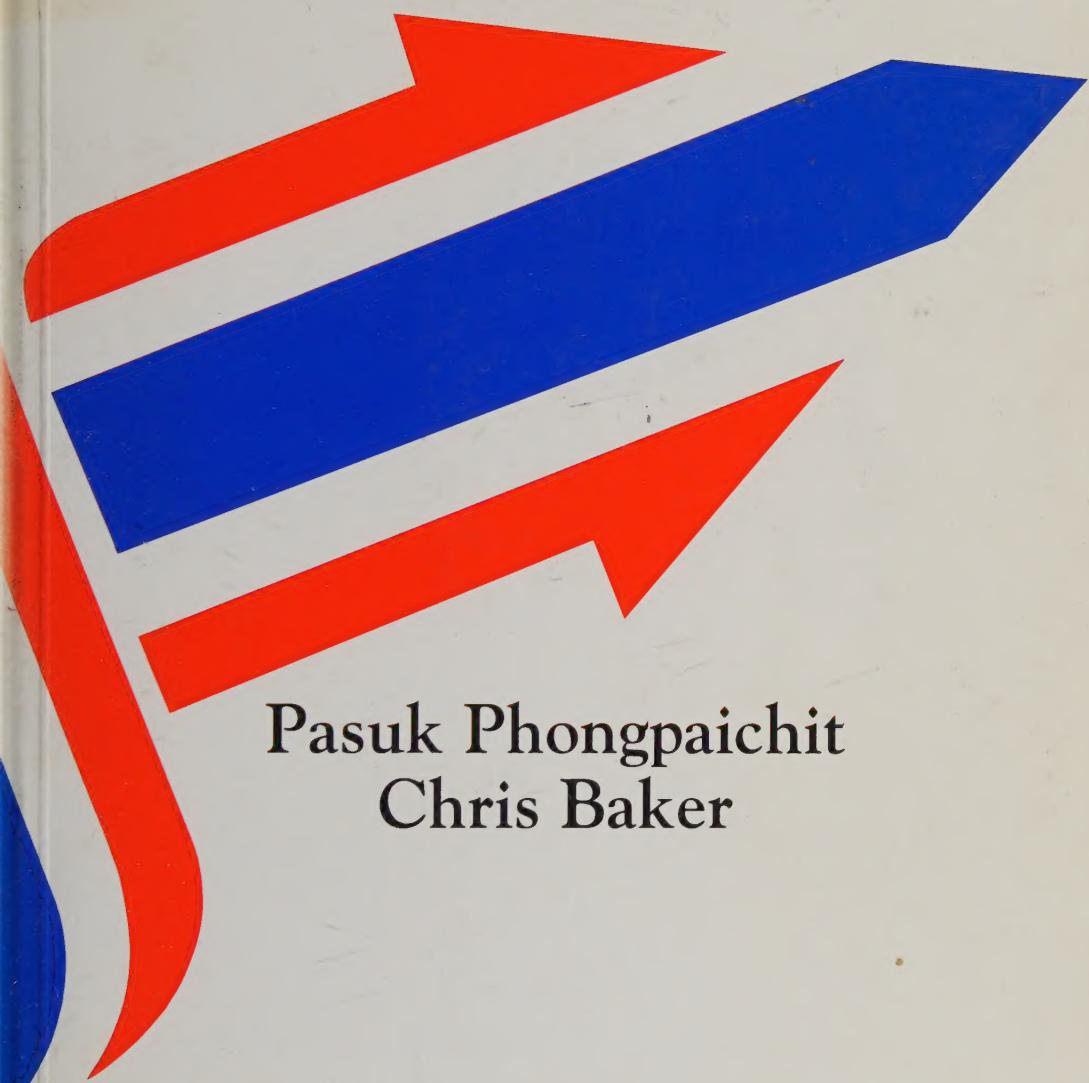


THAILAND

Economy and Politics



Pasuk Phongpaichit
Chris Baker

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Preface

WE have tried to write a general book on modern Thailand which will be useful for students, interesting for the (keen) general reader, and challenging for the specialists. Our focus is on the second half of the twentieth century, on the period of rapid change stretching from the Second World War to the economic boom of the 1990s. But this is set in a deeper historical context of Siam in the Bangkok era.

One major motif of the book is the word 'frontier'. While Thailand can lay claim to a long history and an ancient culture, Thailand today is very much a creation of two major pioneering movements of the last century and a half: the expansion of peasant agriculture across large tracts of swamp and forest; the migration of settlers, labourers, and merchants from the ports of south-east China. Thailand's modern history is a story of pioneers.

The study of Thailand is also something of a frontier activity. Like the country itself, it has long remained underpopulated, underdeveloped, and exotic. That is now changing fast. We first thought about writing this book in the late 1980s. If we had succeeded then, it would have been very different. Around two-thirds of our source material has been mined from works published since 1988, and much of it from papers and dissertations yet to find their way into print. Our first and major debt is to these real pioneers who have cleared some space in the jungle.

We owe special thanks to three people: Chattip Nartsupha, Craig Reynolds, and Kevin Hewison. They have inspired us by their own pioneering work. They read early versions of the manuscript and pushed us to improve it. They helped us with source material. They offered us constant encouragement. In the circumstances in which this book was written, encouragement was a critically important resource.

We would also like to thank Sungsidh Piriyarangsan, Kanchada Poonpanich, Sompop Manarungsan, Withaya Sutcharithanarugse, Andrew Brown, Sukanya Patrachai, Sakdina Chatrakul na Ayudhaya, Gabriele Köhler, John Girling, Mark Graham, Somkiat Wanthona, and Anek Navikkamun who helped with sources, comments, and ideas. We are indebted to the libraries of Chulalongkorn University, AIT, and the Siam Society. We are especially grateful to Suvarnapha Suvarnaprathip, Lintas Thailand, and Tasman and Kwanchai Smith, who provided us with the hideaways where much of this was written.

For the transliteration of Thai words we follow the Royal Institute (Ratchabandit Sathan) system. For place names, we have used the Royal Thai

Government's spellings with a simplified system for word division. For personal names, we have tried to use in rank order: the person's adopted spelling; the form conventionally used by the contemporary English-language press; a transliteration which seems readable and phonetic. The results, of course, are not consistent.

To save space, we have omitted all source references except those to direct quotations and obscure sources of primary data. We have included a bibliographic appendix which indicates the main sources used for each chapter.

The book is organized as four parallel stories. The first two chapters cover the countryside and the frontier movement of peasant settlement. The next three trace the growth of the urban economy, with emphasis on the accumulation of capital. Chapter 6 describes the growth of the urban labour market and the emergence of labour politics. The last five chapters follow political development from the Chulalongkorn reforms of the late nineteenth century to the crisis of 1992.

*Hua Hin
September 1994*

PASUK PHONGPAICHIT
CHRIS BAKER

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Abbreviations

BAAC	Bank of Agriculture and Agricultural Co-operatives
BOI	Board of Investment
CCTD	Catholic Council of Thailand for Development
CLU	Central Labour Union
CP	Charoen Pokphand
CPT	Communist Party of Thailand
CSOC	Communist Suppression Operations Command (later ISOC)
EEC	European Economic Community
FLUT	Federation of Labour Unions of Thailand
FWAT	Free Workmen's Association of Thailand
GDI	Gross Domestic Investment
GDP	Gross Domestic Product
GTUA	General Trades Union Association
IBRD	International Bank for Reconstruction and Development
ISOC	Internal Security Operation Command
ILO	International Labour Organization
IRRI	International Rice Research Institute
JETRO	Japan External Trade Organization
JPPCC	Joint Public Private Consultative Committee
LCCT	Labour Co-ordination Centre of Thailand
LCT	Labour Congress of Thailand
NDV	National Defence Volunteers
NEDB	National Economic Development Board
NESDB	National Economic Social Development Board
NGOs	Non-governmental organizations
NIC	Newly industrializing country
NPKC	National Peacekeeping Council
NSCT	National Student Centre of Thailand
OPEC	Organization of Petroleum Exporting Countries
PFT	Peasants Federation of Thailand
PPB	Privy Purse Bureau
PRD	Public Relations Department
PULO	Pattani United Liberation Organization
TDRI	Thailand Development Research Institute
TLU	Thai Labour Union
TRC	Thai Rice Company

Prologue: The Life of Khun Phaen

My name is Kaew
I'm in the 6th Elephant Brigade
But working for the king is too tough.
I'm tired and I'm fed up with it.
So I quit and ran away.
I've got no parents, no wife, no money.
I just fled into the forest.
I beg you to offer me your protection.
If you are kind enough to accept me,
I will be your servant until death (Ongkankha, 1990, 2: 5).

KHUN CHANG KHUN PHAEN is an old Thai folk-tale. While the origin is much earlier, the tale probably portrays circumstances of the late eighteenth and early nineteenth century when it was first transcribed from troubadours. It may be the best—if not the only—portrayal of ordinary life in this era.¹

It tells, first of all, that life was dangerous. At the opening, all three of the young protagonists have lost their fathers. Khun Chang's father was killed by a robber. Nang Wantong's father died of a fever contracted on a trading trip into the forest. Khun Phaen's father was executed by the king for disturbing a herd of buffaloes which the king was hunting.

Robbers, officials, war service, and the king are the main threats to life and limb throughout. In jail, Khun Phaen meets men who have robbed and murdered villagers, monks, forest people, and Chinese traders. The man Khun Phaen begs for protection in the quote above is both a royal official and a notorious robber. In the army, Khun Phaen is subject not only to the dangers of battle, but also to the much more dangerous rigours of campaigning—long marches, bad food, forest diseases, and malicious officers.

The contrasting careers of the main characters highlight the importance of royal patronage for livelihood, protection, justice, and relief from the dangers of life. The career of Khun Chang shows the huge advantages which royal patronage provides. He is the king's man. His father looked after the king's elephant brigade and was a rich man. Khun Chang enters royal service at an early age. He never has to worry about livelihood. He collects *suai* (tax in kind) for the king from the Lawa people in the forest. It is not onerous, and he gets a good profit. He is excused from having to join the army. He has access to law and justice. If he has a problem, he can take it to the king and be reasonably sure of a favourable judgement.

Khun Phaen's career is a contrast. His father died at the wrath of the king, and the family was stripped of all properties and retainers. The father could not get his son into royal service, and anyway Khun Phaen is rebellious by nature. He has to live on his wits. His life is a constant struggle against danger, hardship, and authority. He cannot call on royal law and justice. If he tries, he is more than likely to be thrown into jail himself. When he petitions for clemency for his wife, he gets given a sentence of fifteen years for insolence. He spends a good part of his youth in royal jails, on the run, or under a death sentence.

Seen from below, the designation of the Siamese king as the 'lord of life' is very real indeed.

Khun Phaen has no secure means of livelihood, and his struggle for survival lays out the range of possibilities open to a man without a patron. He spends time in the *wat* as a novice. He travels in search of skills which will enable him to attract the patronage of king or nobility. He considers becoming a *phrai*, an ordinary indentured peasant, but the abbot at his monastery warns him against it:

Being a *phrai* you will lead a dog's life ...
 They will tattoo your wrist and force you into the corvée
 You will suffer all the time ...
 If your master likes you, you may survive ...
 But if he doesn't, you'll be put on hard labour,
 Dragging heavy logs around.
 With a fragile body like yours, you won't stand a chance (Ongkankha, 1990, 1: 106).

When Khun Phaen's father dies, the king seizes all the family possessions. Khun Phaen and his mother flee to Kanchanaburi, where they grow fruit and vegetables for sale. Twice, he is roped into the army and sent off to fight in the remote regions. He commands a troop of Lao war prisoners, who bemoan their fate in marching songs:

My God this is miserable.
 Ripped away from home,
 Forced to lug our belongings through the forest,
 Through the elephant grass, through the reeds and rushes,
 Nothing but pain and sweat.
 All we get to eat is rice and salt
 And all we drink is our own sweat ...
 We can't stop. If we do, the bloody Thais beat us up.
 They won't even let us finish peeing (Ongkankha, 1990, 3: 135–6).

Khun Phaen's martial skills make him famous, but he constantly clashes with king and officials (usually because of his disorderly love life). Most of the time, he lives in the forest, surviving on what fruit and other edibles he can find, falling in occasionally with robber gangs. The dangers of the forest are preferable to the dangers of king, army, and officialdom.

For Khun Phaen, his only allies in life are his family and his village

community. At one point in the tale, Khun Phaen's son is assaulted by Khun Chang and left for dead in the woods. The lad is rescued and taken back to the family village in Kanchanaburi. His grandmother organizes a *su khwan* ceremony to restore him in both body and spirit. All the members of the household and all the respected figures in the community are invited to contribute the warmth of their spirit to restoring that of the boy. They bring gifts of food, love, and entertainment. They tie a thread on his wrist with blessing. With this help, the son recovers.

Eventually, even Khun Phaen learns the value of diplomacy and secures royal patronage on account of his martial skills. But for Nang Wantong, there is no respite. She is shuttled between the two men, forced to put up with Khun Phaen's persistent philandering, abducted, gagged and raped, and dragged off to the woods. All young women in the story are portrayed first as the property of their parents and then as the property of their men. They are valued for their youth, their role as mother and lover, their skill at embroidery. They have no means of escape into monkhood, forest, or robber band. They even get tossed into jail for the sins of their men. Nang Wantong has difficulty making up her mind which of the two men—Khun Phaen, handsome but fickle; Khun Chang, faithful but ugly and smelly—she can best tolerate as her husband. Eventually the king executes her for this indecision.

In the tale, the contrast between Khun Chang and Khun Phaen is drawn out by their competition over the heroine, Wantong. In the war of love, Khun Phaen is the winner, not just with Wantong but with many others along the way. But in the war of life, he is not so sure. In the later stages of the tale, he makes very sure he gets his own son into royal service.

1. The characters and events on which the tale were based probably date back to the early sixteenth century. The tale was recounted by story-tellers from the early eighteenth century, and most of the events and background were added over the years. Various versions of the tale were written down and kept by the early Bangkok court. Prince Damrong amalgamated these into a published version in the early twentieth century. Damrong admitted to censoring out some of the bawdier bits, and possibly much more. See 'Wa duay kan chamra nangsue sepha' in Ongkankha (1990).

PART I
VILLAGE

MAP 1

Thailand: Major Places and Rivers



1

The Rice Frontier

FOR over a century, from the mid-nineteenth to the mid-twentieth, the peasantry was the foundation of Thailand's society and economy. Peasant smallholders grew the rice and other crops which in 1960 still accounted for over 80 per cent of all export value. In 1970, four-fifths of the population still made their primary living from agriculture.

This peasantry was in no way 'traditional'. It was totally new. At the start of the nineteenth century, most of the area which it later settled was covered by jungle, scrub, and marsh. The agrarian population was small, and was bound by labour indenture to the nobility. The new peasantry broke through the boundaries of settlement and the bonds of social control to create a new rural society on a moving agrarian frontier.

The dominant role of the peasantry was the product of two main forces: first, the abundant availability of land, and second, the deliberate policy of the rulers. Between the 1850s and the 1980s, peasants cleared and cultivated some 140 million *rai* of land, expanding the total agricultural area from around 10 to around 150 million *rai*.¹ The Crown helped to start this movement of peasant colonization by facilitating access to land, and by refusing legal support for aristocratic landlords or merchant capitalists to impose control. Rural Siam in the late nineteenth and early twentieth century was a frontier society. Peasant households colonized new lands and sold produce on to the world market with little interference by overlords or the government. Urban merchants drove the Siamese rice trade, but until the Second World War, they did not have the government backing needed to control and transform the rice economy. The resulting society had many features common to frontier cultures—a high degree of self-sufficiency, egalitarian social ethic, resistance to government intervention, traditions of mutual assistance, and great mobility.

The frontier moved forward in two major spurts. First, from the 1870s to the 1960s, the cultivation of paddy spread through the Chaophraya Delta and the river valleys of the north and lower north-east. Second, from the 1950s to the 1980s, upland crops expanded rapidly in the outlying regions. After the 1950s, the peasantry began to crumble. It was gradually overwhelmed by a growing city-based capitalism which commandeered a major part of its surplus, and by an intrusive government which imposed greater regulation. This chapter deals with the emergence of the peasant frontier from the old society of labour indenture, and with the extension of rice cultivation. The following chapter tells the story of the uplands, and the closing of the agrarian frontier.

Labour and Land before the Bangkok Era

The spread of settled agriculture in the nineteenth century was new. Prior to this, hunting and gathering in the forests had played a dominant role in the region's economy. The development of a smallholder peasantry was new. Earlier, the mass of the population had been bound by systems of forced labour.

The economy of old Siam from at least the mid-fifteenth century to the early nineteenth century encompassed two different and complementary tracts: a series of core settled areas around the major cities and towns; and a large hinterland of swamp, forest, and hills.² The core areas were lowland basins distributed along the major rivers and the coastal rim. The basins were suitable for wet rice cultivation which supported relatively dense populations. The rivers and the sea coasts served as the major highways between settlements.

