

13. EXCERPT FROM: *CONCISE AUTOBIOGRAPHY OF NAI PRIDI BANOMYONG*

16. AS MINISTER OF THE INTERIOR

Received royal appointment as minister of the interior on 21 March 1934.

Pridi acted to give the people participation in local government.

Established municipalities throughout the kingdom of Siam through the Municipality Act which Pridi drafted for the government of Phraya Phahon to submit to the Assembly so that local government would follow the democratic system.

Ensured election of village heads (*phuyaiban*) and sub-district heads (*kamnan*) by the Local Government Act.

Established the department of municipal public works to accord with municipal administration and built local roads in many provinces.

Reduced crime by prevention and suppression.

Built hospitals in several places, including hospital boats on the Mekong, by using proceeds of the local lottery.

Built weirs and dams in many places to help paddy farmers and other agriculturists.

Built penal projects so convicts could have land.

Etc. Etc. Etc.

17. ESTABLISHED THE UNIVERSITY of Moral and Political Sciences [Thammasat]

Proposed to the government to set up the University of Moral and Political Sciences as an academic centre for study in law, economics, and other disciplines connected with moral and political sciences, to promote officials and other people to have the opportunity to study widely, to extend and root the democratic system, to know the duties of governmental administration in this system. The government approved and entrusted Pridi

to draft the Act of the University of Moral and Political Sciences 1934 to submit to the Assembly. The Assembly approved the bill into law on 14 March 1934 (according to the old calendar).

Then the government submitted to the king the Assembly's proposal to appoint Pridi as rector of the University of Moral and Political Sciences on 11 April 1934. Pridi held this post for eighteen years and quit the post because the government that descended from the coup group of 1947 submitted a new Thammasat University bill on 18 March 1952 rescinding the post of rector.

While Pridi was rector, he worked to have students favour the democratic system, as the majority of Thammasat students already know.

18. TRAVEL OVERSEAS

to Negotiate Reduction in Interest on the Loans made by the Government of the Sixth Reign, and to Sound out Foreign Governments about Amending the Unequal Treaties

During the Sixth Reign the government borrowed money from British banks for building public utilities at an interest rate of 6 percent. Hence in 1935 Phraya Phahon's government assigned Pridi to travel to London to negotiate reduction in interest. Pridi negotiated with the British banks to reduce the interest rate from 6 to 4 percent which greatly reduced the Thai nation's interest liability.

At the same time, Pridi travelled to the great powers to sound out the Siamese government's opening new negotiations to cancel the unequal treaties.

19. NEGOTIATION

for Siam's Full Independence and Sovereignty and Some Territorial Gains while Minister for Foreign Affairs

Appointed minister for foreign affairs on 9 August 1937 and held the post until 15 December 1938. Important matters were as follows.

In the absolutist period, Siam was forced by several imperialist countries to make unequal treaties, allowing imperialist countries several special rights. For instance, if people under the jurisdiction of those countries committed a crime on Thai territory, the Thai court had no power of judgement. The Thai government had to send the foreign national who committed a crime for the foreign consular court to hear the case. Later some countries such as Britain and France allowed Siam to establish a foreign court consisting of

Thai judges and European legal advisers jointly hearing and passing judgement on cases involving people under the jurisdiction of Britain and France. Yet in the treaties it was further specified that if the opinion of the Thai judges and the European legal advisers conflicted, the opinion of the European advisers would have greater weight than that of the Thai judges, with no account taken whether the Thai judges outnumbered the European advisers. Even so, the treaty laid down further that the British consul still had the power to withdraw a case from the foreign court to be heard in the British consular court. The consular offices of many countries had a court and jail especially for people under their jurisdiction. There were other special rights which are known according to the language of international law as extraterritoriality.

In economic affairs, the imperialist countries had special rights under the treaties. For example, import tax could be collected only at 3 percent *ad valorem*. Although the absolutist government had made some treaty amendments to improve Siam's rights, there were still several provisions determining the rate of customs duties. Furthermore, several imperialist countries had other special privileges, for instance forest, mining, and shipping concessions, and political power and influence over the country.

