
June 23 and 30, 1977,  
US Government Printing Office, Washington: 1977.*



---

## THE PROSPECTS OF COOPERATION AMONG S.E. ASIAN COUNTRIES

### I

I feel greatly honoured by being invited to read a paper in honour of Kingsley Martin this evening. I recall that my own association with Kingsley dated back to the end of the Second World War, when he was the editor of the prestigious *New Statesman*. With Dorothy Woodman working at the Union of Democratic Control, Kingsley turned his attention to the problems of Southeast Asia in the postwar period. I was then a postgraduate student at the L.S.E. Kingsley and Dorothy frequently met with a group of Southeast Asian students in order to discuss with us the problems of the struggle for independence, what the Labour Government and Members of Parliament could do for the freedom of these countries, and how the *New Statesman* could help. Alas, I cannot remember the names of those Southeast Asians in our group; but there

was an Indonesian radical, a Malaysian Prince, a Vietnamese vegetarian, and I believe a Ceylonese as well. Among those labour politicians that he introduced to us, mostly young men—many have become famous and a number have become cabinet ministers. Dorothy and Kingsley were never tired of giving us good advice and making the right introductions: they were the champions of the independence of old colonial territories everywhere. For Southeast Asia, they were able to witness Malaysia, Singapore and Burma become free from the British, Indonesia from the Dutch, the Philippines from the Americans and Vietnam, Cambodia and Laos then struggling against the French. Thailand itself, never a colony, was helped by them in some measure to escape the fate of being a defeated nation at the end of the War.

## II

The Southeast Asia that Kingsley knew in 1946 essentially differs from the Southeast Asia thirty years after. Before the Second World War, it produced most of the rice that the hungry world purchased for consumption. Burma, Vietnam, Cambodia and Siam then together exported some 90% of the rice that came into world market. That was before the Americans, the Chinese, the Australians and the Japanese have learned to grow much rice. The best teak, which is the best of the hard wood, came from this part of the world. Nowadays only Thailand produces enough rice for export, Burma, for reasons of her own, shut herself out of the world market; and the former French Indochinese territories are starving after thirty years of war. Teak still is exported from Southeast Asia, but in negligible

quantity. The region still provides natural rubber and tin for the industrial countries and sugar still comes from the Philippines as before. There are new export products from Southeast Asia since the 1950's, such as palm oil from Malaysia and Indonesia, maize, topioca and kenaf and fluoride from Thailand, manufactured goods from the Philippines, and especially from Singapore. Indonesia and Malaysia have already started to export petroleum, while Thailand and the Philippines are exploring their petroleum resources seriously. Potential resources yet to be exploited in large scale are bauxite in Indonesia and Malaysia, copper in the Philippines and Indonesia, nickel in Indonesia and aquatic resources everywhere. Not much can be reported yet about the natural resources of Vietnam, Cambodia and Laos.

If we judge the progress of economic development by the growth of national income in the national aggregate sense, three countries in the region can be said to have made steady progress during the past thirty years, namely Singapore, Malaysia and Thailand. Singapore as can be expected specializes in trade and manufacture. Malaysia and Thailand succeed in combining stability with progress and manage to diversify their production and export. The Philippines' economic development performance has also been impressive, although punctuated by foreign exchange crises from time to time. Indonesia, the largest country in the region in population, land and natural resources, was ruined financially by Sukarno, but has since late 1960's made steady improvement. Burma stagnates over the years. In Laos, Cambodia and Vietnam, economic development was impossible during the war, and the three states are still struggling to recover from the ravages of long-drawn armed conflicts.

Politically, all the states in Southeast Asia are now

independent. But in the past three decades, few among them have shown themselves to be good neighbours. Malaysia and Thailand on the whole have cooperated very well in all respects. But Thailand soon quarrelled with Srihanouk's Cambodia; Thailand intervened in the affairs of the Kingdom of Laos and recently has borders disputes with the People's Democratic Republic of Laos. From Thailand, again, American aircrafts had bombed Vietnam, Cambodia and Laos. Malaysia and Singapore have become separate states. In the 1960's, Indonesia found herself confronting Malaysia and Singapore on one side and the Philippines on the other. The Philippines' claims on Malaysia's Sabah are still unresolved and the Manila Government as well as the Bangkok Government have found their Moslem minorities in the South a thorn in the flesh. At present ideologically, the region is divided into three Communist countries and six anti-Communist governments, the latter with communist insurgents, real or imaginary "disturbing peace" within their territories.

All nine of them are authoritarian with varying degrees and forms of despotism. They are authoritarian in the sense that none of them would have satisfied the criteria of the United Nations' concept of basic human rights. Even Malaysia, with her parliamentary system, is too preoccupied with her racial problems and anti-Communist policies to comply with the principles of Liberal Democracy.

### III

Outside the war zone of former French Indochina, and with the deliberate abstention of Burma, during the 1960's there have been indeed many attempts at regional cooperation in

Southeast Asia, ranging from defence groupings to general political, economic, social and cultural groupings. Many of these organizations are instigated and participated in by outside powers from North America and Europe. Among these organizations could be mentioned: SEATO, ASA, MAPHILINDO, ASEAN, The Mekhong Committee, ASAIHL, SEAMEC and SEACEN. Not included in this list are ad hoc sportive or cultural organizations such as the SEAP (Southeast Asian Peninsula) games or the football competitions among the region.

The Southeast Asian Treaty Organization (SEATO) is essentially a defense organization designed to provide collective security for Southeast Asia. It attracted only two of the regional countries, Thailand and the Philippines, with outside members the U.S.A., the U.K., France, Australia and New Zealand. Shortly after it was formed, France decided to stop participation and SEATO remained a "paper tiger" until its official demise was announced for 1977. SEATO's activities in the field of education, science and medicine were more noteworthy than its main function of defense. A by-product of SEATO which will survive it is the Asian Institute of Technology (AIT) in Bangkok which dissociated itself from SEATO in 1967 and has become an important regional institution of higher learning in its own right.

The Mekhong Committee, created by the United Nations with the cooperation of the World Bank, was designed to develop the Lower-Mekhong Basin for the benefit of the four riparian countries: Laos, Cambodia, Thailand and Vietnam. Before 1975, the delegates from Thailand, Cambodia, the Kingdom of Laos and South Vietnam met from time to time to decide upon matters of policy. Some ambitious multi-purpose, multi-national

projects have been devised, e.g. the Pa-Mong Dam Project which would bring far-reaching irrigation, hydro-electric, flood control and navigation benefits to all the four countries. After 1975, because of the change in the regime of the governments in three of the four participants, no ministerial meeting has been possible, and the Mekhong Secretariat in Bangkok is at best marking time.

The Southeast Asian Ministers of Education Council (SEAMEC) was also created in the 1960's, with the Secretariat in Bangkok, with the intention of encouraging cooperation among its members in the educational sphere. Several institutions for research and training have been established under its umbrella in various cities of the region, and have functioned reasonably well. Since April 1975, with the disappearance of three of the participating governments, SEAMEC's future has been uncertain, to say the least.

The Association of Southeast Asian Institutes of Higher Learning (ASAIHL) predates SEAMEC by a decade—its membership comprises most of the universities and colleges of the region. This association is still functioning, although with notable abstentions among its members since April 1975.

Southeast Asian Central Bank Governors (SEACEN) began their quiet unpublished annual meetings early in the 1960's, even while several governments in the area were not on speaking terms with each other. The meetings soon gathered strength, and they have resulted in close cooperation among the various countries in the region in the fields of central banking, monetary policy, and commercial banking practice. It was due to SEACEN that the countries in the region began to group together and have their own representatives on the



Boards of the International Monetary Fund and the World Bank. SEACEN meetings are still functioning nowadays, despite the political changes in 1975. At the last meeting early in 1977 Malaysia, Vietnam and Laos sent their representatives. And it is interesting to note that Indonesia and Thailand at present still represent the interests of Vietnam, Cambodia and Laos in the International Monetary Fund and the World Bank respectively. One of the objectives of the originators of SEACEN is to co-ordinate medium-term development plans of the various governments, together with their fiscal and monetary policies. This objective has not been reached. In any case, SEACEN meetings have been useful in the sense that it could easily be incorporated into any regional cooperative organization, such as ASEAN.

#### IV

The organization that is likely to have most far-reaching consequence is the Association of Southeast Asian Nations (ASEAN). And to this, I shall now turn my attention.\*

At the time of "confrontation" involving Malaysia, Singapore, Indonesia and the Philippines, in the early 1960's, in order to bring about some reconciliation and harmony in the

---

\* I am indebted to Michael Leifer of L.S.E. for having made many useful suggestions on this topic. See his article "Politics, Society and Economy in the Asean States," (Wiesbaden 1975), and "Problems and Prospects of Regional Cooperation in Asia, the Political Dimension," (1977).

region, there were created two regional bodies: the Association of Southeast Asia (ASA) of which Thailand, Malaysia (and Singapore) and the Philippines were members; and later, the organization known as Maphilindo (Malaysia + Philippines + Indonesia). Apart from showing that there was a will to cooperate among their members and that the participants wanted to live together in peace, these two bodies were short-lived and had nothing to show for their existence. In 1967, they were replaced by the creation of ASEAN.

The various leaders of ASEAN have at various frequent times, reiterated that this Association, unlike SEATO, was not a military alliance, that its purposes were anything but collective security. The preamble to the first ASEAN Declaration stated that "the countries of Southeast Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development and that they are determined to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples."

The Association has five founding members: Indonesia, Malaysia, the Philippines, Singapore and Thailand. It was from the outset open for participation "to all states in the Southeast Asian region which subscribed to its aims, principles and purposes." There has not been any addition to its membership to this day. Cambodia, the Kingdom of Laos and South Vietnam have in the past sent observers to ministerial meetings of ASEAN. Burma and North Vietnam were also invited to send observers but they have never attended.

The annual ministerial meetings were, and are still, held

on a rotating basis in the member countries. In between annual meetings, there is a standing committee situated in the capital of the host country for the next ministerial meeting. There are five national Secretariats located in the respective capitals. There are a number of "Permanent Committees" and "Special Committees." In 1974, it was agreed in principle that a permanent ASEAN central Secretariat be established in Jakarta. In March 1977, the formation of this Secretariat is still incomplete.

Within its membership, there have been various degrees of enthusiasm for the Association. Indonesia is on record as giving ASEAN the highest priority making it "the corner-stone of our independent and active foreign policy." This statement, coming from the member which is the largest, most populous and most endowed in natural resources, is not surprising. An observer (Leifer) believes that "Asean is important for Indonesia in that it is contemplated... as the appropriate instrument... with which a willing acceptance of Indonesia's political primacy within Southeast Asia might be promoted among both regional and extra-regional states." There are international problems within the region which remain unsolved: the problem of Sabah, the problems of the status of the Straits of Malacca, the archipelago principle in the Law of the Seas, the territory claims and minority conflicts among members etc. Moreover, the different stages of industrialization and economic development among the members make it difficult for any kind of trade and tariff cooperation. For instance, Singapore, as the most advanced industrialized state, has been advocating a free-trade zone in the region; whereas Indonesia, best endowed with natural resources but rather backward in industrialization, would be naturally opposed to the free-trade area in the present and near future.

In view of its organizational structure, and of the inherent conflict of interests among its members, it is therefore not surprising that until 1976, ASEAN has had little to show for all the paper work and lip service that has accumulated since 1967: a trade fair here, a products display centre there, a dancing and cultural show some time, some joint action regarding Japan, Australia, the EEC, GATT. AUN Team, headed by Professor Austin Robinson, published in 1972 a report on "Economic Cooperation for ASEAN" after a few years' studies, suggesting trade liberalization, industrial complementarity agreements and package deal arrangements. Two years later, the Foreign Minister of Singapore complained that this report had not been discussed by ASEAN. It was not until 1976 when things began to move, perhaps as a result of the radical changes in Vietnam, Cambodia and Laos in 1975.

It was clear from the beginning that for an organization like ASEAN to function efficiently and effectively, there was no place for part-timers who constitute the rotating and shifting standing committee, nor for national secretariats, without a central body. The agreement in 1974 to form a permanent secretariat is a step in the right direction, although the implementation has been slow. In February 1976, the Heads of Governments of the Five started to hasten matters up by holding a Summit meeting in Bali and signing a Declaration of ASEAN Concord and a Treaty of Amity and Cooperation in Southeast Asia. The Concord declared that "the stability of each member state and of the ASEAN region is an essential contribution to international peace and security. Each member state resolves to eliminate threats posed by subversion to its stability, thus strengthening national and ASEAN resilience." The first concrete step has

now been taken regarding the UN Team's recommendation on industrial complementarity. More importantly, Lee Kuan Yew has begun his offensive by travelling to Manila and Bangkok to secure bilateral agreements with the Philippines and Thailand on a general mutual reduction of tariffs of 10% across the board. This was seen as the beginning of the Free Trade Area so long advocated by Singapore and resisted by one or other of the members. In Manila, on February 24th 1977 (last week), the Foreign Ministers of ASEAN, compounded Singapore's efforts by signing an agreement establishing for all members the framework of preferential trading arrangements, to be applied to basic commodities, particularly rice and crude oil. The agreement provides, among other things, for long-term quantity contracts, for finance support at preferential interest rates, for preference in procurement by government entities, for the extension of tariff preference, and for the liberalization of non-tariff measures on a preferential basis. Unified political and economic action, was also pledged, especially in relation with Indochina, Japan, the EEC, the U.S., Australia and New Zealand.

At the same meeting, Malaysia, Indonesia and Singapore also signed an agreement for the "safety" of navigation through the Malacca Straits. These agreements have yet to be ratified by the member governments, and sanctioned by GATT.

It is therefore interesting to observe that, after nine years of virtual inaction, ASEAN has now assumed a vigorous and business-like pace. Its future actions certainly deserve close attention.

## V

The Treaty of Amity and Cooperation in Southeast Asia of February 1976 explicitly stated that "It shall be open for accession by other states in Southeast Asia." thus reiterating an invitation for "other states in Southeast Asia" to join it, as previously envisaged in the 1967 document.

China applauded both the Concord and the Treaty. Perhaps, because China was sympathetic, Vietnam and Laos had to be different.

Vietnam and Laos objected to ASEAN having an exclusive right to speak for Southeast Asia. After the Colombo Conference of non-aligned countries in 1976, the spokesman for the Vietnamese delegation stated "The Vietnamese people are ready to forget the past and establish new relations with other Southeast Asian countries on the basis of the four-point policy of the Socialist Republic of Vietnam which has been approved by the Governments of three countries themselves, but we decidedly do not tolerate any scheme to revive a none-too-bright part of ASEAN and to sell an outmoded and bankrupted policy of this organization."

In November 1971 in Kuala Lumpur, the Foreign Ministers of ASEAN declared their determination to secure the recognition of, and respect for, Southeast Asia as "a zone of Peace, Freedom and Neutrality free from all manner of interference by outside Powers." This Declaration was endorsed by the Non-Aligned Conference in Algeria in 1973. At the 1976 Non-Aligned Conference in Colombo, a resolution containing a similar declaration was proposed. It was objected to by the delegates of Laos and Vietnam. "We did not agree, they

said, to insert this question in the resolution of the Summit Conference in the name of the Kuala Lumpur Declaration of ASEAN, a declaration issued at the very moment when the ASEAN countries were directly or indirectly serving the US aggressive war in Vietnam, Laos and Cambodia in complete contravention of the principles of non-aligned movement.”

In the meantime, Hanoi, Vientiane and Pnom Penh have at various times shown their readiness to negotiate bilateral agreements with individual members of ASEAN. The pro-Soviet attitude of Vietnam and Laos, whatever its reason, induced Indonesia, which had Chinese problems, to adopt sympathetic attitude toward these two governments, although individual politicians from Indonesia, in private conversations, still deny that their government wants to negotiate with Hanoi or Vientiane. Other members of ASEAN have shown various degrees of readiness to open talks with the three former French Indo-chinese states. This readiness will no doubt be influenced by the attitude of the U.S. new administration when it decides to recognize Vietnam. The notable exception might be Thailand whose present military-controlled government has consistently shown hostility towards Vietnam, the Vietnamese minority and the Vietnamese refugees in Thailand. Before October 1976, the elected governments of Thailand had endeavoured to normalize relationships with the three Communist states, in the face of open opposition by Thai generals. This policy was reversed after the recent coup d'état, and the extreme anti-communist attitude of the present government has led the Chinese Ambassador in Bangkok to ask the civilian Prime Minister whether he should not return home, in order not to embarrass the Thai Government. The Chinese in fact are enthu-

siastically in favour of normalization of relations among South-east Asian countries. They had demonstrated this policy by sending the Foreign Minister of Cambodia to talk in Bangkok in a Chinese plane as early as in 1975. The subsequent deterioration of relations between Thailand and its Northern and Eastern neighbours cannot be blamed upon China.

## VI

In my opinion, it is a great pity that the prospects for cooperation among Southeast Asian countries are not as good as they should be at the present time. Although culturally and ethnically, there are varieties among the peoples, the whole peninsula has a common mode of life. The style of life of the common farmer is the same, whether in the Philippines, Malaysia, Indonesia, Laos, Thailand or Vietnam. It is sometimes called the "banana and coconut" style of life. In every country, one sees a fusion of the ancient cultures of India and China, and in the majority of countries, of Islam as well. The cooperation of various nations in the education field as in SEAMEC and ASAIHL has proved to be highly useful to all concerned. The Mekhong Development Programme has great potential benefits for all the countries bordering the great river, benefits which are indivisible and which would be much reduced without the joint actions of the four countries. In industrialization and trade, each separate country would gain by close cooperation among themselves. In some fields there is room for the international division of labour; in others, joint control of the raw materials would ensure better terms of trade for the whole region. In a world of large economic blocs in America and in Europe,



OPEC, the USSR, China, India and Japan, each small country in Southeast Asia, even Indonesia, will have great difficulties in competing with advantage. In the field of economic and social development, each country will benefit from some measures of coordination in planning. All the countries in the region have common social problems, the principal of which are the distribution of incomes and the pervasive question of educational opportunities. The three Communist states have, in addition, the current problems of postwar rehabilitation, particularly food shortage, for which a neighbourly helping hand would surely be welcome. Politically, one could not bear to think of the vulnerability of each country should the border disputes, or ideological differences become important enough to cause outbreaks of fighting. Worse still, the presence of the two blocs: ASEAN versus the three Communist Republics, confronting each other in mutual distrust, with or without outside interference, is contrary to the principles of stability, freedom and development which are held dear in every country of the region.

Since the time of the Bandung Conference in 1955, statesmen have often paid lip service to Panja Sila: the principles of coexistence inspite of ideological difference, of mutual respect for independence, of non-interference in other country's affairs. This is the time to put Panja Sila to practice in Southeast Asia. The will for cooperative actions is already there, if we are to judge from the ASEAN Treaty of Amity and Cooperation, and from the willingness of the three Communist Republics, and indeed Burma, to continue their membership of the International Monetary Fund, the World Bank and the Asian Development Bank. Each nation has only to act according to its declared policy, ready to forget the past, as rightly stated by the

Vietnamese spokesman. Then there should be a way of real cooperation.

When ASEAN was established in 1967, ASA and MAPHILINDO were discarded in its favour. All the nation members of ASEAN were willing and ready to start anew. ASEAN leaders should be big enough to overcome their pride and dismantle ASEAN and start anew with an organization with eight or nine members which will ensure peace, freedom, non-alignment and development for Southeast Asia.

If this can be achieved I am sure that the common man and woman in Southeast Asia will benefit and Kingsley Martin would congratulate us all.

*Kingley Martin Lecture  
Mill Lane, Cambridge  
2 March 1977*



*ACTION TO*

---

## **“STEPS TO INTERNATIONAL MONETARY ORDER”**

*A PAPER SUBMITTED TO  
THE PER JACOBSSON FOUNDATION MEETING  
Tokyo, October 11th 1974*

*Dear Suparb,*

While this paper “Steps to International Monetary Order” was being written, and also while I read and reread the drafts, I could not help thinking of you and missing you. The subject matter is your speciality; and if you were alive, you would certainly be very much involved in this paper.

Nevertheless, you have been really involved, even though indirectly. That this paper has been written at all is due to the good work of two of your young students and assistants. My neglect of the subject of international monetary situation for the past two years and my present preoccupation in freedom and Democracy for Thailand have left me quite ignorant and confused in international finance, particularly since recent events in this field have been rather confused.

You will remember that you urged me to accept this task of writing a Per Jacobsson paper; and in your death bed, you

were very pleased when I announced my acceptance. I only hope that this paper does not disappoint you.

If I had been free for time, my contribution to your memorial book would be another paper recounting our experience, yours and mine, during the difficult period 1950-1960, when we were trying, with some success perhaps, to inject order and decency into Thailand's economic and financial system. This paper still needs to be written, not because of any theoretical insight or academic wisdom that might benefit our younger colleagues, but because the struggle for orderliness, efficiency and decency of our economic system is an incessant struggle in this wicked world of ours, that we could tell our younger colleagues might help them to learn what to do and what not to do; how to do things and how not to do things, and in their struggles at present and in future, our younger colleagues are sure to meet with disappointments, as we have experienced before, and then. In the depth of the depression caused by failures, these young men and women might be able to learn how to keep their ideals and courage, as you and I, and several other friends, have done in the past. And you will certainly hope that our younger colleagues will always keep to the narrow but straight road of honesty, integrity and courage in public service.

I still hope to find time to write this kind of paper.


In the meantime, you might frown at my present pre-occupation in political and constitutional affairs. You once criticised me for concerning myself "too much" with the questions of individual justice, social justice and freedom. There is, you said, no perfect justice in this world. And my reply was that that was precisely why we must redouble our efforts to bring about at least the closest approximation to perfect justice.

Your criticism was of course well-meant, and you were worried that there was at that time so much calumny and so much insidious gossip about my political and social leanings. You will have even greater cause for worry in this respect at the present moment.

In my fight for freedom inside and outside the National Legislative Assembly during the past seven months, as to be expected, I have had to contend with much hypocrisy, distortion of facts, and even outright lies. Straight opposition, I welcome; crooked opposition saddens me. Pleas for freedom of conscience have been declared tantamount to cowardice, evasion, immoral, and even treason. Academic freedom has been attacked as dangerous licence. When my friends and I advocate for freedom in political beliefs, we are branded Communists ready to destroy Monarchy. In the last resort, when our opponents run out of arguments, they play on my Chinese lineage, my Chinese name, even on my wife's lineage.

In writing these lines, I do not intend to complain or to make anybody, least of all, you, feel sorry for me. I just want to congratulate you, Suparb, for the fact that your struggle has now ended. My friends and I are more determined than ever to battle on. Whether you will agree with me on these particular issues of freedom is of little consequence. What is more important is the fact that you and I have always agreed that ideals are worth fighting for regardless.

**Peace**



---

22nd August 1974



---

## **STEPS TO INTERNATIONAL MONETARY ORDER\***

**I**t is a great honour and privilege to be given the opportunity to present a paper on a subject of great importance for the world today. In the past few years, we have constantly witnessed a rapid and seemingly unending succession of turbulences and crises of immense proportion in the international monetary system. The Bretton Woods system gradually crumbled down, true to forecast made in the late 1950's, so that we now have a non-system for the conduct of international monetary affairs. Although the present international monetary situation is not as anarchical as in the period before the last World War, there is a clear and urgent need to reconstruct the system to provide a basis for orderly international monetary conduct in the future.

---

\* The author is grateful to Mr. Vijit Supinit and Miss Viyada Avilasakul of the Bank of Thailand for making this paper at all possible.

International efforts for the reconstruction of the present international monetary system began just over two years ago when the International Monetary Fund set up the so-called Committee of Twenty to study and advise on all aspects of international monetary reform. As most of us are aware, in the middle of such a process, uncertainties affecting the world economic outlook, related to inflation, the energy crisis and other unsettled conditions have made it not possible to arrive at reformed measures of a long-term nature. Priority has therefore been given to certain aspects of reform which have become urgent in the interim period. It is expected that it may be quite some time before the situation is adequately stabilized before long-term measures can be agreed and implemented (if that is at all possible).

Thus I would like to deal with the immediate and long-term aspects separately. I attach great importance to measures needed in the immediate future as we are now faced with many serious problems which may get out of control and lead us to even deeper quagmires.

## **I. IMMEDIATE STEPS**

### *1. World-wide Inflation and International Monetary System*

Ours is a confused economic and financial world. The difficulties are so many and so severe that it is hard to recall a comparable period in recent history. Among the world economic problems, those that are uppermost in the mind of the people—the ordinary people as well as policy makers—are inflation and energy. And in the recent past, the treat of recession has also emerged, adding significant confusion to the already muddled

world economic scene.

Global inflation affects all aspects of economic, social and political life of the people. It creates tension, distorts income distribution and undermines the relationship among the various groups of the population. For the poorer areas of the world, it radically undermines the developmental efforts of the nations. Inflation can therefore be rightly seen a corrosive element with deep repercussions on the stability of society. Its impact on society are both extensive and intensive and its cure warrants the most urgent of action. It is worth noting that this is the first time in recent history that a significant number of countries, particularly developed countries, are experiencing inflation in double figures. Its magnitude is unprecedented since it has been rampant in such a degree among almost all major countries.

Inflation has been the main cause contributing to instability and uncertainty in the international monetary system. The breakdown of the Bretton Woods system was due to the implication of such a severe inflationary development which, with its disequilibrating effects on the foreign exchange market, makes it not possible for many countries, developed countries in particular, to defend their exchange rates. By necessity, floating has become a noticeable feature of the current exchange system, which is understandable. This necessity however should not be allowed to give rise to claims that the present floating non-system be adopted permanently. If the present rampant inflation were to become an intractable problem among the major countries, the prospects of the recovery of exchange stability would not be very encouraging, to say the least. Since such is the ultimate aim, the international community has an important responsibility to urgently solve the existing problems. The first priority, both in



time and importance, is to bring the rate of inflation down to a manageable level. A reformed international monetary system could then see the light of the day, and hopefully its improved features can help prevent the recurrence of this type of problem in the future.

The subject of inflation has indeed been fashionable in the past few years. It is a well-worn topic and a great deal has been said on the subject. In fact, in last year's Per Jacobsson Foundation lecture, as you may recall, Mr. Emminger dealt extensively and elegantly with the subject in relation to the international monetary system and I am sure his statements are still fresh in the minds of many of us. I do not wish therefore to look into this problem in great detail. Only some basic aspects will be attended to.

I believe there is a consensus that the responsibility for the emergence of the present bout of inflating rests mainly on the major countries owing to their policies which have placed undue emphasis on domestic requirements with inadequate concern for their external repercussions. The Bretton Woods system has contributed to this situation not only by making it possible for major countries to disregard good economic discipline, thereby letting loose the inflation monster, but also by facilitating the transmission of this inflation to other countries throughout the system. Many countries find it necessary to float their currencies or to resort to more frequent parity adjustment in order to insulate themselves from the effects of spreading inflation. It may be recalled that Mr. Emminger also pointed out that the Bretton Woods system in itself contributed directly to the emergence of inflationary pressure. The unexpected appearance of the energy crisis towards the end of last year helps aggravate the problem

and put additional pressure on the international monetary situation. Unless the energy problem too is stabilized in order to provide greater degree of certainty in economic prospects, it would be difficult to see inflation settling down, and the quick recovery of the international monetary stability.

This is not the place to moralize on the behavior of the leading governments in the world in social and political fields; but social and political actions are closely connected with economic and financial phenomena. The general neglect of agricultural development, and in particular food production, has led to the skyrocketing of the prices of foodgrain and meat. True, the vicissitude of nature has played some part in this state of affairs, but mankind's preoccupation with long wars, medium-term wars and even short wars, everywhere on our globe, have seriously undermined food production and distribution, and it is still doing so. Where production of food has been successful, the faulty system of subsidy and "harmonized" distribution also succeeds in keeping huge food inventories away from needy consumers. Hence, the phenomena of general scarcity concurrent with the piling up of wrong-priced food-stuff in well-to-do countries: these phenomena are strange but not new. We simply have not begun to learn from past mistakes.