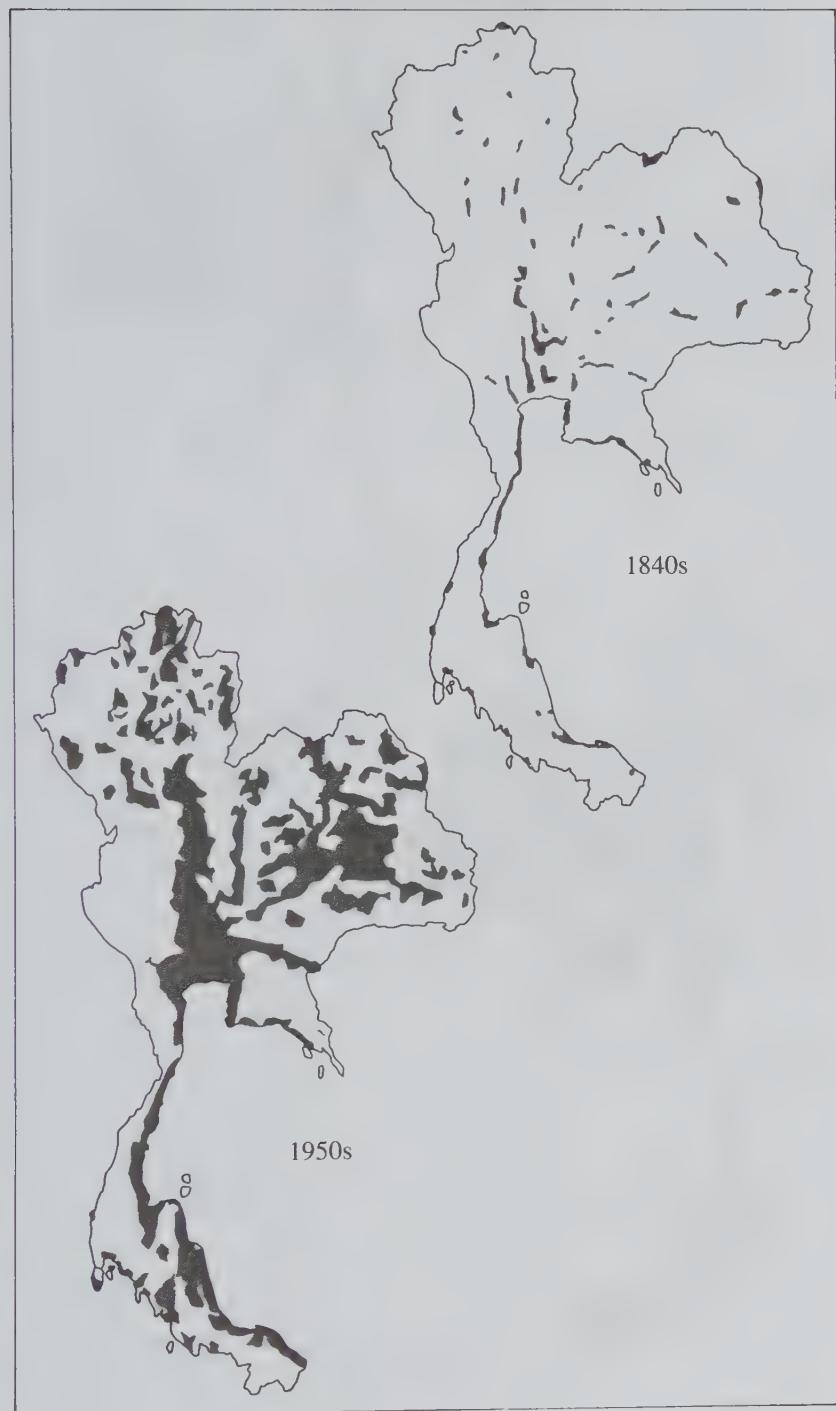
Even in the early nineteenth century, these core areas were small and scattered (Map 2).³ The largest was in the Chaophraya Delta, which extended in a triangle from Chainat to the shore of the Gulf of Siam. Along the Chaophraya itself, there was dense settlement along a stretch of about 15 kilometres around the capital of Bangkok. Just north of the city, settlement ceased abruptly and uninhabited marsh and grasslands extended all the way to the old capital of Ayutthaya. Around Ayutthaya, which had been the royal centre for over three centuries, settlement was at its most intense. Villages spread around 30 kilometres in various directions along the tributaries and canals radiating from the city. On the river stretches leading north from Ayutthaya to Chainat, and along the Pasak river leading north-east through Saraburi, settlement stretched in a narrow ribbon. According to recent population estimates, three-quarters of the delta's population, and half of the total population of Siam, was concentrated in the narrow corridor along the Chaophraya from Chainat to the gulf (Sternstein, 1993: 22–3).

Along the other waterways which ran north–south across the plain in parallel with the Chaophraya (Maeklong, Suphanburi/Thajin, Bang Pakong), the pattern was similar yet even more sparse—some scattered settlements on the lower reaches, dwindling away as the rivers reached inland. North of Chainat, there were even more sparse settlements along the tributaries of the Chaophraya.

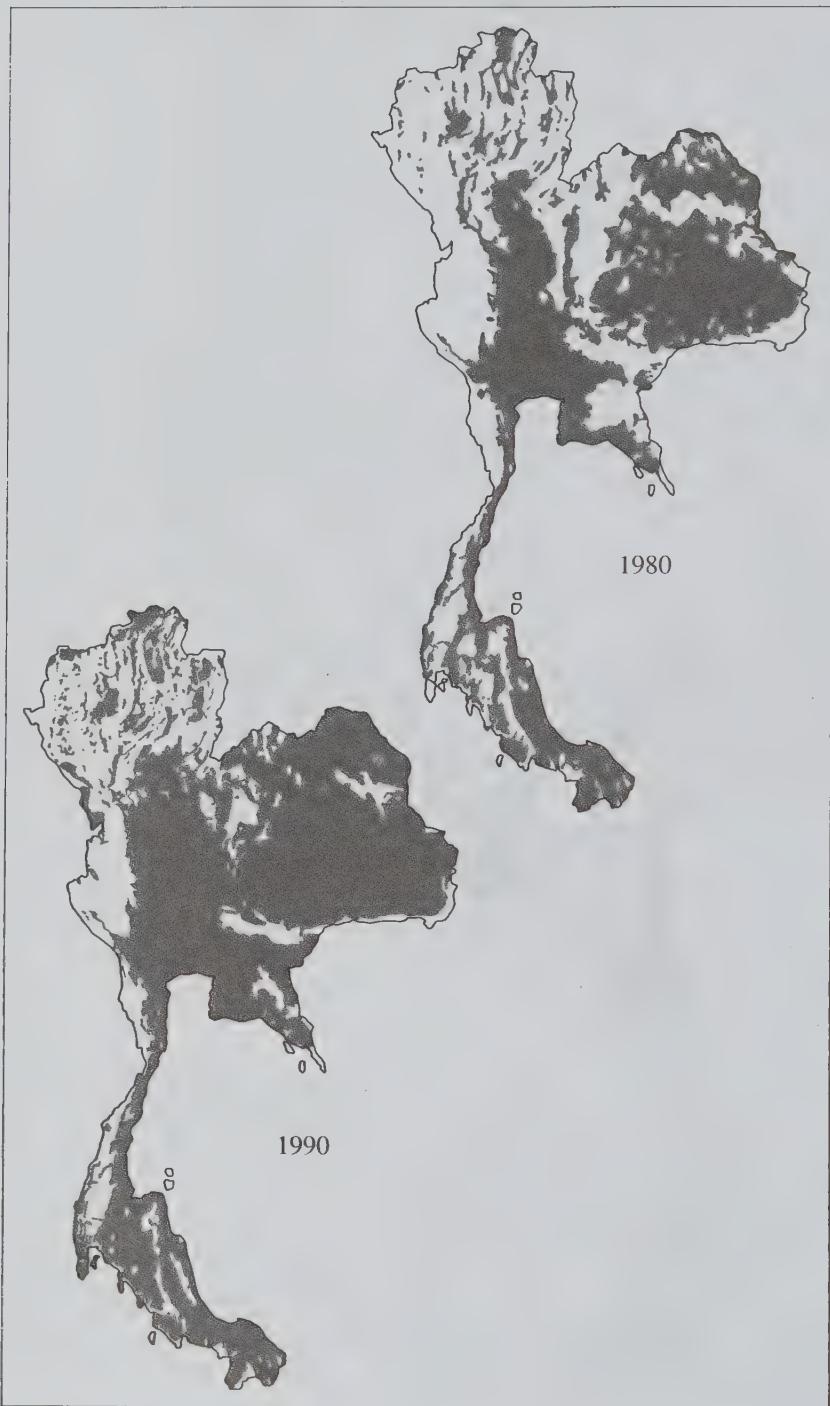
Outside the Ayutthaya–Bangkok region, there were several smaller rice basins. In the far north, villages stretched along the river banks in the areas where the Ping, Wang, Yom, and Nan tributaries had created flat valleys among the hills. To the north-east of the Chaophraya Basin, settlements were strung along the Maekhong and its tributaries in a similar pattern. Down the coasts of the peninsula, there were several flat coastal basins separated from one another by large tracts of hill and jungle.

Beyond these settled rice basins, there was a large hinterland. Near the sea, most of the area was swamp. Further inland, the tracts between the rivers were covered with grassland, bamboo forest, and dry scrub. Towards the fringes of

MAP 2
Spread of Cultivation, 1840s–1990



(continued)

MAP 2 (*continued*)

the floodplain, tropical jungle and rain forest stretched up the slopes of the hills. Away from the islands of settlement, the region was difficult to penetrate and dangerous to be in. Malaria was endemic, and cholera common. Crocodiles, tigers, wild boar, wild elephants, and the odd rhinoceros were a constant source of danger. Well into the twentieth century, wild elephants acted as a deterrent to the expansion of settlement in areas no more than 60 kilometres from the centre of Bangkok.

While the hinterland was wild, it was also productive. Hunting and gathering in the hinterland produced a wide range of goods: supplies of animal protein; an extensive pharmacopoeia based on herbs, barks, and animal essences; industrial inputs such as hides, dyes, resins, and metals; building materials including thatch and timber; luxury goods such as spices, gems, precious metals, and aromatic woods; ritual and decorative items such as elephant tusks. These goods supplied élite consumption in the adjacent lowland rice basins. They were also in demand in more remote markets along the overland trade routes up into southern China, and along the maritime routes extending out to coastal China, the Indonesian Archipelago, and the Indian Ocean.

Controlling the trade in forest products was the key to economic and political power in the region. Two factors determined the location of political centres through the region. First, they were situated in the rice basins where rice agriculture provided the staple for the relatively large population needed to staff an army and run a political capital. Second, they were strategically located along the region's trade routes. The towns of Kengtung, Chiang Mai, and Luang Prabang were located along the routes running from southern China into mainland South-East Asia. The coastal towns stretching around the gulf traded with the archipelago, and those along the western rim of the peninsula connected to the Indian Ocean commerce. Vientiane, Sukhothai, Ayutthaya, and Bangkok were situated at the intersection of the northern routes and the river systems leading out to maritime trade. The southern drift of the key political centre of the Chaophraya Basin from Sukhothai through Ayutthaya to Bangkok may in part have followed the gradual drying out of the delta swamps, but was probably mainly related to the growing importance of the maritime against the overland routes.

The rulers of the region acquired their wealth and power by extracting resources from both the rice basins and the hinterland through forced levies of produce and labour power.

From the basins, the rulers levied rice supplies to provision the city and army, and labour supplies to staff the army, service the noble households, and work in the trading economy. The mass of the population in the rice basins consisted of *phrai* or indentured peasants. They had access to land, which was in abundant supply for anyone prepared to clear away the scrub. In the Ayutthaya core kingdom, formal ownership of land was vested in the crown, but *phrai* were granted occupancy rights which by the later Ayutthaya period were recorded in a land registry, guaranteed by law, and heritable. Land was

not transferable. If the *phrai* abandoned his plot, it legally reverted to the king for reallocation. With large tracts of empty land readily available at the boundaries of the small core domain, land had no effective value at the margin. Yet lands which were well located and especially favoured by nature commanded advantages which translated into a market value. With the growth of rice exporting in the later Ayutthaya period, occupancy right to some extent translated into private property.⁴

From the *phrai* of the rice basin around the capital, the *nai* (lords) extracted surplus both in kind and in labour power. The crown levied land taxes which were assessed at around 10 per cent of the rice yield. The taxes were paid in kind, and used mainly to feed the royal household, provision the city, and supply the military commissariat. At times of high demand, the crown resorted to forced purchase of extra supplies. *Phrai* in regions more distant from the capital deposited their rice taxes into local granaries which the crown drew on for military campaigns. Similarly, the *nai* raised forced levies of rice from their *phrai* to feed their households. In the case of great families holding major offices in the administration, the household complement could run to several hundred, and the rice demand could be correspondingly large. Some rice entered into overseas trade, and by the sixteenth century Siamese rice was highly valued in markets around the eastern seas. However, the crown imposed restrictions on the rice trade in order to guarantee supplies for the capital's consumption and for military provisions. At times, exports were banned unless stocks were sufficient for three years ahead. The rulers managed the rice economy as a granary for city and army rather than as a source of trading revenue.

The *phrai* around the capital were bound to deliver up a portion of their own labour power. The *phrai*'s access to land was dependent on the payment of land tax and the performance of corvée for periods which fluctuated between three and six months a year. Some *phrai* were indentured directly to the king as *phrai luang* (royal *phrai*). For their corvée duty, they worked in the royal household, in the offices of the royal administration, and on projects for construction of buildings, temples, and canals. Others were indentured to the *nai* as *phrai som*. Besides providing labour services to their lord, they had to provide food, cloth, and other necessities. To raise the army, the king called on *nai* to serve as officers and diverted a portion of the corvée of both *phrai luang* and *phrai som* to military service.

Other labour was indentured as *that*, which European travellers usually translated as 'slaves'. *That* were the fringes of the society. Many were immigrants and prisoners of war, new members of society who had yet to acquire rank and acceptance. Others were in the process of dropping out of the social ranks because they had committed crimes or fallen hopelessly into debt. *That* had no right of access to land. Most *that* worked as full-time servants or general labourers in the households of the king and the great noble families. Their servile status was heritable. They could legally be bought and sold but there was no slave market or active slave-trading. European observers

commented that they were well treated, and compared their position favourably with household retainers in Europe. Their function was to add to the prestige and comfort of the nobles, rather than to staff systems of production under noble control.

The kings and lords of these lowland centres vied constantly to impose control over the large, empty hinterland. They did not try to impose any form of close rule over these far-flung territories. Rather, they aimed to establish supplies of valuable forest goods as tax or tribute, secure the trade routes, and channel the flow of goods through their commercial centre. This was achieved by imposing tributary relationships on subordinate centres and setting up provincial outposts to act as collection points and garrison stations.

From the hinterland, Ayutthaya and competing political centres extracted a surplus in the form of high-value goods in demand for urban consumption and overseas trade. In the forests and hills, there were scattered communities which existed from swiddening, wild rice cultivation, and collection of forest produce, and which bartered some tradable forest produce for rice from the lowland basins. More often, however, forest goods were collected by professional hunters and prospectors who circulated between town and forest. The nobles, princelings, and governors overseeing the hinterland assembled the surplus using systems similar to the Ayutthaya taxes in kind and corvée. From some *phrai*, they simply demanded payment as *suai* or tax in kind. From others, they demanded labour services which were organized into labour gangs for hunting and gathering products from the forests and hills.⁵ From the rulers of these hinterland centres, Ayutthaya extracted a share of forest produce as taxation, tribute, and war booty.

The forest hinterland, and the constant warfare to control it, dictated the area's demography. Relatively few died in battle, but many died through the hardships of military campaigning (fatigue, starvation, and disease) and from the economic disruption and epidemic diseases that followed invasion and devastation.⁶ The constant intercourse with the hinterland brought forest diseases back to the city. Malaria was endemic. Epidemics of smallpox and yellow fever were regular and disastrous. Under these constraints, the area's population remained very, very small. Travellers in Siam at the turn of the nineteenth century described the area as 'very thinly peopled', 'very poorly inhabited', 'wilderness' (Sternstein, 1993: 18). The total population of Siam at this time has been estimated at around three million people. Recently, Terwiel scanned the data locality by locality for Bangkok and the central plain and came up with a high estimate of only 410,000 around 1840. The Lanna kingdom of Chiang Mai, which was the next most important political centre after Bangkok, had a population of just 30,000. The population in each of the outlying rice basins along the inland river systems and down the coasts was in the range of 5,000–15,000. Using Bangkok government estimates from the 1820s, Sternstein estimated the population of the central plain slightly higher than Terwiel at 560,000, and suggested around one million for the total area of modern Thailand.⁷

The shortage of people was perceived by rulers as the critical constraint on the size of the surplus. Increasing the population was a major political concern. Rulers fought with one another both to control trade routes and to secure people. Upland states like Lanna regularly conducted border raids to seize prisoners. Victorious kings and generals returned from campaigns with strings of war captives. Militarily successful states vied to attract voluntary immigrants from the adjacent areas. Techniques of warfare were developed to avoid wastage of the key resource, which was one of the main objects of going to war in the first place. Pitched battles and wholesale slaughter were rare. Battles were often decided by theatrical displays of force or by limited gladiatorial contests.

