

“DR. PUEY SPEAKS OUT”

As economic problems become dominant, many people in Thailand are looking to a quiet humble but courageous retired finance official for solutions. Dr Puey Ungphakorn, former Governor of the Bank of Thailand, is being boosted as Prime Minister of Thailand but he says he doesn't want the job—and he is a man who means what he says. However, he has accepted the job of economic adviser to Prime Minister Sanya Dharmasakti—which means that he does not shirk responsibilities.

Dr Puey, whose reputation for integrity and sincerity is undisputed, but whose alleged socialist beliefs once made him a controversial figure, is probably the best talent available to the Government to handle the tremendous economic tasks. Credited with restoration of financial stability to Thailand after the chaos of the immediate postwar years, he has mastered theory and practice in the fields of finance and economy.

Throughout his career in government, he was appalled by the corruption in high places and inefficiency and arrogance in official circles. He also resisted dictatorships and the celebrated letter he wrote as a “villager” (Nai Khem Yenying) to his “phuyaiban” (former Prime Minister Thanom Kittikachorn) protesting the November 17, 1971, dissolution of Parliament and pleading for the return of constitutional government has become a vignette of modern Thai history.

Those who doubt Dr Puey's moral or physical courage should know that he was in England when the Second World War broke out and that he parachuted back into the homeland as a “Free Thai” during the war to fight against the Japanese occupation. “Nai Khem Yenying” was his code-name.

During the last years of the Kittikachorn Government he was back in England as a special lecturer at Cambridge. Now, with the last military dictatorship overthrown, he has returned home and is continuing to teach economics at Thammasat. He wants to hand on his knowledge and experience to the young who will inherit the country.

Taking advantage of my longtime acquaintance with Dr Puey, whom I first knew as senior economist in the Ministry of Finance way back in the early 1950s, I requested a meeting to discuss economic and various other issues. He managed to sandwich a half hour for me in his tight schedule. We met in his office at Thammasat. Despite the pace of his work, he was relaxed as he answered my questions.

THEH:

There has been controversy over whether Thailand should retain its agriculture economy or should industrialize, and if we have to industrialize, to what extent ?

PUEY:

I think we should do both but we should give priority to agriculture rather than industrialization. Of course, the line of demarcation between agriculture and industry is very thin in many respects.

What I would like to say is that the Government should concentrate on the availability of food in our country and to produce enough for export because I foresee that in the next 10 years food shortage is going to be horrendous. On the other hand, in order to increase our potential and production capacity, industries are not to be neglected but the best combination would be business, food processing, storage processing, and animal feed, the livestock industry, plus the meat industry. I would like to see this happen in our country.

THEH:

There has been a growing gap in development between the me-

metropolitan and rural areas. How do you think we can close this gap?

PUEY:

I think the Government has to concentrate on the rural areas, really concentrate, not just speaking or talking, or writing about it. We could offer now to invest less in the metropolitan area and concentrate only on the essentials, like water supply, health, etc.

In the industrial promotion field, we have been talking for a long time about decentralisation of industry but I do not see any progress in this direction, except in the outskirts of the metropolitan area of Bangkok. This is disappointing because what I would like to see is that there should be some industrial areas in the regions of the Northeast, North, South, East and West. For this purpose the Government will have to invest in quite a few basic facilities like telephones, power, trained labour and so on.

This might help employment of surplus labour in the rural areas and prevent them from coming to Bangkok. This will also help the city from becoming an exploding city. I think the Government ought to be a bit bolder in this direction. So far we have not been. We concentrate on hotels at tourist resorts, which is all right by itself, but that is not enough. I think productive capacity in the provinces and employment opportunities are needed.

THEH:

I agree totally with your statement that we consumers should pay more for rice so that the farmers get a better deal. I think there is a great income gap between the people in the urban and rural areas but I have a feeling that the part of the income in between goes to the middleman. How do you think we can resolve this ?

PUEY:

Mind you, let me correct the impression first that the town people do not count. In fact, they do but, in general, the town people

are better-off than the country people. Nevertheless, there is quite a big pocket of poor people in the towns. These people need relief measures. Rather than worry about the price of rice, we ought to concentrate on supporting these poor people. That is one thing.

Now to answer your question. I think that if we concentrate on the right timing of reducing the rice premium and if we persist in doing this year after year, then the farmers will reap the benefit rather than the middlemen.