Industrial countries have been struggling with their wage-price problems, which, for political expediencies, are often divided into various phases of action. This is no other than the old unresolved conflict between capital and labor. On the labor side, appeal has been made to the principles of social justice, more equitable income distribution and full employment. On the capital side, it has been claimed that price stabilization and real benefit to the nation cannot be achieved by allowing

pays and wages to rise ahead of productivity. Caught between these two worthy sets of arguments, governments would naturally try to mix oil with water in order to please both sides and their own conscience. Instead of tackling the root of the trouble, i.e. the basic national economic structure, which at least would need a drastic fiscal shake up and social reform, they employ the wrong instruments to restrain galloping inflation: i.e. monetary measures, which have borne a burden incommensurate with their proper functions. As a consequence, we have seen exceedingly tight monetary conditions everywhere and a sharp upsurge to an unprecedented level of interest rates all over the world, causing severe distortion in the monetary condition, especially the structure of interest rates.

Although some reduction in the inflation rate is forecast in the second half of this year and next year since the effect of higher prices for oil and other commodities begins to subside, the rate of inflation is expected to remain high because of a wage-price spiral caused by the struggle of different groups of people to offset large relative price changes and to maintain their real income. And perhaps the price level may not be stabilized after all in view of recent reports of lower-than-expected crop production in the United States and a new spurt in prices of farm commodities. In this environment, there is justification for very cautious and selective policies. There is little ground for optimism however that such a cautious policy approach would be taken. It is also quite clear that the limit of resource availability could not allow the unprecedented rate of economic growth in the past few years to continue much longer without extremely severe price pressures. It is the responsibility of the major countries to the world community to attempt to put

their houses in order at the earliest opportunity. Increasing international economic interdependence makes it imperative that the bigger of the developed countries, the U.S. in particular, must take the lead in trying to correct their inflation problems first so that the rest of the world would have the environments conducive to solving their own individual problems. In the present environment, it is almost impossible for any country to isolate itself from the repercussions of external disturbances.

It is therefore inescapable that the major countries must make rigorous efforts in connection with their problems of inflation. And the more these efforts are closely harmonized among countries, the more assured the results are likely to be. In a situation as the present, national actions that support and reinforce each other are needed rather than those individual measures, e.g. exchange rate changes, which cancel out at the international level. Among the least demanding actions could be the organized timing of national stabilization programmes. The initiative of the EEC countries last year in collective economic decision-making to cope with inflation is most welcome. There is a good case for the strengthening and widening of such initiatives which, besides traditional measures, could also cover wage-price control on an extensive scale. This approach of joint and simultaneous national measures could have a powerful international psychological impact on the public's expectation impulses.

The future international monetary system must provide for safeguards that will minimize the possibility of the international monetary system contributing to the spreading and the severity of inflation. To my mind, the future system must be more symmetrical and tight, and less permissive to reserve currency

countries. These reserve currency countries should be prevented from continuously financing their balance of payments by accumulating currency liabilities. Even if we succeed in devising such a system, that will not be the end of our trouble regarding inflationary tendencies. This will depend entirely on the economic situation in major countries, most of all the U.S., and their determination to keep on a stable course.

## *2. Prevailing Widespread Floating and Scope for International Cooperation*

The Smithsonian Agreement on the realignment of major currencies, including the increase in the official price of gold from 35-38 U.S.\$ per troy ounce of gold, was followed by a brief period of calm in foreign exchange markets. However, the currency realignment did not lead to expected adjustments of balance of payments disequilibria; in fact payments deficits of the U.S. and U.K. continued to deteriorate while the surplus positions of Germany and Japan persisted. Due to balance of payments problems and speculative capital inflow, the pound sterling was allowed to float from mid 1972. Exchange rate uncertainties heightened in January 1973 following Italy's adoption of separate foreign exchange markets, with floating rates for financial transactions, and the floating of the Swiss franc which quickly appreciated. In February 1973, renewed capital movements out of the U.S. dollar led to the second devaluation of the dollar by 10 percent and the floating of the Italian lire for commercial transactions as well as the floating of the yen. The system of fixed exchange rates finally broke down in March 1973 when the EEC countries excepting Italy, together with Norway and Sweden, entered into an arrangement for joint floating vis-à-vis the U.S.

dollar, following a revaluation of the deutsch mark. From March to July 1973, the U.S. dollar continued to depreciate against the currencies of the other Group of Ten countries and the deutsch mark and guilder were again revalued in order to maintain the rates vis-à-vis the other snake currencies within the  $2\frac{1}{4}$  percent band. Realizing that exchange rate movements determined purely by market forces could prove to be erratic and out of line with underlying trends in the balance of payments as well as basic economic objectives, the U.S., Germany, U.K. as well as other EEC countries and Japan began to engage in market interventions. Subsequently, exchange rate fluctuations eased and U.S. dollar rates appreciated due to improvements in the trade balance. However, exchange rate uncertainties were renewed in early 1974 due to expectations of oil-induced deficits. In January, the French franc left the snake arrangement and floated independently against all other currencies.

In view of rising inflationary expectations and increased balance of payments uncertainties, floating exchange rates are likely to prevail for an indefinite period ahead. A system of general floating appears to be the appropriate course of action under existing circumstances since it enables oil-induced deficit countries to avoid introducing or intensifying trade and payments restrictions for the purpose of defending par values which have ceased to be realistic. By eliminating the obligation to intervene in exchange markets, floating also prevents undue reserve losses or gains and their adverse impact on the domestic economy.

On the surface, recent experience with widespread floating does not appear to have had harmful effects on trade since traders seem to have been capable of adapting to increased

exchange rate uncertainties and both the volume and value of world trade continued to grow in 1972 and 1973. Total value of world trade increased by 17 and 34 percent while the volume of world trade expanded by 9 and 11 percent respectively during these two years. However, it should be noted that the average unit value of internationally traded goods rose sharply in 1973 by 21 percent compared to the average rate of 4 percent during 1968-1972. This was due partly to the dollar devaluation and partly to the commodity boom arising from hedging and speculative demand. The increase in the volume of trade was concentrated in a group of developed countries. In the case of LDCs, the volume of export and import trade rose by  $1\frac{1}{2}$  percent in 1973 compared to 14 and 5 percent respectively in 1972. Thus, recent experience with floating cannot be said to have no adverse effects on trade expansion, at least as far as LDCs are concerned.

On the other hand, increased exchange rate uncertainties have contributed to inflationary pressures by increasing the need of private traders and investors to cover themselves against exchange risks and unstable price expectations. Consequently, medium and long-term investment outlays and production plans are affected. The above-mentioned effects of floating apply universally but are generally more keenly felt by the LDCs with limited international reserves and heavy reliance on imported capital goods and investment funds. Exchange rate uncertainties therefore tend to have a severe impact on the development plans and external debt burdens of LDCs.

Floating by the major industrial countries has also affected balance of payments and exchange rate policies of LDCs which are pegged to a floating intervention currency. While some LDCs

switched to other intervention currencies, their choice in this matter is rather limited due to traditional links and the pattern of trade. In Thailand's case, the U.S. dollar has remained the official intervention currency and the baht has continued to float vis-à-vis the other major currencies.

In sum, the effects of floating should not be assessed on the basis of short-term trends alone. Its impact on economic growth and long-term prospects for world trade should also be considered. While floating is justifiable under present circumstances, early return to a system of more stable but adjustable rates reinforced by an effective adjustment mechanism would be more beneficial to world trade and economic growth.

In the meantime, international cooperation is essential to promote orderly exchange rate developments and to minimize the adverse effects of exchange rate uncertainties on the world economy. It has generally been agreed that current widespread balance of payments problems cannot be solved by competitive depreciations or intensified use of trade and payments restrictions. Towards this end, a voluntary trade pledge is currently being proposed for adoption by Fund members. The Fund has also established a facility for recycling oil funds to countries facing oil-induced deficits although funds to be recycled through the new Oil Facility in 1974 will amount to only about SDR 3 billion compared to the aggregate deficits of oil-importing countries estimated at over SDR 60 billion in 1974. While the major industrial countries and credit worthy LDCs should have no difficulty in raising loans in the money markets, terms are likely to be hard and competition stiff. In order to prevent market disruptions, deficit countries should find some means of coordinating both the timing and the terms of borrowings in the



money markets. In this connection, it has been suggested that the Bank for International Settlements could play a useful role. Adequate financing for countries which do not have access to the money markets should also be provided.

In order to prevent competitive downward floating and to promote orderly exchange rate developments, the Fund has adopted a set of guidelines for the management of floating in accordance with the provision that members "collaborate with the Fund to promote exchange stability, to maintain orderly exchange arrangements and to avoid competitive exchange alterations." Under guidelines 1-2, members are allowed to intervene in the exchange markets to smooth out day-to-day fluctuations as well as fluctuations from medium-term trends. While "aggressive intervention" i.e. to depress value of currency when it is falling or to enhance that value when it is rising, is normally prohibited, members are allowed or may be encouraged to intervene aggressively (guideline 3) in order to bring exchange rates closer to "target zones" which have been set in consultation with, or at the initiative of, the Fund. Under guideline 4, the Fund may also initiate consultation regarding medium-term reserve aims of individual member countries consistent with global trends and needs, and may encourage members to intervene more strongly so as to induce reserve movements closer to agreed aims. Under guidelines 5 and 6, countries with floating currencies are expected to refrain from imposing trade and exchange restrictions for balance of payments purposes and to consider the interests of other members, particularly the issuer of the currency used in intervention.

The above guidelines should help to prevent wide fluctua-

tions in exchange rates and promote broadly consistent exchange rate policies and balance of payments aims. However, the effectiveness and adequacy of these guidelines remain uncertain as they are not legally binding, the reason being that floating has not been legalized by the Fund. When the Fund's Articles of Agreement have been amended to allow the Fund to authorize floating in particular circumstances, international surveillance of floating could be made more effective by requiring members with floating to apply for prior Fund approval and to observe conditions and rules laid down by the Fund. For instance, regular consultation with the Fund might be required to ascertain the need to maintain floating rates and time limits for floating to be set. The present diluted version of rules for intervention could also be strengthened by requiring Fund members to intervene to smooth out exchange rate fluctuations and to apply for prior Fund approval before resorting to "aggressive intervention." In regard to target zones for equilibrium exchange rates and reserve aims of individual countries, the technique for their determination as well as the procedure for their application have yet to be laid down. The Fund should avoid using target zones and reserve aims as automatic indicators to trigger exchange rate changes and should maintain a flexible approach in this matter. Finally, the choice of intervention policies other than smoothing operations should, as far as possible, rest with individual countries.

In sum, floating should be legalized and more effectively controlled by the Fund to prevent disorderly exchange rate developments and unfair intervention policies aimed at strengthening the trade balance at the expense of other countries. More effective international management of floating should be a step

towards an eventual return to a system of stable but adjustable exchange rates.

### *3. Recent Development and Interim Arrangements for Global Liquidity.*

The volume of international reserves which has grown at a fairly constant rate of about 2 percent per annum from 1954 to 1969 rose sharply at the rate of 22 percent, 32 percent and 19 percent respectively in 1970, 1971 and 1972. Total international reserves at the end of 1972 stood at SDR 144 billion compared to SDR 76 billion in 1969. This increase was almost entirely due to the increase in official foreign exchange holdings which tripled during these three years. In 1973, global reserves rose by 15 percent to SDR 152 billion due to the increase in official gold price and revaluation of some major currencies.

The composition of reserve as shown from 1973 data was as follows: foreign exchange holdings 66 percent, gold 24 percent, SDR 6 percent and reserve positions in the Fund 4 percent.

The pattern of reserve distribution has favoured the industrial countries whose total holdings amounted to 67 percent to world reserves. Reserve holding of LDCs totalled SDR 37 billion in 1973 of which about 1/3 represented reserves of oil-producing countries. If the latter's reserves are excluded, reserves of LDC would account for only 13 percent of total reserves. The oil crisis which occurred at the end of 1973 is expected to alter the pattern of reserve distribution substantially during the next few years, with most of the traditionally surplus industrial countries facing substantial reserve losses along with LDCs which are net importers of oil.

Assessments of reserve needs have normally been based on import requirements and money supply as well as evidences of balance of payments and reserve policies, e.g. use of trade and exchange restrictions, domestic demand management, use of balance of payments credits and aid flows. On this basis, and on expectations of normal rate of trade growth, global liquidity was estimated to exceed global reserve needs by about SDR 20-30 billion in 1972. The IMF decided against further SDR allocation in 1973 and 1974.

The existence of liquidity excess on a global basis did not allow for liquidity shortages on the individual country basis due to the concentrated and skewed pattern of distribution. Moreover, too much weight has been given to past trends of trade growth and reserve needs, too little consideration to growth targets and long-term reserve aims.

The occurrence of the oil crises in 1973 not only altered the reserve distribution pattern but also reduced the urgency of the problem of huge currency "overhang." The industrial countries which accumulated huge dollar reserves which were officially inconvertible no longer pressed for substitution or funding arrangements for the overhang as the oil-exporting countries were content with market convertibility of foreign exchange holding. While the problem of immediate concern is the recycling of oil funds to oil-deficit countries, urgent attention should be paid to the destabilizing effects of the liquid and extremely volatile foreign exchange holding of oil exporting countries on the international monetary system. Towards this end, arrangements should be made to stabilize the Euro money market and bilateral funding arrangements concluded between the issuer countries and the oil-exporting

countries. At the same time, the Fund should initiate a "sub-situation facility" whereby reserve currency holdings could be converted into SDR. This facility should operate on a voluntary basis.

In view of the present liquidity shortage experienced by oil-importing countries, urgent attention should be given to the problem of making gold generally usable. In this connection, the Group of Ten agreed to use gold at the market price as collateral for Central Banks' borrowings since June this year. As this arrangement is inconsistent with existing Fund provisions for official gold transactions at par, the following alternatives have been suggested for dealing with the gold problem.

(1) maintaining the official gold price and allowing monetary authorities to sell gold in the market,

(2) abolishing the official gold price, allowing monetary authorities to sell gold among themselves and selling to the Fund at market related prices and selling, not buying, gold in the market,

(3) as in (2) above but allowing monetary authorities to buy gold in the market also,

(4) establishing a gold substitution account in the Fund for conversion of gold reserves into SDR at market related prices and authorizing the Fund to sell gold in the market from time to time.

A direct increase in the official gold price is generally not regarded as an acceptable solution since it would directly conflict with the long-term objective of demonetizing gold by increasing expectations for further price rises. An increase in the official gold price would also result in a liquidity increase which would be unevenly distributed and is also likely to jeopardize future SDR

allocations.

Any arrangement for gold should not only ensure more efficient management of global liquidity by increasing the role of internationally managed reserve assets such as SDR, but should also promote fair distribution of gains between those countries which have accumulated gold and those which have observed the Fund's ruling against accumulating gold at the market prices. One means of ensuring fair distribution of gains would be through international management of gold sales and the transfer of profits to development finance institutions.

In order to enlarge the role of SDR as the main primary reserve asset and to promote substitution of reserve currencies and gold into SDR, the attractiveness of the SDR should be increased by guaranteeing its capital value and by increasing the yield on SDR holding. An adequate rate of "effective yield" should make SDR as attractive to hold as other reserve assets but not so attractive as to make SDR holders unwilling to part with these reserve assets.

Towards this end, the method for SDR valuation for purposes of official transactions was changed from the use of the par value of SDR (in terms of U.S.\$) and market rates between the U.S. dollar and other currencies to the "standard basket" approach. Under the new method, the value of the SDR is equivalent to the sum of 16 currency components weighted according to their relative shares in world trade. The weight of the US. dollar is however fixed at 33 percent to allow for its role as the principal reserve currency. The value of SDR in terms of the US. dollar is then determined by converting the various currency components in the basket into U.S. dollar at market rates. The rate of the U.S. dollar per one unit of SDR thus derived is used for

computing the value of SDR in terms of other currencies by applying the prevailing market rates between the U.S. dollar and the currency desired.

Under this method of valuation, the value of SDR in terms of currencies will vary constantly, i.e. increasing in terms of the depreciating currency and decreasing in terms of other currencies. When currencies are generally appreciating, the value of SDR in terms of currencies in general will decline. In times of general depreciation however, the value of SDR will appreciate. Thus, assuming that currency appreciations and depreciations are balanced over a period of time, the value of SDR in terms of currencies should remain fairly constant.

This method of valuation ensures that the value of SDR will reflect the effective relationship between currencies instead of linking SDR value to the par value of the U.S. dollar when market rates of the major currencies are in fact floating freely against the U.S. dollar. Thus members using SDR should get more value for each unit of SDR than the previous method whereby currency values were tied to an over-valued dollar.

The basket approach should make the SDR more widely usable since its goldlike character will henceforth be merely a formality and transaction prices in terms of currencies will be computed from market rates. The reluctance to use SDR in times of uncertainties regarding the gold price should therefore be eliminated.

The SDR will however be more attractive than reserve currency holdings under the new method of valuation since exchange risk will be spread out over 16 currencies. Moreover, changes in currency value will correspond to the relative weight of that currency. On balance, SDR holdings will be more secure

than holdings of any one currency.

In addition to the change in the valuation method, the rate of interest on SDR holdings has also been increased from  $1\frac{1}{2}$  to 5 percent per annum. In the future, this rate will be reviewed at frequent intervals and changes will reflect average short-term interest rates in 5 major industrial countries (U.S., U.K., Germany, France and Japan)

The combined effect of stable capital value and higher interest rates should make the SDR more widely acceptable and usable in official transactions. This should ensure more efficient management of international reserves and prevent destabilizing shifts between various forms of reserve assets.

#### 4. *Eurodollar Market*

Since its emergence in the 1950's, the Eurodollar market has enjoyed a record of remarkable growth. Development of the Eurodollar market has been encouraged by the relative freedom from restrictions which apply to other types of transactions as well as the competitiveness of its interest rates relative to rates in national money markets. The convenience and anonymity offered by the market have also contributed to its popularity among banks and other institutions in the U.S. as well as in other countries. The structure of the market has undergone a rapid transformation involving a decline in the U.S. dollar component which has always made up the bulk of Eurodollar transactions, and a change in the geographical pattern of lending and borrowing through the market. In 1969, U.S. residents were the main net users while the main net supplier was the reporting European area. By the end of 1973, the main user on the market was Japan followed by the U.S. while the main net supplier was the



Middle East. Loans to developing countries, mostly on a rollover basis, more than doubled in value last year, while borrowing by developed countries, made in anticipation of balances of payments difficulties, increased substantially in the wake of the recent shifts in terms of trade due to increases in the price of oil.

The recent spectacular development of the Eurocurrency market has been contrary to general expectation. In view of the U.S. being able to reduce its balance of payments deficits it was widely expected that the reflow of liquid funds to the U.S. would dry up much of the resources of the Eurodollar market, and its development would be moderated. Other factors which have been, and are expected to continue, operating in the direction of reducing the rate of growth of the Eurodollar market and encouraging deposits in local currency markets rather than with banks in the Eurocurrency market are: the removal of U.S. capital controls, the decreasing differential between interest rates in the Eurocurrency market and local money markets, and the possibility of controls being imposed on the market by governments of countries in which the banks are situated, possibly making it difficult for depositors to withdraw funds from the market at will.

In its role as an intermediary for international financial transactions, the Eurodollar market has promoted the efficient allocation of financial resources and has encouraged, through the influence of its interest rates on that of different countries, a certain degree of homogeneity of monetary policy. By facilitating international loan transactions, it has played an important role in encouraging the expansion of international trade. More recently, funds have been channelled through the Eurodollar market to the developing countries and used for developmental purposes.

In spite of the valuable services the Eurodollar market is recognized to have performed, its scope and intricate mechanism are far from being generally understood in depth. A number of problems may be mentioned in relation to the Eurodollar market. It is often contended that the Eurodollar market is a major force contributing to the present state of inflation due to the fact that banks in the Eurodollar market create credit by expanding loans in the same manner that banks in a domestic banking system create deposits up to the limits of required reserves. In this way the global supply of money is said to be increased. However, it should be noted that Eurodollar deposits are not a direct means of payment but must be converted to a bank deposit in the US. Furthermore, the major portion of funds in the market is held in the form of term deposits rather than at call and therefore cannot be considered as part of the money supply in the same manner as demand deposits of nationally operating commercial banks. While there is no consensus of opinion whether deposits in the Eurodollar market can indeed initiate a process of money creation, it has been recognized that total liquidity is in fact increased by central bank deposits in the market since when a central bank deposits money in the market, total liquidity in the domestic market is not correspondingly decreased which is what occurs with deposits by private institutions, while liquidity in the recipient country is increased. The central banks from which the funds originated still hold in their reserves the balances they have deposited in the market, while the central banks of the recipient countries also show in their reserves the new balances which have come into their hands. Hence global liquidity is increased.

In an attempt to prevent this effect from causing inflation,

the Group of Ten in 1971 agreed not to increase their official placements in the Eurocurrency market and a limitation on the placement of official reserves by all IMF members is being examined. There is no real reason why central banks should object to this proposal since traditionally, before the emergence of the Eurocurrency market, banks have always deposited their reserves in the countries in whose currencies their reserves are held. The interest rate advantage of the Eurocurrency market has now been diminished due to high interest rates in the national money markets, and depositors are already turning to national money markets to place their funds. The advantage left is that of convenience, for if major countries re-establish or maintain controls on the inflow of capital similar to those which existed during the greater part of 1973, it would be very difficult or very unprofitable for central banks to deposit in such countries. As this would in effect encourage deposits in the Eurocurrency market once again, it is important that such controls be discouraged.

Critics of the Eurodollar system often point out that due to the fact that banks in the Eurodollar market operate under relatively few controls over their activities, they can sometimes give rise to flows of funds of substantial size which can undermine national economic policies. Furthermore, they contribute to destabilizing capital movements by being a source of speculative funds connected with flights of funds out of weak currencies and rushes into strong currencies. This is said to have been most pronounced during the first few months of 1974 when the Eurobanks' liabilities to U.S. residents increased by about \$2 billion. The opposing view is that most deposits in the Eurodollar market are term deposits and cannot be immediately

withdrawn in response to interest rate or exchange rate advantages so that their exact role in promoting instability is debatable. In any case, these movements of capital have not been the cause of instabilities of the monetary system but rather the consequence of lack of confidence arising from more basic disequilibrium, coupled with an inadequate adjustment mechanism. To prevent the potential damage caused by flows of capital via the Eurocurrency market, a prompt adjustment process is therefore desirable. In an attempt to minimize destabilizing capital flows, capital controls may be necessary in some cases though it is generally recognized that, ordinarily, capital flows should be as free as possible. Controls on capital flows should be used only as a temporary measure and should not inhibit flows for investment or developmental purposes. Though controls on capital flows are not by themselves desirable, they are preferable to controls on trade.

More recently, the instability of the Eurodollar market caused by the changing pattern of supply and demand of funds in the wake of the recent oil crisis has become a matter of increasing concern. Increased demand for funds by countries suffering balance of payments problems, and by developing countries suffering a declining supply of economic assistance regularly forthcoming from industrial countries, together with high interest rates prevailing in domestic money markets due to the universal pursuit of contractionary monetary policies has caused interest rates in the Eurocurrency markets to soar to unprecedented heights. For instance, a record 14 percent for the three-month Eurodollar was achieved in early July. A greater part of the current demand for funds in the Eurocurrency market is for medium or long-term finance, while a greater part

of the supply is very short-term. Most notably, "petrodollars" are placed in very short-term deposits for maximum manoeuvrability due to the prevailing climate of uncertainty and distrust in the foreign exchange markets. In fact, many banks have experienced serious losses due to their foreign exchange commitments. Consequently, banks are finding it necessary to finance long-term loans with short-term deposits and this has resulted in fear that if maturing funds fail to be redeposited, banks may be unable to meet their obligations and a moratorium will have to be declared. This fear has accentuated the problem by increasing the desire of customers for shorter rather than longer-term deposits. Further complicating the matter is the possibility that banks may find their lending growth inhibited by the inability to take on additional deposits due to their rapidly declining capital/deposits ratio.

Due to the lack of confidence in the Eurocurrency market, holders of funds are turning towards national money markets in Europe and the United States instead of the Eurocurrency market. This tendency has been more pronounced recently due to the decline in the interest rate advantage which once existed in the Eurocurrency market. The possibility of controls being devised to limit the operations of banks in the market has raised fears of increasing difficulty in withdrawing funds from the market and has reinforced the preference for short-term deposits.

These problems have resulted in increased concern over the stability of the institutions within the Eurodollar market and measures are being considered with a view to improving the security of the market.

For instance, major Western countries have reportedly reached an informal agreement to protect the Eurocurrency

market against collapse by providing support to a major bank with substantial Eurocurrency exposure, and which is facing liquidity problems that could lead to a major failure, to a certain extent of their regular swap lines. They are therefore acting as lenders of last resort in a limited way. Though this role of central banks is important in building up confidence in the banks, the problem remains as to which country should have the final responsibility over any particular bank, and the extent of authority they should have over the operation of the bank, in order to enforce rules for orderly and prudent conduct of banking business. Controls worth considering are direct limits on total Eurocurrency liabilities or lending, or reserve requirements on liabilities or lending. These controls will limit the expansion of banks' Eurocurrency business but will also cause a reduction in the exposure of the banks, promoting a healthier investment climate. Through reducing Eurocurrency transactions, it may also be argued that controls on Eurocurrency activity will cause global liquidity to be reduced, relieving inflationary pressures created by the Eurocurrency market, if in fact they do exist. On the other hand, with a reduction in the supply of credit, it would become increasingly difficult to take out loans for balances of payments or for developmental needs, and could increase the cost of any loans obtainable.

In recognition of the importance of the Eurodollar market's contributions to the growth of the international economy, care must therefore be taken not to make credit so expensive or constraints so overpowering that it would impair the market's function as an efficient medium for the allocation of credit on a world-wide scale. As an important source of capital and outlet for investment, the continued existence of the

market is desirable, particularly for developing countries. Studies of the nature and implications of the market should therefore be made with a view to introducing long-term measures to improve the security of the market without considerably affecting its efficiency and cost elements. Increased confidence in the market is particularly urgent in order to recycle money from the oil-producing nations to oil-importing nations which are suffering substantial balance of payments deficits. In the event that the Eurodollar market is greatly restricted in the future by international agreements and as a result of consolidation of currency overhangs, alternative sources of funds must be found for the developing countries.

## **II. LONG-TERM OBJECTIVES OF MONETARY REFORM**

International monetary problems discussed in Part I of this paper demand immediate and concerted action to ensure that international trade and investments are not disrupted by the general abandonment of par value obligations and the breakdown of the gold exchange standard. Towards this end, some steps have already been taken. The IMF has adopted a new standard of value, the SDR, whose value is linked to a basket of currencies at the current market rates, for transactions with member countries involving SDRs as well as currencies which are floating. Guidelines for Fund management of floating exchange rates have also been established. In order to provide a more effective forum for international consultation on monetary issues of mutual concern, the structure of the IMF will be streamlined by increasing the functions of the Executive Board and establishing an Interim Committee of the Board of Gover-

nors. This Interim Committee consisting of high-level representatives of the constituencies which are entitled to appoint or elect an Executive Director will be of the same size as the now defunct Committee of Twenty (160 participants). It will advise the Board of Governors on the need for adjustment of imbalances, the appropriateness of exchange rates and payments policies, as well as act as a forum for international cooperation in dealing with monetary crises and the future of the international monetary system. It is expected that the Interim Committee will be replaced in due course by a permanent Council of Governors with decision-making power.

These interim arrangements should adequately meet present needs of the world community. However, uncertainties in regard to exchange rate flexibility, the usability and value of gold and foreign currency holdings and the criteria for balance of payments adjustment will persist with adverse consequence on the long-term prospects for international trade and economic growth in the following ways. Fluctuations of exchange rates, which serve the function of translating international prices into domestic prices, will generate price instability and accelerate inflation rates, thereby eroding confidence in money. Failure to agree on the value and usability of reserve assets will affect the need for balance of payments financing and encourage destabilizing shifts between various forms of reserve assets. Finally, and perhaps the most important short-coming of this present non-system, the lack of an adequate adjustment mechanism, the root cause of past monetary crises which led to the break-down of the Bretton Woods system. While the Fund will begin to play a more active role in promoting prompt and adequate adjustment of imbalances, there has been no agreement on the criteria



to be used in determining the need for adjustment and the forms and degrees of sanctions to give more "bite" to the adjustment mechanism. This can be expected to reduce the effectiveness of Fund surveillance.

Another aspect of international economic relations which remains to be rectified is the transfer of real resources to LDCs. While it is generally recognized that the welfare of LDCs is of vital concern to world peace and stability, very little has been done to translate this principle into concrete action.

In sum, long-term monetary issues which should be dealt with are as follows: the exchange rate system, the adjustment mechanism, improved management of global liquidity, convertibility and intervention practices and the special interests of LDCs.