Economic and political dominance was a function of warfare, commerce, and people control. Between the fourteenth and eighteenth centuries, Ayutthaya came to dominate the states of the Chao Phraya Basin and emerged as one of the major economic and political centres of mainland South-East Asia. The Ayutthaya kingdom was founded by a trader who proved successful as a general. He and his successors fought regular wars against the competing states in Burma and Vietnam to secure control over the hinterland. They extracted forest goods as war booty, tribute, tax, and trade goods. They dug canals to act as highways for trade and armies between the capital and the interior. They established a network of subsidiary political centres along the trade routes and collection centres. Ayutthaya became a major market where the products of the hinterland were funnelled into maritime trade. The Ayutthaya rulers cultivated a tributary relationship with the Chinese empire in order to gain access to its lucrative trading markets. They also welcomed foreign traders who provided access to markets in both East and West. By the eighteenth century, Ayutthaya was a very cosmopolitan city with settlements of Persians, Arabs, Japanese, Chinese, Dutch, French, and British. Goods traded out of Ayutthaya included rice grown in the immediate environs of the capital; hides and skins hunted in the jungles of the surrounding plain; gems, wild spices, resins, and speciality timbers from the forests of the foothills; and herbs and other medicinal ingredients collected from the mountainous areas to the north. Imports included textiles and pottery, various luxury goods, and, most importantly, the arms which were the tools of political domination.⁸

Ayutthaya's pre-eminence was founded on trade and warfare. The ruling élite of *nai* was defined by its role in these two major activities. They fought. They traded. They marshalled the scarce resources of people for success on the battlefield and at the trading mart. The king was the commander-in-chief, and the head trader. He also had the critical duty of augmenting the supplies of people, and allocating them among his nobles and government departments. The noble families and provincial governors who made up the rest of the ruling élite served as officers and recruiting agents for the army, and as purchasing agents, port officials, and private traders in the commercial economy.

The management of labour supply and labour indenture played a major role in the structure and practice of the government. The kings regularly invented new laws and procedures designed to improve the supply of labour and the efficiency of labour service. Courts and tribunals devoted considerable attention to punishing runaways and other infringements of the labour code. The royal administration devoted more attention to labour than to land. In later Ayutthaya, the court began a land registry and land law. But the land administration was rough and ready. The measurement of plots and distribution of deeds took place at long intervals, possibly only at the start of each reign.⁹ The administrative superstructure relating to land was insignificant compared to the effort devoted to registering people, extracting corvée, policing runaways, and arbitrating disputes over competitive claims to command reserves of labour power.

The king allocated among the *nai* packages of duties and privileges which combined administrative responsibilities, military service, resplendent titles, and shares in the control of people. From the late sixteenth century, these grants were formalized in a single system. Every resident below the king was theoretically awarded a ranking measured in units of *sakdina*. These rankings ranged from 100,000 for the highest official of the court down to 25 for the ordinary *phrai* and 5 for a beggar or *that*. The term *sakdina* can be translated as 'power over fields' and, as a result, these rankings have been sometimes confused with feudal land grants. However, there was no land attached to these ranks. An alternative translation is close to the concept of 'resource entitlement'; this gives a clearer indication of the nature of the grant, with the key resource being labour power. A high *sakdina* rank indicated the *nai*'s right to command large numbers of people to maintain his status and carry out his official role. In reality, the control of people was not absolutely under the king's command. Rather, it was a matter of contest between the crown, the nobles, and the *phrai* themselves. The *sakdina* ranks were an idealization of the king's role as allocator of the key scarce resource of labour power.¹⁰

In sum, the economy of Siam in the Ayutthaya and early Bangkok periods was based on a combination of rice agriculture in the riverine and coastal basins, and of hunting and gathering for high-value goods from the large, wild hinterland. From the basins, the rulers extracted a surplus of rice to feed the city and army, and of labour power to staff the administration, the army, and the great noble households. From the hinterland, the rulers extracted protein supplies, medicaments, industrial inputs, and luxury goods. These items were destined for élite consumption and for conversion into wealth and weaponry through overseas trade. Both systems of extraction depended on a mixture of taxes in kind and forced labour. Warfare and forest diseases constrained the population. Labour supplies were perceived as the major constraint on the growth of the surplus and hence on the splendour of the state. The political hierarchy was organized around warfare, trade, and the management of labour supplies.

Trade and Expansion in Early Bangkok

In the early years of the Bangkok kingdom (1782–), the rulers rebuilt the trading systems and social structures of the Ayutthaya era. From the second quarter of the nineteenth century, however, the foundations of economy and society began a major shift. The importance of the forest hinterland for the creation of surplus wealth declined. The role of settled agriculture increased. This shift stemmed from changes in the trading environment. Over the remainder of the century, it gradually undermined the social and political structures based around labour management, increased the economic and political importance of land, and laid the foundations for the emergence of a new peasantry.

From the mid-eighteenth century, Ayutthaya was vulnerable to repeated attacks by neighbouring states. In 1767, the capital was sacked and the dynasty overthrown by the Burmese army. The fall of Ayutthaya was dramatic. It was also the last serious invasion of the Chaophraya Basin by its neighbours. It marked the beginning of an unprecedented period of peace and security. After a short interlude, remnants of the Ayutthaya élite regrouped and began to build a new capital in the Bangkok area. They concentrated on the same formula of controlling trade and labour, but with greater vigour than in latter-day Ayutthaya.

The wars with Burma and the subsequent wars of Siamese conquest had reduced the already scant supplies of people. Even areas which had been centres of settlement were ‘now very scantily populated, and almost a desert’ (*Burney Papers*, II, 4: 51–3, quoted in Sternstein, 1993: 16). The new Chakri dynasties set out to exert tighter controls over labour. They improved the systems for registering *phrai*. They tattooed their wrists to aid identification and control. Officials were sent out to chase down any ‘white wrists’ who had evaded the tattooist. In the 1810s, the court introduced a slew of laws and regulations to prevent evasion. harbouring runaway *phrai* was made a treasonous offence. Monks were set examinations on religious knowledge and were forced back to *phrai* status if they failed. Up to the mid-nineteenth century, the palace paid considerable attention to the system of labour registry.

The early Bangkok rulers mobilized these labour supplies for half a century of aggressive military activity to establish almost unchallenged domination over the resources of the hinterland. In the 1770s, they defeated rival warlords in the Chaophraya Basin, restored tributary relations over the northern state of Lanna, and then secured the eastern frontier by defeating Vientiane and subduing other Laotian principalities. The first Chakri king took several northern states back from the Burmese, and established control over much of the Khmer region and the key Laotian principality of Luang Prabang. Then in the 1830s, Rama II conducted a series of campaigns which consolidated control over the outlying regions. Bangkok now dominated a hinterland which included all of modern-day Thailand, Laos, and Cambodia plus the north-east corner of Burma and the northern states of Malaysia.

Through these campaigns, they brought in new supplies of labour as war captives from the Malay, Khmer, Lao, and Shan areas. From the eastern frontier, they brought back Lao prisoners to settle in Saraburi in the 1770s, raided another 5,000 from Vientiane to supply construction labour in the 1780s, and levied 10,000 Khmer for canal construction. They also brought peace, a *pax Chakri*, to the Chaophraya Basin which attracted in migrants from adjacent areas. In 1815, a troop of 30,000 Mon crossed over the passes into western Siam and applied for permission to settle. Early nineteenth-century rural Siam was highly cosmopolitan. There were Mon settlements dotted through the western tracts and along the Chaophraya river close to the capital. War prisoners and immigrants from Vietnam, Cochin-China, and the Lao states were settled in an arc which stretched along the northern and eastern fringes of the delta. In the late 1820s, the Siamese armies sacked Vientiane, and moved a part of its population west across the Maekhong to settlements in the relatively empty north-east. In the 1830s, Malay prisoners were settled along new canal developments to the east of the capital. With new supplies of people, the kings of Siam embellished the capital with palaces and temples to signal the growing power of the dynasty, and dug new canals to serve both as military highways and infrastructure for trade.

The Bangkok rulers revived Ayutthaya's trading network. The military campaigns secured the hinterland and the supply of trade goods from the forests. During the 1810s and 1820s, Bangkok extended stronger control over the north-east in order to increase the flow of forest produce. In parallel, Bangkok reopened trading relations with China. From the early years of the new dynasty, Chinese merchants took up residence at the new capital and during the first half of the nineteenth century the China route dominated Bangkok's trade. Bangkok sent off tribute-cum-trade ships stacked with forest goods to trade against imports of the weapons needed for military success and the luxuries required for comfort and display.

In a major departure from Ayutthaya policy, the new Bangkok rulers encouraged large-scale Chinese migration to swell the scarce resources of people. Southern China had already begun the process of dynastic and economic decline which culminated in the revolutions of the twentieth century. The Bangkok rulers encouraged the impoverished, oppressed, and entrepreneurial Chinese around the port cities to board the boats for the return trip to Siam. From the very first years of the Bangkok dynasty, Chinese were pouring into Siam.¹¹

Many came as traders. Chinese had long worked as crews in the Sino-Siamese junk trade. In the expansion of junk trading under royal encouragement, many Chinese served as shipowners. In the new capital of Bangkok, the Chinese were unquestionably the premier trading community. Others came as labourers. In the 1830s, the Crown gave up using corvée to raise labour for canal-building and hired paid Chinese labour instead. In Bangkok itself, the main source of labour used by merchants and service industries was again Chinese. Others came as settlers. The King encouraged Chinese settlement by

absolving them of produce taxes, corvée duty, and travel restrictions. Along the rivers, and through the new areas opened up by canals, Chinese villages were soon found interspersed with those of Thais, Mons, and Laos. As the traveller Malloch noted in the 1850s, so many Chinese had immigrated because they were 'well pleased with the country and their prospects' (Skinner, 1957: 45–7; Hong, 1984: 47).

While the China-bound trade in forest produce dominated the Bangkok port until the collapse of the China market in the 1840s, another avenue of trade grew in importance from the 1820s. European ships called at Bangkok seeking to buy agricultural produce including sugar, pepper, tobacco, and rice. Some of these goods were destined for Europe. Most were destined for growing markets in Asia. During the nineteenth century, colonial production systems in other areas of Asia pulled people out of subsistence agriculture and resettled them as plantation labour (Ceylon, Malaya, and north-east India), as cash crop producers (Java and eastern India), and as city dwellers. These transformations created new markets for rice and other foodstuffs. By 1842, there were fifty-five European ships calling at Bangkok. While a few made the passage to Europe, most were destined for the colonial possessions in Singapore, India, and elsewhere in Asia. In parallel with the growth of new market centres, the costs of sea freight declined. The European ships calling at Bangkok in the 1820s were larger than the Chinese junks, and more cost-effective for bulk cargoes of agricultural produce. Freight costs continued to decline during mid-century and dropped steeply with the advent of steam in the 1870s.

The security of the *pax Chakri*, the increase in people, and the tug of new markets for agricultural goods had a dramatic effect. The first areas to feel the impact were the fringes of the deltaic plain to the east and west of Bangkok. In the past, these areas had not been densely settled. They were relatively inaccessible, and as transitional areas between the Chaophraya Plain and its rival states of Burma and Vietnam they were not the most desirable areas of settlement. In the early years of the nineteenth century, the insecurity lessened and access improved. The Bangkok rulers cut the Mahachai canal from Bangkok to the western fringe of the floodplain in the 1820s, and the Saen Saep canal to the eastern fringe in the 1830s. Both were designed to serve as military highways, but also came to function as channels for trade and settlement. Chinese migrants settled in this delta fringe. They brought with them from China expertise in cultivating sugar, tobacco, pepper, and other high-value agricultural goods which enjoyed good demand in the coasting trade around South-East Asia. Other migrant and captive settlers soon learnt to copy the Chinese pioneers. Further canal-building to the west of Bangkok in the 1850s and 1860s helped extend this new opportunity, particularly for sugar cultivation. By the late 1850s, Thailand was exporting over 12 million metric tons of sugar.

Many Chinese who started out as shippers and merchants in the junk trade were drawn into this expanding agricultural economy as settlers, as money-lenders financing crop expansion, and as traders moving the crops from the

growing regions to the port. By mid-century, Chinese traders could be found 'penetrating every creek' (Girling, 1981a: 74, quoting Bowring). Many of the towns in the frontier area on the delta fringes such as Paetru (Chachoengsao), Nakhon Chaisi, Maeklong, and Chanthaburi were dominated by Chinese. The expansion was so successful that during the 1820s and 1830s, the King shifted the tax base from forest produce to agricultural goods. The *suai* levies of forest produce declined in importance, and by mid-century most were converted into money dues. By the 1830s, taxes on garden produce, sugar-cane, and tobacco provided around half of all government revenue excluding corvée exemptions and capitation taxes. Around Chonburi, Chachoengsao, and Nakhon Chaisi appeared new sugar-cane tracts and sugar mills. Along the Thajin, Maeklong and Bang Pakong rivers, extended new areas of garden cultivation with spices, pepper, indigo, tobacco, fruit, and vegetables. To the east, Chanthaburi developed as a pepper and spice area. Down the coast to the south, rubber was planted. In Chachoengsao, the King commissioned an experiment with coffee cultivation. The frontier had begun to move.

King Paddy

In the 1840s, the trade with China slumped as a result of the disruptions in China caused by the opium war and colonial intrusion. In response, the King encouraged the growth of European trade. The Bowring treaty signed in 1855 between the Bangkok administration and a British envoy gave the British trading rights at Bangkok and imposed limits on trade dues in the interests of 'free trade'. Over the next decade, similar rights were extended to other European trading nations.¹²

Initially, the colonial traders, the treasury, and the local Chinese merchants thought the major item of trade would be sugar. Colonial companies set up shop in Bangkok as sugar brokerages and imported modern processing technology. For fifteen years after Bowring, exports grew strongly. But Siam could not compete with Javanese sugar. The Dutch used colonial control to force Javanese peasants to grow sugar, and to extract it from them at a cheap price. From the 1870s, Siam's sugar exports dwindled.

Siam had long been famous for the quality of its rice. It had exported rice to the Malayan states, Indonesian islands, and Chinese cities in moderate amounts since the Ayutthaya period. From the early nineteenth century, the junks and clippers of the Asian coastal trade carried rice to the new consumer markets in Asia in increasing amounts. Siam's exports increased gradually from virtually nothing at the start of the century to 15 200 metric tons in 1850, which was not a lot different from the volume exported from Ayutthaya three centuries earlier. In 1857–60, the annual volume averaged 62 000 metric tons. The boom began from the mid-1870s with the rise of new demand centres and the fall of freight rates. Over the next sixty years up to the 1930s, rice exports from Bangkok increased fifteenfold from a little over 100 000 metric tons a year to around 1.5 million (Table 1.1).

TABLE 1.1
The Rice Economy, 1857–1944

	Rice Area (million rai)	Average Annual Exports (metric ton)	Average Annual Increase (%)	Average Annual Value (million baht)	Average Price per Metric Ton (baht)	
	Centre Other					
1857–9	5.83	58	—	—	—	
1860–4	—	115	14	—	—	
1865–9	—	99	-3	—	—	
1870–4	—	113	3	5.1	45	
1875–9	—	213	14	10.1	48	
1880–4	—	216	—	9.6	45	
1885–9	—	321	8	15.1	47	
1890–4	—	438	6	23.8	54	
1895–9	—	483	2	36.4	75	
1900–4	—	672	7	61.2	91	
1905–9	6.8	2.4	892	6	81.0	91
1910–14	7.2	4.3	919	1	81.2	88
1915–19	8.2	5.7	954	1	108.1	113
1920–4	9.6	6.7	1068	2	115.3	108
1925–9	10.8	7.2	1413	6	169.6	120
1930–4	11.8	8.3	1556	2	91.2	59
1935–9	12.0	9.2	1534	—	94.6	62
1940–4	14.1	11.3	801	-13	99.3	124

Sources: Ingram (1971: 38, 44, 246); Ishii (1978: 285, 315).

This massive expansion transformed Siam. At the start of the nineteenth century, the paddy tract covered around 5–6 million *rai* concentrated in the Ayutthaya–Bangkok tract and the waterways radiating outwards. Over the next century, the paddy tract expanded at the rate of almost 300,000 *rai* a year. It spread out from the Ayutthaya–Bangkok core to cover virtually the whole of the Chao Phraya Plain. With railway connections built in the early years of the twentieth century, it flowed into the valleys of the north and the Mun–Chi river system in the north-east (see Map 1). It pulled the *phrai* peasantry and *that* slaves away from the traditional systems of labour control. It created a new agrarian society dominated by the individual peasant proprietor.

Canals and Landlords

The growing revenue from rice agriculture and rice trading made land much more important as a resource, as a commodity, and as an object of value. During the second half of the nineteenth century, king, aristocrat, and peasant contested for control of the land which was rapidly being drained, cleared, and planted with rice.

In 1860, the land area around Bangkok was largely undeveloped. This lower delta of the Chao Phraya was topographically very different from the upper or old delta around and above Ayutthaya which had been the focus of earlier rice cultivation. The upper delta consisted of a network of well-defined river courses with naturally raised levees and swampy lands behind. Village settlements stretched along the levees. Rice was cultivated in the swamps behind the levees using the rhythm of the monsoon. The lower delta, by contrast, was a low flat plain less than 2 metres above sea-level. Spring tides imported saline water over a large part of it. The monsoon turned it into a sea. Almost no area was elevated enough to provide a secure all-year house site. Without earthworks for defining fields and draining away excess water, cultivation was impossible. The area was a jungle of swamp grass populated by crocodiles.