When Pridi was appointed minister for foreign affairs in Phraya Phahon's government, the prime minister allocated him the duty to negotiate new treaties with various countries so that Siam would have full independence and sovereignty. Pridi used the tactic of announcing cancellation of the unequal treaties with various imperialist countries, and submitting for the imperialist countries' consideration a new draft treaty in which Siam had full independence and sovereignty. Pridi tried strongly to negotiate by the principle of "balance of power" to make each imperialist country agree to a new treaty granting Siam full independence and sovereignty. In the end, every imperialist country agreed to make a new treaty allowing Siam full independence and sovereignty—political, judicial, and economic independence, etc.

Negotiated with the British government to transfer that part of Siam's territory which Britain acquired from Siam by the treaty defining the border with Britain in 1868 (during the Fourth Reign) at the mouth of the Chan river between Ranong province and British Victoria Point, and along the edge of the Sai river in Chiang Rai province. In both places land jutted out on the Thai side. The British government agreed that the territory which jutted out on the Thai side was Thai territory.

Etc. Etc. Etc.

20. FAIR TAX REFORM; Cancellation of the Poll Tax and Land Tax; Establishment of a Revenue Code for the First Time in Thailand

Received royal appointment as minister of finance from 20 December 1938, and held the post until 16 December 1941.

While holding the post of minister of finance, undertook several measures concerning fairness in society, for instance:

Repealed the poll tax which was a corpse left over from the dues (*ngoen suai*) which people who were *phrai* had to pay to their feudal lord.

Cancelled the land tax which was a corpse of the tribute (*bannakan*) which people who cultivated paddy land had to pay to the highest feudal lord who held that all the land throughout the kingdom belonged to the head of state.

Reformed taxes for fairness in society, that is, anyone with income paid more tax, anyone who enjoyed luxury consumption paid high indirect tax, and anyone who bought consumer goods that were not necessities paid higher levels of tax.

Established a revenue code, the first ever in Thailand, including provisions on direct taxes which were fair to society.

When major war began in Europe before spreading all over the world, Pridi arranged to protect the Thai nation's overseas assets in good time, as follows.

During the absolutist time, the currency reserves were kept in sterling bonds in British banks in Britain. Pridi foresaw that sterling bonds would gradually fall in value, so he arranged to use one part of the bond money held as currency reserves to buy gold of around one million ounces (35 million grams) at a price of around 35 US dollars an ounce, and kept this gold in the strong-room of the Finance Ministry. This is probably still being kept as reserves for the baht today. At present gold in the world market has a price of about 350 US dollars an ounce. Hence the investment which Pridi as minister of finance made to buy the gold to keep in the strong-room of the Finance Ministry was 35 million US dollars, and currently that gold belonging to the Thai nation has a value of 350 million US dollars.

Apart from this, there is other gold which Pridi asked the Japanese to bring to exchange for Thai currency before the outbreak of the great East Asian war. Also there is another amount of gold which Pridi as head of Seri Thai asked the Khuang government, when lending to Japan during the Second World War, to have Japan bring from the Japanese central bank as collateral for the Thai government. The Allies handed this over to the Thai government after the Second World War.

21. TRANSFERRED THE ANGLO-AMERICAN TOBACCO COMPANY

to the Thai Government before the Japanese Could Seize It

According to the unequal treaties with Britain and the US, British and American companies had special rights to run a monopoly on the sale of cigarettes in Thailand.

After Pridi had made new treaties with various countries cancelling various special rights, had moved to the post of finance minister, had reformed taxes for social equity, and had announced the revenue code, he proposed to the government to submit a tobacco bill to the Assembly. When the law was enacted, Pridi arranged to transfer the business of the Anglo-American company to the Thai government. This was completed about six months before Japan invaded Thailand. If the Anglo-American company had still owned the business, the Japanese invaders would probably have seized it as property of Japan's enemies, and manufactured and sold tobacco in Thailand throughout the Second World War, with Japan getting profit of many billion baht.