I cannot venture to predict how long the present upheavals in the payments positions and prospects will last. This may take 2-3 years. But for all we know monetary conditions may take as long as a decade to stabilize. To prepare for any eventuality, negotiations on the features of the system which will replace Bretton Woods should be resumed by the Council of Governors. The findings of the Committee of Twenty should be used as the starting point, adding to the "skeleton" of the reformed system the necessary technical points and operational details. These long-term issues need not be tackled in one package since the degree of urgency varies from case to case. Priority should be given to improvement of the adjustment mechanism, management of global liquidity and special interests of LDCs. Agreement on the exchange rate system, convertibility and intervention practices could be postponed until conditions become more stable. The evolutionary and piecemeal approach to international monetary reform may not result in an ideal

system. However, this approach will ensure that solutions to long-term monetary problems will be acceptable and practicable.

I shall now proceed to discuss each of the basic objectives of reform separately.

### 1. *The Adjustment Mechanism*

In order to ensure smooth functioning of the international monetary system, both surplus and deficit countries should be obliged to undertake prompt and adequate adjustment measures. The basis for determining the need for adjustment in both cases would be either 1) a disproportionate movement of reserves, or 2) Fund judgment based on assessment of all the relevant factors.

The point of contention arises in connection with the degree of automaticity in the use of the reserve indicator to determine the need for adjustment. The automatic reserve indicator system would avoid the possibility of conflicting interpretations of the criteria for adjustment. On the other hand, the reserve indicator may conflict with other signals in the economy and can often be manipulated. Both the "stock" approach and the "flow" approach to the reserve indicator system would be open to the objection that they fail to take into account the differences in the nature and degree of reserve needs of individual countries. In the case of LDCs reserve norms have to be set at a higher level to allow for fluctuations in export earnings as well as development aims. Upper and lower "warning points" above or below reserve norms and limits on primary asset holdings which may be established for the purpose of assessing the need for adjustment should therefore differ for various groups of countries, i.e. advanced countries, LDCs and oil-exporting countries. Above all, reserve indicators should not create a presump-

tion for adjustment and should not trigger the application of pressures. A careful assessment of all the relevant economic factors should be the basis for Fund surveillance of the adjustment process. Choice of adjustment measures, i.e. exchange rate changes, monetary or fiscal measures, should be determined by national authority although their appropriateness and adequacy will be reviewed by the Fund.

Regarding the form and degree of pressure to be applied to countries failing to adjust, it appears that deficit countries will be subject to more effective and severe pressures than surplus countries. For instance, denial of access to Fund credit facilities, penalty interest rates, publication of Fund reports on the economic position and prospects and authorization of discriminatory use of trade and exchange restrictions are more likely to aggravate the position of deficit countries than surplus countries. In order to ensure greater symmetry in adjustment obligations, more effective forms of pressures should be applied to surplus countries and deficit developed countries. In this connection, the Fund's "scarce currency" clause should be applied more readily than in the past.

The need to improve management of reserve currency holdings has already been discussed in connection with the Euro-money market and arrangements for reserves accumulated by oil-exporting countries. Possible arrangements for gold have also been examined. Suggestions for substitution of reserve currencies and gold for SDR and for periodic sales of gold in the market are in line with the long-term objective of enlarging the role of internationally-managed reserve assets, i.e. the SDR. In the long-run, the SDR should become the center of the international monetary system, replacing the gold exchange standard.

Towards this end, the value of SDR should be more stable than currency holdings. This could be achieved by increasing the value of SDR at a given rate per annum i.e. increasing the number of currency units in the basket under the modified “standard basket” approach. Alternatively, the “asymmetrical basket” approach could be adopted whereby the number of units of the currency which has devalued as floated downward will be increased in proportion to exchange rate changes. This approach will prevent the value of SDR from declining in terms of non-depreciating currencies while a revaluation or upward float will continue to raise the value of SDR in terms of other currencies. Both approaches will ensure that the capital value of SDR increases over time and will make it an internationally preferred reserve asset. A stronger SDR would however imply lower interest rates on SDR holdings to prevent hoarding. Finally, existing rules for use and holding of SDR should be amended to improve the reserve asset nature of the SDR and to reduce its role as short-term balance of payments credits. In this respect, reconstitution provisions and acceptance limits for SDR should be abolished. The possibility of promoting general understanding and use of SDR by the private sector should also be explored.

In regard to official holdings of foreign currencies, the conflict between the desire of individual countries to retain the freedom in determining the composition of their reserves on the one hand, and the general recognition of the need for more effective control of global liquidity increases and destabilizing shifts between the various forms of reserve assets on the other, should be resolved. The existing currency “over-hang” not only creates the problem of uneven reserve distribution but also

defeats the aim of improving the adjustment mechanism. We are sympathetic to the needs of monetary authorities to choose the composition of their reserves according to their income-earning objectives and the need to maintain adequate working balances to ensure access to the money markets. However, the principle of improved management of liquidity should prevail. Under the reformed system, countries should avoid sudden changes in the composition of their reserves and should aim to reduce foreign currency holdings over time. The Fund should be authorized to issue SDR for substitution of reserve currencies presented by official holders and should be able to designate members to substitute reserve currencies for SDR when necessary.

Under the reformed system, the volume of global reserves should be managed by means of SDR allocations so as to prevent inflation as well as deflation. To allow for shifts from private holdings of currencies to official holdings, a sufficient degree of elasticity will have to be provided either by means of limits on primary reserve holdings (beyond which countries would not be entitled to convert foreign currency holdings into gold or SDR) or by allowing for exemptions of obligations on asset settlement as discussed below.

## *2. Special Interests of LDCs*

The reformed system should provide for LDCs to be exempted from adjustment obligations and the application of pressures due to the special characteristics and needs of these countries. The special needs of the LDCs should also be recognized in regard to reserve norms. The reformed system should also ensure that the transfer of real resources to LDCs will increase steadily in proportion to their growth objectives.

The principle of resource transfer is justified by the fact that LDCs have always been at the losing end throughout the recent international monetary upheavals arising from factors beyond their control. This is seen clearly in the case of exchange rate uncertainties. Price instability resulting from exchange rate uncertainties and inflation has not only disrupted development plans of LDC but also domestic production, income and employment. Exchange rate flexibility is likely to remain a permanent feature of the international monetary system. In addition, the LDCs will be subject to more control in regard to reserve management, convertibility and adjustment in spite of the fact that their conduct in these matters will not have substantial impact on the rest of the world. To offset these adverse effects, concrete measures should be adopted to ensure increased transfer of real resources to LDC.

In this connection, the proposal to link SDR allocation to development finance either by direct SDR allocation to LDCs or indirectly through development finance institutions should be implemented as soon as possible. The establishment of a "Link" will ensure that the benefits hitherto enjoyed exclusively by major countries whose currencies are held by other countries as reserves will now be enjoyed by LDCs. The "Link" should not however accelerate world inflation and SDR creation should continue to be based on careful assessment of global reserve needs alone. Technical problems seem not to exist, what is lacking is political support and commitment.

The Fund should also endeavour to improve existing credit facilities, particularly the Compensatory Financing Facility and Buffer Stock Facility aimed at stabilizing prices of primary products. Longer-term balance of payments support should also

be considered by the Fund in addition to the "Link" under the proposed Extended Fund Facility.

Other aspects of the transfer of real resources to LDCs, i.e. improved quality of aid, higher targets for official aid, access to capital market and external debt relief measures have been recognized as desirable objectives of monetary reform. However, a machinery for overseeing work in this area has been lacking. The committee of Twenty's proposal to set up a joint Ministerial Committee of the IMF and the World Bank to study this matter is therefore very welcome.

In view of the pressing needs of LDCs, the proposed "Link" as well as other aspects of resource transfers should be implemented as soon as practicable.

### 3. *Exchange Rate System*

I have already indicated my preference for a system of stable exchange rates. To be more specific, this would imply a return to fixed but adjustable parities, with floating in special cases when approved by the IMF. Thus, under the reformed system, countries should be obliged to maintain exchange rates within agreed margins. At present, the Fund allows rates to fluctuate within margins of  $2\frac{1}{2}$  percent above or below the par value in terms of SDR. This means  $4\frac{1}{2}$  percent margins above or below the parity relationship between any two currencies derived from the ratio between their par values in terms of SDR. Exchange rates of any currencies could therefore be as much as 9 percent apart. Under the reformed system, wider margins than prevailing at present should not be accepted. Proposals for simplified procedures for Fund approval of small and frequent changes in par values as well as managed floating

rates would likewise not be in the interest of the world community. It is conceivable that there could be very little difference in the degree of exchange rate flexibility under the 1) stable but adjustable rates system with floating in particular cases 2) fixed rates system with simplified procedures for Fund approval of small and frequent par value changes, and 3) a system of managed floating. However, in terms of psychological effects and the effectiveness of international surveillance, the first alternative appears to be more beneficial to long-term prospects of trade and economic growth.

#### *4. Convertibility*

Another basic feature of the reformed system should be the resumption of convertibility obligations. This means that all countries would be obliged to settle in primary assets all official currency holdings presented for conversion. For countries whose currencies are not used for trading and reserve purposes, convertibility obligation would be observed by official intervention to maintain exchange rates within agreed margins.

The reformed system should therefore ensure that all countries whose currencies are held as official reserves would reduce their currency liabilities to the full extent of their balance of payment deficits. This could be done by bilateral conversion or through the Fund based on changes in total currency liabilities to official holders. Countries in surplus should however have the option to convert reserve currency holding provided that accumulations beyond appropriate limits would be subject to Fund designation for substitution into SDR. This mechanism would ensure that deficit countries will not be able to finance their imbalances by increasing currency liabilities while surplus



countries will enjoy a degree of freedom in reserve management policies. To ensure an adequate degree of elasticity, limits of primary asset holdings or exemptions of reserve currency countries from settlement obligations would also have to be provided.

##### 5. *Intervention Practices*

Under the reformed system, all countries should be obliged to intervene to maintain their exchange rates within agreed margins. The same degree of exchange rate flexibility within these margins should be available to all countries. Towards this end, it has been suggested that countries whose currencies are widely traded should undertake to maintain exchange rates vis-à-vis each other's currency within a band of  $4\frac{1}{2}$  percent based on parity relationships under the multi-currency intervention system. Other countries will maintain rates within the same margins vis-à-vis their intervention currency or currencies which could normally be the currencies of countries participating in the multi-currency intervention scheme. This would ensure that any pair of currencies would not be more than 9 percent apart. Alternatively, the SDR has been suggested as the intervention medium. However, this would conflict with the use of the "basket" approach for SDR valuation since SDR used for intervention will be transacted at agreed margins above or below the par value. This approach would also involve private use of SDR which may take time to develop. The multi-currency intervention system appears to be more feasible in the foreseeable future.

In regard to intervention practices, it is hoped that currencies which are tied to a major currency will continue to have the

same degree of flexibility vis-à-vis their intervention currency regardless of where their intervention currency stands.

### ***Editor's note:***

In his oral presentation, Dr. Puey Ungphakorn added some further remarks as follows:

"...I believe, in my written presentation I have given adequate reasons for the various proposals. I am not going to repeat them here, in order to save time.

Before I sit down, may I make a few further remarks?

First, if mankind was not too much preoccupied with wars and the production of arms, perhaps we could devote more resources to the production and distribution of food and the prices of food need not have inflated so much.

Secondly, the problems of wages vs. prices, or cost-push inflation need to be attacked at the root by drastic social and fiscal reforms, instead of monetary measures. This is true of less developed countries as well as industrial developed countries.

Thirdly, it is unrealistic as well as unnecessary to expect the prices of mineral oil to climb down before international monetary reform. What we, oil-importing countries, need is the assurance of a stable price trend which will enable us to have a clearer idea of the payments and inflationary problems ahead of time.

Fourthly, I notice that in the past, discussions on international monetary problems took unduly long time, and in many instances, they have been overtaken by new events. Whenever there was a lull between crises, there was also a lull in the discussions in favour of status quo, until the next crisis

compelled decisions to be taken quickly under pressure. The reports were usually very polite, which is perhaps a good thing. But they have rarely been concrete or specific enough, which is not so good. Perhaps specific reference or warning to culprits is taboo in international financial diplomacy. Is it too much to expect from now on freer and franker discussions leading to more timely and more effective international monetary reform?

Lastly, in this unequal world, LDCs and DCs are subject to a symmetrical treatment. LDCs need development aid from the World Bank, and in order to obtain such aid, they have to belong to the IMF and behave according to IMF rules. It would be very sinful for them to resort to multiple currency practices in case of necessity, e.g., if they want gradual, instead of abrupt rises in the domestic price of oil. On the other hand major countries can resort to all sorts of tricks, which are admittedly illegal. Proposals have now been made that such illegal practice should be legalized by amending rules to suit circumstances. 'Independent national monetary policy' of the developed countries must be allowed for; that of LDCs could be ignored. In such a world, has one any right to expect international democratic monetary order?"

---

*FINANCE, TRADE AND ECONOMIC DEVELOPMENT IN THAILAND*

*Essays in Honour of Khunying Suparb Yossundara*

*Edited by Prateep Sondysuvan*

*Sompong Press 1975*



---

## TEMPORARY SOLDIERS

### 1. The Organization of the Free Siamese in England

During World War II (and for a short period thereafter,) or from August 1942 until January 1946, I was a temporary soldier. The way in which those of my Siamese compatriots and I (who found ourselves in England when war broke out) enlisted was quite unusual. Because Great Britain and the United States were at war with Japan, we had to enlist in the British army. When the Japanese invaded Siam and the Siamese government agreed to ally with the Japanese, all Siamese living abroad were recalled to Siam. However, some refused to return to their country. They were told that if they did not return, they would be stripped of their nationality. Nevertheless they banded together, calling themselves the Free Siamese, and refused to accept loss of their nationality.

In the United States, M.R. Seni Pramot, the Siamese Minister (to Washington) became the leader of the Free Siamese

Movement there. He asked the United States to recognize the Free Siamese and permit the formation of Free Siamese military units. Hence Siamese soldiers in the United States were allowed to organize themselves into their own units, wear Siamese military uniforms and have their own Siamese commanders, and in essence remained Siamese in almost every way. This was not the case in Great Britain, where the Free Siamese were not able to organize in this way. The Minister to England was called back to Siam, and (H.R.H.) Prince Chula Chakrabongse,<sup>(3)</sup> who was then residing in England, declined the invitation to be our leader, saying that he did not want to get involved in Siamese politics, and that besides he was already in the British Home Guard. (The former) Queen Rambai Barni<sup>(4)</sup> and her brother, M.C. Suphasawatwongsanit Svasti, were interested (in being the leaders of the Free Siamese movement in England), but if either of them had filled this role it might have created misunderstandings in internal Siamese politics. Thus the Free Siamese in England never had a definite leader, and was not as organized a group as that in the United States. Members of the Free Siamese who enlisted (in England) had to join the British army, wear British uniform and be subject to the command of British officers. The Siamese who were in England at that time were also treated as enemy aliens. Siamese who enlisted in the British forces were assigned to the Pioneer Corps like other enemy aliens such as the Germans, Austrians, Italians, etc.

I would like to leave the subject of the Pioneer Corps and of our lives in the military until the next section, however, and at this point go back and complete my description of the early organization of the Free Siamese in England.

At the beginning of the War, when Britain had declared war on Germany but not yet entered the war in Asia, Siamese citizens in England were treated as aliens but not as enemy aliens. They were not interned, although their movements were somewhat restricted. Legation officials were, moreover, exempted from such restrictions. After Siam declared war on the Allies, however, the Siamese in England were declared enemy aliens, and legation officials as well as the Siamese community in general were subjected to stricter regulations. They were not interned, but were asked not to leave their living quarters after dark. Legation officials still had some money to live on as a result of a mutual arrangement between British officials in Siam and Siamese officials in Great Britain, but Siamese students found themselves cut off from financial support from Siam, and had to depend on their own earnings in Great Britain for their living. Those who were on British scholarships did not suffer, but others had to work in the fields or in factories to support themselves.

At that time Siamese students were scattered over different parts of Britain. However, a number of students, including both regular students there such as Nai Sano Tanbunyun, Nai Sano Ninkamhaeng, M.L. Cirayu Nophawong, Nai Yimyon Taesuci and M.C. Phitsadet Ratchani and students who moved there because of the War, including economics students from London (such as myself) and a number of medical students, settled in Cambridge. After the news that Siam, following her alliance with Japan, had declared war on Britain was announced, Cambridge was one of the first places where the Siamese community congregated.

As with most such groups of people, the Siamese students at Cambridge were of diverse backgrounds and positions. All of them were, however, concerned about the freedom and independence of Siam. When the Japanese first occupied Siam, we hoped that somehow the Japanese would withdraw from our country. Then when Siam took the next steps of signing a treaty with Japan and then declaring war on the United States and Britain, we were afraid of what would happen should Siam lose the war together with the Japanese. Siam would be in a very dangerous position if everyone was to follow its leaders slavishly. When the order came for us to return to Siam in exchange for (Allied) prisoners-of-war, we had to decide whether to return home, or whether we could serve our country better by staying on (in England).

Those who were most concerned about the situation were Nai Sano Tanbunyun, Nai Sano Ninkamhaeng and Nai Sawang Samkoset. They contacted a number of different people inviting them to become the leader of the Free Siamese movement in England. Nai Sano (Tanbunyun) was intelligent and very active. We often gathered in his room to hear him tell us about the course the War was taking. In particular he wrote to M.R. Seni Pramot informing him of the situation in England, and inviting him to come to England to take on the leadership of the Free Siamese movement in England in addition to that of the Free Siamese in the United States. M.R. Seni was very busy and totally unable to leave the United States, but he agreed to send a representative in his place. Soon afterwards (although it seemed a very long time to those of us who were waiting) Nai Mani Sanasen arrived. The Siamese students at Cambridge delegated Nai Sano Tanbunyun and myself to be their representatives in contacting Nai Mani

Sanasen in London. This was in about April or May of 1942.

We had not met Nai Mani up till then, and only knew that he had worked in the League of Nations for a long time. After we became acquainted, he told us he had lived in England when he was very young, when his father had been Siamese Minister to London. After completing his secondary education in England, he had received a law degree and had worked for the League of Nations from then on. When the war broke out he had been told to return to Siam to work in the Ministry of Foreign Affairs. However, on his way home via the United States he had run into certain complications due to wartime conditions. The Ministry of Foreign Affairs had therefore instructed him to remain in Washington, D.C. and to work in the legation there. Since Nai Mani was acquainted with many British officials, both military and civilian, M.R. Seni had asked him to go to England to help organize the Free Siamese movement there. (After the war Nai Mani worked for a United Nations agency until he retired, and has since been living in Switzerland.)

Nai Mani set up an office in Brown's Hotel, London. From there he contacted British officials, and tried to get the British government to recognize the Free Siamese Movement in the same way that the United States had done in America. The British government refused to grant such recognition, however, until they learned that there were more than forty Free Siamese in England, none of whom intended to go back to Siam until after the war, and all of whom had determined on working for their country by enlisting in the British army regardless of the positions and duties (which might be assigned to them). The British government then began to accord recognition to the Free Siamese



in England under Nai Mani Sanasen's leadership, although they indicated clearly that this did not imply recognition of a government-in-exile.

Nai Mani Sanasen depended on us to contact other Siamese. At the time that contacts were first made between M.R. Seni Pramot and Siamese students at Cambridge, Nai Sano Tanbunyun circulated letters to Siamese within and outside the legation informing them of the organization of the Free Siamese in England and of its contacts with M.R. Seni in the United States. Equally, when radio stations picked up news from Siam, this was relayed to Nai Sano. After Nai Mani set up an office in London, Nai Sano and I sent out a newsletter informing the Siamese community of actions that were taking place at the time, and also calling for recruits. After we were recognized by the British government we made formal requests for such volunteers. However, the information on each volunteer was kept confidential so that those who elected to return to Siam in exchange for prisoners-of-war could not carry any information back to Bangkok. In the newsletter we made it clear that we were requesting strictly volunteers, and were not attempting to place pressure on those trying to make a decision on whether to return to Siam or whether to stay in England. The ship carrying Siamese citizens who wished to be exchanged for prisoners-of-war was about to leave. Many of our friends who could not remain in England for personal reasons were on board. Some of them, such as Nai Mala Bunyapraphatson, later on worked for the Free Siamese in Bangkok.

More than fifty applications gradually came in as more and more people decided to join the Free Siamese. They ranged from former Queen Rambai Barni and her followers to private

students, many of whom we had not met previously. These last included Nai Bunphop Phamonsing (*see Sinlapa Thai nai Yurop (Siamese Artists in Europe), Nippon Co. 1952.*) They also included a number of legation officials, some of as high a rank as First Secretary or its equivalent.

The Free Siamese in England were officially called upon to join the British armed forces on August 7th 1942. A physical examination was called for in accordance with British law. Certain of the volunteers were found to be unfit, and so were exempted from military service. Others were exempted for other reasons. For the benefit of future generations, I am here copying down the list of Free Siamese who were in England at this period, dividing them into those who had civilian duties, and those who enlisted in the army.

### **A. Free Siamese Who Were Not Enlisted in the Army**

1. Queen Rambai Barni.
2. M.C. Phong Phatsamani Svasti (Cakraphan).
3. Nai Mani Sanasen.
4. Nai Sano Tanbunyun.
5. Luang Camnong Ditthakan.
6. Nai Yim Phungphrakhun.
7. Nai Sombun Palasathian.
8. Nai Phrom Watcharakhup.
9. Nai Kasem Phalachiwa.
10. Nai Teklim Khunwisan.
11. Nai Camnong Sumsawat.
12. Nai Saman Mantraphon.

13. Nai Kasem Lamsam.
14. Nai Wari Wirangkun.
15. Miss Suphap Raktapracit (Yotsunthorn).\*
16. Miss Buppha Taesuci.
17. Miss Anong Taesuci.

\*Miss Suphap Raktapracit was later sent to India to help with broadcasting work. Numbers 5-7 were officials at the legation in London.

## **B. Free Siamese Who Were Enlisted as Soldiers**

1. Luang At Phisankit.
2. Luang Phatthara Wathi.
3. Nai Klin Thephatsadin Na Ayutthaya.
4. Nai Prasoet Pathummanon ("Pao").
5. M.C. Karawik Cakraphan ("Rasami").
6. M.C. Kokasat Svasti.
7. M.C. Phitsadet Ratchani ("Man").
8. M.C. Ciridanai Kitiyakon ("Ri").
9. M.R. Kitinadda Kitiyakon.
10. M.L. Cirayu Nophawong.
11. Nai Sawat Sisuk ("Raven").
12. Nai Cunkheng (Phatpong) Rinthakun ("Phong").
13. Nai Prathan Premkamon ("Daeng").
14. Nai Puey Ungphakorn ("Khem").
15. Nai Prem Buri ("Di").
16. Nai Racit Buri ("Kham").
17. Nai Samran Wannaphruk ("Kheng").

18. Nai Thana Posayanon ("Kon").
19. Nai Krit Tosayanon ("Khong").
20. Nai Sano Ninkamhaeng ("Cio").
21. Nai Praphot Paorohit ("Nun").
22. Nai Thep Semathiti ("Nu").
23. Nai Kamhaeng Phalangkun ("Lo").
24. Nai Arun Sarathet ("Kai Fa").
25. Nai Yimyon Taesuci.
26. Nai Bunphop Phamonsing.
27. Nai Bunlut Kasemsuwan.
28. Nai To Bunnak.
29. Nai Pat Patthamasathan ("Na").
30. Nai Bunsong Phung Sunthon ("Chai").
31. Nai Thot Phanthumsen ("Bun").
32. Nai Watthana Chitwari ("Thuam").
33. Nai Praphrit Na Nakhon ("Lek").
34. Nai Pracit Kongsanon (Yotsunthon) ("Kae").
35. Nai Wiwat Na Pomphet.
36. Nai Sawang Samkoset.
37. M.C. Suphasawatwongsanit Svasti ("Arun").\*

Nos. 1-4 were officials of the legation in London.

No. 8 joined the army after the date of August 7th 1942.

\*No. 37. The British government accepted him as a soldier under a separate arrangement.

## **2. General Goals of the Free Siamese in England**

Those who volunteered to join the Free Siamese did so for a number of reasons. Some said they did so because of their desire to free their country, some joined out of a desire for

freedom and a sense of humanity. Others had no particular aim, but joined from a sense of duty. Many parents had sent their sons to study in England so that their children could avoid the draft and the hardships connected with military life, yet these same men volunteered and met with hardships much more severe than those they might have undergone in the Siamese army. In any event, the general principles governing our group might be summarized as follows:

a. We enlisted in the British army not to help the British but in order to serve our country through the help of Britain.

b. We had no intention of becoming involved in the internal politics of Siam and did not wish to be used by any party. We planned to join up with the Free Siamese in Siam who were opposed to the Japanese, and our group would disband at the end of the War.

c. The Free Siamese would not use the situation to seek recognition or personal benefits.

d. From the time that the Free Siamese was first organized in England we made it clear to the British government that whatever we did during the war would be carried out under military auspices, and that we would wear military uniforms and bear military titles, even as privates. Any intelligence work we carried out would be conducted while we were in military uniform, or in other words we would not serve as spies or secret agents.

In practice, members of the Free Siamese Movement joined the army as privates on August 7th (1942). By October 1943, after having trained and worked in India, most had become second lieutenants. Our group was unusual in that we were recognized as being of higher status than others in the

Pioneer Corps. Of the thirty-six of us (not including M.C. Suphasawatwongsanit, who did not join our group till later), there were thirty who had degrees or certificates of higher education or who were in their final year of education. Our British officers therefore allowed us to direct ourselves. Under British regulations this meant that we were permitted to elect our own leaders and representatives, and that when we moved to a new camp, our new British commanding officer would officially accept those we had chosen. Although we might only be privates, our leaders were officially entitled "Local, temporary, unpaid Lance Corporals," a long title of little (apparent) importance, but in fact of considerable significance in that it denoted a favorable attitude towards us on the part of the British forces.

I suspect that the British put us in the Pioneer Corps in order to test our dedication and stability, since this unit was one of low prestige. Most men in this unit were either enemy aliens or unskilled British laborers of low rank.<sup>(5)</sup> The motto of the unit was "Labor omnia vincit." The British themselves were assigned in such a way that engineers joined engineering corps, doctors joined military medical units, and men of other skills went into the artillery, tank corps or joined the Guards, and so on. The duties of the Pioneer Corps, however, were not specific. They included such tasks as digging potatoes, cleaning latrines, mess halls and living quarters, guard duty and other such jobs. All of us Free Siamese did all these jobs mentioned above even though some of us were government officials, heads of departments, diplomats, or persons of royal rank or importance. We composed a poem in memory of this period. To quote a portion:

We must part from our homely tents to live in a strange

building.<sup>(6)</sup>

We must abandon our familiar ground to sleep on beds like ladies.

We preferred cold water, which did not remove the grease from dirty dishes, but which freshened us up.

To heated warm water to wash our faces.

Rust on plates added flavor to the food we had to eat.

Now no one cares if we finish up our food.

Fortunately "fatigues" taught us ways to avoid our supervisors.

Corporal Mills, the engineer with a broom in his hand, orders us janitors.

To scrub the floor, clean the latrines.

Wash the tables and carry out guard duties.

Now every day we learn how to wipe the tables.

Night guards use guns and bayonets, while day guards use clubs.

We go outside to dig up potatoes and complain and sing.

While our supervisors, unaware, are happy with us.

The Free Siamese underwent training in England from August 7th 1942 until the middle of January 1943, when we were sent to India from England by way of Africa. We arrived in Bombay at the end of April 1943. From then on the thirty-six of us were dispersed according to the duties assigned us by the British. A description of our lives in the military up to this period has been recorded in some detail by Khun Bunphop Phamonsing in chapters 7-12 of his *Siamese Artists in Europe* mentioned earlier.

Once we reached India we were separated as follows:

one group was sent to Delhi to work on radio communications and mapping; one group went to Karachi (Khun Bunphop's group, as he records in his book); one group was sent to work on espionage; and the largest group, which included myself, was sent to a camp outside Poona to work on guerrilla tactics. We were called "White Elephants," and were located near a lake in a sub-district the name of which translates as "Love Nest." Later on we learned that we were in the division of "Siam Force 136 of the Special Operations Executive" (S.O.E.) in the Ministry of Economic Warfare.

### **3. The First Radio Station in Siam to Communicate with the united Nations<sup>(7)</sup>**

In order to (get on to) discuss the work of the Free Siamese in Siam in detail, I will make the discussion of my training brief, and present our training schedule at that time shortly and without elaboration.