The key to transforming this area for paddy cultivation was building canals for drainage. Ayutthaya and Bangkok rulers were experts at canal-building, yet up to the mid-nineteenth century their canal projects were almost wholly devoted to highway development. However, some of these highway projects opened up the potential of the lands alongside for paddy cultivation. In new canals dug after 1850, the controllers of the projects assumed property rights over the lands alongside. Along Klong Mahasawat built as a highway to the sugar-producing region to the west of Bangkok in 1857, the King laid claim to 16,200 *rai* of 'newly reclaimed rice land' and allotted it to his children. In the mid-1860s, a leading noble was granted the right to dig another canal (Klong Damnoen Saduak) designed to open up communications to the sugar tracts. He distributed lands along the banks to wives, relatives, and dependants, and sold off other plots. In a third project built by the King in 1871 (Klong Premprachakorn), land along the canal was distributed to nobles and members of the royal family.

Many of these plots were large—2,000 *rai* or more—and clearly intended for speculation. Initially, the newly opened lands attracted few cultivators. But from the 1870s, rising export demand began to accelerate the process of colonization. During the 1870s, new lands were taken up within the existing core domain around Ayutthaya. By the early 1880s, this tract appeared to be full. By the mid-1880s, there was a 'land rush' of prospective tenants flocking into the new canal tracts. The lands close to Bangkok opened up by the Saen Saep canal in the 1840s had remained deserted until the 1870s because of the danger of herds of wild elephants. Between 1878 and 1885, they were settled. Spurred by the plentiful supply of prospective tenants, several nobles petitioned for rights to undertake canal construction. They specified that they expected to assume rights to own and allocate the surrounding lands.

With the increase in the importance of canal lands, property rights gradually acquired a firmer legal status, and land values soared. In 1866, the court ruled that certificates for payment of land tax amounted to proof of land-ownership. This ruling converted occupancy right into property right. Sale and mortgage of land increased. In 1877, land along Klong Prawetburiorom

was sold for 1.0–1.5 baht per *rai*. By 1892, land in the Rangsit project fetched over 5 baht per *rai*, rising to over 20 baht in 1899 and 37.5 baht in 1904.

At this stage, the growth of the rice export economy promised to create a society of landlord and tenant. The nobles of the court invested in canals and attempted to carve out new ‘great estates’ in the lower delta. However, the nobles faced two sources of opposition: peasant settlers and the King. The settlers who flooded in to the canal tracts paid little attention to the niceties of royal grant or legal possession. Meanwhile, the nobles were not by tradition landowners or land managers. They were not skilled in handling tenants, negotiating with rice merchants, or riding the eccentric price swings of the international rice market. Within a few years, the canal tracts were in great disorder. Landlords and tenants fought to establish ownership rights. The courts were jammed with petitions. Pitched battles became common. A government investigation concluded that landlord–tenant disputes represented a serious threat to public order.

King and nobles were already competitors for control over trade, over tax revenues, and over control of people.¹³ Now they competed over land as well. From the mid-1870s, the King attempted to stop the expansion of ‘great estates’ in the hands of the nobility. Instead, the King supported the process of colonization by individual peasant households. In the Klong Nuangkhet scheme, royal officials were instructed to distribute land to people according to capacity to work. Theoretically, plots would revert to the Crown if they were not put to use within three years. In 1877, the government issued a decree to regularize the allotment of lands (*kan jap jong thidin*) opened up by canal-building. The preamble to the decree articulated the King’s uneasy attitude towards aristocrat monopolization of land development:

In recent years rice has become an important commodity in our kingdom, it is being shipped abroad, and the exporters have brought to all the people a greater wealth than ever before.... Nevertheless, the state expenditure has been exceedingly great.... However, on the canals built in earlier times noble officials have taken possession of far more land than they need, and left it to grow desolate. By not cultivating these lands, they have brought no profit to the King or to the people (Tanabe, 1978: 60).

The decree of 1877 stipulated the Crown would oversee all canal projects, would reserve a portion of the newly opened land for peasant settlement, and would provide machinery for peasants to acquire land either by purchase or by providing labour for the canal construction. In order to prevent land speculation, the government could take the land back if it was left idle for five years. The government applied the new regulations to the land distribution on Klong Prawetburiram dug in the late 1870s. There was so much demand for plots that the government dug four more smaller branch canals. By the mid-1880s, both sides of the canal were homes of several thousand farming households.

The policy of the Crown was still ambiguous. The King was intent on building up a large new royal demesne in the new rice tracts for the support of

the Crown and the extensive royal family. But at the same time, he wished to deny a parallel opportunity to all but a handful of closely associated aristocratic families. The working out of this policy required some compromises. In the 1890s, the royal-related Sanitwong family promoted the Siam Land, Canals, and Irrigation Company to drain 1.5 million *rai* of land in Rangsit to the north-east of Bangkok. The Crown took a major share in this massive project. Leading aristocrats raised protests against the King's attempt to impose a royal monopoly on land development. As a compromise, many other aristocratic families were allowed to take lesser shares. The company which managed the project was allowed exclusive right to the land lying 1600 metres on each side of the new canals. Much of this land was distributed in large blocks to royalty, members of the Sanitwong family, and other aristocratic officials.

The success of the Rangsit scheme created a demonstration effect. In the 1890s, several royal relatives and other aristocrats launched smaller projects to dig canals and allot lands in the Bangkok area.¹⁴ In 1903, a cousin of the King proposed a 120,000-*rai* canal and land development scheme in the Rangsit region. A half-brother of the King proposed a 370,000-*rai* project to the west of Bangkok. He noted that 'of all the enterprises in which Thai of good positions can at the present invest their money, it is difficult to find any as promising as trading in land, and of the various types of land none is as profitable as rentable rice land' (Johnston, 1975: 81). The King rejected both projects. From then onwards, the Crown allowed no private projects for large-scale land development and distribution.

In the canal-building from the 1860s to the end of the century, the royal family and some closely related families such as the Sanitwong acquired major landed estates. A partial study of records found at least 150,000 *rai* claimed by the King and close relatives between 1890 and 1903. The scale was large enough that in 1892 the King established a special office to administer these lands (Tanabe, 1978: 75–7). He introduced legislation to guarantee property rights in these tracts. In 1896, the government revoked the 1866 court ruling that made tax receipts a legal proof of ownership, since the ruling had provided the basis for tenants and squatters to challenge the superior rights granted to royalty and nobles. The government began to develop a land registry and to issue certificates of ownership in the new canal tracts. In 1901, 1904, and 1908 these practices were regularized in a new land law based on a cadastral survey and certificates of ownership. This legislation stated that the holder of a land certificate had the legal ownership right (*kammasit*) in the land. It provided the legal underpinning of landlord possession. By this process, the King created a political base and a revenue base for his close family circle.

Other trader-administrator nobles did not have the skills or the experience to carve out estates in the face of peasant competition and royal opposition. The remainder of the country was left open for the pioneer peasant.

Peasant Colonization

In the 1900s, investments in canal-building ceased because of royal opposition, a slump in the supply of new tenants following over-expansion in the previous decade, and the rise of landlord-tenant disputes in Rangsit. By the time the frontier began to move forward again beyond the canal tracts in the late 1910s, the government had instituted several mechanisms to support peasant colonization.

The new land law and land registry were extended only to the area around Bangkok where the royal and noble families had staked their claims. Outside this area, the legal framework favoured the individual peasant settler. New regulations confirmed the customary right of a peasant family to *jap jong* or to clear new land for its own use and hold it by right of occupancy, attested by certificates for payment of taxation. The failure to extend the land registry much beyond the Bangkok region made it difficult for prospective landlords to establish superior land rights.

To replace aristocratic investments in canal schemes, the Crown set up an irrigation department. In 1902, a Dutchman, van der Heide, was hired as the first director. He proposed a project of large-scale hydraulic engineering to bring huge areas of the new and old delta under a regime of stable irrigation. After several years of debate, this ambitious scheme was shelved on grounds of cost. Nevertheless, the government helped to push forward the agrarian frontier through a series of more modest projects. Over the coming decades, the government built drainage schemes on the Rangsit model in various areas of the delta. In each case, the government built enough canals, dikes, and minor earthworks to allow areas to be drained enough to grow rice in the monsoon season. Van der Heide began the first Bang Hia project in the 1900s to the south of the Rangsit scheme. Between 1915 and 1931, his successor extended the same principles to the South Pasak and Chiangrak areas north of the Rangsit tract. From the 1930s to the 1950s, the Nakhon Nayok tract to the east of Rangsit was drained. In the 1930s, work also began to drain the delta to the west of the Chaophraya. The first project developed the Suphanburi river as a drainage canal for the north-western corner of the delta. Subsequent projects drained the 'West Bank' area to the south of Suphanburi in the 1940s and 1950s, and later the south-western fringe of the delta under the Maeklong project in the 1960s.

With the government undertaking the irrigation works required to drain the land enough for paddy cultivation, the role of landlords in the development of the frontier declined. Colonizing peasants moved in to clear the areas under the government schemes. As the drive to expand the frontier gathered momentum, colonization ran ahead of the irrigation engineers. By the mid-1890s, peasants were moving into drier areas on the fringes of the delta, where in the past settlement had been deterred by wild animals and robbers. By 1900, the frontier had begun to move forward beyond the new canal project lands of the lower delta and to take up unused land in the old or upper delta to the north.

The colonization movement edged along the rivers of the upper delta, filling gaps in the already existing pattern of ribbon settlement. Then it spread inwards across the interstices between the various strands of the upper delta, gradually converting swamp to paddy land by clearing and bunding. Later, it extended out across the fringe areas of the delta, clearing scrub and jungle, and building tank irrigation to hold the runoff from the hills. Next, it crept out from the delta along the Chaophraya tributaries leading from the delta towards the north. Finally, cultivation spread across the remaining areas of the lower delta under small-scale ditch-and-dike works built for local drainage. Over a period of sixty years, virtually every square inch of the delta region was converted from swamp to paddy field.

The frontier moved ahead by gradual piecemeal colonization of adjacent lands. Along the rivers through the central plain, settlers travelled by boat to find new sites for settlement. Once a site was chosen, the settler families built a homestead on the river bank, and then began clearing from the river towards the interior. Individual families could claim as much land as they could clear with their own labour. A settler who moved from poor land to the west of Bangkok to *jap jong* land in the Rangsit region around 1890 initially cleared 5 *rai* of land, which was just enough to provide subsistence for a family. Three years later, he was able to clear up to 30 *rai* and grow rice for market sale. As settlements expanded, a subgroup might split away and take the clearing process further away from the river into the interior of grassland and scrub. Sometimes news of a new frontier tract elsewhere on the plain would prompt the community to send out a few pioneers, with a larger group following at a later date. Individual families or whole small communities trekked in from further afield, notably from the north-east and, to a lesser extent, from the south.

Frontier society was highly mobile. In the 1850s, the population of the sugar districts increased rapidly. But when sugar slumped and paddy began to expand, the population shifted to the paddy area. In the early stages of the canal schemes, cultivators stayed only for the cultivation season and disappeared elsewhere for the remainder of the year. Some of the early settlers in the canal tracts to the east of Bangkok found the battle against pests, diseases, and wild elephants too hard, and after a few years moved off to find new locations. Settlers who moved into the tracts under one of the first canal schemes on Klong Prawetburiram in the 1880s left ten years later to take up lands 50 kilometres further north on the Rangsit scheme. A recession in the rice trade in 1900 caused them to move on again. Some returned to the original area on Prawetburiram, while others moved out further north and east to Pathumthani and Nakhon Nayok where new private colonization was extending agriculture beyond the canal tracts. Many families made several moves in a single lifetime.

Up to the end of the century, the frontier moved across the central plain of the Chaophraya. It was not a ragged line pacing across the landscape like the frontier movement of the American West. Rather it wound along the rivers, then across the interstices, and up to the foothills, gradually covering the area

like water rising on an uneven surface. In 1900, 98 per cent of all rice exports were still estimated to come from the central plain. After the First World War, the process extended into the outlying regions.

The north had a long-established system of rice cultivation along the floors of the valleys of the Ping, Wang, Nan, and Yom river systems, using a network of gravity irrigation canals developed over several centuries. Yet it was impossible to transport rice down the river from this tract to Bangkok, and the area felt very little impact from the first phase of paddy expansion. With the extension of the rail network between 1916 and 1922, the north began to feel the tug of rice export demand.

The northern valleys were the core domain of a long-settled kingdom, and their agrarian history in this period ran strikingly parallel to that of Bangkok. In the late nineteenth century, the local rulers started to grab valuable lands along the valley floors and to invest in extending irrigation works. This was not in anticipation of the coming pull of the export economy. It resulted from attempts by the ruler, Inthanon, to increase crown revenue and bolster the power of the crown. After the 1880s, the ruler and other nobles were absorbed within the orbit of Bangkok administration. After the railway reached Chiang Mai in 1921, rice exports increased rapidly. By 1935, the north supplied 9 per cent of Bangkok's rice exports, and Chiang Mai had eleven rice mills. The export surge prompted another move by nobles and by some big merchant families to grab land and profit from export demand. They used elephants and accusations of witchcraft to run peasants off their land. They invested in irrigation works to expand the cultivated area along the valley floor. Although royal policy now favoured peasant settlement rather than landlordism, Bangkok did not restrain the creation of estates by the northern nobility. It was nervous about provoking any resistance to the process of absorbing the old northern princely territories into Siam, and hence turned a blind eye to land-grabbing. As in the Bangkok region, this phase of landlord expansion was brief and limited to the core area of the old kingdom. Subsequent new colonization was carried ahead by independent settler households. They moved out beyond the old areas of settlement in the river valleys, repopulated tracts which had been deserted since the Burmese invasions of the eighteenth century, and cleared lands along the smaller tributaries and the adjacent lower hillsides.

The extension of the railway on to the Korat plateau prompted some north-easterners with access to the railheads to open up new paddy lands or to convert existing tracts from the glutinous rice grown for home consumption to the white rice demanded in the export trade. The railway reached Korat in 1900 and stimulated colonization and paddy cultivation on the upper reaches of the Mun river system. The railway was extended through the Mun valley to Ubon Ratchathani by 1926, and north to Khon Kaen and the upper Chi valley by 1933. Korat became a major paddy trading centre with thirty small rice mills. Each of the railheads along the route to Ubon acquired its own small complement of silos and small rice mills. Khon Kaen developed as a rice-milling centre in the 1930s.

The remainder of the north-east outside Korat, the Mun valley, and the upper Chi lay beyond the reach of the railways and hence beyond the pull of paddy export. It developed a complementary role on the fringes of the frontier expansion as a supplier of livestock and labour. The itinerant merchants or *nai hoi* of the region bred buffaloes on the Korat uplands and walked them down to the plains each year for sale to the paddy growers. The *nai hoi* also brought along troops of wage labourers who travelled with just 'one sickle, one blanket and one pair of trousers'. The *nai hoi* received a commission from their employer. The labourers stayed for 8–9 months of the cultivation season and then returned home. With the extension of the railways, this labour migration increased. In 1905, there were over 5,000 north-easterners in the Rangsit tracts alone.¹⁵

The frontier surge lifted the demographic constraint. The population of the Chaophraya Delta increased rapidly. According to Sternstein's (1993) tentative interpretation of data collected by Sir James Burney, in the 1820s there were around 450,000 people living in Bangkok, Ayutthaya and the old core domain along the Chaophraya, and a little over 100,000 spread across the rest of the delta. Terwiel's estimates for the 1830s based on travellers' accounts are slightly lower, giving a high figure of 375,000 for the whole delta tract (Terwiel, 1989: 250). By the 1920s, the population of the central region had grown to 3.3 million.¹⁶ This rapid increase was probably a combination of falling death rates and mass immigration. In the past, the region's population growth had been restrained by a mixture of forest diseases and warfare. With the reduction in warfare and the retreat of the forest rim, the natural rate of population growth spurted ahead. In addition, throughout the century the Chaophraya Basin sucked in people from neighbouring regions. Up to the 1840s, the kings brought back Malay, Lao, Vietnamese, and Khmer captives from their military campaigns. In later years, there was a constant trickle of Lao immigrants escaping from French rule. North-easterners from the Korat plateau came down to take labour jobs and tenancies in the canal tracts and later spread beyond as settlers. Mons and Burmese were attracted to the more peaceable and prosperous Chaophraya Plain. Indians supplied a trickle of settlers. The total net Chinese immigration in the nineteenth century was over half a million. The society of the rice frontier was very cosmopolitan.

The Decline of Forced Labour

The expanding frontier prised people away from the systems of labour control. The *phrai* had always resented the corvée. During the late Ayutthaya period, evasion had become widespread. In the early years of the Bangkok era, the new rulers tightened up the administration. But as the frontier started to move ahead from the 1820s, evasion rapidly increased.

By the 1820s, there were frequent reports of *phrai* refusing to perform corvée, or fleeing their masters altogether. By the 1830s, the Crown found it difficult to use the corvée system for mobilizing labour needed for public

works. In the 1840s, the Crown gave up the idea of using corvée labour for major projects such as canal-building and instead imported large numbers of Chinese. During mid-century, the rate of Chinese migration increased and Chinese wage labour became the mainstay for large public works projects, for construction, and for general urban labouring. From the 1810s, the King allowed *phrai* to purchase exemption from corvée. Despite high exemption fees, many were prepared to pay. By the 1850s the returns had become the single largest item of royal revenue.