This April or May, if we try to increase the paddy price at this moment, of course, the benefit will fall mostly on the middlemen who have already purchased paddy from the farmers. If we choose the right timing just before the harvest or just during harvest time then the farmers will get the benefit, that is, those farmers who have not already pawned their paddy to their creditors. Even those who have pawned their paddy to the middlemen might reap some benefit if we repeat this premium reduction every year because they will know better. Farmers are no fools. They would know that this is the season when the Government would support the price by lifting or reducing the rice premium.

At the beginning of the season, immediately after the harvest, the price of paddy tends to fall, and this is just a corrective measure. This ought to be done every year.

THEH:

How do you propose to feed the poor people in the cities ?

PUEY:

That depends on the government machinery. It will not be too difficult if we have efficient and honest civil servants. The Government could distribute some kind of identity cards to those with low income whom they want to select for subsidy. In fact, survey of income is not difficult if you use the right people. By the right people, I think student volunteers could be brought in and they are more than willing to act. We should judge whom we ought to subsidise. We could do it in two or three stages.

Those who are really poor and out of a job, perhaps, could get a bigger subsidy for each tung or each measure of rice and those who are not so poor but poor enough can be given a smaller subsidy. The rice merchants can collect the money from the Government.

It would not be right to do this in Bangkok alone. The Government should start thinking about the whole country, and that is a tremendous job. I am not underestimating the difficulties but I think that if we are going to do something effective, this is something to begin with.

THEH:

Should the Government take over the rice trade altogether ?

PUEY:

I hesitate to say this because the government machinery is not ready to take over.

If we work this out first, perhaps we might be able to do it in the future. But one thing we ought to learn from the experience of Burma is that once the Government takes over anything they might set up the wrong policy, and the result in Burma was that rice production fell to catastrophic levels. One has to think it over very carefully, apart from the problem of corruption in the Civil Service.

I can say definitely that the Government is not ready at this moment.

THEH:

The question of ideology is suggested here. Most political groups and various prominent people have said that socialism is the course of economic salvation for Thailand. There has also been a lot of talk that you are interested in socialism for the country. Will you comment on this, please ?

PUEY:

Quite a lot of people are saying that I am a socialist. I doubt whether the socialists in various countries would admit me into

their midst. I do not know; I myself am not thinking in terms of socialism, capitalism or any other kind of political ideology. I am thinking in terms of the good of the people and what we could do to help the majority of them, those who need help. If that is what is called socialism, then I am a socialist, but if that is not enough, then I am not a socialist.

I do not care what label people give to me but my true aim is for the majority of the people. We ought to cure poverty and people are poor.

The richer people ought to help them by paying taxes such as the inheritance tax, which is lacking here. You will notice that I would hesitate to use collectivism but if collectivism is going to help and if we have a machinery efficient enough for the purpose, by all means, we should do it. However, if the means are not good enough, then we should use the best means rather than collectivism.

This is my position and I have not done otherwise, and this is the only consideration that I have.

THEH:

Is corruption still very much with us? How can we deal with it?

PUEY:

It depends on the big people, really the Cabinet-level ministers, leaders of the community and so on. Also, it depends on how firmly we deal with this matter. If we find that a big fish is really guilty or corrupt and we move him around rather than punish him, that would not do. One ought to be rather firm in dealing with corruption. If the big fish has been caught, the little fish will be deterred from further corruption.

Secondly, I think that to deal with corruption in separate cases would not be sufficient. We should look at the system and find out whether the system is open to corruptive practices or not. I believe that there is a lot of it in our government system and our economic and social system.

In particular, if you have unreasonable regulations such as the prevention of the movement of meat or food between provinces, I think that is going to lead to corruption. Take, for instance, the movement of live pigs from the provinces to Bangkok. How much money has gone into the policemen's pockets or those of other administrative officials before pork reaches the consumer? That is very important. Therefore, I would say that we should deal firmly with the individual cases and at the same time look at the system and correct it to do away with a monopolistic regime.

THEH:

Do you feel that monopoly still exists ?

PUEY:

Monopoly exists in exports and in trading. Someone should look into this matter and, perhaps, they ought to appoint a monopoly commission to see how to regulate this.