#### **May 1943 - September 1943.**

Trained at Rangrak ("Love Nest") near Poona.

#### **October 1943.**

Trainees became Second Lieutenants.

#### **October 1943 - November 1943.**

Nai Samran Wannaphruk ("Kheng") and I were trained in espionage in Calcutta.

#### **November 1943.**

Nai Samran Wannaphruk, Nai Prathan Premkamon ("Daeng") and I boarded a submarine from Ceylon to land at Phangnga, Tukua Pa, but were unable to land because we did not



receive a signal from our men.

**December 1943.**

The three of us rested at Nilgiri in southern India.

**January 1944.**

Joined with a larger group for training in hiking at the Singha mountain range in the Poona area.

**February 1944.**

Trained in parachuting at Rawalpindi in the Punjab with Nai Prathan Premkamon, Nai Samran Wannaphruk, Nai Prem Buri (“Di”), Nai Racit Buri (“Kham”) and Nai Thana Posayanon (“Kon”).

**March 1944.**

Parachuted into Siam to perform our duty.

The following is an account of events leading up to the establishment of the first radio station in Siam to communicate with the Allies during the time the Japanese were still occupying Siam.

In incorporating the Free Siamese into their troops, the Allies hoped to use us to aid United Nations troops behind the Japanese lines militarily, politically and in communication work. The Siamese joined the Allies for the sake of Siam without any conditions, but we also planned to try to contact the members of the underground movement in Siam to explain the situation to them.

By the middle of 1943 it had been confirmed that there was an underground organization in Siam. It was known that some of its members had been sent to Chungking to contact

United Nations" representatives there.<sup>(8)</sup>

Most of the Free Siamese from England, known as "White Elephants," were training in guerrilla warfare tactics outside Poona in India when we heard that M.C. Suphasawatwongsanit Svasti had been sent to Chungking to make contact with Nai Kamcat Phalangkun, who had escaped from Siam secretly.<sup>(9)</sup> Later on we learned that M.C. Suphasawatwongsanit had been authorized by the British to organize a group to enter Siam from Yunnan. Messages were sent by the British forces via this group in Yunnan, asking "Ruth," i.e. Nai Pridi Phanomyong, the King's Regent and leader of the Free Siamese in Siam, to receive the first group of "White Elephants" who would be coming in by submarine and expected to land on the shores of western Siam in December 1943. They would be bringing in radio equipment so that a station could be set up in Siam and contact with British forces in India made.

I received orders from my commanding officer that I was to be one of the people boarding the submarine, and that the name of my unit was to be "Pritchard." Our unit included Nai Prathan Premkamon ("Daeng"), the radio man, Nai Samran Wannaphruk ("Khen") and myself. "Daeng" was sent to Meerut for more training on radio systems, while "Kheng" and I were sent to school outside Calcutta for special training.

After "Daeng" joined us in Calcutta in November, we were trained to land from a submarine both during the daytime and by night. Our training station was Trincomalee in Ceylon. We boarded the submarine at Colombo. Two naval officers and one sergeant were sent to help us land.

We reached the designated location and remained about four to five miles off shore for about one week, staying under

water during the day and coming up above water at night to receive any signals which might have been sent to us. However, we waited in vain. Later we learned that the Chinese group from Yunnan did not reach Bangkok until June 1944.

The submarine trip was not without incident, however. There was considerable excitement when we located a large ship floating above water quite near to the place where we were submerged. It could have been either a Japanese or a Siamese ship. Since we were unable to detect whether we had been seen or not, we had to remain very quiet for safety reasons. I myself almost did not dare breathe, as I felt that the sound of our breath coming out made an unbelievably loud noise. However, we were not torpedoed. The last day we remained in station the British sergeant decided to go on shore in a small boat. (We Siamese did not go as we had been given orders not to land under any circumstances unless we saw people coming for us). Our British friend had never been to Siam. However, he went to spy out the land, but reported that he saw nobody on shore, and that it would be useless to wait any longer. One night after we were headed back to Ceylon, we saw a small fishing boat and decided to surface. We knew this would frighten all the Chinese who were on the boat, but all we wanted was some money and documents (faked identity cards) for which we produced Siamese money and food in return.

I should not take up too much space describing our life in the submarine. Suffice it to say that it was hot and boring. There was nothing to do except eat, sleep and play dice. We slept during the day and got up at night when the submarine came to the surface. At night we could go on deck, and this was the only occasion on which we were allowed to smoke. I can

still remember the time when I gazed at our beloved country through a pair of binoculars. The white shore line, the fishermen's huts and the tall trees stood out vividly. The village at which we were supposed to land was quite deserted. Although I had never been to that village, I felt it was part of our beloved country where our people were living.

We returned to Colombo in time for Christmas. Once we got close to Ceylon, we came up above water and travelled in at full speed. Being on a submarine travelling above water was quite an uncomfortable experience, as it made one seasick and produced other discomforts.

We rested for a short period in the beautiful Nilgiri hills, and then went up to Meerut at the beginning of January 1944. From there we went to Poona where other "White Elephants" were receiving further training.

This reunion made it possible for us to discuss our future plans and duties together for the last time. On top of the Singha mountain we gathered together to clarify our duties and obligations. For some of us, myself included, the thought of parachuting and going in a submarine were matters of dread. For others, such thoughts might be exciting. I cannot remember all the topics we discussed at the top of the Singha mountain. I only remember that we agreed that we loved one another and that we were working for a good cause. I suggested that we try not to harm or kill any Siamese once we all reached Siam, even if this meant sacrificing our own lives. We should not let the Japanese capture us alive, but should fight to the end. I introduced this proposal gradually, trying not to force anyone into doing what he felt to be against his instincts, that is in regard to fighting rather than being captured alive. However, most of the

“White Elephants” agreed with my proposal.

Afterwards the plan of entry into Siam was drawn up. Two or three of the “White Elephants” were to parachute into the country with the radio equipment. They were to be dropped blind into parts of the forest of north central Siam between Sukhothai and Sawankhalok one night during the early waning or waxing of the moon in March and April. There were to be two groups of three men each, called “Appreciation I” and “Appreciation II” respectively. The members of “Appreciation I” were to land in March, hide in the forest, radio back to the station, and make plans to receive “Appreciation II” during the period of the next full moon. If the station did not hear from “Appreciation I,” “Appreciation II” would then make another blind drop in an adjacent province in a manner similar to that of “Appreciation I.” Our duties were to keep ourselves safe, to radio back to the commanding station, to receive the following group of parachutists, and if possible to contact the underground.

The men in these two units were not the same as in the “Pritchard” group, as we needed radio experts and doctors when we were going to be entirely on our own. The two new groups included Nai Prem Buri (“Di”) and Nai Racit Buri (“Kham”) and Nai Thana Posayanon (“Kon”) as additional members. “Appreciation I” included myself, “Daeng” and “Di”; “Appreciation II” included “Kheng,” “Kham” and “Kon,” and was led by “Kheng.”

The six of us separated from the rest of the unit in February to practice parachuting at Rawalpindi. Each of us made five trial jumps, the first four during the day and the last at night. The first drop was made from a Hudson and the other four from a Liberator. The jumps were made after we had practiced and undergone physical training for a number of days.

Although we came to realize that parachuting was not a very dangerous act, we still did not like it. I myself cannot say in all sincerity that I was not afraid. Nevertheless, we tried to hide our fear. On the trip to the airport every morning we passed through a cemetery, and would tell one another that sooner or later our bodies would end up there. Whatever else, we all benefitted from the training in physical fitness and from the fresh air of the Punjab, and felt very healthy after being in Rawalpindi for a week.

While waiting for “reality” in Calcutta, where we had gone from Rawalpindi, we indulged in urban enjoyments such as seeing a movie in an air-conditioned theatre, eating ice-cream sodas and dining in a restaurant for the last time. Finally the day arrived. “Appreciation I” was to start work on the sixth of March, three days before my birthday. I jokingly asked my commanding officer to send me a birthday present in the jungle. That morning we flew north-eastward from Calcutta to a place the name of which I cannot remember, although the scenery remains vividly in my mind. It had a large runway with neither vegetation nor fresh water; there were only planes and pitiful huts around. For lunch we had dry canned meat, dried-out bread, and water that smelt of chlorine. It was definitely a mistake to have sent us to such a very discouraging place.

That evening we boarded a Liberator for our destination. Bombers were sent off to adjacent areas on the same night to help protect us. We also noticed another Liberator taking off from the same runway a few minutes before us. We later learned that four Chinese were on board bound for Nakhon Pathom on a mission similar to our own.

We spent most of the time on the plane sleeping. It was

uncomfortable and the weather was bad. I felt a little sick. During the trip we could not really eat. Although it was the night of the waxing of the moon, it was quite dark and we did not know our whereabouts. Someone told us to get ready at 22:30 hours, and by 23.00 hours we were waiting at the exit ready to slide down it. The exit was near the engine, and was large enough for a person to slide down with the equipment on his back. When the order "Go" came, we were to jump into the fateful darkness. One hour at the exit seemed like a whole year of sitting at the top of a cliff. Only the wind blowing into the exit told us that what lay below us was not hell, for we felt cold air not hot flames. The plane circled around but no orders came to jump. Finally someone tapped my shoulder and told us that we were returning to Calcutta. The pilot could not find our landing place, the map was bad, and the area was dark.

We did not stay in Calcutta long since we were all anxious to go on with our work. A week after the first trip, the British informed us that they were ready for another attempt. The procedure and plan was exactly the same as that of the first trip except that we left about four to five hours later in the night since *the moon was now waning*. We were cold when we reached our designated area. The plane circled the area very close to the ground. Numerous lights on the ground made us wonder if we were at the right location. However, there was no time to ponder. The order to jump came; we jumped.

The three of us landed close to one another on the ground. I was the most unlucky, as I sprained my ankle. When I came down one leg landed on a dyke (*i.e.* the low mud bank surrounding a rice-field) while the other did not. After we

hurriedly consulted the map we realized that we were about twenty-five to thirty kilometres away from our destination, and too close to a village for our purposes. Seven parachutes containing a month's supply of food and other equipment had also been sent down with us, but we only found six in the field. The seventh was later spotted in the middle of the village, which was separated from the field where we landed by only a few bushes. We therefore decided to leave the area immediately.

It was about 4:00 a.m.; we had about one hour before dawn. However, we could not move very quickly because of our supplies, and yet we were too close to the village to try to bury these. With no time to make a careful decision, we saw five or six farmers approaching us. They saw us.

The farmers proved to be charcoal-burners from another village who had gone into the forest to cut wood and who were now on their way to their village. They had camped the night before outside Muban Wang Nam Khao (the name of the village where we had landed; it was in Chai Nat province. We had planned to land northwest between Tak and Nakhon Sawan). The charcoal-burners had seen our parachutes coming down, although some had mistaken these for smoke, as the parachutes were white. They were surprised to find that we were Siamese and not Europeans who had come in to bomb our country.

They knew that we had not jumped from either a Siamese or a Japanese plane, because the plane had had four propellers. Despite our attempts to persuade them that the plane was a new model supplied to the Siamese Air Force by the Japanese to be used for training purposes, they still did not believe us, although only one man expressed his disbelief verbally.



Having thus encountered an unexpected problem, we had to think up a way out. We therefore asked the men to help us carry our supplies to the village, pretending that we were planning to go to the village in the morning. They gave us a hand willingly, and left us at the outskirts of the village, where we said we were to meet our friends. We thanked them.

It was then about 5:00 a.m. Since we had no time to waste we took only the radio equipment, some food and some clothing. The rest of the supplies we either hid in the bushes or buried in the ground. In any event it was almost useless to try to hide things since one whole parachute full of supplies had landed right in the village straight in front of the temple. We did what we could and walked back westward into the forest. My sprained ankle retarded our trip. After four to five hours' of walking, we were in quite deep forest and decided to rest. Actually it was not a safe place, but we wanted to contact the station in India to say that we had landed outside the designated area, and that it was quite unsafe. We planned to bury the radio equipment and then move north-westward to meet with "Appreciation II" the following month. In the radio message we would warn them to be extra cautious and not to make the same mistake when "Appreciation II" was sent in, as the villagers knew of us already.

While we were waiting for the proper time to send our message, we dug holes to bury the radio equipment after the message had been sent, and to bury other unnecessary supplies so that we could travel with the least possible weight on us. We then settled ourselves in an area of thick forest away from the place where the radio equipment was to be buried. Although there was a path about four to five metres from our camp,

passers-by would be unable to see us.

The day was hot and the forest quiet except for the sound of birds and monkeys. My ankle ached and was swollen and we were tired after walking in the warm weather for half a day. Moreover we had not expected the incident that had occurred early that morning, and were upset at having been seen and that we had lost one parachute in the center of the village. According to our original plans we had also been supposed to land near a stream—now we had only three bottles of water. At least we were not hungry, so we did not have to worry about food.

Daeng and Di went to the radio station at the appropriate time. After I had watched the area for about half an hour, they reported they could not get the message through. They could only hear the voice from the commanding station faintly, and the commanding station could not hear them at all. In addition, the station had not waited for them long enough, and the signal to stop the message had come much sooner than had been agreed upon. It could have been that the commanding station had not expected us to radio so soon after landing.

We decided that the most important thing was to try to radio the message, and that this must be sent as soon as possible. It would be impossible to go very far with the radio equipment due to its weight and my swollen foot. Besides, the place where we were camped was a reasonably good location. Daeng suggested that an antenna might help, and that we should try to send the message again the next day. I, as leader, took responsibility for the decision. While waiting till the following day, we decided to try and find water to store in our bottles. We would then leave as soon as we had managed to get the message through.

Daeng and Di went off looking for water for many hours. I waited at the camp until they returned the next morning. They found a pond of dirty water at the edge of the forest, but since they had to depend on moonlight to travel by, they had to wait until about 3:00 a.m. Meanwhile I waited, listened to the sounds of the forest, and enjoyed the sight of the moonlight playing on various objects. I was not afraid of the wild animals at all, but I was glad to see my friends when they returned.

Our next attempt at sending the message was even worse than the first one. We could not hear from the commanding station at all. We were worried, since Di had mentioned that if we did not try to move on, the villagers would have time to catch up with us, yet at the same time we were concerned that the members of "Appreciation II" might have difficulties when they came down if we did not send the message. I took the responsibility and made the decision to try to send the message one more time the following morning. We would move on after that in any case. That afternoon, while Di and I were hunting around and looking for water, we ran into some villagers. They stayed overnight with us without any suspicions of whom we might be.

The next morning, at about 10:00 a.m., when Di and Daeng went to send the message, I was alone at the camp. Five minutes after they had left I saw a few people pass by at a distance. I thought they had not seen me, but only a few minutes later our camp was surrounded from all sides. The villagers were all armed. This was the end of our game, or of my game at least. I could do nothing except yell out loudly, "I surrender. You may take me away," hoping that my friends would hear me and get away.

It seems almost unbelievable, but within that one second

many thoughts came into my head. From the time I realized I was surrounded until I was captured the thoughts came so fast I cannot remember their sequence. I remembered my sweetheart in London; the last words which Khun Mani Sanasen had said before we left England; my friends who were still in India; my two friends in the nearby bushes; my relatives and friends in Bangkok; the message in my pocket from my commander<sup>(10)</sup> to "Ruth"; and lastly the poison in my shirt pocket. My last thought was whether I should swallow the poison and die or whether I should be captured alive. If I decided to die it would be because I had too many secrets to keep, and to be captured alive would mean that I might have to tell these secrets and so betray my friends. If I decided to be captured alive, on the other hand, it would be because being alive I would have some way of protecting the evidence I had on my body, which I would not otherwise be able to do. Life was beautiful. One could still have hope if one was alive. Certainly I would rather have died than have been tortured by the Japanese, but there were no Japanese in sight. I therefore decided to stay alive and suffer the consequences.

When I look back on these events now I always laugh, for when I was captured, the man in front of me, who was dressed in a police uniform and carried a pistol, jumped on me in the exact same way in which it is done in the *like*,<sup>(11)</sup> uttering unintelligible words the while. Many people were hidden in the surrounding bushes, but they did not come out until I surrendered and showed that I was not armed. At first there were only about five to six people, but a minute after I surrendered, about thirty people appeared. They tied my hands behind my back with a *pha khao ma*.<sup>(12)</sup> From then on I could not make sense

of what the people were saying, because all of them seemed to be talking simultaneously. The man nearest to me addressed many filthy speeches to me. Another man, after making sure that I was defenseless, hit me and talked away at me. I did not say anything in return. Actually I was dazed and excited and wondering about my two friends. I was relieved, however, when I saw that even though some of the villagers had found the radio equipment, my two friends had not been captured, nor did I hear any shots.

I later learned that Daeng and Di heard the noise when I was being taken prisoner, and fled before they had been seen. They hid in another part of the forest until night time, and then went to the place where we had agreed to meet in case any of us got lost. They were hoping that I would go there if I could get away. When I did not arrive they headed northward and were captured in Uthai Thani while they were eating in a market-place without any hats on.<sup>(13)</sup>

Among those who captured me were the assistant district headman, two policemen and other farmers who seemed friendly and cheerful. They took me from the forest to Wang Nam Khao. By the time we had reached the village, many other people were claiming to have taken part in my capture. The head of the district (Wat Sing), who was the only man on horseback, was one of those who made this claim. There were about two or three hundred people who tried to take charge of me, including the charcoal burners we had run into the first day we landed. After the charcoal burners had left us they had reported us to the district office. Villagers had therefore been drafted to search for us. Since they understood that there had been four of us, inquiries were made about the other three.

Having met the district headman, I was taken to the temple and chained by the ankle to a post. Since I did not try to escape, I was exempted from being chained at the wrists. From what I could overhear the policemen were debating about me. One group felt that I was a very important and dangerous prisoner, a traitor, and was trying to destroy our nation and people. Another group, which equalled the first group in number, showed kindly feelings towards me. These believed me when I said, without giving my name, that I was a student on a government scholarship who had been sent to England. Many questions were asked about how the War was going. A polite assistant district headman was among this latter group. In contrast, another assistant district headman was quite coarse. He scolded the villagers who gathered around me and ordered them not to come near me. The reason for this treatment was that he believed I was a revolutionary. I felt that the villagers in general were very kind, not because they knew about politics or what the War was about, but just because of the innate kindness and sincerity of their natures. Then there were others who did not care one way or the other, and who were curious but not unpleasant. I noticed that both the police officers and the villagers were impressed that I had jumped by parachute from a four-propeller bomber. I drew them a picture of the aeroplane, stating that it was about the size of the *bot*,<sup>(14)</sup> but not as large.

The villagers brought a delicious lunch and dinner for the officers and myself. I ate with an appetite even though my mind was not fully on what I was doing. That afternoon many people from other villages came and sat around me in the *sala*.<sup>(15)</sup> Though they were interested in me as a parachutist, they could not come very close, as those officers who disliked

me had forbidden them to do so. Late that afternoon, however, a number of the officers went to sleep and gave the villagers a chance to move closer and ask questions. Among these was an old lady who sat by me for about two hours without moving. When not many people were left she told me that I resembled her son. Upon being asked, she told me that her son had been drafted and she did not know where he was. Her sincerity captured my heart, and I felt the love of a mother for her child.

That night, being tired, I slept soundly. A cart was ready to take me to Wat Sing district office the next morning at dawn. I was chained to the cart. Two policemen sat with me as guards, and about twelve villagers walked alongside. Our supplies and radio equipment had been sent along earlier in another cart. The policemen were friendly and agreeable. At about 7:00 a.m. we stopped at a village for breakfast, which had been prepared by the villagers prior to our arrival. They probably knew that I was coming. Everyone in the village came to see me. The two policemen teased the girls, asking if they were not somewhat attracted to the parachutist, but they denied it and went off and prepared some excellent food, including a curry, vegetables and hot sauce. The policemen invited me to drink the whisky which was brought out by the villagers, as I might not have an opportunity to do so again for a long time. I enjoyed myself, even though I felt that 7:00 a.m. was much too early to drink. The villagers surrounded my cart and inquired about aeroplanes, the bombing and the War. They seemed glad to hear that the Japanese were losing the War. None of the villagers had any feelings against me, and many were surprised that I was a Siamese. They called out "Chaiyo!" ("Hurray!") as our caravan started to move off.

We received similar treatment when we stopped at another village for lunch. I answered similar questions with more expertise. Before I left a villager approached me and handed me a piece of *wan*<sup>(18)</sup> when nobody was watching him. He whispered that I should keep it for good luck as protection against harm. However, he said, I need not be concerned, as my forehead showed that I would be successful in whatever project I undertook.

The next village was larger than the other two we had stopped at earlier. We reached this village at 4:00 p.m. The villagers were more knowledgeable, and included monks, teacher, and others who had been to Bangkok. We reached Wat Sing district in the evening, and I was sent to the police station. Before entering the district centre, the two policemen who had been my guards gathered up a contribution of twelve baht. They suggested that this money might be useful to me over the next few days. The next day these same two policemen brought me hard-boiled eggs in jail since the jail food was not sufficient.

My status as a prisoner became formal once we reached the district centre. I was taken to a jail similar to those to be seen all over the country. The cell was ten feet in width and length, with bars on all sides except for the floor. There was one inmate in there already. He looked like a strong, healthy, happy farmer, even though he had been charged with murder. At a party he had got drunk, quarrelled with another man, hit him, and stepped on him on the ground. The other man had died. Having learned previously of my expected arrival, this inmate was delighted with the opportunity of observing the



parachutist. We chatted. Three hours later a third man, charged with spying, came to join us. This man had gone to Wat Sing three or four days previously to look for minerals in the area of Wang Nam Khao where our parachutists had landed. While he was trying to get workmen and carts for his journey, he was arrested because the police suspected that he had connections with the parachutists. He had denied this, but in vain. Only I knew he was innocent. Four months later, I ran into this same man at the police department in Bangkok. He had been denied *the opportunity to go home even though there was no evidence against him.*

The villagers of Wat Sing came to visit me in jail. Although the guards tried to keep them away at first, they finally got a look at the "queer" figure. The guards wanted their relatives and their friends' relatives to have the chance to see a parachutist once in their life times, too, so the whole police station was occupied by villagers. They made comments about parachutists, some mean, some kind. The man with a murder charge against him enjoyed himself, but the miner was very unhappy, since he was innocent. The villagers could not decide which of the three was the parachutist, and would ask: we joked and tried to confuse them. The miner, however, would not join in; he sat sadly in a corner. However, he became more friendly the next day. Being a palmist, he read my hand and told me I would not die yet. My good lines were still quite distinct. His own fortune, he said, was not very good.

The Governor of Chai Nat Province arrived the next afternoon with his family, the provincial Chief of Police and a judge. An hour after, the three of us (prisoners) left with these government officials for Chai Nat. On our way from the police

station to the boat, we were chained together. The miner felt very ashamed. Feeling awkward at having to chain me, a government student who had been sent abroad, the Governor made me a personal apology. On our way to the boat people gathered on both sides to see the inmates, especially the parachutist. I recognized some law students whom I had met a few days ago. We waved.

In Chai Nat I was separated from the other inmates and sent to the Governor's office, where I spent many hours. I asked for permission to bathe. This was granted on my promising that I would not try to escape. I shaved with my "Roll razor" shaver, which, when it was being sharpened, made noises similar to those of fireworks. The bathroom door swung open, since the noise of the shaver had been mistaken for the sound of a machine gun. After bathing and dining, the provincial Chief of Police and the provincial public prosecutor arrived for preliminary investigations. I gave them my name and the real goal of our project. However, I did not tell them the number of my Siamese friends in the British forces or any other secrets. The first set of inquiries was put forward politely, but the politeness seemed to disappear when I refused to answer important questions. The investigation ended at about 10:00 p.m., when I was sent back to jail for the night.

There were about twelve people in jail, many of whom seemed to younger than twenty years of age. There was just enough room for the twelve of them. When I arrived someone had to sleep on the top bunk. I volunteered, but was refused. However, a boy was nominated instead. I later came to realize

that the boy had a skin problem and was avoided by everybody. I slept in his place and he slept on the bunk on top of me. He scratched all night, and the falling skin dropped down on my body. I could not sleep that night because of the scratching noise, mosquitoes and other insects, although I clothed myself from head to foot.

I was transferred to the provincial jail at Chai Nat the next morning. This jail housed a doctor who had a murder charge against him and who acted as the jail doctor. Originally he was to have been imprisoned for life, but on one of the special occasions (the King's birthday, New Year's, etc., on which prisoners sometimes had their sentences commuted—Ed.), the King had reduced his sentence. The doctor had now almost completed his reduced sentence, and with his medical knowledge and good conduct record, he had been put in charge of the jail hospital, although without medicines it could hardly have been called a hospital. The patients had to sleep on the floor. The doctor was very well liked by everybody, but could not do much without facilities. Most of the people had malaria, but had to wait for nature to take its course. New inmates with severe charges against them were normally chained at the ankles. If they showed good conduct, restrictions on them would be lessened. Many inmates had permission to work outside the jail, and the best were exempted from work and could go to town during the day, returning (to the jail) at night. Reading, writing and handicrafts were taught in jail. One building was reserved especially for women, and I was told that many of the married couples had met their partners in jail. All the inmates ate red rice and vegetables for their two meals a day. Some of them had permission to go out to fish and could cook for themselves in

addition to the food already provided. The red rice was much too dry for new inmates like myself; I needed much more soup than the others. At this point the twelve baht I had been given came in handy for buying extra food. The guard was also kind enough to send me white rice, eggs and soup every meal. I shared the food with the doctor and the other inmates who were his assistants.

I cannot remember the length of my stay in that jail exactly, but it was probably between three and seven days. I was called to the police station one morning, and left for Bangkok by boat at 11:00 a.m. that day. The provincial chief of police was my guard. Another man who was chained with me had fled from a mental hospital and killed a monk afterwards. He told me, and as far as I could see with my eyes, he had no mental problems. I often wondered what happened to him afterwards.

The chief of police who was my guard very much liked to show me off to his friends. On the way to Bangkok I was taken to another police station. Interesting as the stories of my inmates may be, unfortunately I cannot relate them all here since it would take up too much space. I had breakfast with the Governor of Ang Thong. He commented that we were like actors in a Chinese play who fought with one another, and then dined together after the fight. The last night of the trip I slept at the police station in Nonthaburi, and headed for Bangkok the next morning.

From the time I had first landed up till now every passer-by had stopped to look at the parachutist. But in Bangkok nobody paid any attention to the small police boat on which I was boarded. When I landed at Tha Chang near Thammasat

University I could see no familiar faces. After two hours of waiting, a police car came to take me to the Police Department. There I met Daeng and Di, who had arrived earlier. We had lunch together and chatted.

Before long the number of “war criminals” increased rapidly. Before the arrival of the three of us, two Siamese-speaking Chinese who were supposed to have landed at Nakhon Pathom (part of the group I mentioned earlier: the third man was killed and the other fled) were taken into custody. At the time of the full moon the following month, the members of “Appreciation II” (Kheng, Kham and Kon) arrived safely and were taken into custody. In a similar manner two out of five Chinese who had boarded a submarine and landed in the southern part of Siam were also captured. From then on Free Siamese from the United States were taken in a few at a time, first two people, then one, and then five people respectively. Some of the Free Siamese from the United States had travelled on foot from Yunnan; others had flown in by hydro-plane from Colombo; two others were killed after being captured in the Northeast.<sup>(17)</sup> All six of us “White Elephants” were thankful to be alive. Due to the increasing number of prisoners, we were transferred from the Police Department jail to the police living quarters in the compound of the Police Department. Two of the Free Siamese from England, Nai Sawat Sisuk (“Raven”) and Nai Cunkeng Rinthakun (“Phong”) came to live with us even though they had not been captured. We were allowed to walk around the compound. Our allowance was also increased so that we were able to buy food, and we became regular customers of the merchants and peddlers in the compound. (At this time

Japanese officers came to investigate us. We were guarded by Siamese officers. The details of the investigation appeared in *Ukotsan*, 1952, under the title "Musawatha weramani"<sup>(18)</sup> and will not be discussed here.)

During this period we were able to contact the commanding station in India by radio with the help of Free Siamese within the country of both high and low rank. Some of them gave up their houses so that they could be used as radio stations. We followed the regular activities of prisoners by day, and slipped out to send off radio messages by night.