The Crown still wished to maintain corvée for regular supplies of labour working on the royal estates, in the royal household, and in menial government tasks. In 1857, the King convened a meeting of his top officials to discuss the problems which had arisen because ‘at present no individual *phrai luang* or group of *phrai luang* ... want to serve in the corvée’. The King appointed agents to round up unattached labour and add them to the stock of *phrai luang*. In 1860, the King mounted a major effort to send out tattooing parties into the provinces to register anyone they could find (Chatthip and Suthy, 1981: 317). To minimize resistance to the corvée, the kings reduced the period from six months at the foundation of Bangkok, to four in the 1800s, three in the 1810s, and finally to one.

These were desperate measures, and to little avail. The *phrai* resented surrendering their labour power and sought many ways to evade the corvée. When the registrars came, some dressed up as Chinese, Indians, or Europeans. Some chained themselves up and pretended to be prisoners. Some quickly entered the monkhood. Others bribed the officials to classify them into exempt categories. In one local register from 1867, three-fifths of the total of 3,906 adult males were classified as exempt, including 626 who claimed an official rank, 550 in the monkhood, 486 who claimed to be ‘slaves’, and 385 who were disabled, destitute, mentally ill (47), or possessed by evil spirits (Koizumi, 1992: 282 n. 21). Attempts to arrest defaulters sometimes resulted in pitched battles. Many took off into the forests and formed robber bands. To avoid persecution of relatives left behind, they fled in complete family groups. From time to time, the King offered rewards to freelance constables prepared to venture into the forests and capture the runaways. But as the frontier expanded, many *phrai* disappeared to the fringes of the new frontier and survived as ‘white wrists’. Many others chose to contract debts and fall into the status of *that* or debt bondsmen who were exempt from corvée. By the 1850s, up to one-third of the population was reckoned to have taken this route to escape labour service. The King passed regulations demanding the reversion of certain categories of such ‘new’ *that* to the status of *phrai*, and imposed an eight-day corvée obligation on *that* in general. By the 1870s, corvée was useless as a method even for raising the army. The forces which were mobilized in the face of increasing pressure from the French consisted almost wholly of Mon, Lao, Vietnamese—mostly war prisoners, *that* bondsmen, and other immigrants who were still bound by special ties of servitude. Large numbers of them ran away as soon as the military column moved off

up-country. As much as 80 per cent of the population was estimated to be evading the corvée registration.

Once the canal investments began, the King and nobles who wanted tenants to occupy their lands were not very interested in checking their tattoos. Fleeing corvée and servitude did not require a long and brutal journey. The village of Bangchan to the north-east of Bangkok was chosen as a site for settlement in the 1870s by freed *that*. It was only 30 kilometres from the centre of the royal capital and is now a suburb, but in the 1870s that was far enough to escape government control.

From the mid-1870s, the Crown hastened the process of dismantling the systems of forced labour. Along with the restraint on aristocratic estate-building, these moves formed part of the royal strategy to undermine the old nobility and encourage the formation of a new independent peasantry. By this period, most *phrai som* under the nobles had commuted their corvée due into a cash payment. In 1877 and again in 1887, the King demanded that the nobles pay up arrears due to him from these commutation payments, or else surrender control over the men. Most surrendered the men. In 1896, Chulalongkorn rejoiced that 'many masters of the *phrai* units have agreed to return their men.... I have bought men and power to control them with the head tax money, which had already been lost' (Seksan, 1989: 391–2). Royal officials in selected provinces encouraged *phrai luang* to commute their corvée obligation for an annual tax. Then in the 1890s, the King reduced the commutation payment down from 18 to 6 baht, and issued an amnesty for 'white wrists' who turned themselves in for registration. By the turn of the century, indenture had virtually been replaced by a head tax. In 1905, the King formally abolished the corvée system.

In 1874, the King decreed that children born to *that* after 1868 automatically gained their freedom on reaching the age of twenty-one. The method of abolition meant that the supply of slaves diminished gradually over two decades. Some nobles were still able to use *that* labour to clear land in the canal tracts. But by the 1890s, *that* who had been freed or who had fled were in great demand as prospective tenants in the Rangsit tract. In 1897 and 1900, the King passed further decrees to speed up the process of freeing the remaining *that* by the early years of the new century.

Agrarian Structure and Process

In the late nineteenth century, Chulalongkorn set out to create a powerful monarchy ruling over a society of independent peasants.¹⁷ The result was two very different agrarian regimes which existed side by side. First, a society of landlord and tenant developed in the early canal projects and the northern valleys. Second, a new peasantry of independent cultivators grew as the frontier rapidly spread beyond these areas.¹⁸ These two regimes had different structures, different legal frameworks, different societies, and different production systems.

TABLE 1.2
Agrarian Structure in the Central Plain, 1930/31

Province	Average Rai per Holding				
	Owner-occupied	Rented In	Rented Out	Total Cultivated	Percentage Landless
Bangkok	8.44	7.20	0.70	15.04	78
Thonburi	13.40	1.62	8.90	6.12	54
Thanyaburi	4.30	55.16	2.30	57.16	94
Ayutthaya	25.95	11.97	8.40	30.45	42
Saraburi	21.47	1.52	3.62	19.12	36
Phetchaburi	13.81	6.53	2.38	17.40	46
Chachoengsao	33.49	14.12	18.66	28.66	42
Lopburi	27.06	4.19	5.94	25.04	12
Phitsanulok	28.45	0.50	0.55	25.50	2
Suphanburi	58.88	3.14	19.62	42.15	8
Chanthaburi	10.93	1.46	2.63	8.58	10
Laem Sing	16.01	1.44	—	14.43	8
Total	28.35	9.07	6.14	24.14	36

Sources: Zimmerman (1931: 25, 29); Tomosugi (1980: 130).

In the canal tracts close to Bangkok and in some of the old core domain around Ayutthaya, landlords dominated (Table 1.2). In 1931, in Thanyaburi province which housed the Rangsit tract, landlords held over 90 per cent of the land, and some 94 per cent of the households were landless tenants and labourers. Much of this tract was held in large estates. In the 1970s, three families accounted for one-third of the total area under tenancy in the four provinces around Bangkok. Each owned an average of 41,000 *rai*. Around another 120 families controlled over 1,000 *rai* apiece. In this tract around Bangkok, the government implemented the land laws of 1901 and issued *chanot thidin* (title deeds) as certificates of ownership.

Similarly in the core area of the old Lanna kingdom, aristocratic land-grabbing around the turn of the century created a society of landlord and tenant. In the districts of Chiang Mai and Lamphun, the ranks of landlords included the old ruling families, some merchants who joined in the land-grabbing, and some Shan traders who invested the proceeds of opium dealing. On a smaller scale, local nobles in the coastal rice-basins of the south set up landlord holdings.

These landlord areas were closely connected to the paddy export trade. Their agrarian regime was 'industrial' in nature. The landlords were mainly absentees and they employed managers to organize production. The managers let the land on an annual or biannual tenancy for a cash rental. Tenants took up large plots. For the peak labour demand at harvest, they employed migrant day

labour. Most of the product was sold for export, with only a minor share reserved for subsistence.

From the beginning, agrarian relations were fractious. Tenants protested against the insecurity of tenure and attempted to establish occupancy rights on their holdings. By the end of the century, it was reported that 'there is a dispute about every holding' in the Rangsit tract. Claims to occupy and work the land had to be substantiated by force. Settler communities organized their own systems of protection led by local toughs (*nakleng*). Landlord and tenant fought over rent levels. In the 1890s, the government had to send many military expeditions into the canal tracts to quell riots and control banditry. In 1897, the government created a provincial gendarmerie in an attempt to restore order.¹⁹

The tenant cultivators were victim of two forms of uncertainty. First, the supply of water on which their cultivation of flood rice depended was far from secure. The canals were for drainage, not irrigation. The water supply depended on the rainfall, and the rainfall was fickle. In the 1900s, there was a succession of drought years followed by a succession of flood years, resulting in major hardship throughout the Rangsit tracts. Second, the canal tenants were subject to the fluctuations of the international market for rice. Prices varied with the swings of the international economy in general, and in particular with the supply and demand conditions in Burma, Indo-China, and other countries which competed with Siam for Asian markets. The vagaries of the monsoon and other production factors in these regions made supplies vary greatly from year to year. Tenants constantly petitioned the government for assistance to overcome the effects of drought, flood, and price falls.

These uncertainties fostered impermanence. Rather than building villages, the Rangsit tenants settled in ramshackle huts along the canal banks. If cultivation failed to the point where they could not pay their rent, their taxes, and their debts, they simply moved on. Between 1890 and 1905, an estimated 100,000 moved into the Rangsit tracts, and by 1912 after the run of bad years, some 35,000 had left.

Outside the canal tracts and the northern valleys, landlordism was rare. During the colonization, a few local nobles were able to set up moderately sized estates using their residual command over slave labour. Some Chinese traders and tax farmers who had support from local nobles were able to build up landed estates. But these were exceptions to a general rule of smallholder cultivation. In 1931 in the districts beyond the canal tracts, over 90 per cent of the population were independent cultivators (see the figures for Phitsanulok, Suphanburi, Chanthaburi, and Laem Sing in Table 1.2). The size of holdings was determined by the capacity of a single family to clear and work the land. Most holdings were in the range of 15–25 *rai*.²⁰ Families sometimes refused to take up larger holdings because they had no wish to pay taxes on land which was beyond their capacity to work. In cases where freed *that* were allotted holdings of a larger size, they covertly moved the border markers to reduce the size of the plot and hence also the tax demand.

Outside the landlord tracts, only a minor portion of the land was rented (see Table 1.2). Moreover, most rentals were transfer of land within families or between families to adjust landholding to family labour capacity. 'Retired' parents or grandparents 'rented' land to younger members of the family. Families with excess labour took over plots which other families temporarily could not cultivate owing to lack of labour. Frontier villages had no landless labour and no import of migrant labour from outside. At peak times, families exchanged labour. The harvest, in particular, was a time for labour pooling. Whereas the landlord tracts verged towards an 'industrial' production regime, the peasant frontier tended towards subsistence. In the local phrase, they took care of the family before they thought about sale (*hen nong jung ja khai*). They grew for subsistence, and only then sold the surplus into the rice trade.

The legal framework of land registration deployed in the landlord tracts was not extended out to the peasant frontier. Initially, this came about because the government lacked the administrative resources. But it quickly evolved into a policy. In these tracts, the government reverted to the old policy of allowing tax certificates to act as a deed of occupancy, and preserving the notion that ownership was vested in the king. This did not prevent land transfers. But it meant that the authority over land control was the village community itself, usually represented in the person of the village headman. Outsiders could not purchase a document which the government would recognize as a claim to ownership. They had little chance of establishing a claim to land in the teeth of local opposition. The lack of title impeded merchants or prospective landlords from buying up land.

At the turn of the century, the landlord tracts grew most of the rice sold on to the international market. From the 1900s, peasant settlement accelerated on the further frontier. By the 1930s, the area of peasant occupation had come to dominate. In 1937, one-quarter of the cultivated land in the central plain was tenanted and the remaining three-quarters held by independent cultivators. In the north, 19 per cent of land was held by landlords and the remaining four-fifths by peasant holders. In the north-east and south, only 2 per cent was held by landlords (Census of Agriculture, 1937, cited in Ingram, 1971: 268).

While the landlord and peasant tracts were different in social structure and agrarian regime, they were connected by the internal logic of frontier migration. In years of high prices, there was heavy demand for tenancies in the canal tracts as settlers immigrated in the hope of earning cash fortunes. In the face of failure brought on by weather or price, settlers fled from the rent collector and taxman. They sought out new land on the frontier where they could *jap jong* and practise subsistence farming beyond the reach of the market and the clutches of the government. The tax collectors chased after them, issued them with demands for land and poll tax, and so forced them back into the market. The frontier progressed by this restless concertina movement.

Production, Trade, Debt, and Taxes

The cultivation regime which the new peasantry developed on the rice frontier was low-capital, low-intensity, and low-yield. Through most of the delta, the soils were heavy clays with low fertility. There was almost no secure irrigation, and cultivation depended on the unreliable monsoon. With no controls on the flow in the river system, small variations in rainfall could wreck the precarious regime of flood rice cultivation. The frontiersmen were migrants, freed *that slaves and disengaged phrai*. Mostly they brought no assets with them other than their family labour power. They used technology and farming practices which were probably unchanged from systems that had operated in the Chaophraya region for centuries. Their main capital resources were bullocks which were traded in from breeding grounds in the north-east and which could conveniently move along with the progress of land colonization. Their tools were simple devices of wood and iron. The only change in cultivation practice was a shift from transplanting to broadcast systems. Transplanting could provide higher yields per unit area, but required better water control and higher labour input. For the colonizing peasant, broadcast was more suitable. He could sow a larger area, leave the control of water-levels to nature, and finish up with a higher gross return. The return per unit of land was low, but the return per labour input was high. Settlers soon discovered that varieties of rice which were normally grown by transplanting, and which commanded higher value in the export trade, could be grown by broadcast.

This cropping strategy delivered a yield per unit area which was very low by international comparison. The paddy varieties which could survive under broadcast conditions in inundated fields had to develop extra height rapidly when the rains raised the level of the water in the floodplain. They were better at growing the stalk than the grain. Fertilizers had little impact because much of their efficacy was washed away, and hence they were little used. Yields per unit of area were low and more or less constant during the first half of the twentieth century.²¹ But yields per head increased. Paddy output per capita increased from 291 kg per capita in 1860 to 342 kg in 1900 and 389 kg in 1950. Given an estimated per capita food requirement of 243–254 kg per year, this regime made about one-third of total production available for market sale (Table 1.3). Paddy export per capita increased from 66 kg in 1900 to 97 kg in 1950.

To move this emerging peasant economy, with its tendency to lapse towards subsistence, to a higher degree of productivity and higher rate of surplus would require both investment and extractive pressure. In many colonial regimes, a combination of government tax demands, landlord exactions, and merchant exploitation goaded the peasant forward. In Siam's rice economy, these pressures were muted.

Initially, the government was keen to exploit the rice economy as a source of revenue. At the turn of the century, the last vestiges of corvée were replaced by a universal poll-tax. Between 1903 and 1909, the yield from the poll-tax

TABLE 1.3
Paddy Production, Consumption, and Export, 1860–1950
(kg per person)

<i>Year</i>	<i>Production</i> (1)	<i>Consumption</i> (seeds, etc.) (2)	<i>Surplus</i> (1)–(2) (3)	<i>Exports</i> (4)
1860	291	243	48	20
1870	307	243	64	34
1880	316	243	73	42
1890	346	243	103	70
1900	342	243	99	66
1910	402	243	159	120
1950	389	254	146	97

Source: Calculated from Tables 1.5, 2.6, and A.2 in Sompob (1989: 36, 50, 209–11).

was raised from 4 to 9 million baht a year, and remained in the range of 8–10 million baht through until the 1930s. Much of this increase came from levies on the newly created peasantry. In addition, the government hiked the rates for land tax in 1900, again in 1905, and again in 1909. Besides raising the rates, the government improved the methods for enforcing collection. By the law of 1901, peasants who tried to evade the tax were liable to forfeit their land and be forced to labour on public works. Officials carried out random checks on tax receipts. This tax machinery extended little beyond the core settled areas in the central plain and the north. Yet the revenue from land taxes increased rapidly from 1.5 million baht in 1894 to 10.5 million baht by 1924.

Over the first two decades of the century, the government increased the revenue levied in poll and land taxes from the peasantry by 15 million baht. These exactions were resented. Many who fled to the outer reaches of the frontier were escaping taxation. Petitions sent to the King regularly complained about taxation. Some pointed out that the flat-rate poll tax was unfair on the poor and amounted to a new version of enslavement. Some argued that in return for the tax, the government should provide peasants with better irrigation, more credit, and other facilities. At the onset of the depression in 1929, the inflow of petitions for relief sharply increased. The government commissioned a survey which revealed the wide extent of distress. Faced with the growing criticism which would lead to the overthrow of the absolute monarchy in the following year, the King felt bound to act to preserve the integrity of the peasantry. He ordered that the land tax be rebated by 20 per cent. The rebate was never restored. In 1932, the government reduced the head tax to 2 baht. In 1939, both the head and land taxes were abolished completely.

In the face of peasant opposition, the government was not prepared to use taxation to squeeze more surplus out of the rice economy. Equally, it was not

minded to drive the peasant economy ahead through investment in infrastructure and credit.

Van der Heide's irrigation plans were designed not only to extend the cultivable area, but also to create a more secure and regular water supply which could form the basis for higher yields. The government debated the proposals at length, but ultimately elected to divert government funds to railways and the military on grounds of defence. Government investment in agriculture was limited to the gradual extension of drainage works, some small-scale schemes for ditches and dikes, and some small ventures in seed distribution. Phraya Suriyanuwat, who served as Minister of Finance in 1906–7 and who wrote *Sapphasat*, the first Thai treatise on economics, argued that the government should invest in agriculture by providing more credit to the individual peasant: 'The progress of Siam is ever more dependent on paddy cultivation. Whether Siam will grow quickly or slowly is dependent on the benefits farmers will receive. But how to give farmers more reasonable access to credit, which will enable them to realise more profits, is the major problem' (Suriyanuwat, 1975: 73). He argued that cultivators' profits were drained away by high interest rates and commercial trickery. As a result, they had no surplus to invest in implements, in storage facilities, and in better technology.