Many people suggested that this should be written into the constitution. I agree with the idea but everything cannot be included in the constitution.

THEH:

There is the very important problem of insurgency. I would like to hear your views.

PEUY:

My stand has always been that insurgency and communist insurgency should be distinguished from one another. I feel that a lot of brave young lives, particularly from the police and the armed forces, have been lost unnecessarily and, perhaps, quite a lot of good lives on the other side have suffered the same. All because the Government believes that a matter should be dealt with violently.

That violence should be met with violence is rather a primitive way of thinking. Of course, when we had a military government, they knew no other way of dealing with this matter

except by force. Now although we still have military people responsible for this sort of thing we ought to think again.

The Americans had learned from their 10 years in Vietnam that force will not prevent any kind of insurgency and in the end they came up with a sort of talk with North Vietnam. Well, the Viet Congs, Vietnamese and Americans belong to different nationalities and yet they can still talk with each other. I cannot see why we can't do the same.

I think the Government's duty is to come to some sort of talk or dialogue with the insurgents even though we might have opposite view-points. I particularly am impressed with the Bangkok Post report of the southern leader—Por Su. I think what he said is quite reasonable. That is one instance where one could quite solve the problem fairly quickly with a reasonable safeguard for the Government.

I am curious why the Government would not pursue this kind of dialogue with Por Su and with other people as well. It is true that one should not trust the Communists but nevertheless, would it not be good to talk to them first and separate the communist from the non-communist insurgents and try to live together in peace?

This has been my stand all along and I would say that this is No. 1 priority for our country. Without peace in the country you cannot carry out national development or conduct international affairs properly either.

THEH:

Can you tell me some of your ideas on your proposal for a referendum on the draft constitution?

PUEY:

On my proposal of a referendum on the subject of the present draft constitution I have collected enough signatures for consideration by the Legislative Assembly in the first reading. There will be a vote and I shall need 200 votes (at the end of the reading).

That is the criterion: to pass I must have two-thirds of the majority. I don't know whether I will collect that—but, perhaps, with the help, of the Press maybe?

THEH:

How many signatures do you need to table your proposal?

PUEY:

I need 60 signatures but I have collected 79 now and a few others expressed interest after I had already submitted the document. They wanted to sign but regrettably I could not let them have their names on it. Nevertheless, it is an uphill case because I need 100 more for approval, so with luck we might get it.

THEH:

Can you elaborate on the reasons for your suggestion?

PUEY:

First of all, if we are going to say, in one of the early articles of the constitution, that sovereignty belongs to the people, then why don't we ask the people whether they like the constitution or not, instead of forcing it down on them? All of the past constitutions have failed because they had been made by a few people at the top and forced down to the people whether they liked it or not.

We Mandarins, the elite, and so on, have always tended, since 1932, to think that whatever we do is right. Maybe, we are more educated than the rest of the country, but we have never suffered mosquitoes, malaria, poverty, dust, heat, hunger, like the rest. It is not the same as those people who live under those conditions. They should have some say.

Our mentality, perhaps, may be, better intellectually, but in many ways we lack the common experience and common sense of the people, so we should not throw the constitution in their face and say, take it or leave it. We must consult them and invite them to come and participate.

It is true that this National Assembly is better than the previously appointed one but, nevertheless, we still lack the common sense and the common touch of the common people. I hope very much that this consultation with the people will arouse greater interest of the people in the Government and in the election of parliamentary representatives. This is desirable, is it not ?

Some people may say that the people do not know anything, legal terms and that the draft constitution are above their heads. This is all the more reason to have a referendum to let the Government translate the constitution into simple terms and let the students and teachers propogate it and teach in simple terms what the constitution is about.

THEH:

There has been a lot of a talk about you going into politics later on and a number of people have mentioned you as being the most appropriate person to be elected future prime minister.

PUEY:

I would like to take this opportunity to thank those people. If I am fit in their minds to be prime minister I think I could claim the fitness of judging for myself and, if my judgment is as good as they have attributed to me, I think I should say I am not fit to be prime minister. The answer will always be the same. That is, I am not suitable as a future prime minister. My job is as a free-lance and political animal supporting democratic rule and trying to promote and defend it.

I hope there is no misunderstanding. This is not Siamese talk in which if you want to do something you must say no first. It does not fit my character.