At first it was difficult to make contact with the commanding station in India since the latter thought that we had been captured when we had not contacted them as agreed upon. We tried and tried to make contact for many months, but without success. It was not until September (1944) that we finally succeeded after a messenger had been sent overland to Chungking to contact the British forces there on the one hand, while an informal anecdote using our code names was broadcast through the station of the Department of Publicity on the other. After we finally made contact we were so excited that we could not sleep.

With the aid of many high officials in Siam, the work of the Free Siamese went smoothly and safely from then on. We had the support of the police, and later of the army, navy and air force. Military officials, from generals to privates, and civilians from Ministers to common citizens enthusiastically gave us a hand. Around May 1945, when the Free Siamese Movement was well under way, I received permission to take a vacation in India and England. I boarded a Catalina from Hua Hin, and

returned on a Kakota, landing at a Siamese Air Force runway in the Northeast.<sup>(19)</sup> The “White Elephants” and the Free Siamese from the United States (who landed in Siam since November 1944, and now that many more radio stations were able to contact India, the importance of the “Appreciation” groups gradually decreased. We finally decided to separate and start earning our livings. Phong and Raven had already left to go to work. In April 1945 Kon and Kham went to Yala,<sup>(20)</sup> while Di and Kheng left for another southern province later on. Daeng and I remained in Bangkok not doing much until the end of the War.

#### **4. Final Notes and Explanations**

The description in section 3 was written a long time ago. At the time I tried to write clearly and concisely, but I feel that further explanation is due at this point, even though the story still will not be complete. Since this article is to be part of the Appendices to a book by Professor Direk Jayanama, I would, however, like to make some further comments in connection with his book.

##### **a. The reasons why I was chosen to be the first person to contact the Free Siamese.**

A short answer is that the British knew that the Free Siamese in Siam were led by Nai Pridi Phanomyong, and that he was connected with Thammasat University. I was a graduate of and had worked at that University for many months. Although I did not know the Rector, Nai Pridi, personally, the following connection between us existed.

I graduated from Thammasat University in June 1936 in

the first class to graduate from that University since its establishment in 1934. Being one of the first persons to have graduated from there, I had had some opportunity to become acquainted with the professors. After I received a Bachelor's Degree in Economics with first class honors from London University, Professor Wicit Lulitanon, who was (then) on the faculty at Thammasat, hearing of my good record, passed on my name to the Rector (i.e. Nai Pridi Phanomyong). He in turn sent me a telegram congratulating me not only as Rector, but also in the name of the Ministry of Finance, which awarded me my scholarship.

It was therefore felt that I would be a good person to try to make secret contact with the leader of the Free Siamese movement, for there would be no need for me to verify my credentials with him.

In fact, when I was captured and sent to the Police Department in Bangkok, I was guarded by a Police Captain Phayom Cantharakkha (now a full Colonel), who was a Thammasat University graduate. Before the time that the Chief of Police (General Adun Adunyadetcarat)<sup>(21)</sup> granted us permission to set up a radio station to contact India, Khun Phayom had already taken the risk of taking the radio equipment home and trying it out there. He also contacted Professor Wicit Lulitanon (then Secretary-General of Thammasat University), who in turn contacted Professor Pridi. Khun Phayom took me to meet Professor Pridi for the first time at Professor Wicit's house in Bang Khen. It was there that I relayed to Nai Pridi the message from the Supreme Commander of the Allied Forces (Lord Louis Mountbatten) to the leader of the Free Siamese. By that time my friends and I had already been busy sending radio messages to India.



We had also been able to receive Khun Prasoet Pathummanon and Khun Krit Tosayanon, who had come in by parachute at Hua Hin and who had made contact with other Free Siamese leaders such as Professor Direk Jayanama.

Our meetings with Free Siamese leaders were held at night (except for the meeting at Professor Wicit's house in Bang Khen). I would usually disappear from my quarters at the Police Department, pretending to be taking a walk along Sanam Ma street. When Khun Phayom drove by, all of us prisoners-of-war would get into the car when no one appeared to be looking. Khun Phayom would then drive to the designated place and transfer from the car. We met Professor Direk for the first time in this way. Then we would transfer back into the car again on our way back to our quarters. On the nights of these secret meetings we usually went to bed during early dawn or during alarms signalling an air attack. Later on the Chief of the Police Department allowed us to meet him after midnight every time, sometimes we would meet at 3:00 a.m. We walked and talked in the vicinity of the plaza containing the equestrian statue of King Rama V or in the area around the Democracy Monument. We had already been sending out radio messages when (official) permission to do so was granted to us, so he knew we were quite efficient. The first group of parachutists to be received formally at Phu Kradung<sup>(22)</sup> were Nai Sano Ninkamhaeng, Nai Praphot Paorohit and Nai Thep Semathiti. Later units (*i.e.* those that arrived after the Chief of Police had given his full support to the Free Siamese) were received much more conveniently, for (then) the Free Siamese and Khun Phayom no longer needed to keep matters secret from both the Japanese and from the Police Department. The cooperation of the police made many

of our tasks easier, since there were police units all over the country. If a Japanese soldier saw us with Europeans and policemen, the explanation would be that the Europeans had been captured as war criminals.

**b. The reasons why I was granted permission to take a vacation to India and England.**

Permission to leave Bangkok was granted to me in June 1945 because the British command wanted to see me personally, and secondly because I wanted to go to England. Since the main work (*i.e.* of establishing contacts between the Free Siamese in Siam and the Allies) had been successfully completed, the commanding unit gave me permission to take a vacation in England to see my girlfriend.

While in England, I undertook both economic and political tasks for Professor Pridi. I was to ask the British government to recognize the Free Siamese as the legal government of Siam (once the war ended) in the same way as the (government of the) United States had been asked to do. Further, the British government was to be asked to release the frozen Siamese currency reserves being held in England.<sup>(23)</sup> Professor Pridi asked me to try to contact Mr. Anthony Eden, then the Secretary of State for Foreign Affairs. However, I told him that I did not know Mr. Eden, and that with only a few days there it would be quite impossible for me to make such a contact. I said that I would, however, try my best to contact somebody else with whom to discuss this matter.

By that time, the war in Europe had come to an end. General elections were planned for England, and from conversations which I had heard amongst British army officers I expected that the Labour Party would win the elections. The

leader of the party at that time was Professor (Harold) Laski of London University. Although I did not know him personally, he had been head of the Political Science Department when I was an economics student at the University, and I had attended his lectures. I realized that the possibility of meeting him was much greater than that of meeting Mr. Eden, and that if the Labour Party won the elections, then meeting with Mr. Eden would be of no use anyway. I therefore made an appointment to meet Professor Laski, and he agreed to see me at his home. I wore my British military uniform to show that I had pledged my life for the cause by joining the British Army. I do not know whether my attempts to impress Professor Laski worked, but after I had talked to him about the requests of the Free Siamese he promised that he would help us, but only on one condition. He took more than an hour to explain this condition. In summary it amounted to the fact that he was willing to help the common people of Siam, but not the powerful or rich landowners. He wanted to help only the common people. The hour he spent was on the question of why the common people should be helped.

The meeting with Professor Laski was not as successful as might have been hoped, for the British government continued to treat Siam as being of enemy status. However, Professor Laski did follow through on his words, and wrote to Mr. Bevin, the Foreign Secretary (in the new Labour Cabinet of 26th July 1945) a number of times (about our situation). My friends in the Foreign Office told me that Laski's notes to Bevin were fully examined, and although they did not produce any actual results, Laski did try to help Siam as best as he could.

### **c. The negotiations in Kandy after the surrender of**

## **the Japanese.**

I was sent with other Siamese representatives to Kandy twice after the Japanese surrendered. Both times I was asked to wear British uniform without fail. These talks with the British were extremely important, as the British did not show themselves as well-disposed towards us as did the United States.

The first mission was led by General Luang Senanarong, as our military representative. He had the reputation of having fought very hard against the Japanese when they first landed and attacked Siam (on December 8th 1941). His unit had won its battle. He was an outstanding soldier, honest, patriotic and brave. There were no real discussions at this meeting. Siam was just trying to show the flag and have it made known to the British and to news reporters in general that she had fought the Japanese and had been willing to carry out an uprising at the end of the War, but had been dissuaded from doing so by the Allies.

The second mission to Kandy was led by M.C. Wiwatthanachai Chaiyan. Since the details of the discussions which took place have already been given in Professor Direk's book,<sup>(24)</sup> there is no need for further elaboration on them here. Moreover, I was called back to England to continue my studies before the negotiations ended.

### **d. Luang Suranarong and Mr. Martin.**

Before concluding my article, I must mention the importance of these two men. When we first arrived in India they gave us a great deal of moral support. We Free Siamese were afraid and depressed after many months of intensive travelling, particularly as we did not know what the future held for us.

However, there we met a number of Englishmen who had worked in Siam, spoke Siamese, and who were members of our commanding unit. They included (Messrs.) Pointon, Micholoyne, Bryce, Smith, Hobbs and Hopkins, all of whom gave us help and moral support. The other people who boosted our morale were General Luang Suranarong and Mr. Martin. Luang Suranarong had come to India from Singapore, where he had been sent on military duties.<sup>(25)</sup> When the Japanese invaded Singapore, he had fled to India rather than surrender to the Japanese. We young men gained much spirit from his example. The other man was an elderly Englishman named Mr. Martin, the father of a Siamese doctor, Dr. Bunsom Martin. He had left Siam for India on foot rather than be taken prisoner by the Japanese. We knew his son and regarded him as a Siamese. The example of "Uncle Martin" also gave us much moral support.

## Footnotes to the Article by Nai Puey Ungphakorn

- (1) This article was written for Professor Direk Jayanama of the Political Science Department of Thammasat University, to be incorporated into his book, which was written for the information and use of future students.  
Section 3 of this article was printed in the cremation volume of Colonel San Yutthawong (my brother-in-law) on July 19th 1953.
- (2) (Chairman of the Bank of Thailand and Dean of the Economics Faculty at Thammasat University)
- (3) (A high-ranking member of the Siamese royal family)
- (4) (The widow of the former King Prachathipok, who died in exile in England in May 1941)
- (5) Towards the end of the war, the Pioneer Corps were granted the title of "Royal Pioneer Corps."
- (6) We had just been moved from Denby in North Wales, where we had slept in tents and garages, to Bradford, Yorkshire, where we were sleeping in what had formerly been a secondary school.
- (7) (As has been mentioned previously, it was common practice to refer to the Allied powers as the "United Nations" before the United Nations Organization was formally established in 1945)
- (8) (See footnote (16) to Nai Thawi Bunyaket's article in Siam and World War II)
- (9) (Ditto)
- (10) (The message which Nai Puey was carrying from Lord Louis Mountbatten, Supreme Commander of the Allied Forces in South-East Asia, to the Siamese Regent, Nai Pridi Phanomyong)
- (11) (A local drama form)
- (12) (A long strip of cloth used as a waist cloth and for a wide variety of other purposes)
- (13) (One of the decrees passed by the Pibul Songkhram government during the war years laid down that Siamese must wear hats)

- when in public places. Daeng and Di were clearly unaware of the existence of this edict, and hence got picked up)
- (14) (The sanctuary-hall of a temple compound)
  - (15) (Convocation or meeting-hall of a temple compound)
  - (16) (A local plant)
  - (17) (Meaning the Northeastern provinces of Siam)
  - (18) (A Pali phrase meaning "Not telling a falsehood." One of the five Buddhist precepts adhered to by devout Buddhists. *Ukotsan* was an annual publication of the boys of Assumption College)
  - (19) For further details see General Net Khemayothin, *Ngan Tai Din Khong Phan Ek Yothi (Underground Work of Colonel Yothi)*, (*op.cit.*), chapters 7-9 and 17-19.
  - (20) (In southern Siam)
  - (21) (Himself became a leading member of the Free Siamese movement. See also the preceding chapter by Nai Thawi Bunyaket)
  - (22) (Name of a mountain in Loei province)
  - (23) (See Part III, Chapter 3)
  - (24) (See Part III, Chapter 1 for details on both the two above-mentioned missions)
  - (25) (In November 1941, Field Marshal Pibul sent a military mission under Luang Suranarong to Singapore to discuss the question of what aid the British could supply to Siam in the event of the latter being invaded by Japan. (See *Coast, op.cit.*, p.17))

---

From

SIAM AND WORLD WAR II by

DIREK JAYANAMA translated by JANE GODFREY KEYES.

Published by THE SOCIAL SCIENCE ASSOCIATION OF THAILAND  
PRESS in collaboration with the TEXT BOOK PROJECT OF  
THE SOCIAL ASSOCIATION OF THAILAND BANGKOK 1978.



---

## LOOKING BACK, LOOKING AHEAD

**T***o the student of recent Thai history the name of Dr. Puey Ungphakorn has become synonymous with honesty and integrity combined with a brilliant mind which he has put to use time and again to help Thailand out of several tight spots, particularly in the period immediately after the Second World War.*

*Seemingly a frail old man, his looks are deceptive for they hide a great courage which has shown itself time and again when he refused to go against his conscience. When up against what he considers to be wrong or evil Dr. Puey can be as tough as nails and fiercely true to his principles.*

*But this does not mean that he is hard, for Dr. Puey is essentially a kind person who has done much to help the less privileged of his fellow men. To this kindness, courage and honesty add a quality of humility and we have a man who has earned the love, loyalty and respect of a great number of people who had been in contact with him.*

*Earlier this month Dr. Puey reached the age of 60. On this occasion he has written an account of his past life and discussed some of the things he would like to see in Thailand. Written in his usual outspoken style, it gives plenty of food for thought for those who would like to see a free Thailand and a better Thailand.*

---



## Looking Back at Family Life

When a man lives to be 60 the older Thais would say that he is a lucky man that the powers that be have helped him to stay alive for as long as five cycles. My father, my mother, my two brothers never had the opportunity to make merit on the occasion of their sixtieth birthday. Thus as I approach the age of 60 I feel a need to look back over the years and to look ahead to see in what direction one's life should be going.

It is natural for an autobiographer to write favourably about himself. Therefore it is up to the reader to decide how truthful the writing is. It should be easy to find out if there are any lies.

To start on a very personal note, I feel that I made reasonably good plans as a young man. Everyone takes a chance when they marry. When the husband and wife are of different nationality, different culture and speak a different language then the difficulties are magnified many times. But my wife and I have relied on mutual consideration for each other and have taken care not to make the differences in family culture become an obstacle. These things together with goodness, honesty, moderation and consideration for the common good have made our family life a happy one.

This family warmth and love has helped our children, even if they are "half-caste" as they would say in the market. All three children have happily not led irresponsible lives like so many other children, and all have had the intellect to complete degree courses in England. More important for me is that none have become addicted to drugs or obsessed with any other vice.

They believe in peace, non-violence, love, truth and honesty, democratic rights and freedom and they believe in working for the good of the public. They have inherited all this mainly from their mother. My wife has selflessly spent her time with our children although she is educated with an honours degree in social science. She cooks the meals herself, does her own laundry, her own house work, but has also found time to help teach the children when they have been preparing to go and study abroad. Only after the children got older did she have the chance to leave the house to pursue the social work she enjoys so much.

Our responsibilities over the children are almost finished. Our first two children are now leading lives with their own families. Our youngest child is graduating with a bachelor's degree in a few months time. Both of us are getting older and we do not know how much longer we will be able to go on serving society.

## **Looking Back at Friends and Relatives**

I became the head of my family at the age of 18 when I had just completed my secondary education at Assumption College. My father died when I was only nine and my mother was left with the burden of caring for us. My elder brother was working but was not earning very much so I took over responsibility for the family until the time I left to study abroad. I helped my younger brothers and sisters to some extent. After going overseas I managed to send some money back to help our family before the outbreak of war.

Then after I returned from abroad and settled down to work I continued to try and help my friends and relatives, even

those I did not know before. I tried to help because I felt that among relatives, friends and fellow human beings I had been the lucky one who had had the opportunity to follow my studies and secure a better job. I therefore had the responsibility to share out some happiness to those who had been less fortunate. But at the same time I had a responsibility to my wife and children first of all.

## **Looking Back at Work**

I started work at the age of 18 as a teacher at Assumption College in charge of Matayom 2 and later Matayom 5. Then I started giving extra tutorial for Matayom 5-6-7 and 8 for over four years before transferring to work as a French interpreter at Thammasat University because by then I had graduated and was preparing to take a scholarship examination to go abroad.

There must be some of my students who never made it in life but there are also many who have become businessmen, bankers, doctors, lawyers, diplomats and members of parliament. Some have even made it to director generals or even ministers. One cannot help but feel glad when they talk about their gratitude towards their teacher but I cannot claim credit for all their success because I know that while a teacher at Assumption I was still very young and had made many mistakes.

After graduating in England and while pursuing a doctorate World War broke out in Asia. I and my friends decided to serve our country by joining the Free Thai movement and enrolled as soldiers. We returned to contact the local Free Thais by submarine and by parachute drops and got to know the moments of life and death and went through considerable danger (I have written about

this in “Taharn Chua Krao” or “Temporary Soldiers”).

Luckily I escaped alive and had the opportunity to help Thailand avoid the fate of losing the War. Thus, looking back on the events of that time my integrity and my loyalty to the nation, religion and the King should appear well established and backed by real action, not by just mere words of people who constantly refer to these three institutions without ever taking any action.

After the war, on completing my doctorate course, I worked honestly to the best of my ability, first in the Comptroller General Department in the Ministry of Finance, then in the Bank of Thailand (as a special officer, seven months as Deputy Governor, over 12 years as Governor). I also served as the Economic and Financial Counsellor in the London Embassy, as the Thai representative in the International Tin Council, as the Director of the Budget Office, Director of the Fiscal Policy Office, Executive Committee Member of the National Economic Development Board, Executive Committee Member of the National Education Council and Dean of the Faculty of Economics at Thammasat University where I am now Rector.

Looking back at the various positions I have held I should be satisfied. It might be said that I had the good fortune to have led a full life. I have no ambition for any political position and do not intend to have any. It is enough to look back at the way I have carried out my tasks always with honesty and sometimes a certain amount of courage. In retrospect I can find no reason for me to be accused as a Communist, but then what can we expect; the country is full of lies. I am only sorry that so many Thais have been so gullible as to believe hearsay without any supporting evidence.

## Looking Back at the Improvement of the Economy

Those older among us will remember that straight after the war the Thai economy, finance and banking were in a complete mess. The Government had set up the Rice Office according to the needs of the day and exports were in the hands of the Government. All rice exports had to go through the Office which issued permits.

Foreign exchange rates also varied with the official rate, rice export rate and the rate for certain kinds of imports such as books or government imports. Another rate existed for tin export, yet another for rubber, while for others we used a free market rate which *fluctuated greatly and led to much instability*. Also there is another black market rate. All this led to unsettled economy and any planning by both the Government and the private sector was difficult because of the uncertainty in the exchange rate.

Importing became risky and dependent on the rates, so importers had to leave a larger safety margin and the price of goods increased accordingly. Finance was also confused. For several years the Government had to set its income budget at less than half of its expenditure, the rest had to be borrowed from the Bank of Thailand or loaned from abroad. The market for bonds or treasury bills was non-existent. Budget accounts went unsettled for several years. Those which had been done were incomplete and guesswork had to be resorted to so that it was impossible to predict events in advance. Sometimes we had to make urgent telephone calls to the Bank of Thailand for a loan before we could pay our civil servants. Roads were almost all laterite all over the country.

The measures developed to rectify the economy, banking

and economy were something my colleagues and I worked out together from 1952 onwards for several years. It would be impossible to mention all these colleagues but they included Khun Boonma Wongsawan, Khun Sommai Huntrakul, Khun Bisuthi Nimmanhaeminda, Khunying Suparb Yossunthorn and Khun Krongthong Chutima. Most were young people in the Bank of Thailand and the Ministry of Finance.

Concerning the Rice Office: Being government-owned, it was easy for dishonesty and the abuse of power to happen. In addition to normal dishonesty the Government House and other ministers also improperly issued permits to people who were not merchants but merely those who gained profit by selling permits to exporters. Therefore students and those who are now proposing that the Government do all the rice exporting should note that it is not such a good method as long as we do not have very good government machinery or while the administrative system is still not good.

At that time we proposed an alternative by turning to free trade. To counter the possibility of a sudden rise in local rice price which had been lower than world price we proposed the collection of a premium over a period with a gradual phasing out. (But the Government is still collecting premiums to this day.)

To deal with multiple exchange rates we proposed a bold solution: abolish the official rate and turn to the market rate as the official rate which would be the sole rate. Extra money from exporters of tin and rubber could be collected in the form of taxes. The reassessment of reserves in terms of market rate meant that the Government had sufficient foreign exchange left over for the establishment of a fund for maintaining an exchange rate with the

job of buying and selling foreign exchange with commercial banks and thus stabilizing the rate. And there was some stability for it had not really moved very much for around 20 years. Once the public and the businessmen became certain of the value of the baht relative to other currencies trading became easier and more prosperous and prices went down. International monetary reserves thus increased steadily for around 20 years from 1955.

On the side of finance and budget planning we and the Public Administration Service of America laid out a format for the budget in accordance with proper concepts and theories. Book-keeping was also correct according to the time so we could know without delay what was the credit and what was the debit at any time. It was also much quicker and could be inspected within a few months so the budget policy could be planned easily.

Customs statistics were improved to be more up to date. If anyone is to deserve credit for improving taxation system it must be Khun Sunthorn Hongladarom who was the Minister of Finance at the time and Khun Boonma Wongsawan. A law was passed nullifying the mass of government debts to the Bank of Thailand. It became possible to open markets for bonds and treasury bills once interest rates and other things became freer until in some years the Government did not have to borrow as much money as there were people applying for bonds.

Where roads were concerned, at the time the Government wanted to build as much as possible without thinking about the quality of the roads. Therefore, without proper standards, there were many accidents while in some places roads were destroyed within a year or two by water, necessitating major repairs.

We sent a team to ask for a loan from the World Bank and

insisting on continuing what we had been doing. The World Bank refused. That team spent several months in the United States and returned empty handed. So I thought out a plan with Ed Session who was then the Director of USOM (MSA at the time) and Howard Parsons who was the American Chargé d'Affaires, proposing that the American Government come and build the Saraburi-Nakhon Ratchasima Friendship Highway as an example without the Thai Government having to pay a single satang. After this they also went on to build the Friendship II between Phitsanulok and Lomsak.

In addition to having good roads there was also an important side benefit, namely that our agricultural goods increased greatly. What was already being grown was stepped up such as jute; what had never been exported was exported such as corn. At this stage there were other additions such as tapioca, millet, soya beans and other beans. Also, once the Thai Government guaranteed the standard of roads it was possible to plan road building in Thailand properly. To this day, we have been able to get many loans from the World Bank for road building purposes.

I have told about the improvements in the economic, financial and banking system in Thailand from BE 2495 till a little past BE 2500 in order to point out that sometimes in order to carry out government work efficiently we needed to reform the system. The reforming of the system has to be done together collectively and must be done so that the elders will see our integrity and honesty.

The elders in this case were ML Dei Snidwongse, the Governor of the Bank of Thailand, Chairman of the Executive Committee of the National Economic Development Board at the time and Khun Phra Boripan Yuthakit, the then Minister of Finance.



Both of these were instrumental in persuading the Prime Minister, Field Marshal Pibulsongram, to accept the reforms.

Any reform would lead to loss on one side and gain on another, therefore there are extra difficulties calling for thoroughness, moderation and some courage. But if we have basic integrity and honesty it can help to make those who lose some benefit respect us even if they sometimes become angry at us.

## **Looking Back at Crises in Bangkok**

In 1953 I was appointed Deputy Governor of the Bank of Thailand. This was because Prime Minister Field Marshal Pibul wanted to force the international exchange rates to increase the value of the baht (this would make our reserves dwindle to almost nothing) so he ordered the Bank of Thailand to sell sterling to commercial banks for the purchase of certain commodities at a much lower rate than the market rate.

Such action would tend to lead to dishonesty for there would be greedy people who would ask to buy the cheap sterling for buying the said commodities but then would use the foreign exchange for personal gains.

One commercial bank in fact did this and the Cabinet accused the then Deputy Governor of the Bank of Thailand of not making proper checks and dismissed him. (In fact he was transferred to be the director of a government enterprise—thanks to his strong connection with Soi Rachakru.) I was appointed to the position instead and was told by the Governor to investigate the guilt of the commercial bank in that case.

Field Marshal Sarit Thanarat (then a general) wanted to buy the commercial bank which had erred as a plan to control

the various commercial banks of the country, so he asked Lt Gen Prayoon Pamornmontri, the Deputy Minister of Finance, to invite me to lunch at the Ratanakosin Hotel.

Once there I saw about 20 top brass from the army, navy, air force and police. After we had our lunch Field Marshal Sarit asked me about the result of my investigation into the affair of the commercial bank. I told him, because he was a minister. He asked whether it would be possible for the Government not to take action against the bank. I said that it was unlikely because the breach was quite blatant.

He asked whether it might be possible for me to report to the Cabinet that the commercial bank had erred and to recommend that the bank be merely warned not to repeat the offence. I pointed out that in the contract for buying and selling of sterling there were clear and specific clauses dealing with breaches of regulations which were punishable by fines. I said that it would not be possible to recommend anything else, except that after receiving the recommendation the Cabinet, which included Field Marshal Sarit and several others at lunch with us, wanted to be lenient. That then was the affair of the Cabinet. The lunch ended there.

A few days after that, Lt. Gen. Prayoon Pamornmontri told me again that Field Marshal Sarit and General Pao Sriyanond had invited me to lunch, this time at Rajdamnern Klang Mansion. Last time Gen Pao had not been present, this time he was, plus all the top brass as before. Field Marshal Sarit and Gen Pao tried to change my mind on the same topic again. I had thought about it and had discussed it with my wife, realizing that although we still had much financial difficulties and our children were still

young, we could not accept the proposal of Field Marshal Sarit as it would affect our good name, so I stood my ground and countered that both Khun Sarit and Khun Pao had power within the Cabinet and could force any Cabinet decision, but as for myself, I had to make proposals to the Cabinet according to the letter of the law.

### **DISMISSED**

After that I proposed that the Cabinet fine the commercial bank to the tune of several million baht according to the contract for buying and selling sterling. The Cabinet agreed with the proposal. Field Marshal Sarit pushed ahead with his plan to buy the commercial bank out at an undisclosed price. As for me, the Cabinet passed a motion dismissing me from the position of Deputy Director of the Bank of Thailand on December 25, 1953. I had served in the position for a little over seven months and had held one of the shortest terms as Deputy Governor. I returned to serve as a financial expert with the Ministry of Finance.

Soon after that, Gen Pao Sriyanond, who was also the Deputy Minister of Finance (in addition to being the Deputy Minister of the Interior and the Director-General of Police), plotted with the American OSS (which became the CIA later—the OSS was the American secret service during World War II) to allow an American company to print Thai bank notes in place of the Thomas de la Rue Company of England which was subject to many accusations. The Cabinet appointed me the officer in charge of studying the case together with people from the Ministry of Finance and the Bank of Thailand. I tried to make the fairest possible assessment by taking national safety as the prime consideration.

We considered whether the Thomas de la Rue Company was trustworthy politically and when there was no reason to believe otherwise we considered the quality of printing and the cost of printing by considering a second English company and a second American company in order to compare with de la Rue and the first American company which had made accusations against de la Rue, making four companies altogether.

Where quality was concerned the second American company proved the best but the price was too high. Next best was Thomas de la Rue Company which was cheaper and which had been printing bank notes for Thailand for dozens of years and had earned the trust of the people. The other English company was inferior in both price and quality. The American company which had accused de la Rue produced not very good, easily faked work and in addition we learned from reliable evidence that the manager of the company had a not very good reputation from the time of the World War while his personal behaviour was also objectionable.

I told Khun Phra Boripan Yuthakit, the Minister of Finance, of the matter. He agreed and told me to write a report. While I was doing this the Minister of Finance told Gen Pao Sriyanond about my verbal report. Gen Pao must have told the manager of the American company of the matter for that manager came to see me and wanted me to change the report. I refused so he swore and accused me of many things and also made some accusations about the Minister of Finance. I included all this in my report to the Minister of Finance and at the same time telephoned Howard Parsons, the American Chargé d'Affaires, to tell him of the behavior of his man. Mr. Parsons expressed sorrow and apologized.

## TOO ARROGANT

In the report which I proposed to the Cabinet I recommended that we continue with the Thomas de la Rue Company as before, but if the Cabinet was still doubtful about safety then we could use the second American company. If a decision was made to award a contract to the first American company to print Thai currency notes then I would not be able to continue working in the civil service because the manager had made accusations against me and the Minister of Finance and it was a truly bad company.