The crown rejected the need to invest in agriculture not simply on grounds of cost, but also of ideology. King Vajiravudh reacted angrily against Phraya Suriyanuwat's treatise on the economy. He refused to accept the book's picture of an impoverished and unhappy peasantry. In the emergent ideology of royal nationalism, the peasants were free, happy, and loyal.²² On the basis of observing peasants on his trips into the countryside, Vajiravudh concluded that 'many things that Bangkokians took to be facts were all nonsense', including the rumours of peasant poverty (cited in Pannee, 1986: 48). After Phraya Suriyanuwat's *Sapphasat* had gone into a third edition, Vajiravudh banned the book and banned the study of economics in case such erroneous ideas should acquire a wider audience.²³

Merchant exploitation played a larger role than the government in pressuring the peasant economy, but even then the pressures were limited. The frontier rice peasant was connected to the market by Chinese rice traders. Most were recent immigrants who earned a small stock of capital by wage work in Bangkok and then launched into small-scale trading. Travelling by boat or *kwian* (ox-cart), they fanned out across the Chaophraya Plain at the very edge of the frontier drive. They purchased paddy from the grower, stored it until the rivers rose in the rainy season, and then transported it by boat and barge down to rice marts at Ayutthaya and Nakhon Sawan, or direct to the rice mills in Bangkok. These petty traders also ferried small quantities of imported and locally made goods such as salted pork and *pla thu* (a variety of mackerel) back from the markets of Bangkok for sale in the village. Access to such consumer goods gave incentive to the peasant to increase his surplus and his cash income.

For most peasants, the trader was the only source of capital. They borrowed to buy ploughs and bullocks, to build houses, to finance ceremonies, to carry themselves through bad seasons. By the 1910s, it was estimated that the majority of paddy cultivators were indebted, usually to the local merchant. At the onset of the depression, a government survey concluded that approximately half of the peasants in the central region were in debt, attributed to 'thriftlessness' (Zimmerman, 1931). It intimated that rising rural debt was on the point of breaking down peasant society in the Chaophraya Delta. It cited instances of peasants who had lost land and slid into tenancy. It noted the presence of town-based moneylenders who threatened to foreclose, grab land, and dispossess the peasantry.

Yet when the government returned to the villages for a second look in 1934, it found that debt was still rising but that there was no major trend towards foreclosure, land loss, and the destruction of the peasantry. Indeed, it found that the delta's peasant society was coping with the depression's fall in price and demand by retreating towards subsistence production, devoting more time to other forms of production (craft, gathering) for local consumption, and sharing both assets and poverty.

Indebtedness to the Chinese trader was the major force driving the peasants to generate a surplus for market sale. But even this pressure was limited. The lack of good land deeds as security limited the extent to which the trader was prepared to tie the peasant up in debt. The existence of the frontier confirmed this reluctance. Peasants who felt overwhelmed by debt dues and tax arrears disappeared in the middle of the night and sought out new land. Most of the Chinese traders remained small-scale local operators with limited resources of capital. During the inter-war period, some linked into networks of credit and trade extending out from the big rice exporters of Bangkok. But even these rice barons were financially less powerful than might have been expected. The death rate among rice export firms was high. The firms which dominated in the 1890s were wiped out in the 1900s. The handful which came to dominate in the 1900s and 1910s faltered in the financial chaos after the First World War. Their successors were wiped out by the depression. Rice traders were squeezed between the vagaries of the international market and the insecurities of trading in rural Siam. Merchant exploitation was driving the peasant economy forward, but only at a modest rate.

In other parts of the world in this period, peasant regimes growing for the world market were broken open by urban capital leading to differentiation and proletarianization. In Siam, as frontier society became more settled, it matured and became more differentiated. Habits of communal co-operation (such as exchange labour), forged in the fight against nature and the tax collector, declined as peasants became competitors in the growing market economy. Some families got better land than others, cultivated more successfully than others, produced more children, bargained more successfully with the Chinese trader, made small but strategically important investments, and were luckier in evading fatal disease. Some rose above the crowd by better management of

violence. In the early years of the frontier expansion before the complete abolition of formal servitude, the forest areas were occupied by bands of runaway *that* and *phrai* who lived by robbery. New frontier villages had their own *nakleng*, tough guys whose main duty was to defend the village against robbers and other predators. Such defence systems easily matured into gangs and protection rackets. *Nakleng* banded together to raid neighbouring villages. They stole cattle and then offered to 'find' them again in return for a fee. Powerful *nakleng* could use their control of force to acquire land or other productive assets.

But the extent of such differentiation was limited. The government surveys of 1934 and 1937 confirmed that the agrarian structure was largely intact. Surveys in delta villages outside the landlord tracts in the 1950s still found a society dominated by peasant cultivators owning holdings in the range of 15–25 *rai*, using family labour and exchange labour at harvest, delivering low yields from low-intensity broadcast farming.

Until the 1950s, several factors contrived to sustain Siam's peasant society. First, the land frontier was still running ahead of population growth. Few people faced the prospect of being forced into landlessness by population pressure. Sons who faced the prospect of inheriting an uneconomic plot were handed a hoe and pointed off in the direction of the land frontier. Households who lost their land, or who became hopelessly indebted, could migrate to the edge of the frontier, clear some land, and start again. Second, the government protected the peasantry from the intrusion of landed or mercantile capital by failing to administer property rights. Because outsiders could not call on the government to substantiate a property right against local opposition, debt did not usually lead to foreclosure. Third, the resulting agrarian regime characterized by low yields per *rai*, high uncertainty, low access to capital, and limited labour supplies offered very limited possibilities for accumulation.

Until mid-century, the delta's peasant rice economy expanded laterally, goaded gently by tax demands, protected by the government's policy of constructive neglect, and yoked to the international economy by a petty Chinese trader armed with a paddle and a bag of baht.

The Transformation of the Rice Frontier

After the Second World War, the paddy economy was dramatically transformed. Where the government had earlier helped to isolate the peasant from merchant exploitation, the government now joined with the merchant to increase both the level of investment in the paddy economy and the level of surplus extraction from it. Under these pressures, the relatively egalitarian society of peasant pioneers was rapidly transformed into a society of commercial farmers and wage labour.

The area under paddy expanded from 35 million *rai* in the early 1950s to 59 million in the late 1980s. In the established rice zones of the central plain and the north, the rice area grew from 19 to 25 million *rai*. More impressively,

TABLE 1.4
Paddy Acreage, 1950–1990^a (million *rai*)

Region	<i>First Crop</i>			<i>Second Crop,^b 1989–90</i>
	1950–2	1965–7	1989–90	
Centre	16.9	20.0	11.9	3.8
North	2.5	2.5	13.8	1.3
North-east	13.1	16.3	30.6	0.6
South	2.5	3.8	3.1	—
Total	35.0	42.6	59.4	5.7

Sources: *Agricultural Statistics*, various years.

^aBetween 1965 and 1989, several provinces were reclassified from 'Centre' to 'North'.

^bSecond crop insignificant in earlier years.

the rice area in the north-east spurted ahead from the 1960s. Driven by new road connections, the frontier moved up through the Mun-Chi river systems and along the rim of the Maekhong. In four decades, an extra 17 million *rai* were added to the rice area in the north-east (Table 1.4).

In the mid-1960s, a Japanese anthropologist began studying a village in the north of the Chaophraya Delta on the outer edges of the rice frontier. Most of the farmland had been cleared and cultivated in the past generation. While there were signs of rising land values and increased tenancy, the village still showed the basic pattern of a frontier settlement dominated by independent smallholders using exchange labour and traditional technology. When he returned less than a decade later, the village had been transformed. Almost half the land was now under tenancy. A quarter of the families were dependent on wage labour. The village housed professional labour agents who marshalled the labourers into gangs and hired out their services over a wide area. Exchange labour had virtually disappeared. Landholders used wage labour not only for the harvest, but intermittently throughout the cropping year. Bullocks had disappeared from the village and been replaced by tractors. Water pumps were common. Cultivators used new, Green Revolution strains of rice seed along with packages of fertilizer and other chemicals. Villagers who earlier had described to the anthropologist the importance of the rice goddess for the success of cultivation now informed him that 'spirit of rice (*mae phosop*) is no match for chemical fertilizer' (Tomosugi, 1980: 9–25, 40–6).

Other village studies from this era show similar transformations taking place throughout the rice frontier. The speed of the changes surprised many observers accustomed to view rural society as fixed, unchanging, 'traditional'. The area had been protected from the social impact of commercialization for so long that when the protection was removed, the impact was rapid and dramatic.

Some observers attributed the transformation to demographic pressure. Better control of epidemic diseases after the First World War led to a fall in the death rate and an acceleration of the population growth rate up to 3 per cent a year from the 1950s to the 1970s. At the same time, reserves of new land in the deltas were exhausted. Growing population pressure on land led to classic land fragmentation problems.

Yet demographic pressure seems secondary. While the rate of expansion of cultivation in the deltas declined from the 1950s, a new frontier opened in the uplands and drew away the greater part of the population increase.²⁴ The transformation of the rice frontier stemmed from commercialization and a reorientation of the relationship between the government and countryside.

Between the 1930s and 1960s, urban capital grew much stronger and much more aggressive.²⁵ A handful of big Chinese rice-exporting businesses came to monopolize the rice trade. They organized the local traders into networks which extracted paddy from the countryside more efficiently than before. From the 1940s, the government worked alongside the rice barons to improve the efficiency of the rice trade, and to build better distribution networks for funnelling urban consumer goods into the rural markets. By the 1960s, the local agents of the rice trade networks were much more deeply enmeshed in the village economy than they had been before the war: 'Some of the middlemen, who have close contact with the rice-farmers, perform more functions. They buy and sell paddy, lend money, advance supplies, own and rent land, sell imported merchandise, and transport goods in both directions. These various functions are so mixed together' (Sawaeng and Ong, 1964: 65–6).

From the mid-1950s, the government set out to enlarge the urban economy by increasing the rate at which surplus was extracted from the countryside to boost capital accumulation in the city. The government promoted surplus extraction both through its own tax and fiscal arrangements, and by lending support to urban capital.

After the Second World War, the government began to tax the rice economy again. In the peace settlement, the Allied powers demanded Thailand pay war reparations in the form of free rice exports. To secure rice to meet these demands, the government imposed a monopoly on rice exports and set up machinery to buy supplies at low prices. When the reparations were lifted in 1947–8, the government maintained the monopoly for procuring export rice and pocketed the difference between the low purchase price and the international market price. By 1953, the profits on this rice dealing provided 32 per cent of all government revenue. The government realized that this system also had other benefits. It depressed the domestic purchase price of rice for urban consumers, and in particular reduced the need to increase pay for the government's own employees. It provided a mechanism for protecting the urban consumer against shortages caused by excessive exports in times of high international prices. It avoided the administrative complexity and political difficulties of reintroducing a large land tax or any similar direct tax on the

peasant. In 1955, the procedure was regularized as the 'rice premium'.

The rice premium depressed the farm-gate and retail prices for paddy. It reduced the returns to the cultivator while at the same time acting as a subsidy to urban consumers. The net effect was a transfer of surplus generated in rice production from the cultivator to the government and to the urban economy. The extent of this transfer became a matter of heated controversy. In 1956, the premium yielded 17 per cent of the government's tax revenues and declined unevenly to 7 per cent in 1969. In the mid-1960s, an economist calculated that the premium represented a tax of 45 per cent on the value of rice production for the export market. Another estimated that the premium extracted 25 per cent of all rural income. With the resurgence of political protest in the countryside in the 1970s, the rice premium was reduced and then abolished in 1985. Yet for two decades it played a major role in extracting surplus from the paddy-growing countryside to the government and to the city.

The government also increased the extraction from the countryside through manipulation of the terms of trade. The tariff regime imposed high rates of duty on the imports of consumer goods and inputs destined for sale in the rural area. Combined with the effects of the rice premium, this meant the cost of fertilizer measured in terms of rice was five times greater in Thailand than in Japan.

The government set out to expand the size of the surplus available from the countryside as well as the rate of surplus extraction. From the 1950s, the government increased its investments in irrigation and to a lesser extent in other forms of infrastructure and services designed to boost agricultural output. In 1947, an FAO team recommended investing in irrigation works to regulate the supply of water in the delta. In 1952, the World Bank agreed to provide finance. This Greater Chaophraya Project resembled van der Heide's plans devised half a century earlier. The scheme included a major dam constructed at Chainat at the head of the delta and a series of canals, locks, watergates, dikes, and ditches to even the flow throughout the tract. The Chainat dam was completed in 1957, but initially had little impact. Over the next ten years, however, two further dams (Bhumibol and Sirikit) were built on the tributaries above Chainat with the combined purposes of generating hydroelectricity and supplementing the water storage system. More distribution channels spread the water stored in these dams through the delta. Similarly in the north, the large Mae Teng project and several smaller schemes extended government-run irrigation to half of the cultivated area in the Chiang Mai valley by the late 1960s.

These schemes pushed forward the rice frontier into new tracts. But more significantly, better water control made possible the adoption of the new rice technology created by the International Rice Research Institute (IRRI) in the Philippines. The government set up research facilities for testing the IRRI strains of rice, and by the mid-1960s had developed varieties adapted to Thai conditions. Dissemination of these varieties began in the late 1960s.

The state also abandoned the policy of protecting the peasant rice economy from the full impact of commercial farming. This was not an abrupt change,

but it evolved gradually during the 1950s. Urged by the World Bank, which believed that peasants would only become maximizing entrepreneurs if they possessed property rights, the government extended land titling beyond the landlord tracts into the peasant villages of the delta. In 1954, the land code was revised and the land department began issuing new land certificates. These included a full title deed (NS-4) and an occupancy deed (NS-3 or NS-3K), which was recognized as title by the banks. By the late 1970s, the department had issued certificates covering 20 million *rai* in the central plain. While many of these deeds related to urban land and the titling effort did not extend to the full 27 million *rai* of farmland, many peasant smallholders received a land deed for the first time.

There was a major shift in the position of village leaders. The administrative pyramid which was extended out from Bangkok from the 1890s stopped just short of the village gate. The government experimented with schemes to appoint village headmen, but gave them up in favour of local selection. Village headmen were urged to co-operate with this bureaucracy, but they were not made part of it.²⁶ As long as they provided the district bureaucracy with a flow of tax revenue and miscellaneous information, most villages hardly ever saw an official. From the 1960s, the government extended development policies and administrative controls into the villages. The *phuyaiban* (village headman) and *kamnan* (head of a group of villages) were co-opted into the government pyramid as the lowest rungs of the rural administration. They became the agents through which the district office, the land department, the police, and various other government agencies carried out a wide range of new activities in the village. Earlier, these leaders had acted as the pivot of the village community. Now they were transformed into the instrument through which outside forces penetrated the village. They were adopted by commercial interests intruding into the village economy. They became agents for sale of inputs, purchasers for agribusinesses, and middlemen for credit programmes. In this period, many *nakleng* settled down and became *kamnan* and village-based entrepreneurs. A nexus of the *kamnan*, the local merchant, and the *nai amphoe* (district officer) emerged as a well-defined rural élite symbolized by their regular drinking party at the neighbourhood's *ran kafae* (coffee shop).

From the point of view of the village, the government's twin policy of investment and extraction meant, in turn, crisis and opportunity for different elements in peasant society.

The increased extraction of surplus by the government and urban merchants turned the low survival margin and high uncertainty of many peasant families into crisis. It increased the likelihood that the usual problems of bad rains, bad illness, or simple bad luck would undermine the foundations of the family economy. Many still responded to such crises by retreating to the agrarian frontier now forging ahead in the uplands. But more and more remained in the delta village and slid into the dependencies of tenancy and landlessness. Village studies in the 1960s and 1970s regularly recounted stories of increasing tenancy, and the spread of *khai fak*, the usufructuary mortgage

which often served as the route from landownership to tenancy. Under *khai fak*, the original peasant landholder transferred the land to the creditor, continued cultivating the land as a tenant, and forfeited ownership if the debt was not cleared within a stipulated time period. A survey in 1969 found that one-fifth of all central plains tenants had lost their land through debt and foreclosure over the past generation (Ministry of Agriculture and Co-operatives, 1969). Village surveys showed similar rates of decline, resulting in 30–50 per cent of all land being held under tenancy. From studies in Ayutthaya, Amyot and Fuchs (1976: 108) summarized:

There seemed to be what amounted to a law in the agricultural economy of the area as to the minimum size a farm holding must have to be exploited profitably. The break-off point seemed to be about 15 *rai*. If a farmer had less than this, he could not survive economically as a full-time farmer without acquiring additional land. Failing this possibility, if he was an owner he either sold or rented out his land; and if he was a renter he withdrew from farming. In either case, land was made available for other more successful farmers to purchase or to rent.

Within landlord-tenant relations, the balance of advantage shifted in favour of the landlord. In the delta, there was a move from share-cropping arrangements to fixed rents, payable either in cash or kind. This move shifted the burden of risk to the tenant and minimized the landlord's need for supervision over cultivation. In some delta villages by the 1970s, landlords could demand rents paid in cash in advance. In the northern valleys where good paddy land was limited to the few valley floors, most tenancies were share-cropping arrangements which might be re-negotiated from year to year. With a growing pool of landless villagers prepared to bid for tenant land, landlords could increase the rental, extract premium payments upfront, and levy extra rentals for a second crop. Rentals of up to four-fifths of the crop were reported from the early 1970s. Moreover, many landlords found that with mechanization they could dispense with tenancy arrangements altogether, and cultivate using wage labour.