Field Marshal Pibul, the Prime Minister, said to Khun Phra Boripan in the Cabinet meeting that Khun Phra's student is just too arrogant, always threatening to resign, Khun Phra answered on my behalf and finally the Cabinet approved my proposal. Field Marshal Pibul had had an appointment to see the manager of the first American company the next day but he cancelled it and sent Khun Rak Panyarachun, his son-in-law, instead. The whole affair made Khun Pao Sriyanond very upset.

Several years later the manager of that American company reopened the bank note printing case with Khun Chote Kunakasem who was both Minister of Finance and Governor of the Bank of Thailand in the first period of Field Marshal Sarit Thanarat's rule. Khun Chote agreed with him until the scandal forced Khun Chote from his positions and he had to face the court.

In fact Field Marshal Pibul had always been kind to me, possibly because I was a friend of Prasong Pibulsongram, his son. Once he became angry with the National Economic Development Board Committee which he thought was obstructing him, so he dismissed the whole Committee and got rid of

the old people. The new committee appointed consisted only of ministers. The only people not ministers were M.L. Dej Snidwongse and myself. In meetings I always found myself sitting at the end of the row as the most junior person together with Khun Siri Siriyothin and Khun Pramarn Adireksarn and we used to get together to oppose the senior ministers on several occasions.

Field Marshal Pibul once teased me about my name. He said that as I was becoming a senior civil servant why don't I change my "Chinky" name? I told him that my father gave me the name and if there was to be any changes it would have to be done by my father. I said that it was a pity that my father had died so I was not able to change it. Besides, if the Prime Minister knew Thai geography well he would know that in Lampang Province there was a tambon called Pang Puey, so Puey was a Thai name as well. He laughed and never mentioned my surname.

Around 1955-1956 I knew well that I was the subject of dislike of the three power holders, namely Field Marshal Pibul, Field Marshal Sarit Thanarat and General Pao Sriyanond. Therefore I thought of moving abroad for a period so we would not have to continue quarreling. So I contacted Professor Fredric Benham who used to teach me, asking him to find a job for me. Prof Benham was kind enough to do so but the facts became known to Khun Phra Boripan Yuthakit who sympathized with me but did not want me to leave government service. He sent me instead to work as the Economic and Financial Counsellor at the London Embassy and also to act as the Thai representative to the International Tin Council.

When Field Marshal Sarit Thanarat successfully staged

his coup he called me and asked me to work with the Revolutionary Council. I saw that there were several respected people included in the group such as M.L. Dej Snidwongse, Khun Leng Srisomwong, Khun Tawee Boonyaket and Khun Phra Vejayan Rangsarit, all of whom I had respect for, so I decided to join in the work. I can say that at that time Field Marshal Sarit was really devoted to developing the country. It was the kind of work which I really enjoyed and was really interested in and believed to have been for the real common good.

When Field Marshal Sarit set up a government he made me Director of the Budget Office. I held the post for three years; then I was appointed to other offices, namely Governor of the Bank of Thailand and Director of the Fiscal Policy Office. I felt that a single person should not take responsibility for budget policy, finance policy and fiscal policy so I resigned from the position of Director of the Budget Office.

Even though Field Marshal Sarit may have been angry with me in 1953 he must have got over it and must have thought that I was loyal to the country so he could entrust me with government work. The Field Marshal said to me on one occasion, "Dr. Puey, I know you are living in a small uncomfortable wooden house. Shall I build you a nice comfortable building for you to live in?" I thanked him and said that I was quite comfortable and had never complained that I was uncomfortable. I kept insisting and I had to say to him half in jest that my wife did not like living in a brick building and we would not be able to move in even if he did build us one.

When Khun Chote Kunakasem had to leave the post of Minister of Finance I was attending a meeting of the International

Tin Council in London. Field Marshal Sarit sent me a telegram asking me to accept the position of Minister of Finance instead. At the time Field Marshal Sarit was holding absolute power and could control the fate of all men. I was not sure what would happen if I refused but I still had to. So I sent him a telegram saying that I beg not to accept the position because I had sworn when I became a Free Thai not to accept any political position until I had reached retirement age, to make sure that I did not join the Free Thai movement for personal gains. Field Marshal Sarit sent me another telegram urging me to accept "Thailand is in an economic crisis and only you can help me..." I sent back a reply saying that I was glad to serve the country in any way but not as a minister, and that the Prime Minister surely would not want a minister who had broken his oath. Field Marshal Sarit accepted this and appointed someone else instead. When I returned from the International Tin Council meeting the Field Marshal made me Governor of the Bank of Thailand.

At the meeting of the International Tin Council at that time there was an important matter connected with the reputation and potential gains of Thailand. It concerned the smuggling of tin outside of Thailand's quota. It took place quite blatantly from Phuket docks and was well known to Thai and foreign mine operators alike (the leader of the smuggling gang was none other than Field Marshal Sarit himself, but in my stupidity I did not know it).

The Malaysian member of the Tin Council raised the matter with the Council. In my position as the Thai representative I sent an urgent proposal to the Chairman of the Revolutionary Council, Field Marshal Sarit, asking that he issue an immediate



order for Customs and police officers to carry out urgent investigations and to hold all captured illegal tin. He then should send an urgent telegram to the Tin Council telling them that the Thai Government had started investigations and had seized the illegal tin and will inform the Council of any progress. Of course, no report of any seizure ever appeared at any subsequent meeting of the Tin Council.

The various members of the Council pressed the Thai delegate and Government to take some course of action but we kept on putting them off all the time. The ship loading the illegal tin was found to have taken the ore to Texas in the United States. We tried contacting the United States and its officials asking for details which were never produced. The ore ship was later found to have sunk and the chances of any information became even more unlikely. The Council continued pressing Thailand to take some action. After a year or two it was Field Marshal Sarit himself who became angry, saying that the Council was bullying Thailand. He telegraphed me, telling me that the next time the council brought up the matter I was to protest and walk out of the meeting, Thailand was to cease being a member of the Tin agreement.

I thought about it and sent a telegram countering the order, saying that I did not agree with his order because everybody knew that there was tin smuggling from Thailand. Walking out of the meeting would only make it look as if we were a bad loser. Also, if we wanted to leave the tin agreement we had to give a year's advance notice and during the intervening year the Council could put any kind of pressure on us such as drastically cut our quota. It would not have been for the

good of Thailand at all. I asked him to send me new instructions. Field Marshal Sarit sent a telegram canceling the previous order and telling me to do what I wanted.

I pressed the Council to take some action and the representatives from Malaysia and Belgium proposed the appointment of an arbitrator. I thought that an arbitrator would not have been beneficial to Thailand so I debated that the regulations in the tin agreement dealing with the appointment of an arbitrator dealt only with disputes between members. In this case there was not any dispute. Thailand and the other members agreed that there was smuggling, only we did not know the quantity, that was all. Therefore we should amicably agree on what level to fix the amount. The Council agreed and fixed a likely amount (I cannot remember how many thousand tons it was). In the next step Thailand proposed the use of a regulation governing the export of tin over and above the quota, and that Thailand be fined the value of the smuggled tin, with the fine going to a buffer fund, with rights to that sum of the fine plus any income arising in the case of the fund be abolished. The Council agreed.

### **VERY UPSET**

Returning from the meeting, I explained the situation to the Mining Association and asked the Association to buy government bond to the sum of that fine, so the Government would have enough money to pay them. The Association agreed willingly. Later when the buffer fund was abolished it was found that we got back the "fine" and also got some dividend from it.

The Thai Government did not lose its reputation, we also made a profit instead of losing money but it made me very upset for a long time because I had to go against the order of the Prime

Minister and had decided that if he stood by his original order I would resign not only as representative to the Tin Council but also as Governor of the Bank of Thailand, in protest.

It can probably be fairly well remembered how I carried out my duties in over 12 years as the Governor of the Bank of Thailand. During that time the Commercial Bank Law was redrafted (with several friends such as Khun Sommai Huntrakul being major contributors). The bank note printing press was set up and the setting up of branch offices was begun. Our currency reserves increased greatly, thus preserving the stability of our currency and benefiting business and industry. Commercial bank business was expanded all over the Kingdom and within the Bank itself there was adjustment of works procedure and pay rates. Welfare was improved and a number of able people were collected to act as the future strength of the Bank.

One day when Field Marshal Sarit was still Prime Minister, someone made the proposal that the Government set up a committee to be responsible for determining fiscal policy, particularly international fiscal policy. By chance, on the day that the matter was to be discussed by the Cabinet I went to the meeting rather early and met Khun Luang Vichit Vatakarn who told me that a list of members of the committee would be proposed that day. I told him that fiscal policy was the direct responsibility of the Governor of the Bank of Thailand under the direction of the Minister of Finance.

Concerning international fiscal policy, not only was the Governor responsible, there was also a committee for maintaining an exchange rate with the Minister of Finance as chairman. I did not see any use for the new committee, on the

contrary it could be harmful for it blurs the line of responsibility and also there were several names on the list which I did not trust and if this committee was appointed I would have no choice but to resign from the position of Governor of the Bank of Thailand. Khun Luang Vichit must have taken the matter to the Prime Minister for on that day and subsequent days nobody ever mentioned the committee for fiscal policy again.

When Field Marshal Sarit died I was one of the people appointed to probe into his properties and I guarantee with my honour that in that investigating committee I had been one who tried to give full justice to Field Marshal Sarit. Any time there was any doubt in a point of law or in a fact I always gave the benefit to the estate or to other people. Even then, when Thanpuying his wife sued the Government I became the first defendant. But what made me very sad was the fact that the statement described me as a person who tried all kinds of tricks "for want of personal gains." Thanpuying's lawyer who wrote the statement was a friend who studied with me in England.

Why did he write the statement like that, as if he had never known how my mind worked? I was very upset on the day I read the statement and I returned home early because I did not have a mind to work. But luckily, when I got home there was a telegram waiting, telling me that I had been awarded the Ramon Magsaysay prize for honest and selfless service in government work. The sadness I felt that day vanished and I was once more encouraged, such is human nature. Satisfaction still has power over man.

The Prime Minister who had given me the most kindness during my work had been Field Marshal Thanom Kittikachorn. In addition to being in the same class as leader in the National

Defense College he also gave me much trust. While he was Deputy Prime Minister he often spoke up for me and if there was an important piece of work from the Cabinet he usually proposed my name.

Personal relations between him and myself were very close. Therefore when I wrote the letter from Nai Kem Yenying to chide him when he staged a “coup” in 1971. I wrote with the best intention for him and had addressed it exclusively to him, informing him that it was from me. Later when he showed no reaction I printed the letter as an open letter.

Three or four years before that I went to see him on a personal basis. He met me at the Ministry of Defense and there were only us two in the room. I told him that his close relatives were earning a bad reputation for dishonesty, taking advantage of the people and businessmen and breaking the laws on several accounts. I told him story by story. He was silent for a while, then thanked me for telling him and said that he had let it be known that he did not mind how they made their money as long as they did not take advantage of other people. He agreed to look into the matter and would do something. But what happened later proved him to have been ineffective.

Once the Government of Field Marshal Thanom made an announcement forbidding all ministers from carrying on businesses or acting as committee members or chairmen of any business. In an annual speech at the Thai Bankers Association I composed a poem praising Field Marshal Thanom for his good action but pointed out that there were still several ministers acting as chairman or committee member of various banks, or was a commercial bank not a business? A few days later Field Marshal Thanom resigned from his post as chairman of a com-

mercial bank but no other minister followed his example.

When Archarn Pridi Panomyong left China for France in 1970 I had already made plans to take a holiday in France without knowing that Archarn Pridi was going there. Once he was there I thought it fit that I should visit him as a measure of personal respect as student to a teacher and as a Free Thai under his command. Therefore I met Field Marshal Thanom before leaving, telling him that I was going to visit Archarn Pridi. Field Marshal Thanom gave his blessing and asked me to carry a message to Archarn Pridi. I acted as a go-between and also brought a message from Archarn Pridi back to Field Marshal Thanom. Later when Archarn Pridi sued the Thai Government for a passport and a pension I acted as a go-between to allow both sides to settle out of court. Field Marshal Thanom in fact congratulated me for arranging it successfully.

## **Looking Back at Ideals**

Those who have heard me talk or read my books may remember what I have said and written about my personal ideals. I wish to stand by my statement that in order to be a complete person we have always to be aware of three virtues, namely Truth, Beauty and Goodness. Briefly, Truth means truth and knowledge; Beauty means the various things which gives man his culture, enjoyment and past times including different sports; Goodness means not wishing harm to others and being helpful to fellow human beings.

The absence of any of these virtues will make for an incomplete human. For example, if there is Goodness without knowledge then benefit cannot grow from it because the Goodness may be used in the wrong direction and no good

would come of it. If we have only Truth and Goodness but do not think of Beauty then art, literature, music and dramatic art cannot develop and that person or that society would be arid and lacking in happiness.

If we or our society lack Goodness then we would only wish ill of each other, or at least we would not wish each other well and would be without generosity. That person or that society would have only selfishness, unrestrained fighting for wealth and power. Therefore whether you are holding the power of administration over the country or whether you are a private citizen you cannot ignore Truth, Goodness and Beauty.

It is the duty of us educationalists to support the growth of truth in whatever branch or level of knowledge. Students entering a place of education want knowledge both in order to make a living in the future and also to stimulate the ability to think and consider for themselves, and not to believe in unfounded accusations or in the occult. It corresponds to the Buddhist word “Vijja” and covers both worldly knowledge and knowledge of the Dharma.

Today in Thailand there is a bewildering amount of rumors including what appears in the newspapers, on radio and television. Once it involves you personally then you become certain that the rumors are normally untrue. Leaflets accusing various people are also in great abundance, all of which are making grave accusations, particularly where politics are concerned. (Some even urge the taking up of arms and some made threats on lives. These leaflets are against the law and the police should arrest the offenders for punishment.)

When they are mere leaflets or rumors which the source dare not back with his name, then the reader who loves Truth

ought to treat them as any other anonymous note and not believe them. In the same way if newspapers, radio and television are to pass on these rumors then if they are really responsible they should find supporting evidence or seek out the Truth. Otherwise they should not present that “news” at all, particularly where it might affect someone’s reputation or mislead the public on important matters.

I have learned from reliable information that there are institutes of higher learning in Thailand which presented rumors to students without any supporting evidence in ways which could mislead them. This obviously goes against the best interests of knowledge.

An example was the National Defense College where I and several others had been accused without any evidence of being Communists and wanting to destroy the country, religion and the Monarchy with the aim of making me a president. These stories were obtained from leaflets.

First and foremost, we still have an anti-Communist law and if anyone was a Communist or acted like a Communist, then the police should act according to the law and arrest him. But nobody came to arrest me. Seeing that I was not arrested and the speaker did not have any supporting evidence then he should not have said it in such an institute of high education.

Also, if there had been an accusation then the accused should have been given an opportunity to reply so that the Truth can emerge. The National Defense College is an institute which I love and respect because I was in the first class at the college and still have close ties with fellow students of that class. It is also a place of education for senior officials in the civil service, military and police. It is therefore a pity that it pays too little



attention to Truth.

Similar accusations have been found to exist in the National Security Council, the screening committee of the Council, in the Internal Security Operation Command and various military teaching places. These institutes have much responsibility for the security of the nation (and cannot be compared with certain other groups which do not have such responsibility and which often made loose accusations as well as illegally used weapons without formal punishment).

Therefore for the sake of Truth and for the good of national security, the accused ought to be given the chance to reply, or if there is solid evidence against the accused then he should be arrested according to the law.

Such Truth also includes sincerity and the relations between one person and another should be based upon a foundation of sincerity; particularly when one side falls into bad fortune then the other must be consistent, and not simply play up to him when he is in power and then ignore him when he is going through a period of hardship. My visits to Archarn Pridi Panomyong in Paris and to Field Marshal Thanom Kittikachorn were due to these reasons and not to other reasons which had been rumored by other people without any Truth.

Beauty is a matter of the mind and body without any connection to any political ideology. If it has been penetrated by politics then Beauty is gone and ceases to be a virtue. We admire art, love music, we are impressed by athletes who could make their body achieve what normal people cannot do, not because that artist, that musician or that athlete has to be of the same political ideology as we, but because what he did was outstanding and impressed us, made us enjoy and we like what

he did. Because of this, I feel that when students criticize Thai music or literature, saying they are the product of a privileged class, and are drugs for the masses, then the students are making a mistake in their understanding of art and Beauty.

We are each of us to his own taste, whatever a person likes it is his own business. Although I do not like modern music or modern literature, but if the younger people want to listen or read them, then I do not interfere and I can stand listening or reading them. The duty of students is, if they like modern music, dances and literature then they should help them progress instead of obstructing those which they do not like. Then it may be called true art for the people.

Goodness and good deeds are something which all religions teach us to follow. The relation between child and parents, teacher and student, relative to relative, friend to friend and one man with the public masses is something which religions spell out for us to do. It boils down to kindness and generosity towards each other, not wishing ill to each other, helping, supporting each other and sharing out happiness. As it says in Buddhism:

Sapuriso Bhikkhawve kulay jayamano  
Janasa attaya hitaya sukaya hoti

An important point to remember is that all religions have their own good points. We are born into Buddhism so we think that our religion is good, but we must also see that others also have a freedom in their choice of religion. Common agreement in religion (and nationality) would give more security.

As for myself, although I felt that I have served the country and society to the full until I am 60, I feel that what I have done has been inadequate in some sectors, namely that in

straightening out the economy as described earlier.

I could not improve the lot of a large number of poor people in Thailand, particularly in poor rural areas. This may be due to some reasons which were beyond my control such as a high birth rate, inadequate education and health, for example. Because of this I had come to think that if there is no real grass-roots development of rural areas but only the structure and improvement of the economy alone then we would not be able to help improve the lot of tens of millions of fellow Thais.

So with some colleagues I set out to develop rural areas—not in competition but rather in working to help the Government. The said rural development works were divided into three projects, two of which are now in their seventh year of work. These are the Rural Improvement Foundation of Thailand projects Under Royal Patronage at Chai Nat and Uthai Thani and the Thammasat University Graduate Volunteer Center Project.

His Majesty the King knows of these two projects and has made inquiries to follow their progress. He even granted his patronage and gave his advice to a few groups of graduate volunteers. The third project is the Mae Klong Basin Development Project which Thammasat University is carrying out with Kasetsart University and Mahidol University and which is just over a year old, so no result is evident one way or the other. But many lecturers and students of all three universities have poured much physical and mental energy into the Project.

The present political situation together with lies which are evident everywhere these days have made the rural development projects the targets of attention of certain government units such as the ISOC, and the screening committee of the National Security Council, due to the accusation of those who claimed that lecturers

and students in these projects have been inciting the people to hate the Government. The truth is otherwise. All graduate volunteers, lecturers and students in the Mae Klong Project have briefings and instructions to carry out their work without bringing any politics into it. Those who do not do so are asked to resign from the Project.

Both of these projects have the support of the Cabinet and have a fund from the national budget to carry out their work, but there are still those who suspect and accuse in various ways, possibly connected with a mistrust of myself, perhaps.

Because of this and for the benefit of progress in the Project I resigned from the position of Director of the Mae Klong Project and now I am looking for a replacement. The Graduate Volunteer Project I resigned from almost a year ago.

## **Looking at Thai Society and Thai Future**

I have said and written elsewhere that a desirable society must consist of four virtues, namely efficiency, freedom, justice and kindness which should be discussed briefly here and applied to the present Thai situation to find what we all should do in order to achieve an ideal society for the future.

In an efficient society the administrator of that society must use knowledge to carry out state work in all respects to allow that society to carry on life with the minimum investment and maximum results according to the goal, in all branches—be it science, agriculture, medical health, engineering, architecture, all social sciences and all humanities.

It is not only government workers or administrative politicians who must have ability and knowledge but the people as a whole should also have reasonable education so they will have

some knowledge and ability to solve their own problems and know how to make their own decisions. Therefore, the education and health of the people is of considerable importance.

For a society to be efficient there must be no leaks and rotteness. The people, businessmen and civil servants must pay full taxes. Officials must not take advantage of the people and should do their job accordingly, so the police will catch criminals, teachers will teach students and a district officer will look after the welfare of the people step by step.

Government servants both senior and junior must not waste government money or extort money from businessmen. In this matter the present Constitution stipulates the appointment of a Parliament account inspector which would help prevent and stop dishonesty on the part of civil servants, but the post still has not been filled by the Government according to the Constitution.

At the time of the drafting of the Constitution there had been a proposal for the appointment of a parliamentary inspector of government affairs but the proposal was dropped. It is a great pity because if there were the two posts then the leaks and rotteness in Thailand would decrease and the country would be more efficient.

Also, it is said in Thai society that present-day civil service is inefficient because the system is not good on the one hand and because there is too much centralization within the capital city on the other hand. The system is not good because there is much duplication of work with units fighting for some work and ignoring others and there is no common policy.

The centralization of power means that the rural areas are not receiving as much attention as they should, thus leading to

all kinds of obstacles in the overall development of the country. These two points cannot be ignored for long because they are like rust which eats away at the civil service, so it becomes more and more inefficient, so it is time that we people, universities and the Government, get together to solve this problem quickly.

Social freedom means freedom of speech, writing, thought and peaceful and unarmed assembly for example. Such freedom is not a freedom which will deprive others of their own freedom. Another limitation of freedom is the common good according to the opinion of the majority of the people or the Government. A dictator always claim the common good, but it is the common good by his definition, not the definition of the people. The paying of tax which is by the motion of a parliament elected by the people is a rightful limitation of freedom.

Freedom is beneficial to society because in society with a large number of people opinions would differ. Every person has a brain and the thoughts of each person, no matter what class or wealth, is useful to society. Why then should we limit ourselves to the opinion of the minorities? why not give every one the chance to express his opinion so we will be able to choose the best path for the best common benefit?

Certain teachers have said of human freedom that it goes with life, meaning that every person is born with standard rights and freedom since birth. Whoever destroys freedom is thus wrongfully infringing on the rights of his fellow men.

This right to freedom can only exist in a society which has free Democracy. Dictators, be it right-wing (Facist) or left-wing (Communist) limit freedom according to their wish. Right-wing dictators normally forbid their people from doing certain things. Left-wing dictators, in addition to banning certain

things such as the setting up of a political party, also ban the act of not doing something. For example, the people cannot be idle but must work according to schedule. Communists normally claim to be democratic economically and socially, namely that there is equality among the people, but does not have democracy in politics or culture. A Facist is not democratic in politics, culture, economy or society, so we should not accept either a right-wing or a left-wing dictatorship.

We were talking about Thai society. The right to exist, we said, can only be obtained in a society which has a free democratic way of life.

Justice means that within that society every human being is equal in the eye of the law. Be they children of a rich man, lord or of whatever rank, if they break the law they must accept punishment the same as a poor beggar; if they committed a good deed they would receive the same just reward.

In a fair society, law and order is most important. The military, police, prosecutor and judiciary must be efficient and work with devotion and fairness. There must not be trumped up charges, no burning in a bin, no shooting of suspects and no unfounded accusations such as accusations of being a Communist, for example.

The military must defend the country honestly and not cause a rift in the country by using tax money to suppress tax payers. The police must carry out their duty without being afraid of any power and must not be prejudiced. Anyone carrying a bomb must be arrested no matter what group he belongs to, whoever plans to stage a military coup against the Treason Law must be arrested because the military and police are the supporter of the people, not their masters.

The accused must not be guilty until evidence can be found that he is really guilty. Whoever distributes leaflets urging the use of arms or accusing others of using arms should be arrested in an effort to find the source of the leaflets. Prosecutors and judges must maintain their honour and remain above the power of money, threats or influence.

In a fair society one reaps what one sows. Hell and heaven are here in this life, there is no need to wait for the next life. Those merely posing as good people would not last long and would soon be found out.

A society which has efficiency, freedom, justice but is devoid of kindness must be an incomplete society, because each member of the society is different by birth according to hereditary factors and surroundings. A person may be born lame, blind, deaf or abnormal in other ways which are not his fault. Those born normally must help him. It is not proper simply to attribute his abnormality to his "past sins" for which he is paying in this life.

## **SOCIAL JUSTICE**

Intelligence is sometimes a hereditary factor which is uncertain. A clever father may produce a stupid child or vice versa. We have no choice. A child with plenty of toys would have an advantage over a child without any toy, a child born in a remote rural area with a bad school and bad teacher would not be able to compete with a more fortunate city child. Therefore it is not right to adhere to an ideology of efficiency and freedom with the winner taking all. The more fortunate should help and share happiness with the unfortunate.

The above is usually known as social justice and covers a far greater scope than the distribution of income or the distribu-



tion of wealth because happiness is not up to wealth alone. In a social system where woman is at a disadvantage to man the system must be rectified in order to give justice in the society. Whoever has not the tools of trade—they must be found for him. Education, health and a job are something which must be given to every human. Poverty makes man lose his human qualities. We have the duty to help each other.

The opposite of kindness is killing. No matter if it is the left killing the right or the right killing the left, it is evil. In the present situation in Thailand it is noticeable that the side which we call the left, namely students, workers and farmers, do not have any weapons—although some may have a gun for self defense. But then on some occasions when this group threatened to burn down a building or to destroy property, it committed a wrong. But the rightists, namely the Red Gaur, Nawapol and numerous other groups, routinely use weapons to destroy the morale of the other side.

This is wrong and a clear breach of the law. If we use kindness as a basis, then however big the rift it would be possible to settle peacefully. Arms has never solved any problem in this world, it has only led to new problems. Kindness supports the world. Non-violence and peace can make a society happy.

The use of weapons and lies as a tool instead of solving a problem gives strength to the enemy. For example, if a man is not a Communist and we call him one, and threatened to kill him with weapons for being a Communist, the threatened would be afraid and run away into the jungle. While in the jungle he would receive weapons, food and others from the Communists and before long he would become sympathetic to the Communists which become strengthened. Do we want this? ISOC should think well. There have been many examples in Laos,

Cambodia and Vietnam. If you love the country, religion and the Monarchy truly, then think well and carefully.

And now we are saying that even if there is an election on April 4, we cannot have a stable government because there are a great many political parties and a government to be set up would have to be a coalition of several parties.

Adding minor parties would increase the instability. Also many members must have paid for the votes which took them to Parliament, so once there, they would put themselves up for bidding—before long Parliament would be dissolved again.

What is being much discussed is whether there will really be an election on April 4, because there are people thinking of staging a coup.

This matter bothers me greatly because our democracy has only sprouted a tiny root for three years. The blame for the confusion cannot always be placed on the National Legislative Assembly of which I was a member.

I believe that at this stage it does not matter who constitutes the government, be they left or right wing. The important point is whether we will be a Democracy, or, Are we thinking of abolishing Democracy?

The politicians who believe in Democracy should find a way to give Democracy a chance to sink its roots to a safe level; then they can think about left or right. They should drop their obstinacy and turn towards each other and unite to prevent dictatorship from both left and right.

One way which will make for a stable government in the present conditions would seem to be by combining the top three or four parties into a *National Government* with a majority vote in Parliament. If four parties are not enough, then let's have five

parties. The party with the most members can have its leader as Prime Minister; the leader of the second largest party can be the Speaker, and the position of ministers can be divided according to the number of members, no matter if they are right or left.

The joint policy of the coalition would be: (1) national independence, (2) peaceful law and order for the people, and (3) ridding of the gap between the rich and the poor. Nothing else is important and these three points are already present in the policies of all parties.

The forming of a government from the major parties is according to democratic principles—it will be more difficult for MPs to sell themselves. The Government will have reasonable stability while the groups outside Parliament, such as workers, employers, students, and the Nawapol group would continue functioning, but peacefully and without weapons.

The various disputes would be settled by Parliament whose motion would be accepted. If not satisfied, the issue can be brought up and discussed again at the next session. Will the various political parties agree to this? Will they make sacrifices for the benefit and stability of the nation and of Democracy?

I wrote at the outset that I feel sorry that there has been some oversight in considering the economy of the country, namely, we have concentrated on the overall growth and not thought about justice in society. So I tried to rectify this by a real effort at developing rural areas.

At a stage, such as now, when industrial investment is slack, it is an opportunity for the Government to find a way of investing in agriculture and social welfare in rural areas without fear of inflation.

## REFORMS

An important problem today is to find jobs for the unemployed. Briefly, if we carry out the following, it will help create more employment in rural areas and the crime rate will drop: (1) a real effort at land reform, (2) land allocation. (3) encourage farmers to grow several crops by arranging water supply and markets, (4) set up agro-industries, (5) intensify social welfare in rural areas in, for instance, the fields of food, clothing, health, education and family planning, and (6) teach and train people to carry out the above works.

Some teachers have said that too much attention on social justice will slow down the progress of the country as a whole. Therefore we should develop the economy first because, even though the rich will get richer and the poor poorer, progress will soon catch up with the poor. We have used this method for 20-30 years now without results.

Some teachers argue that social justice does not go against economic progress and that if we concentrate on helping the poor, the rich will look after themselves, and the country will prosper. Some countries have tried this, but have met with failure. I agree with the latter theory but feel that it had to be applied correctly. The correct way is through the six point program described above.

There are many more things I would like to write about, but in just a few more hours I will have reached 60. So I will end here, but let me make just two more points.

Firstly, about incitement or enticement. This concerns me, so I would like to say something here and now. I am tired of hearing that Dr. Puey is leading students astray or students are leading Dr. Puey astray. Those with children of 17 to 18 or 20 years of age should know that today's youth, particularly the

students, more particularly Thammasat students, can think for themselves. There is no need for anyone to lead them.

If you are thinking of leading the youth of today in any direction, then get ready for disappointment. Concerning the claim that the students are leading me, this way and that, the claimants probably do not know me well enough. When the time comes I can be as obstinate as anyone, such as in the case of the three Prime Ministers I have written about.

### **ACCUSATIONS**

The same argument can be used against the accusation that Archarn Pridi Panomyong has tried to lead me, or Archarn Saneh or some other aide has tried to lead me. It is an insult to Archarn Pridi, Archarn Saneh and the others, and also a grave insult to me personally, as if I am a piece of wax which may be molded to any shape or form and devoid of any ideas of my own.

Once when I was the Governor of the Bank of Thailand someone accused Khunying Suparb Yossunthorn of leading me and writing speeches for me, until Khunying Suparb had to scold the critic and, on several occasions, show him proof to the contrary, until the accusations died down. Will others not leave me alone to be just myself?

One thing more. I would like to quote here a few lines I have written before, in the hope that some time they will reveal to others the qualities of life I hold dear.

### **A calendar of hopes from the womb to the crematorium**

- When I am in Mother's womb I want mother to be able to eat nutritious food and receive good attention and

service in mother and childcare.

- I do not want as many brothers and sisters as my parents have, and mother must not have children at too frequent intervals.

- It does not matter if mother and father are married according to the law or according to custom but it is important that they are living peacefully together and are giving me and my brothers and sisters warmth.

- In my first few years, when my body and brain are developing and are in an important stage, I want my mother and myself to have nutritious food.

- I want to go to school. My sisters also want to go to school so that we can have enough knowledge to earn a living and can have some of the good things in life. If I have the intellect to pursue higher education I should like to have the opportunity to do so, no matter if my parents are rich or poor, living in the city or in poor rural areas.

- After leaving school I want a meaningful job which can make me feel satisfied that I am working for the good of society.

- The country I am living in must have law and order and be free from threat, suppression or malevolence.

- My country should have a correct and useful relation with the outside world, so that I could learn something of the thoughts and knowledge of the whole world and my country would be able to receive foreign capital to use for the common good.

- I want my country to be able to sell products abroad at a fair price.

- As a farmer I would like to have a reasonable piece

of land of my own for earning a living; also the means of borrowing money to expand my work, the opportunity of learning new ways of making a living, and a good market and a fair price for my products.

- As a worker I would like to have some share, some part in the factory, company or store I am working for.

- As a human being I want to be able to read newspapers and other reading matter which is not too expensive; also to listen to the radio and watch television without too much advertising interruptions.

- I want to have good health and sanitation and expect the Government to give me free immunization service and good and cheap medical service. When ill, I should be able to find a doctor easily.

- I must have some leisure to spend with my family. I wish to have some green parkland, to be able to participate in or enjoy art, literature, dance, music, the various cultures, and to be able to attend-to some extent-temple fairs, Loy Kratong, seasonal fairs and fairs of merit.

- I want clean air to breathe, pure water to drink.

- Whatever I cannot do myself or cannot do well, I will still want to assist in with friends in the form of a cooperative, club or union, so we can help each other.

- All that I have asked for above, I do not want free. I shall be pleased to pay due taxes according to my own means.

- I want the opportunity to play a part in the society around me. I want to have a part in determining the political, economic and social fate of my country.

- My wife wants the same opportunities as I do, and we should have some knowledge of family planning.

- When old, my wife and I expect to receive benefits

from social securities to which we have contributed all along.

- When I die, may I not have died futilely in, for instance, a war which someone else started, in a civil war, in a car accident, from air or water pollution, or from political poisoning.

- When I am dead I would want some of my left over wealth kept for my wife to use during the remainder of her life. If any child of mine is still young, let there be some of this left for bringing him up, but none for my grown child. The rest should go to the Government to be used in improving the life of others.

- When I am dead, let them cremate me, not bury me, so that others will have land to live on and on which to earn a living. Let there be no fussy funeral ceremonies.

- This is the meaning of life. This is the way things should develop for the benefit of everyone.

Lastly, thank you for reading thus far. May happiness, goodness, and peace be with you. The Buddha has said this about goodness: "I do not see any other goodness in all creatures except intellect, the means to enlightenment, persistence, concentration and sacrifice."

---

*Four-Part Article published in*

*THE BANGKOK POST*

*March 26 to 29, 1976*

*A Calendar of Hopes will also appear in Prof. Herbert Phillips' Thai Thoughts : A Decade of Change, Columbia University Press,*

*New York*





## **EPILOGUES**

---



---

## **RIGHT IS MIGHT: PUEY'S FORMULA FOR THAILAND**

**T**oday marks the 65th birthday of Prof Puey Ungphakorn. In the midst of multiple crises surrounding us, some people may think that one man's birthday is too insignificant to talk and think about. The nation has other more pressing problems to worry about and the powerful personalities are too much involved in their pursuit of more wealth and power to pay any attention to one Puey Ungphakorn.

But to his students and followers across the country and, indeed, around the world, March 9th marks a special occasion. It is a time not to remember only the man, noble and virtuous though he is, but to remind ourselves of the ideas and ideals he has inspired in us by his teachings and exemplary deeds.

Prof. Puey is living in self-imposed exile in a London suburb far away from all the troubles in his native country. He left Thailand on that fateful day of Oct 6, 1976, when a series of bloody clashes between students and the "uniformed mob" on Thammasat campus led to the overthrow of the most democratic government we had ever had.

He was accused of being the figure behind student activism. They branded him as "a Communist" and a menace to everything Thai. As the rector of Thammasat at the time, he was held responsible for everything that the "uniformed mob" did not like.

Dr. Puey once related a story to his intimate group of students. "There is an English proverb," he began, "that when you want to destroy your adversary, you will first have to make him look bad in the public eye. 'Give the dog a bad name and hang it.'" "

With a touch of irony, Puey, 'Acharn' to his students, was given "a bad name" and "hung."

As the Governor of the Central Bank, the Bank of Thailand, Puey steered that highly important institution away from being a political asset of any particular military and business elite group contesting for power during the 60's.

He brought many monetary reforms to the nation's banking system. With his characteristic ability to persuade without appearing to coerce, Dr. Puey was able to bring all the belligerent private banks and financial institutions under official control. Economic stability and financial security were the common good that most enjoyed but few realized the amount of painful efforts that one man had put himself through.

Puey was also particularly instrumental in the introduction of economic planning to Thailand. He played a major role in the drawing up of the first economic development plan and lobbied very hard for rural road construction and the master plan for national education.

Puey has been an ardent enemy of corruption in the bureaucracy and had gotten himself in some critical situations

when he refused to be a partner in corrupt schemes. He believes in power being used with care and benevolence. But he is also most appreciative of the dilemma of power. He once quoted Lord Acton's dictum approvingly: "Power corrupts, absolute power corrupts absolutely."

Dealing with people at the top and engaged in the politics of high finance, Dr. Puey could not help but realize the widening gulf that separates the rich and powerful from the poor and feeble.

For more than two decades since the early 60's until his exile, Dr. Puey had been almost single-handedly responsible for the steady growth of the Thai economy.

All his career has been dedicated to the uplift of the estate of the under-privileged. He has held an unshakable faith in the people. He believes in their collective wisdom and the power of their common aspiration to improve their own lot.

He introduced a phrase encapsulating his faith in the people: *Santi Pracha-dharm*. "Pracha-dharm" means right is might. And not might is right. A society that has Pracha-dharm must maintain law and order. It cannot be governed by one particular group with no regard being paid to others.

Puey believes that Pracha-dharm is both the means and the end of our political pursuits. "The beginning and the end is the Thai people, their liberty and their rights. In society with Pracha-dharm there should not be a gap between the government and the people, the officials and the citizens, the male and the female, the rich and the poor, the developed and the backward areas. People must have equal opportunity for education and self-development. They must be free from diseases. All this must not come about through any political ideology. But

they are only right for our people to expect these things.”

“There is no other way to achieve Pracha-dharm except through peace. Violence would only lead to further violence or a temporary peace, at best.” But a lasting Pracha-dharm must come from peaceful means and loving efforts.

Truth and peace may be defeated by violence and deception. But the truth shall not die is a Buddhist proverb. We must not lose heart in trying to rectify the truth and maintain peace. “Even if you have no hope for success, you should keep on doing what you believe in for the sake of your freedom of doing so. For me, I shall continue to write and speak out (the truth).”

Puey, the man, is now living in exile in London. But this March 9th, his students and followers in government services and the private sector are once again reminded of the truth and the ideals which that noble and mighty spirit has imparted to us.

---

*Surin Pitsuwan*

*THE NATION 9/3/81*



---

## **A MEETING WITH DR. PUEY UNGPHAKORN IN LONDON**

**T**o most Thai people, the village of South fields, a suburb of London, is not a very familiar name. But to some close friends and grateful students of Dr. Puey Ungphakorn, this sleepy residential town is a destination of their European tours and a place that they most wish to visit if ever they have a chance.

The world-renowned Thai economist has made this suburban village his home in exile ever since the bloody incident of October 6, 1976 when the “uniformed mob” moved on to Thammasat campus to suppress a student-led rally.

After our fact-finding tour of the Middle Eastern countries to observe labor problems, we decided to pay our own way for an excursion trip to pay our respects to this inspiring figure.

I had not known the former Rector of Thammasat University personally. But I have heard so much about him and have written often about his ideas and ideals relevant to the problems facing us today in Thailand. I only know him through his writings and have been influenced by the people who know

him well and who themselves have been influenced by him directly.

But Miss Supatra Masdit, a leading woman Member of Parliament from Nakorn Sri Thammarat, has known him for a long time. She had been his student, his personal aide and, sometimes, his executive assistant in the Mae Klong Project for Integrated Development.

Through that long association, they have become almost “father and daughter.”

Thus, when the MP asked if I would like to visit Dr. Puey in London with her after our Middle Eastern sojourn, I accepted the invitation with no hesitation.

London in late March is covered with daffodils, chrysanthemums and cherry blossoms. It is a turning point from the cold harsh winter into the season of hope, renewal and optimism.

It is a time for the renewal of friendship and rekindling memories of the good time past.

Dr. Puey is now living with his English wife in a modest town house which they had purchased with their lifelong savings. As a retired government employee, he is now entitled to a monthly pension from the Thai Government.

His wife is still working three days a week as a social worker.

Both of them are happy and comfortable in the twilight of their lives.

## **Most gentleman even when paralyzed**

The first thing we did when we arrived at London’s Heathrow Airport was to make sure that the former Governor of the Bank of Thailand was informed of our arrival.

“Yes, he is expecting you,” Mrs. Puey told us on the phone when we called to make an appointment.

“I am afraid he won’t be free tomorrow. Sunday is his day for walking exercise. If you could come this afternoon it would be lovely,” she said with her lovely English accent.

Since the only aim of our journey from Cairo, Egypt, to London was to pay Dr. Puey a visit, we wasted no time with other attractions of the English capital.

When we arrived at the house at No.41, Lavenham Road, in the village of Southfields, the 65 year-old gentleman was anticipating us in his small but well-arranged living room.

An emotional embrace between Miss Supatra and the retired professor.

Tears appeared in his eyes. The young MP fought back her own. Much must have gone through their minds. For years they had worked together in the Thammasat Graduate Volunteer Centre (GVC) and the Mae Klong Integrated Development Project.

Miss Supatra took off her shoes, thinking that she was entering into a living room of an elderly Thai couple.

He gestured to her and “said” the room was cold and she should keep the shoes on. But she insisted that it was warm enough.

Professor Puey bent down to pick up the shoes and followed her into the living room.

“Put them back on,” he gestured kindly. “This room is cold,” he drew his arms and shoulders together to make his point.

I was informed of the gentlemanliness of the professor, but I had never seen that aspect of him that close. There is no pretension and no holier-than-thou attitude in this Thai gentle-



man. Humility seems to be an obvious trait in his character.

He is paralyzed in his right arm. But he could walk briskly. He still opens doors for visitors. He still hands fruits and sweets to his guests.

He could not speak. The part of the brain affected by the stroke he suffered three years ago also damaged his faculty of speech.

He can utter some simple words. His wife and his son, Peter, said he spends one afternoon a week with his speech therapy class in a nearby hospital.

But he appeared to be in excellent health. His face was radiant and his eyes were fully alert, vibrant with life and optimism. He smiled often and listened attentively at what we had to relate to him about Thailand and his associates of whom we know.

His ears are still very good. He can understand every word visitors tell him.

He cannot think of the words and the names of the people he wishes to ask about by himself. But he can follow every story we want to tell him.

To facilitate his "conversation" with visitors, he personally prepared a list of people he knows and wishes to talk about. He had written their names down in two big note books complete with addresses and information about them.

He simply points to the names he wishes to know about and we can tell him all we know about them. He expressed his feeling with his face and eyes along with hand gestures.

## **Return of Thailand**

It appeared that Dr. Puey still followed Thai politics and economy very closely. He knew of the detailed development of

the recent Cabinet reshuffle and the latest in the economic front.

“He scans through the morning papers, TV and radio news broadcast every day,” said his second son, Peter Ungphakorn. He follows closely the issues of human rights, affairs of the Third World. If something interests him enough to require a follow-up the next day, he would note it down with his now functional left hand.

He has not lost his scholarly habit.

Miss Supatra got into telling him about the Cabinet appointment. She mentioned some names on the “economic side of the Cabinet.”

He knows every name on the list and would make gesture of approval or disapproval with his hands and facial expression.

Then we got to the subject of rural development, an issue closest to Dr. Puey’s heart since his Thammasat time.

He was the guiding spirit behind the Thammasat Graduate Volunteer Centre which recruits university graduates to work one or two years in the remote area before assuming positions in their chosen career.

He was the one academician trusted by foreign institutions to carry out a pilot project of “integrated rural development” called the Mae Klong Project.

He listened most attentively when we told him about the much heralded “decade of rural development.”

“Everybody thinks that if the government had listened to you five or six years ago, we would have a head start on the project,” said Miss Masdit to the old professor.

“I hear Cabinet members going around the country and invoking your name in support of their policies,” the MP continued.

Dr. Puey merely smiled.

Surely he must be exonerated from the "crimes" they accused him of committing during the hey-day of student activism.

Surely there are more and more people wishing to see him back in his native land once more.

Would he consider coming back to Thailand?

That question was most difficult for us to ask him. And it seemed most difficult for him to answer.

He gestured with his two hands and raised his shoulders. As if to say: "It depends."

His face was calm. His smile was slightly controlled. His vibrant eyes turned to a somewhat melancholic stillness.

We did not press for the conditions he requires before he would decide to come back to be among his beloved students and followers.

He did not seem quite sure of that prospect either.

We had to catch the last train to London before it got dark. He wanted us to stay longer to continue our conversation.

But we knew he would need some rest and free time with his family.

With his one hand, he helped Miss Supatra with her overcoat. He opened the door for us.

The two of them embraced.

Both of them fought back tears.

We departed.

---

*Surin Pitsuwan*

*THE NATION 12/4/81*



## **ADDITIONAL MATERIALS**

---



---

## **1. A REMEMBRANCE OF DR. PUEY**

**I**n 1975 I was Executive Secretary of CUSO (Canadian University Service Overseas), based in Ottawa, Canada. We wanted a representative of a developing country to address CUSO's Annual General Meeting, someone who cared deeply about the poor and the powerless in his native land. The person, preferably, would also be a scholar and thinker who understood the complexities of international development, one with a distinguished record of service at high levels of government and the community. Finally, we hoped for a person with a sense of humor who could communicate with, and relate to the 100 or more CUSO participants in our meeting.

In Dr. Puey Ungphakorn we got all of these requisites, and more. He stayed with us for several days, then was off to meet with similar groups in the United States and Europe. In his talk to the AGM he shared his belief that the "ordinary people" of this world, the millions of unrepresented, unknown, unsung people—were intelligent and purposeful, with innate dignity and decency, and that we should never forget this in

our efforts of “helping them to help themselves.” It was a strong reminder from a gentle human being and a timely one, that all our development plans and programmes should respond to the needs and concerns of those we wished to serve.

Earlier, in Thailand, my wife and I had known Dr. Puey in other roles. One day we drove with him to Chainat, 150 miles north of Bangkok, to a Rally of the Thailand Rural Reconstruction Movement. Villagers had come to gather for an all day celebration of the progress that had been made, as well as to hear a variety of speeches and to participate in rituals associated with such a rally. We knew that Dr. Puey had helped to initiate the TRRM and was one of its chief sponsors. Later that day we missed an opportunity to travel with him to the forest location where he and other members of the Free Thai had parachuted into Thailand during World War II. His actions on that day in Chainat symbolized the character of the man: resistance to militarism in all its forms and to concentrations of power in all its dimensions, and at the same time an active seeking in ways to empower those without it.

---

*Murray Thomson*

*August 1983*



---

## 2. DR. PUEY'S MEMORANDA

### 2.1 INTRODUCTION

The original of the following unpublished document could be found at the British Public Record Office in London. It appears in Foreign Office Paper, Volume 54358, code number FO 371/54358. The exact reference of the document, once the volume is found, is F 4150, presumably the numerical number of paper which entered the Foreign Office list under the country Siam.

This document comprises two related items: main documents consisting of two Memoranda written by Dr. Puey, dated february 25, 1946; and a cover letter from Professor Harold J. Laski of the London School of Economics and Political Science to the Right Honorable Philip Noel Baker, Minister of State, the British Foreign and Commonwealth Office, dated March 12, 1946.

Dr. Puey wrote these two Memoranda on his return to England, early in 1946. The War had just ended. The Formal Agreement had been signed with Britain but, to the Siamese, its

provisions not absolutely concluded. Siam had to sign the Formal Agreement on January 1, 1946 to satisfy certain unavoidable conditions set by the British due to the Thai Government's declaration of war on Great Britain on January 25, 1942. However, the Siamese ruling leaders towards the end of the war felt that certain provisions on rice reparation could be altered in our favor. Such hope was neither groundless nor in vain. With the victorious American backing us to the hilt, a well-reasoned explanation would certainly carry weight with the British. British politics itself was favourable to reasons because the Labour Government had just dethroned triumphant Churchill, and was thus more lenient and open-minded towards little Siam. Colonisation was a fading philosophy and a friendly relation with Siam-neighbour to both Burma and Malaya—would be worth cultivating.

Dr. Puey's Memoranda should be assessed in the above light. Whether Dr. Puey was asked by Dr. Pridi Banomyong, the leader of Free Siamese Movement and then senior statesman, to present this case to the British Government, I do not know, because Dr. Puey had never mentioned these Memoranda in any of his writing. What is a fact is that on his first trip to Britain as a Siamese underground volunteer under the British army, in 1945, Dr. Puey was asked by Dr. Pridi to carry out certain political and financial functions. (See Dr. Puey Ungphakorn: "Temporary Soldier" in Direk Jayanama: *Siam and Second World War*, Bangkok, Thaiwatana Panich, 1970)\*

---

\*(Vid' p.p. 248-294 of this volume)



Neither do we know the weight these Memoranda actually carried in the determination of the fate of Siamese rice farmers.

Memorandum I: "*The Rice Famine and Siam's Contribution*" was, I believe, meant to persuade the British to look at the issue from the Siamese perspective. Dr. Puey argued that to obtain active cooperation from Siam a conducive condition was necessary. Dr. Puey cleverly described briefly what such favorable condition should be, especially the supply of medical help and agricultural implements which "will in turn help the peasants to be able to produce and speed up their production." One should bear in mind that at that period of uncertainty after the War it was much better and safer to have goods than money. In any case, to talk of "*selling*" the rice which had been earmarked for reparation under international agreement not long after that Agreement had been concluded (admittedly for political purposes), would have never been well received by the victor. Thus the spirit of *give-and-take* is introduced to attract the British *gentlemen*.

Memorandum II : "*Anglo-Siamese Relations*" traces the salient facts of the *technical* state of war between Britain and Siam and the parts the Siamese people (represented by the Free Siamese Movement) had done to redeem what the Government had done in 1942. Again Dr. Puey concludes that the debtor-and-creditor relationship was the result of rice reparation provision as imposed by the British.

To make these Memoranda more credible, Dr. Puey copied a letter from a British intelligence officer to him which was sent into Siam from India in July 1945 as Appendix A, and a specimen letter from the British Representative in SEAC to Prince Viwat, Head of Siamese Delegation during the course of

the negotiation in Kandy, October 1945, as Appendix B.

The cover letter by Professor Laski is in itself a testimony to the credit the Professor gave to these Memoranda. What the Professor, then Chairman of the ruling Labour Party, also, wrote about how he "should like to feel quite sure that he (Dr. Puey) really is wrong" showed how high Professor Laski regarded Dr. Puey's ability.

Although one can never assess precisely how significant these Memoranda had been to the course of negotiation on rice reparation between Great Britain and Siam, it is worth recognizing how a Siamese had tried all in his power to help his countrymen in whichever way he could, and, unlike most, never claimed any credit for himself. I was lucky to have become the first Siamese to come across this invaluable document which surely reflects his thinking and ability to grasp the problem as well as to explain it in a persuasive down-to-earth way of his. Some of his suggestions and recommendation still prove practical even today, at least in theory (see V. 3)

The rest of what Dr. Puey has contributed to his motherland is now celebrated history. Let us now enjoy this brilliantly argued and well constructed but unpublicized piece of historical document and give credit where it is due by saluting the author "*A Siamese for All Seasons*"

---

Charivat Santaputra  
Bangkok  
January 1984

## 2.2 COVER LETTER FROM PROFESSOR HAROLD J. LASKI

THE LONDON SCHOOL OF ECONOMICS  
AND POLITICAL SCIENCE  
(UNIVERSITY OF LONDON)

TELEPHONE : HOLBORN 9783-B  
TELEGRAMS : "POLECONICS,  
ESTRAND." LONDON.

HOUGHTON STREET,  
ALDWYCH,  
LONDON, W.C. 2.

*Rt. Hon. Philip Noel Baker,  
The Foreign Office,  
Downing Street,  
S.W.I.*

*12th March, 1946*

*My Dear Phil,*

*I enclose two memoranda, as I think, of great importance from a Siamese student mine of who has done some admirable work in Siam during the Japanese occupation, after having been trained in this country for that difficult task.*

*I have an uncomfortable feeling that what he has to say has a great deal of substance in it, and I wish therefore you would have it looked into by someone in the Far*

*Eastern Department. If he is wrong I have nothing more to say, but I should like to feel quite sure that he really is wrong. In these matters delicacy of approach makes so much difference.*

*Ever yours,  
(signed) Harold J. Laski*

## **2.3 MEMORANDUM I THE RICE FAMINE AND SIAM'S CONTRIBUTION**

### **I. Purpose**

The purpose of this memorandum is to study the ways and means by which the Siamese people and government can be persuaded to give their *extra and utmost efforts* to help relieve the present famine in the East.

Notice the use of the word "persuade." Threat or compulsion will not achieve the end we have in mind—at least not to any satisfactory extent. Please notice also that Siam must be asked to make *extra and utmost efforts*—and not merely to fulfil, or to fail to fulfil, her obligation specified in any international agreement or treaty. The problem which this memorandum tries to solve is "How to obtain the enthusiastic and therefore active cooperation of Siam?"

### **II. The Contributing Capacity of Siam**

Siam's contribution will consist mainly of rice. Other food items of less importance—but, in view of the seriousness of the

famine, they cannot be overlooked—are: beans & peas, fish, duck eggs, cattle and pigs, fowls and birds.

The following figures represent the prewar annual average exports from Siam (1935-1939 roughly)

Rice (all kinds, including broken, paddy, cargo meals)	
.....	1,500,000 metrictons
Beans and peas.....	1,800 metrictons
Fish (mainly salted fish).....	26,900 metrictons
Duck eggs.....	38,000,000 eggs
Cattle and pigs.....	39,500 heads
Fowls and birds.....	1,500,000 birds

These prewar figures can be used as a rough basis for present estimation, but must not be crudely applied. As in other countries although not to the same disastrous extent as in Burma or the Philippines, Siamese economy, especially agriculture, suffers as a result of the war. Full account should be taken of the flood of 1942-1945 and the occupation of both the Japanese and the Allied troops. It would indeed be a surprise and a great credit to the Siamese people and government if they had managed to keep their economy intact, or very little affected, despite the 45 months of war. Moreover this year's monsoon irregularity has not exempted Siam in its disastrous action. It is important to remember that within Siam itself, famine is also threatening many parts of the country, e.g. the Northwest provinces and especially the Southern provinces where conditions are very similar to those in Malaya.

In my opinion, based on the estimates of the Siamese Central Statistics Bureau, this year's rice harvest in Siam will be barely absorbed by normal consumption ("normal" in the sense of

prewar consumption not cut). To secure extra-rice, it is therefore necessary to make Siamese people cut down their consumption, apart from giving up whatever small stock they have in hand.

Opinions concerning Siamese rice stocks at the end of the war are widely divergent, ranging from 600,000 tons to the *fabulous* figure of 2,000,000 tons. My own estimate is round about 800,000 tons to 1,000,000 tons, of which a substantial part has already been delivered into Allied hands (source: Siamese Resistance Movement Information)

The stocks of other food items mentioned above, if any, will be negligible. As for cattle, after the big slaughter and exports by the Japanese during war years, it is doubtful whether Siam can afford to send many cattle out, especially when one realizes that cattle are needed in every stage of rice farming. It is difficult to give an accurate estimate of the current export capacity of these other items; but it is nearest to the truth to say that, apart from rice and cattle, Siam will be able to afford about half of her prewar averages, provided transport is available.

### **III. Ways in which Siam can Contribute**

The obvious answer is:

1. to give up her present stock of food available,
2. speed up production, and
3. cut home consumption to a reasonable minimum.

What is not so obvious is that in a country like Siam, where public administration and transport are far from good, and government machinery has been paralyzed by the war, which resulted in widespread corruption, any measure conceived in a western sense is bound to be a failure. I suggest that the

most effective way to bring about the desired results is to appeal to the humanitarian sentiment, which is certainly not lacking in the Siamese people. This can be done by propaganda by words and deeds, and then to reap the fruit of the propaganda by the existing traditional and religious machinery. These recommendations appear in more detail in section V.

#### **IV. British Goodwill**

But it is necessary to look back into the development of events between 1941 and the present days, in order fully to understand the various problems involved. In a separate memorandum (No. II), I attempt to show the most important facts, in order to avoid a lengthy description. From memorandum II, we obtain the following important conclusions, which are relevant to our immediate problem:

(1) Recent British addresses and statements in the Far East have led the Siamese people to understand that they *have to give*, as a debtor, a certain amount of rice to the British in order to put an end to the “technical” state of war between the 2 countries.

(2) This prevents the Siamese from fully appreciating the seriousness of the famine in their neighbouring countries. Rice is considered a debt, a legal obligation, rather than a grain that would save people from starvation. (Please read the more detailed history in Memorandum II)

#### **V. Suggestions and Recommendations**

As a solution to this problem, the following measures are suggested:

*(1) make more intensive propaganda to the Siamese with the following aims:*

(a) to assure Siamese people's sympathy and make them realize the seriousness of the famine in the world generally, and in the East in particular.

(b) the propaganda must be conducted in such a way so as not to make the Siamese too afraid of the famine to give up their surplus stock.

This can be done with the cooperation of the present Siamese Government;

*(2) show British Goodwill towards Siam:*

(a) emphasize the humanitarian side of the delivery of rice, and eliminate the debtor-creditor attitude by a public declaration, preferably by a labour spokesman from the foreign office.