Such exploitative tenancy arrangements were often a stepping-stone on the route to landlessness. In the 1930s, virtually all families in the rice tracts still had some access to land and there were few permanent wage labourers. From the 1950s, the numbers of landless families relying on wage labour increased. In certain villages in the mid-1960s, more than half of the families were reported to be mainly dependent on wage labour. By the 1970s, estimates of the proportion of landless families in the whole Chaophraya Delta tract varied in the range of 10–25 per cent. In the northern valleys, around 20 per cent of families had become landless. Moreover, many small landholders could no longer survive by cultivation alone and supplemented their income with trade, craft production, or wage labour. Tomosugi (1980: 20–2), the Japanese anthropologist, summed up: 'In fact, it might be more accurate to say that the villagers are able to continue rice cultivation because of the supplemented income from wage labour and trade. Whether owner cultivators or tenants,

those whose holdings are less than twenty *rai* spend more time in wage labour than farming and receive more income from it.'

By the mid-1970s, gang labour had begun to play a major role in the economy of the rice tract. A new breed of professional labour agents (*nai na khaek*) assembled gangs of landless labour and hired them out for work at the paddy harvest, at off-season tasks such as levelling fields, and at a variety of seasonal tasks connected to specialist crops such as fruit and vegetables. These gangs were highly mobile. At key labour seasons such as ploughing, transplanting, and harvest, they moved across the delta tracts in rhythm with the water-level.

While the pressure of debt and tax converted the weaker and less fortunate families from peasant to wage labour, the opportunities provided by new infrastructure, new technologies, and new sources of capital converted the more fortunate into commercial farmers.

With water-flows and -levels now more regular from year to year, cultivators moved from broadcast to transplanting. In certain areas, the irrigation works built in the 1930s had regularized the supply and prompted the move to transplanting at an earlier date. From the 1950s, the transition became more widespread. Farmers invested in levelling; in raising their fields, and in building embankments. Until the mid-1950s, tractors were almost unknown. By the mid-1960s, four-wheeled tractors were being hired out by tractor contractors to level and prepare the lands in the deltas.²⁷

Until the 1960s, the delta had supported a one-crop-a-year regime with only small amounts of double cropping irrigated by local storage systems. The new dams and distributions canals made it possible to start double and even triple cropping in some areas, often by using the short-period IRRI rice strains for the second crop. Between 1960 and 1980, double cropping in the central region grew from almost nothing to 1.75 million *rai*. In the north, triple cropping expanded in the most secure areas from the mid-1960s. By 1989–90, some 3.5 million *rai* were under double cropping in the central region, equivalent to 22 per cent of the region's total cropped area under paddy. The total area under double cropping for the whole country was 5.2 million *rai* or 8 per cent of the total paddy area.

The usage of fertilizer and pesticide began to increase in parallel from the late 1960s. For the IRRI rice strains, chemical inputs were a necessity. In 1950, imports of fertilizer were less than 10 000 metric tons. By 1970, the volume had risen to 265 000 metric tons. Local firms began manufacturing fertilizer from the late 1960s. By 1978, three-fifths of cultivators in the central plain were using fertilizer, and by 1989, 870 000 metric tons were being used on the paddy crop.

Two-wheeled tractors or 'iron buffalo' came into use in the mid-1960s and spread rapidly in the paddy tract in the following decade. They first gained popularity in the multi-crop tracts where they allowed the cultivator to reduce the interval between crops, and hence improve yields. Later, they spread to single-crop regions where they enabled cultivators to increase the plot size

cultivable by family labour. By the late 1980s, there were over 660,000 in use, mainly in the central region and the north.

Exchange labour rapidly declined. Under conditions of water control, exchange labour became less effective as a means to overcome peak season demand. Every farm needed the extra labour at the same time, and the timing of labour input between first and second seasons was critical. More importantly, the shift to more intensive cultivation involved a shift to a more individualistic approach to farming in which exchange labour was less relevant. Big farms coped with peak-season demand through wage labour from the locality or by import of gang labour from further afield.

With water control, multiple cropping, chemicals, and new seeds, the yield per unit of land in the central region increased by over 50 per cent between the 1950s and the mid-1970s, and almost doubled by the mid-1980s (Table 1.5). The increase in the average national yield was less spectacular (around 50 per cent up between the 1950s and 1980s) because expansion of low-yield uplands rice cultivation down-weighted the statistical average. Even in the central area, the yield remained below levels achieved with more intensive methods in other parts of Asia (Japan, Taiwan, and Java). But the rise in yields marked a major shift in the agrarian culture of the delta tract.

Compared to the simple regime of clearing and broadcasting in the period of frontier expansion, the levels of investment now required by the individual cultivator were huge. Tractors were hired for levelling land. Pumps were bought for maintaining water-levels. Two-wheeled tractors were hired or bought for preparing the fields. Cash was required to buy seed, fertilizer, chemicals, and fuel.

TABLE 1.5
Paddy Yield and Output, 1950–1985

	1950–2	1958–60	1965–7	1974	1984/5
<i>Yield (kg/rai)</i>					
Centre	222	217	279	344	418
North	237	306	426	373	403
North-east	152	145	169	184	256
South	212	220	220	232	274
Total	197	195	243	269	328
<i>Output (million tons)</i>					
Centre	3.76	3.72	5.55	4.83	6.46
North	0.55	0.77	1.16	3.87	5.44
North-east	1.99	2.10	2.74	3.80	7.30
South	0.60	0.64	0.82	0.89	1.02
Total	6.90	7.23	10.27	13.39	20.22

Sources: Ingram (1971: 239); *Agricultural Statistics*.

As found in other countries experiencing a 'green revolution', the impact was far from 'scale-neutral'. Farmers with larger holdings could make more efficient use of new capital investments such as pumps, tractors, axial threshers, and harvesters. Overall returns were much better for cultivators who could afford to invest in the whole package—land improvement, seeds, chemicals, and machinery—as against those who could afford only a part of it. In addition, new sources of credit which became available to finance the greater intensity of production were not accessible to all. From 1966, the government promoted agrarian credit through the Bank of Agriculture and Agricultural Co-operatives (BAAC). In 1975, the Bank of Thailand forced commercial banks to allocate 5 per cent of their loans to agriculture, and in 1979 raised the percentage to 13. The total volume of credit available to agriculture from the organized money market grew from 116 million baht in 1960 to 19,000 million baht in 1979. These institutional sources favoured the few landholders with a secure paper title, or the big cultivators with a large marketable surplus. Government subsidy schemes for fertilizers tended to benefit local influential people such as the *kannan* or *phuyaiban* who were the agents for distribution. Other forms of private credit which became available through the merchants and companies selling the tools and inputs for the new high-intensity regime were generally available only to the rural élite. Intensification increased differentiation within rural society.

From the 1950s to 1980s, the structure of agrarian society in the rice tracts changed. The earlier contrast between the landlord tracts and the peasant frontier regions was largely annulled. The landlord areas had earlier been worked by a temporary work-force of short-term tenants and migrant workers. Now the tenantry settled down. The core of wage labour took up more permanent residence. Some of the old aristocratic landlords sold off their holdings.²⁸ Only one-third of holdings were still rented (Table 1.6). Meanwhile, the old frontier peasant villages began to disintegrate into societies of commercial farmers and mobile wage labour. In the early 1980s, Douglass (1984: 68–76) attempted to summarize the impressions from a wide range of village studies in the central region. He divided agrarian society into three strata. First, there was an élite of old landlords and new commercial farmers working large plots of 40 *rai* or more. They cultivated through tenants and wage labour, and many had retreated into a managerial and leisured lifestyle. Other surveys showed that many of this stratum developed entrepreneurial interests beyond the village—service industries in the local town, crop trading, and labour agencies. Douglass estimated this stratum to include no more than 30 per cent of the population. Below them came a stratum of middle peasants, the remnants of the old independent cultivators of the frontier. They held plots in the range of 15–40 *rai*, cultivated with family labour, and straddled the worlds of market production and subsistence. This stratum amounted to around 40 per cent of the population. The remaining 30 per cent consisted of landless labour and smallholders with plots of less than 15 *rai* who relied on wage labour for the majority of their income.

TABLE 1.6
Structure of Landholding, 1983^a

	<i>North</i>	<i>%</i>	<i>North-east</i>	<i>%</i>	<i>Centre</i>	<i>%</i>	<i>South</i>	<i>%</i>	<i>Total</i>	<i>%</i>
<i>Landholdings ('000 rai)</i>										
Total	27,940	100	53,061	100	27,950	100	14,280	100	123,231	100
Owner-occupied	21,490	77	48,732	92	20,025	72	13,281	93	103,528	84
Rented	4,118	15	2,099	4	7,075	25	586	4	13,878	11
Other ^b	2,332	8	2,231	4	850	3	412	3	5,825	5
<i>Farm households ('000)</i>										
Total	1,236	100	1,946	100	879	100	624	100	4,685	100
Renters	259	21	134	7	310	35	92	15	795	17
<i>Rai per household</i>			27		32		23		26	

Source: Ammar, Suthad, and Direk (1993: 101) using data from the Office of Agricultural Economics, Ministry of Agriculture and Co-operatives.

^aThe data on landholdings was collected in 1983; that on households in 1982.

^bIncludes land mortgaged and land rented free.

The transformation in the 1950s to the 1970s was not a one-time change, and it was far from complete. Some villages were more affected than others. Many individual smallholder families survived. But these years saw the start of a process which intensified over time. Obeying the laws of the market, commercial farmers gradually shifted to more intensive production methods. From the mid-1970s to the 1980s, many cultivators transferred land out of rice into new crops demanded by the growing urban economy and by agribusinesses packaging for export. The proportion of total area in the central region under paddy declined from 76 per cent in 1971 to 61 per cent in 1991. Tracts close to the capital and to major highways were converted into fruit orchards and vegetable gardens. In the 1980s, the export of fresh, canned, and processed fruits grown in these orchard areas increased rapidly. From the mid-1980s, areas along the rivers and the coastline were converted into fish and prawn farms producing for the local market and for export in live, frozen, and canned forms. Some of this conversion was carried out on the cultivators' own capital, but much was supported by incentive schemes proffered by agribusinesses.

At the other end of the rural social scale, the crisis of the small-scale rice grower deepened. The terms of trade for agricultural products improved in the early 1970s, but then deteriorated from the late 1970s. Initially, the impact was offset by the phased removal of the rice premium between the mid-1970s and the early 1980s. But thereafter, paddy growers faced a trend of declining returns. Farmers' advocates argued that high input prices and low paddy sale prices had removed all profit from rice farming. Paddy growers regularly pressed the government to provide price support schemes in order to subsidize their survival. By the late 1980s, rice price support had become a major political issue. Each year, the government expended large sums on rice price support even though the systems adopted provided little guarantee that the money would benefit the cultivator rather than the trader.

Growing numbers of cultivators slid into wage labour, either as a result of land loss or, more often, through increasing reliance on wage earnings to supplement the returns from a small plot. More labourers looked for work beyond the village and beyond the home region. Short-term migration into the city in the periods between peak rural labour demands increased from the 1970s. City firms eager to utilize these resources of cheap labour responded by organizing recruitment in the rural areas, providing transport and temporary housing. Initially, such labour flowed into service occupations such as construction, and a large part of the migration stretched only over the few months between seasons. But with declining labour opportunities in the countryside and growing labour demand from industry in the city, the flow increased and the duration of stay lengthened.²⁹

Over one generation, the smallholder peasantry had ceased to be the dominant feature of the paddy tracts. It was rapidly and relentlessly being replaced by a society of commercial farmers and wage labourers. The marginalized members of this new society had begun to seek a new frontier in the city.

Conclusion

The production system in the late Ayutthaya and early Bangkok periods depended on both forest and paddy field. Rice basins around the capital and around subordinate political centres grew the staple required by the rulers, their households, their attendants, and their armies. The forests provided a range of high-value goods which, through long-distance trade, generated the wealth and the weaponry which were the foundations of social status and political control. The rulers devoted their attention to controlling the forest hinterland and managing trade. They administered the rice basins as granaries for the cities and armies, and as support systems for the people needed for warfare, trade, and household service. The political economy revolved around systems of forced labour to raise the armies for policing the hinterland, to administer the trading economy in forest goods, and to keep the rulers in comfort and splendour.

In the nineteenth century, the economy of hunting and gathering in the forests diminished in importance, while settled agriculture rose. These changes were prompted by shifts in the trading environment. The China demand for forest goods collapsed. New markets for foodstuffs in areas of Asia under colonial exploitation created a growing demand for agricultural produce. The falling costs of sea freight conveyed that demand to Siam. By the 1820s, agricultural products had begun to replace forest goods in Bangkok's export trade.

In the early nineteenth century, the new Chakri rulers encouraged agrarian growth by imposing peace in the region, and by importing Chinese settlers who pioneered a new agrarian expansion. But this was just priming the pump. The vast empty spaces of the hinterland were an open frontier. By mid-century, this frontier was pulling people away from the old systems of forced labour. Sprung-loaded by their resentment against the surrender of their labour power, the mass was catapulted out to this new frontier.

At first, the Crown and old nobility tried to harness this movement by developing landed estates under canal drainage schemes. Eventually, King and peasant combined to stop the creation of a landowning aristocracy. The King drew back from the prospect of fostering a landed aristocracy of potential rivals, and blocked most of the aristocratic schemes of estate-building. The King fought the nobles with policy. The peasants fought them with sticks in the fields of the canal schemes.

As an alternative, the court laid the framework for the creation of a new peasantry of independent smallholders. The King cut away the remaining restraints of forced labour, blocked the formation of further estates, and took responsibility for the simple works of drainage required to extend the cultivable area. Over the next half-century, over three million people moved out on to the rice frontier and cleared 30 million *rai* of land for cultivation. The government sent officials chasing after the settlers to harass them with tax demands and force them into producing for the market as well as subsistence.

For over a century, the frontier was the dominating feature of Thailand's economy. On the back of this paddy trade, Bangkok emerged out of the delta swamps to become one of Asia's leading port cities. In Bangkok and a network of up-country towns, immigrant Chinese set up as paddy traders, rice mill owners, or dock hands. A handful rose to become the merchant princes of Bangkok. Paddy also supported the state, partly through taxes on trade but mainly indirectly through levies on the Chinese. The frontier created paddy, and paddy created Chakri Siam.

Beyond the basic drainage works, the government provided no support for the development of the rice economy. With very basic technology and virtually no access to capital, the frontier evolved the most low-tech, low-intensity, and low-yield paddy regime in Asia. Although the Siamese rice frontier became one of the major producers of rice for the world market, it was largely insulated from the impact of commercialization. The low-capital, low-tech regime generated only a limited surplus. The government neglected to guarantee property rights and in other ways refused to provide a congenial legal and political framework within which urban capital could penetrate into the rice economy.

After the Second World War, the government came increasingly under the influence of capital. New policies increased the production of surplus in the paddy economy, and extracted more of the surplus for investment in the urban economy. After such a long delay, the impact of commercialization was rapid and dramatic. Over a single generation, the relatively equal society of independent smallholders was transformed into a society of commercial farmers and wage labour.

1. The figure of 10 million for the 1850s is a rough estimate based on Ingram's figure of 5.8 million *rai* for paddy alone. See Tables 1.1 and 2.1.

2. Most analyses focus only on the rice basins. Influenced by the importance of the rice economy from the mid-nineteenth century, they assume a similar importance backwards into the earlier period. Yet the rosters of Ayutthaya's trade were filled with goods from the forest hinterland, and the Ayutthaya rulers spent their military energies attempting to control this tract. This analysis attempts to integrate the forest tract properly into the political economy of Ayutthaya and early Bangkok.

3. This 'map' of cultivation in the 1840s is an artistic impression. It has been drawn to show the scattered nature of settlements, and to highlight the subsequent spread of frontier settlement. The sources used were: for the central region, the accounts in Terwiel (1989); for the hinterland, the maps and accounts in C. Wilson (1987, 1993a); Sternstein (1965, 1993); Koizumi (1992).

4. In the mid-eighteenth century, the king passed a decree forbidding the purchase and sale of agricultural land, which suggests that transactions did indeed take place. Land could also be pledged under a form of usufructuary mortgage (*khai fak*).

5. Second-tier political centres like Lanna extracted tradable goods from the remote tracts through similar systems. See Anan (1984: 42-3).

6. In 1820, a cholera epidemic carried away one-fifth of the Bangkok population in fifteen days.

7. On population sparseness, see also Chai (1979: 123). This lack of people was a characteristic, not just of Siam but of mainland South-East Asia as a whole. In the seventeenth and

eighteenth centuries, the three major centres of settlement—on the Irrawaddy, in the Chao Phraya Plain, and around the Red River Delta—each probably had no more than 1–2 million people.

8. Ayutthaya became such a prominent trading centre that by the later period the rulers were also able to extract a considerable revenue from handling and taxing a secondary re-export trade.

9. The fact that the crown forced the land measurers and tax collectors to swear oaths of honesty at the temple before starting work suggests there were endemic problems of defalcation.

10. The *sakdina* system bore some parallels to European feudalism, particularly the key importance of the peasant's personal indenture to the lord, and the use of corvée to raise an army. But in other respects, *sakdina* was fundamentally different. Under *sakdina*, the indenture contract related specifically to the peasant's labour and was only indirectly related to land.