(b) send out goods which Siam badly needs in support of goodwill propaganda in words. The Siamese peasants are in great need of medical help (especially quinine and aspirin), agricultural implements including cartwheel, gunny bags, clothes, soap, matches, etc. All these goods can be supplied from India where they exist in fair quantities. The goods, especially medical supplies, will in turn help the peasants to be able to produce and speed up their production. Care should be taken to deliver, or sell, or barter these goods to the peasants as directly as possible. The best means is to act through the local Buddhist priests, or village headman (the latter are elected by the people themselves, an age-old practice). The Siamese Central and local Government officials will gladly cooperate.

(c) correct the present exchange rate (Baht 60 = £1) which



is very much against the Siamese, to Baht 20-30= £1 (Compare with prewar rate Baht 11= £1), to bring the price level in Siam down, this enabling farmers to stick, and go back, to their land with a profit;

*(3) use village priests and headmen and the Siamese Buddhist church machinery to appeal for rice.*

In a country like Siam, peasants always look to their village priests and headmen for guidance. They fear officials and foreigners. The best scheme is as follows:

(a) ask the Siamese Government to call all provincial headpriests and open a special meeting in Bangkok. The facts of the famine will be given to them, their cooperation urged, and instructions given.

(b) each headpriest will go back to his own province and call meetings of all village priests. Same appeals and detailed instructions given.

(c) each village priest, together with the village headman will be responsible for the amount of rice and food they collect. The priest will preach and urge people to give up their stocks and cut down consumption to the minimum, with the purpose of saving human lives. Anyone who knows the spirit of the Siamese peasant will know that a large response will be forthcoming.

(d) the above machinery can be used as an agent for the distribution of goods brought into Siam for the peasants (see 2 b). The result will be all the more satisfactory, as there will be "give-and-take" on both sides, and;

*(4) help transport the available rice from the interior to Bangkok:*

To get the available rice from the interior to Bangkok is a difficult problem in itself, in view of the bomb-damaged bridges all along the railway lines, the bad state of the roads and the shortage on the part of the Siamese of tires, car batteries, lorries, even carts. Fortunately, the richer parts of the country, where from the most important contribution would come, will be in the central plain, not very far from the capital. The Allied military authorities can afford to provide the necessary means of transport available in that theatre of the war.

## VI. Conclusion

In conclusion, it must be pointed out and it cannot be too strongly emphasized that:

(1) the prewar goodwill in the Anglo-Siamese relations must be restored. That, not threats as in the past, should be the key-word, and

(2) primitive as the religious machinery suggested here may seem, it is still the most important factor in the social life of the Siamese people. And as far as the immediate problem is concerned, it is the only effective way which rice can be obtained. The Siamese Government can be relied upon to initiate the campaign, but they should in fact play a secondary part in this matter.

---

*London, February 25th 1946.*

## 2.4 MEMORANDUM II ANGLO-SIAMESE RELATIONS

### I. Salient Facts

- Before December 1941: Friendly relations between Britain and Siam. Britain was generally considered by the Siamese as Siam's best friend. People believe that the British protected them against French aggression in the 1890's.
- December 1941: Japanese invasion.
- January 1942: The Siamese Fascist Government declares war on U.K. and U.S.A.
- January 1942: Nuclei of the Siamese resistance movements were formed inside and outside Siam, in U.S.A. and U.K. (latter composed mainly of students).
- March 1943: First party of the underground movement in Siam arrived Chungking with the order from the Siamese Regent, leader of the movements, to unite all resistance movements and set up headquarters in British territory.
- October 1943: Second party of Siamese partisans arrived Chungking from Siam with

- the same purpose—the first party having been “kept” by the Chinese without sending news home for some time.
- November 1943: First party of Siamese students from U.K. trained in the British forces, attempted to enter Siam by submarine.
- March 1944: Second attempt by Siamese Students from U.K. to enter Siam, this time by parachute. They eventually contacted the Regent and other leaders of the internal movement in June 1944.
- August 1944: First direct wireless contact established between SEAC and the Siamese underground movement. (one year later, in August 1945, there were 32 secret wireless stations in Siam working with the British army, apart from those working with the American O.S.S.).
- August 1944: Siamese Fascist Government was overthrown by the Free Siamese Movement who took control of the Government, while pretending to cooperate with the Japanese.
- September 1945: After the end of the war, military agreement between the Allies and Siam.
- January 1946: Peace agreement between U.K. and India on the one hand, and Siam on

the other, by which, among other things, Siam is to deliver rice to the allies up to a maximum of  $1\frac{1}{2}$  million tons, in order to “liquidate the state of war.”

January 1946 : Official exchange rate fixed at 60 Baht to £1 (as against 11 Baht to £1 prewar).

## **II. Siam's actions against and for the Allies during and after the war**

Much importance has been stressed on the fact that:

- (1) a Siamese Government declared war on this country, and
- (2) Siam took possession of British territories—parts of Malaya and Kengtung and Muangpan.

These two mortal sins are thought by some to be irredeemable except by a delivery of  $1\frac{1}{2}$  million tons of rice, and other points in the terms of the agreements. The following facts are usually overlooked, or are judged to be of negligible importance:

- (1) More than 99% of the Siamese people disagreed with the declaration of war, and they have effectively shown their attitude by overthrowing the Fascist Government responsible for it in August 1944, in spite of the presence of a strong Japanese force in Siam.
- (2) Siamese troops took practically no active part in the fighting against the Allies. There were mock battles

in Kengtung areas between Chinese and Siamese troops, under cover of which, friendly contact between the Two Armies was carried on without the knowledge of the Japanese.

- (3) The Siamese people took direct or indirect part in the resistance movement which served the Allies during the War and immediately after, peace was proclaimed. The resistance movement was composed of government officials, important elements of the Army, Navy and Air Force and Police, governors of the key provinces, local officials, teachers, and peasants. The strength of the movement would have been proved to the world more conspicuously, if the Allies had decided to make a major campaign in Siam any time after May 1945.
- (4) On the "possession" of British territories, as early as 1944, the Regent had made clear to the Allied Authorities that the territories concerned would be returned to the British. And this was confirmed in the Royal Proclamation of August 16th 1945. It did not take the Allies any time to reestablish themselves in these territories.
- (5) The Siamese people had all through the war, both individually and by common effort, helped Allied prisoners of war under Japanese control, at the risk of their own safety and lives. In many instances, the Siamese had managed to help POWs to escape and shelter them inside the country; in some cases for no less than 8 months. Others were flown out to India by the underground movement. (See evidence

at the War Office, and see an article in the *New Statesman and Nation* of February 16th 1946 page 118-119.) The document given in Appendix A (below) is a letter written by a British intelligence officer to the writer of this memorandum in July 1945 when it was sent from India to occupied Siam.

- (6) Allied civilian internees under Siamese control were well looked after, and, whenever possible, even entertained by the Siamese all through the war, in spite of Japanese protests. (Witness: any internee.) Within three days after the first news of Japan's surrender, all internees and prisoners of war under Siamese control were flown out to India.
- (7) The hospitality which Siam showed to the Allied troops needs no enlargement here. At the present moment, Siam is feeding part of an Indian division, several thousands of Dutch refugees from Indonesia, and about one hundred thousand Japanese on Siamese soil.

### **III. The Decline of British Goodwill in Siam**

#### *(A) In the eyes of the Siamese general public*

- 1) The public in Siam generally cannot understand that they have committed a grave sin in international politics through the action of one of their ex-premiers (who is now being tried as a war criminal). What they know is that there was a war on, that they did not take part in any real fighting, that on the contrary they had helped Allied prisoners of war on purely

humanitarian grounds.

- 2) Now, after the war, they suddenly realize that they are put in an awkward position. The British want to take  $1\frac{1}{2}$  million tons of rice away from them, as a result and as the price of peace. And there are other points in the peace agreement which they hardly understand, though they know well enough that they have to give up many things, from money to the right to trade freely, and certain political rights.
- 3) Next a new rate of exchange has been imposed on them, by which their money becomes about  $1/6$  of its prewar worth. The price level is consequently raised to an even higher level than during the Japanese occupation. Fortunately, or unfortunally, the public is spared from the inside information, as known to those working in the resistance movement headquarters. For the latter, it is difficult to forget the following fact:

(B) *Relations between the British military and political authorities and the Siamese underground movement*

- 1) In November 1943 and eventually in 1944 when the first party of Siamese students trained in the British army was dispatched by parachute to Siam, they were given a coded message to be taken in and delivered to the leader of the internal movement. The message embodied the following promises:
  - (a) the British government would make a declaration, at an early date, giving assurance of the independence of post-war Siam,



- (b) the British government would soon unfreeze the Siamese fund frozen in London, to be used in the work of the Free Siamese Movement, and
- (c) the British government would help the Siamese to set up a provisional government or a national committee on British soil.

This last point (c) was later, by mutual agreement, dropped as unnecessary and impracticable, because the Fascist Government was successfully overthrown and a Free Siamese-controlled government set up inside Siam.

The promise (b) of unfreezing the fund has never been fulfilled all through the war, in spite of constant requests by the Free Siamese Movement (as their own funds were dwindling, rapidly with the development of activities). Even today, long after the end of the war, and after a peace agreement has been signed, *not* even a small part of the fund (amounting to 31½) has been released. The reason given has invariably been technical difficulties.

The first point in the promise (a) must have been given attention since December 1943 for 25 months with repeated representations from the British army authorities to the foreign office on the ground of expediency (i.e. the declaration during the War would have raised the morale of the Free Siamese and thus help military operations). But the first British official reassurance concerning Siam's independence was not to appear until December 1945, whereas the Allies (including Britain) did not take such a long time to reassure the Koreans, the Japanese's best allies, of their independence (The Chinese and Americans made their proclamations about Siam's independence soon after the War started, followed by subsequent reiterations).

- 2) Throughout the war, disappointment after disappointment beset the Free Siamese leaders in their relations with the British. All out efforts were offered to work for and in cooperation with the Allies. One needs only to read the records of the SCS (Siam Country Section) of Force 136 (MO 1 (SP) war office) to appreciate this point. But, on the British side, there were so many difficulties arising out of the “technicality of the state of war.” arms for instances, could not be supplied to the army section of the Siamese movement, because it was “technically” an enemy army; whereas all help given by the Siamese Army to the Allies was urged, welcomed, and thanked for. High representatives from the Free Siamese Movement were flown out from Siam to Ceylon at the beginning of 1945, to discuss military matters. While in Ceylon, Lord Louis Mountbatten expressed his desire to see them and had in fact invited them. But the meeting was called off at the last moment owing to the “veto” of the Supreme Commander’s Chief Political Adviser on the grounds of “technicality.” Many other instances can be cited here, but for the limitation of space, the result is that the Free Siamese leaders began to doubt the goodwill of the British government.
- 3) After the end of the War, in September to December 1945 Siamese missions were requested to discuss the terms of agreement in Ceylon. In September, a military mission was to discuss purely military

matters. In Ceylon, they were given a document of about 10 pages embodying not only military agreements, but also political and economic terms of importance. One hour was given them to study the document at the end of which they were asked to sign. *No substantial agreement* except a short document, resulted from that military mission.

Next, a Siamese political mission was asked to Ceylon for a negotiation which resulted in the agreement signed at Singapore on January 1st 1946 by which Siam "undertakes" among other things to deliver free of charge up to  $1\frac{1}{2}$  million tons of rice as a reparation. The purpose of these terms as expressedly and repeatedly stated by the British Representative, is to "liquidate the state of war." The original text presented by the British Representative specified that the  $1\frac{1}{2}$  million tons of rice, not a maximum as subsequently concluded, but the full amount, must be "*sound white rice*." This is presumably based on the average figure of prewar exports. But, in fact, the prewar average includes all kinds of rice: cargo, broken cargo, cargo meal, broken rice, paddy, etc., and the export of sound white rice only amounted to half of the figure. With the present state of Siamese agriculture, damaged by war conditions and considering the present stock, Siam would have to spend more than three years in order to deliver the required amount to the Allies, without anything in return. And since rice is by far the most important item in Siamese exports, the economy of the country will certainly be ruined. The Siamese delegates accordingly protested; and some interesting correspondence followed, one of which is reproduced here in *Appendix B*. In the final agreement at the

end of three months waiting and negotiation, the  $1\frac{1}{2}$  million tons become a “ceiling” and the rice could be of any kind, not necessarily sound white rice.

- 4) Shortly after the signing of the peace agreement it was announced that the official rate of exchange has been fixed at £1 = 60 baht. I am not aware of any justification or explanation of the new rate on the British side. But, talking to my English friend who had been in Siam, I have never heard anyone who is satisfied with the new rate. All are of the opinion that the baht has been devalued too low. A British opinion, based on banking and financial experience, thinks that the baht must be worth between the Straits dollar and the Indian rupee. The Siamese Government issued an “Explanation” to the people stating that they should be grateful that, after all, the value of their money is not as bad as it might be. People, like the writer of this memorandum, who have an income stated in sterling, are sure to profit from the new rate. But the peasants, poorest classes and most numerous classes of Siam, will suffer intensely, and with them Siam’s agriculture. People begin to take the view that the new exchange rate is just another instrument for the “liquidation of the technical state of war between the two countries.”

#### **IV. Conclusion**

In reviewing these facts, one cannot help feeling that the formality and legal aspect of a “state of war” has been given

too much attention to the exclusion of reality and wisdoms. The attitude which the British Representatives have shown to Siamese people so far leads to a feeling of distrust and disappointment toward the British Government.

As regards our immediate problem, i.e. rice famine, this unhappy relation has the following result.

The Siamese are led to believe that they have to give up rice not to help prevent people from starvation but in order to purchase peace. Hence, the strange relation of debtor-and-creditor. If the motive is to pay a war debt then it is difficult to expect anybody to make extra efforts. But if the matter is of life-of-death importance, anyone who knows the Siamese people, especially the peasants can rest assured that extra efforts will be forthcoming.

---

*London, February 25th 1946*



---

## **APPENDIX A**

### **LETTER FROM A BRITISH INTELLIGENCE OFFICER TO THE WRITER OF THIS MEMORANDUM SENT INTO SIAM FROM INDIA IN JULY 1945.**

“.....Here is a copy of the letter sent to P. (for “PULAO” PULAO was the Siamese Police Chief during the War). I wish you and he could read the full report of the escapees (Prisoners of war whom we helped to escape). For it is a document of which any Thai (=Siamese) would be proud, but it is too bulky to send you.

It shows what can be done and gives hope for the future, so it ought to make an impression of the ‘powers-that-be.’ Which is all to the good....”

“Interrogation of POWs you sent out has revealed the

magnificent part played by the Thais in sheltering, feeding and helping them on their way. All of them escaped during air raid alarms. We have not been able to pinpoint the many villages through which they passed, but there is one in particular, HUIAI KOBOK, presumably in the KANCHANA-BURI area, which is of special note as it is stated that there are still some Indian POWs escapees being sheltered by people near the village....

The following is a list of names spelled phonetically, of some of the helpers. There are many others whose names we do not know.

**KHUNLUAN WEESOON:** influential business man in BANPONG and HUIAI KOBOK.... is reported to be the head of an organization for assisting escapees POWs His family consists of nine sons and daughters... The entire family is said to be very anti-Japanese. Wee Soon is said to be sheltering numbers of escaped Indian POWs He looked after two of the (English) escapees with the greatest hospitality for three months.

**KONSANAY:** Thai Police Constable who lives in a house near CHUMPORN railway station and owns another house at SERVEE....Assisted one of the POWs to escape to his parents' house in the area 19 km. North of the 10th km. stone on the CHUMPORN/KAO FACHI Road and then on the Banpong. KONSANAY, his parents and his wife sheltered, fed and provided medicine to this escapee who was a sick man, for over three months from January 14th till April 25th.

**NAI KIM JOO:** eldest son of the family with whom one of our POWs stayed in BANPONG. Nai Kim Joo and his

relations did all they could to look after him.

**LEK:** Lt. in the Thai police force and also a first class pilot, who transferred to the police force from the air force. In charge of the police in LUKAY area and assisted all the POWs in every way possible, accompanying them on part of their journey.

**NAI NA KIN:** a civil engineer in the Thai Tin and Rubber Company, who together with other employees of the company travelled with the escapees and assisted in every way possible.

“There are also two railway guards whose names are unknown but who deserve special mention for their assistance with the connivance of these two men. Konsanay provided one of the POWs with a railway guard’s uniform and the two genuine guards travelled with the disguised POWs from CHUMPORN to BANPONG spending one night on route at RATBURI (big Japanese-controlled junction).”





---

## APPENDIX B

A SPECIMEN LETTER FROM THE BRITISH  
REPRESENTATIVE IN SEAC TO PRINCE VIWAT,  
HEAD OF SIAMESE DELEGATION DURING THE  
COURSE OF THE NEGOTIATION IN KANDY,  
OCTOBER 1945.

4th October 1945

*My dear Prince,*

*I have received your letter of 4th October on the subject of credentials.*

*I do not find this letter satisfactory.*

*I do not consider that it is for the Siamese Government to inform me as to matters of international usage.*

*I do not depart from what I said to you orally on September 30th.*

*Yours Sincerely,*

*(signed) M.E. Denning*

His Serene Highness  
Prince Viwatchai Chaiyant



---

## APPENDIX C

### **Puey Ungphakorn: A Biography**

*Compiled by Thanapol Eawsakul*

- 1917 (2459) Born on March 9th in Talad Noi, Amphue Samphanthawong, Bangkok.\*
- 1932 (2475) **The revolution of 1932 (2475) overthrows the absolute monarchy and installs a constitutional monarchy.**
- 1933 (2476) Completes his secondary education from the French Section, Assumption College, Bangkok.  
Becomes a teacher at Assumption College, until 1937 (2480).
- 1934 (2477) **The University of Moral and Political Science (currently Thammasat University) is established. Dr. Pridi Bhanomyong, the civilian leader of the People's Committee, serves as the first Rector of the University.**

One in 7,094 students to comprise the first entering class at the University of Moral and Political Science.

1937 (2480) Successfully completes his studies to attain a Bachelor of Law (Dharmashastra Bundit) from the University of Moral and Political Science.

1938 (2481) Enters competitive examinations and wins a government scholarship to study Economics and Finance at the London School of Economics and Political Science (LSE), University of London.

1940 (2483) **World War II begins in Europe.**

1941 (2484) **The Thai government under Field Marshal Plaek Phibulsongkhram allows the Japanese passage through Thailand, resulting in the creation of the Free Thai Movement, a resistance group led by Dr. Pridi Bhanomyong (acting Regent) that strongly opposes such allowances made by the Thai government for the Japanese.**

Successfully completes his studies in Economics at the London School of Economics and Political Science (LSE), University of London, earning himself a Bachelor of Science and First Class Honors (after which he is immediately awarded another scholarship towards a Doctoral Degree).

- 1942 (2485) **The Thai government under Field Marshal Plaek Phibulsongkhram declares war with the United States of America and England.**
- 1942 (2485) Enlists in the British Army Pioneers Corps, to afford himself the option of joining the Free Thai Movement in England, under the alias Khem Yenying.
- 1943 (2486) Leaves Liverpool for India to receive training in espionage.
- 1944 (2487) Flies back to Thailand from India in an effort to contact the leader of the Free Thai Movement (Dr. Pridi Bhanomyong, acting Regent). Risking life and limb to parachute from an airplane, Puey Ungphakorn lands in Chainaat Province, only to be caught by the authorities upon landing.
- 1945 (2488) **World War II ends in an Allied victory.**  
Promoted to Major in the British Army Pioneer Corps.
- 1946 (2489) Returns to his studies a year after the conclusion of World War II, and marries Margaret Smith, an Englishwoman, and also a student at University of London.
- 1947 (2490) **A coup d'état, led by Lieutenant-General Phin Chunhawan, overthrows the government of Luang Thamrongnawasawat.**

- 1948 (2491) Receives doctoral Degree in Economics from the London School of Economics and Political Science (LSE).
- 1949 (2492) Returns to Thailand to join the civil service. Joins the Comptroller-General's Department, Ministry of Finance, and serves as Financial Economist until 1956 (2499).
- 1951 (2494) Travels to Michigan, U.S.A. to oversee projects that concern taxes.
- 1953 (2496) Serves as Deputy Governor of the Bank of Thailand for seven months, after which those in power release him from his duties to protect their own personal interests.
- 1956 (2499) To protect himself from the dangerous political environment, he moves to serve at the Royal Thai Embassy in London as Counsellor, Economic and Financial Affairs.
- 1957 (2500) **A coup d'état, led by Field Marshal Sarit Thanarat, overthrows the government of Field Marshal Plaek Phibulsongkhram.**
- 1959 (2502) Appointed by Field Marshal Sarit Thanarat to the post of Budget Director of the Bureau of the Budget. He is the first to be appointed to the post, which he maintains until 1961 (2504).
- Appointed Governor of the Bank of Thailand, after declining Field Marshal Sarit Thanarat's

offer to appoint him Finance Minister. He serves as Governor of the Bank of Thailand until 1971 (2514).

1962 (2505) Serves as Director-General of the Fiscal Policy Office, Ministry of Finance, until 1967 (2510), during which time he oversees **national financial policy** (as Governor of the Bank of Thailand), **the national budget** (as Budget Director of the Bureau of the Budget), and **financial affairs** (as Director-General of the Fiscal Policy Office).

Pushes for the creation of the Commercial Bank Act in 1962 (2505), which lays the foundations for the current Commercial Bank of Thailand, and consequently serves to promote stability in the banking system.

1964 (2507) Serves as Dean of the Faculty of Economics at Thammasat University until 1972 (2515), his most significant contribution being the expansion of the permanent teaching staff from 6 to 100 (which results in other faculties following suit), and making the Faculty among the leading Faculties of Economics in Asia.

1965 (2508) Receives the Magsaysay Award in the area of public service.

1967 (2510) Helps to establish the Foundation for Thailand Rural Reconstruction Movement, considered the

first public foundation established towards the development of rural Thailand. The Foundation believes that the development of both rural areas and human resources are equally paramount in laying a foundation for the development of a country.

**1968 (2511) The adoption of the new constitution of Thailand, after a 10-year period without a national constitution.**

Becomes Honorary Fellow of the London School of Economics and Political Science (LSE).

1969 (2512) Establishes “The Graduate Volunteer Studies Program” that sends university-level volunteers to work in rural areas. Their motto—“We are slaves to our land. The sorrows and sufferings of our villagers are the sorrows and sufferings of our land.”

1970 (2513) While on vacation in Paris, France, he pays a courtesy call on Dr. Pridi Bhanomyong, former Rector of Thammasat University and Leader of the Free Thai Movement who had earlier fled to Paris. The visit consequently serves to render him victim to political badgering.

In October, he is invited to become Senior Economic Researcher at the Woodrow Wilson School of Public and International Affairs, Princeton University, a post at which he will

stay until February of 1971 (2514).

- 1971 (2514) **Field Marshal Thanom Kittikachorn, as leader of the revolutionary group as well as Prime Minister, stages a coup d'état against himself, and cancels the existing constitution.**

The visit in Paris with Dr. Pridi Bhanomyong eventually leads to a variety of political accusations, forcing him to resign from his duties as the Governor of the Bank of Thailand.

Serves as Visiting Professor at University College, Cambridge University until 1973 (2516).

- 1972 (2515) Composes "The letter from Khem Yenying to Mr. Thamnoo Kietikong, the Thai Chareon Village Head," in protest against General Thanom Kittikachorn, coup leader and Prime Minister.

Resigns from his position as Dean of the Faculty of Economics at Thammasat University, to protest a dictatorial government that restricts the Thai people's freedoms, and corruption in the civil service.

- 1973 (2516) **On October 14th, students and the civilian population join forces to overthrow the tyrannical government of Thanom-Narong-Prphas.**

Becomes Vice-Chairman of the Komol Keemthong Foundation.



Elected Member of the National Legislative Council.

1974 (2517) Elected Chairman to the Economic Advisory Council to Prime Minister Sanya Dhamasakti.

On October 10th, he is elected the new Rector of Thammasat University by a landslide victory of 1,829 votes, the second-placed contender garnering a mere 271 votes.

Establishes what is hoped to be a pilot project for the development of the rural areas, by creating a project specifically targeting the rural areas surrounding the Mae-Klong River Basin. The project is jointly supported by Thammasat University, Mahidol University, and Kasetsart University.

Becomes Vice-Chairman of the Sin Pirasee Gallery Foundation.

Receives an Honorary Doctorate from the University of Singapore.

1975 (2518) Officially begins his duties as Rector of Thammasat University.

1976 (2519) **On October 6th, the country witnesses the bloodshed of Thammasat University students and immediately thereafter the staging of a coup d'état.**

On October 6th, he resigns as Rector of Thammasat University in a show of his acceptance of responsibility. Immediately thereafter, he flees to England after being accused of orchestrating the student assembly at Thammasat University preceding the bloodshed.

Establishes the Friends of Thailand Foundation in England to join together Thais living abroad and other important people in an effort to support and promote the creation of Democracy in Thailand.

1977 (2520) In July, meets with Dr. Pridi Bhanomyong for the last time at University of London. A photograph of this meeting has become symbolic to all of those who aspire, fight, and endure to uphold morality and right action.

In September, an artery in his brain breaks, physically debilitating him.

1985 (2528) Opening of the Puey Ungphakorn Monument at Thammasat University, Rangsit Campus.

1987 (2530) Returns to visit Thailand for the first time since his flight from political persecution following the events of October 6th 1976 (2519).

1993 (2536) Returns to visit Thailand for the second time, following his 1987 visit.

1995 (2538) Returns to visit Thailand for the third time, following his 1993 visit.

Elected Notable Individual for Peace in Thailand, on the occasion of 50 years of peace in Thailand.

1997 (2540) Returns to visit Thailand for the last time.

1999 (2542) On July 28th, Dr. Puey Ungphakorn dies at his home in London, after a major artery in his stomach ruptures.

\* Dr. Puey Ungphakorn was born on March 9th 1916 (2459), according to the old calendar, which corresponds with March 9th 1917 (2560), according to the current calendar.

---

*References:*

Chaanwitya Kasetsiri (Editor). *Thammasat 50 Years*.  
Thammasat University Printing Press, 2527.

Thanya Polanan (Editor). *Samudpharb Ajaarn Puey*.  
Economics Society, Thammasat University, 2531.

*Sarakadee*, Year 14, Edition 176, October 2542.

## **Puey Forum and Buddhadasa Library**

Watt Pathumkongka in Bangkok was where Bhikkhu Buddhadasa once studied Buddhist scriptures prior to 1932. It was also where Mr. Puey Ungphakorn served his novitiate and played around as a child. The ashes of Mr. Puey are also kept beneath a Buddha sculpture in his temple. Both Ajarn Buddhadasa and Mr. Puey served as guiding stars, facilitating our navigation through the Dhammic and secular worlds, respectively. Hence, we deem it most appropriate to construct the Buddhadasa Library at the temple as a reservoir of all his works and wisdom. We also plan to build the Puey Forum at the temple as a place for young people to exchange opinions and ideas and explore the different ways to lead a noble life as well as the meaning of truth and honesty. The abbot of the temple has completely consented to our plans.

If you wish to financially support both or either one of these two plans, please contact Ms. Ladda Witsurawet. You can transfer money to or send cheque payable to the following bank accounts.

### **Puey Forum**

Account name : Santi Pracha Dhamma Institute, Thai Commercial Bank, savings account, Bank Korlum branch. Account number : 019-2-73380-2

## **Buddhadasa Library**

Account name: Ariya Vinaya Project, Thai Commercial Bank, savings account, Charoen Nakhon branch.

Account number: 024-2-46191-5

If you desire a receipt for tax reduction we will write on for you. For further information, contact Santi Pracha Dhamma Institute, 666 Charoen Nakhon Road, Klong San, Bangkok 10600; fax 860-1278

For those who live abroad you can make your cheque payable to Sulak Sivaraksa as the local banks charge too much for foreign exchange.



*Mr. Anand Panyarachun, former Prime Minister, at Wat Pathumkongka performing a ceremony in memory of the late Puey Ungphakorn, 28 July 2000.*

**I** have said and written elsewhere that a desirable society must consist of four virtues namely efficiency, freedom, justice and kindness which should be discussed briefly here and applied to the present Thai situation to find what we all should do in order to achieve an ideal society for the future.

ศาสตราจารย์ ดร. วิจิตร ศรีสอ้าน

ISBN 974-7232-68-5



9 789747 232684

Komol Keemthong Foundation Publishing