11. After the fall of Ayutthaya, the capital was first located at Thonburi. Chinese came to trade, to build ships, and to labour on the construction of the new capital. But immigration was constrained by the continuing state of warfare. The inflow of Chinese increased after the capital moved to Bangkok in 1782 and after the Chakri generals began to pacify the region.

12. The process and consequences of admitting the Europeans is considered more fully in Chapter 3. The analysis here contests the conventional argument that Bowring 'opened up' Siam.

13. This subject is considered more fully in Chapter 7.

14. Klong Niyomyatra, Udomchonchon, Luangphaeng, Charoen.

15. Altogether there were about 10,000 north-eastern labourers working in farming areas around Bangkok.

16. The increase from around 450,000 to 3.3 million over a century amounts to a population increase of 1.8 per cent per annum, which is fast for an agrarian society. However, before the twentieth century, migration movements probably had more impact on the population than the birth and death rates which dominate modern demography.

17. Other aspects of these reforms and their political setting are discussed in Chapter 7.

18. We use the term 'smallholder' to refer to a peasant who is not a tenant subject to a landlord. Given the state of land titles, the term 'owner operator' is misleading.

19. By 1908, the new gendarmerie had 345 police posts and a complement of 8,000 men.

20. The government's economic survey in 1930–1 found that the average landholding in many of these frontier areas was in the 15–25 *rai* range. Early village surveys in the 1950s found the majority of plots of this size.

21. The average yield in the central region declined slightly from 4.24 piculs per *rai* in 1921–4 to 3.90 piculs in 1948/50.

22. 'Our provincial people do not lack necessities; they have got decent roofs over their heads, and ground to till and cultivate.' 'I am able to attest that no other country has fewer poor or needy people than Siam.' Vajiravudh in 1915, quoted in Vella (1978: 170).

23. See Chattip's introduction to Suriyanuwat (1975).

24. See Chapter 2.

25. This process is detailed in Chapter 4.

26. The government had to abandon attempts to regulate how village headmen were selected.

27. By 1989, there were 51,279 large tractors in use, roughly half in the central region.

28. For instance, the descendants of the old Chiang Mai rulers who sold out to overcome financial difficulties.

29. Migration is considered more fully in Chapter 6.

Bibliographical Note

On the phrai and sakdina, the material for modifying the classic but idealized account of Akin (1969) is mostly found in Chai (1979), Ponpirom (1984), Supharat (1984), Tomosugi (1980), and Chatthip and Suthy (1981), with Anan (1984) on the northern variant. There is additional material in Condominas (1990), Somkiat (1986), Seksan (1989), Chatchai (1987), Cohen (1992), Grabowsky (1993), and Ratanaporn (1993). *On population*, see Terwiel (1989) and Sternstein (1993). *On the growth of the internal economy in the early nineteenth century*, see Nidhi (1982, 1993), Hong (1984), Cushman (1993), Skinner (1957), and Adisorn (1988). *On the rise of the rice economy*, the main sources are Ingram (1971), Johnston (1975), Ishii (1978), Feeny (1982), Tanabe (1978), Takaya (1987), Sompop (1989), and Noparat (1977). *On the decline of forced labour*, see Chatthip and Suthy (1981), Battye (1974), Tej (1977), Koizumi (1992), Anchalee (1981), and Chatchai (1987). *On the society and economy of the rice frontier*, see especially Chatthip (1984a), Sunthari (1978), Pannee (1986), Tomosugi (1969, 1980), Kitahara (1990), Hanks (1972), Sharp and Hanks (1978), Suwit (1978), Anuman (1972, 1988), and Somchai (1978); three contemporary surveys by Andrews (1935), Graham (1924), and Zimmerman (1931); and the summary of statistical and survey data by Douglass (1984). *On the transformation of the rice economy from the 1950s*, the key overviews are Witayakorn (1983) and Anan (1984), while specialized topics are dealt with by Sawaeng and Ong (1964), Kaida (1978), Senarak (1976), Ammar (1975b), Ammar and Suthad (1987, 1988), Nongluck (1980), Kemp (1974), Turton (1989a), Rangsan (1987), Bot (1981, 1982), Lam (1977), Motooka (1978), Sompop and Suebskun (1992), Chirmsak (1984), and Tongroj et al. (1974). There are also many *village-level views of the transformation*, including Tomosugi (1969, 1980), Potter (1976), Amyot and Fuchs (1976), and Piker (1964). *On labour and migration*, the large literature includes Goldstein (1972, 1974), Klausner (1972), Sternstein (1976b), Lauro (1979), Fuller et al. (1983), and Pasuk (1982a, 1982b).

2

The Uplands Frontier

BEGINNING in the 1950s, a new agrarian frontier opened up in the uplands areas beyond the paddy tracts of the Chaophraya Delta and the river valleys. Whereas canals built as strategic highways across the delta had started the rice frontier, roads built as strategic highways for the US military opened the uplands for frontier expansion.

The momentum built up on the paddy frontier carried over into the uplands. Many of the settlers were refugees from the paddy tracts. But the uplands frontier was also driven ahead by the increasing pressure to extract a growing surplus from agriculture for building the new urban economy. The government promoted agribusinesses, which in turn drove ahead the expansion of cultivation in the uplands. The pace of expansion was much faster than on the rice frontier. In the space of one generation, over a hundred million *rai* of forest were cleared and planted with upland rice, maize, cassava, kenaf, cotton, and other cash crops. The uplands pioneer was never on his own. The logger (and often the soldier) moved ahead of him cutting down the trees. The crop trader was at his elbow even during the process of settlement. The agribusiness moved in behind him. Whereas the paddy pioneer was tenuously tied to the market by the small Chinese rice trader, the uplands settler was borne along by the forces of urban capital.

The rural society which developed on the uplands frontier was very different from that of the paddy tracts. With no mechanism (other than brute force) for guaranteeing large landholdings, the smallholder again dominated. But the phase of subsistence or semi-subsistence cultivation by independent cultivators was very short, and in some places never occurred at all. Virtually from the outset, the uplands settler worked for the cassava yard, the sugar factory, the pineapple cannery, the feedmill. Uplands society consisted of a mass of poor peasants dependent on the capital, inputs, and market links extending out from the agribusinesses. Despite the speed and apparent success of this frontier movement, the mass of those involved remained desperately poor.

During the 1980s, the rapid growth of industry and manufactured exports reduced the importance of agriculture within the national economy. Urban capital began the process of converting agrarian land to new uses, and converting agriculturalists into urban wage labour. The government began to close the frontier and to reign in the momentum of peasant expansion.

The Uplands Tracts

Up to the 1950s, most of the people in Siam were clustered in four areas—the Chaophraya Delta and its tributaries, the northern river valleys, the coastal plains along the rim of the Gulf and the peninsula, and the banks of the Maekhong and Mun–Chi river systems in the north-east. Between these centres lay large areas which had been only lightly touched by human civilization. The hill and mountain areas were thinly inhabited by people who practised slash-and-burn cultivation and who kept themselves remote from the society of the plains. A few of the hill peoples worked as caravan traders carrying goods between the settled areas and out over the passes which led to Burma, China, and Indo-China. Some of the Shan and other peoples from the northern foothills were occasionally tempted to settle in the lowlands and were hired by the European teak concessionaires who started logging in the northern forests in the 1880s. Most of the hill peoples treasured their remoteness.

Between the mountain ranges and the population centres on the rivers and coasts lie the large area of uplands. In the north outside the river valleys, around the fringes of the central plain, and in the south beyond the coastal towns, the land slopes gently upwards into the foothills. To the east of the Chaophraya Plain, the land rises up to the Korat escarpment, and then stretches across to the Maekhong River and beyond to the Annamite hills as an undulating, elevated plain studded with low mountains. Most of this uplands area was covered by virgin forest, crossed only by a handful of minor rivers and by the tracks of the caravan trade.

In the early nineteenth century, the population of the uplands was extremely sparse.¹ Wild animals, robbers, and malaria discouraged settlement. The villages which did exist tended to be fortified. Many of them lay along the trade routes which connected the riverine and coastal population centres. The Siamese kings tried to promote settlement in these areas by resettling war captives or luring immigrants. From the late eighteenth century, people were trickling into Isan, the north-eastern plateau between the delta and the Maekhong.² Between the 1820s and 1840s, the Bangkok armies fought several campaigns to settle the eastern frontier beyond the Maekhong, and each time brought back prisoners to settle on the western side of the river. Groups of Chao Phu Thai moved into Isan from the hill areas around Luang Prabang. Provincial governors in Isan invented the *prapeni ti kha*, the tradition of capturing groups of forest-dwellers to increase the population under their command. As the French exerted their territorial ambitions in the trans-Maekhong area from the 1860s, other groups including Lao Song, Song Dam, and Thai Dam moved into Isan. In the north, the local lords populated the upland tracts with war prisoners from the Shan states and surrounding areas, while Thai Yai and various Burmese groups filtered in from the northern hills.

The uplands tract had special importance for the overseas trade of Ayutthaya and Bangkok. Many of the goods which sold well in the trade to China and other Asian coastal markets were collected from the uplands

forests. In the 1820s, Bangkok established closer control over Isan in order to increase the flow of trade goods. In lower Isan, Bangkok founded trade-and-garrison towns, and appointed administrators commissioned to deliver taxes in kind in the form of wood, ores, spices, lac, and specie. In upper Isan and the trans-Maekhong area, Bangkok imposed tributary relationships on the Lao principalities of Vientiane and Champassak and demanded a flow of trade goods. When poll-taxes replaced tax in kind, Isan people sold forest produce to Chinese traders in return for cash to pay the tax. The Chinese traders carried the goods over the passes down to Bangkok using buffalo wagons and human porters. The goods included horns, ivory, lac, cane, wild cardamoms, and castor seeds.

The people of the uplands combined subsistence cultivation with hunting and gathering of forest products. In some areas, communities lived solely off hunting and gathering. In the forested hills bordering Burma and in Isan, hill peoples trekked the forests to hunt, to collect tree oils, and to mine ore for sale. Most of the population, however, grew some subsistence rice and engaged in hunting and gathering during the long off-season between the monsoon rains. They collected wild fruits, spices, herbs, resins, and woods from the forests. They hunted animals for local consumption and for trade goods. They grew glutinous rice for subsistence consumption and local exchange. They bred livestock. In the early nineteenth century, the south-eastern corner of Laos beyond the Maekhong was a major cattle breeding area. From here, cattle were driven across Isan for sale in the Chaophraya Plain and in the Burmese rice districts beyond. Later, the south-east corner of Isan (Surin, Sisaket, and Buriram) and the Korat region took over as the main breeding grounds. In the north, cattle were bred in the forest fringes for sale to the cultivators of the valley floors. The population was always relatively mobile. People would travel long distances in the off-season to seek new forest for hunting and gathering. Local droughts forced whole villages to migrate.

Agriculture in the uplands was difficult. Over most of the tract, the annual rainfall was concentrated into a short monsoonal season, and subject to very unreliable variations from year to year. Settlers sought out the rare tracts of *din dam nam chum*, pockets of moist, dark lowland soil capable of supporting a rice crop. Settlements spread sparsely along the routes of a few rivers such as the Mun and Chi river systems in Isan, and the tributaries of the Ping, Yom, and Nan rivers in the north.³ Villages tended to be small—usually no more than fifty houses—sited at the edge of the river's floodplain. Between the settlements were only simple tracks, and in the rainy season villages were isolated. The connections between the village economy and the outside world were limited, consisting of little more than a delivery of forest produce for tax payment. Reaching the Udon region in the 1890s, Prince Damrong was amazed at the degree of isolation and self-sufficiency:

They had a grain store big enough to keep rice for one year. In the yards they grew chillis, gourds, kalikal, and lemongrass for making curry. Around the house, they grew

banana, sugar-cane, coconuts, mulberry trees. Beyond there were paddy fields, buffaloes. They produced enough for everyone. In the farming season, they helped each other, including the children and women. After the harvest, the men went hunting for trade goods, while the women kept silkworms and wove cloth. With waste food, they raised pigs and chickens for sale. The only items they needed to buy were iron implements, crockery, thread, cloth and some luxuries brought by traders (Chatthip, 1984a: 87; here translated into English).

Land was readily available for anyone with the will to clear it. Families welcomed as a son-in-law a lad who 'came with only a big knife' with which to clear new land (Anuman, 1972: 334–5). Existing settlements sent out small groups of pioneers to look for new areas to colonize. If they found good land, the pioneers would return to the original village at major festivals and encourage others to migrate with them. This form of settlement was slowly moving ahead in the nineteenth century, creeping up the tributaries and streams into the forests. Lao settlers had a special expertise in creating small settlements in the forest fringe. They used buffalo to excavate shallow depressions which would hold enough rain-water to support a crop of rice. Small pockets of Lao settlement were sprinkled throughout the forest fringe surrounding the central plain.

In 1950, the uplands were still largely a forest tract with isolated strips of settlement along the rivers and streams, and strings of small trading outposts along the few trade routes. Population pressure was gradually pushing people out of the densely settled pockets such as the northern valleys and the Mun–Chi river tract of Issan. Throughout the uplands there was a steady but slow spread of 'forest villages', isolated settlements usually on the fringes of the forest. From the 1930s, timber companies moved into the forests. They were mainly small-scale operations and they felled only the more valuable trees. Over the next thirty years, the uplands tract would undergo a dramatic transformation.

The Cash Crop Boom

From 1950, world trade in agricultural goods entered a boom which lasted a quarter-century. The boom was driven by post-war recovery, by rising prosperity in Europe, and by the extraordinary economic success of the US. Roads connected this strong world demand to the Thai uplands. From the mid-1950s, the US funded road-building in Thailand as infrastructure for its military plans in Indo-China.⁴ The first of these highways—the Mitraphap (Friendship) highway—was built from Bangkok over the escarpment to Korat in 1955–7. Four years later, it was extended to Nong Khai in the far north-east, where the US later built an airbase as close as possible to Hanoi. The second led off from Korat down parallel to the Mun river to Ubon Ratchathani, later the site of another airbase. The third from the naval port at Sattahip up to Korat was completed in 1965–7. US military material flowed up these roads during the military crises in Laos which commenced in 1958. Trucks of kenaf, maize,

mung beans, oilseeds, cotton, and cassava flowed back in the opposite direction. The roads dramatically reduced the cost of moving goods from the north-east to the port of Bangkok. Other new roads wound up to the north and down the peninsula to the south. Between 1950 and 1980, the total length of paved road increased from less than 1000 to over 22 000 kilometres. Initially, the road projects were strategic in conception. Later, the economic rationale became more prominent. In 1975, the government launched a programme to build feeder roads from the new highways into the frontier. While roads opened up the uplands area, the conquest of malaria made it safer to travel along them. The malaria eradication programme brought down the death rate from malaria from 206 per 100,000 in 1949 to 3 per 100,000 in 1987. Settlers quickly poured into these newly opened regions.

In size and pace, the uplands expansion far exceeded the paddy frontier. Over a century from 1850 to 1950, the total planted area had grown from 6 million to 43 million *rai*. In the next forty years, it tripled to 130 million. The paddy area more than doubled. Another 47 million *rai* were added to the area planted to upland, garden, and tree crops (Table 2.1 and Map 2).⁵ Around 70 million *rai* of this additional area was outside the Chaophraya Plain and the old-settled areas. This was the uplands frontier.

The initial spurt of dryland cultivation was directly related to the established paddy economy. Entrepreneurs connected to the paddy trade built mills to make gunny sacks, and encouraged cultivators in the areas opened up by the roads in the north-east to grow kenaf as input. In the early 1960s, the demand for kenaf increased because of the war in Vietnam and failures in the jute harvest of Bangladesh. By the mid-1960s, the kenaf area in the north-east had expanded from virtually nothing to 2.5 million *rai* (Table 2.2).

Other crops were destined for export. In the early 1960s, an agricultural research station in Korat developed new varieties of maize adapted to Thai conditions from Guatemalan strains imported by American advisers. Maize proved to be the perfect crop for the uplands frontier. It grew well on moist undulating land. It could be planted in small clearings in the forest or on hillsides. It required little labour and could be handled by a smallholder settler. Best of all, the world price was soaring. Maize first took hold in the uplands area between the Chaophraya Delta and the northern hills in the provinces of Phitsanulok, Kamphaeng Phet, and Nakhon Sawan. It then spread rapidly on tracts opened up by new roads from Korat to Phetchabun, from Phitsanulok to Lomsak, and around the northern valleys. Between 1950 and 1965, the area under maize grew from 250,000 to 4 million *rai*, and then surged to 9 million *rai* by 1980 (see Table 2.2).

Next came sugar. Since the early nineteenth century, immigrant Chinese settlers had planted sugar-cane in two areas on the uplands fringes of the lower Chaophraya Plain: to the west around Nakhon Chaisi, and to the east in the hinterland of Chonburi. Cultivation declined after the rise of cheaper Javanese sugar in the second half of the nineteenth century, and by 1950 still covered no more than 400,000 *rai*. In the late 1950s, the government set out to develop a

TABLE 2.1
Land Use and Cultivation, 1950–1991 (million *rai*)

	1950	1955	1960	1965	1970	1975	1980	1984	1988	1991
Total holdings	51.7	56.4	62.5	79.8	94.0	112.2	119.0	125.3	147.8	136.5
Paddy	33.8	36.0	38.8	41.5	58.6	71.3	73.6	73.9	74.2	69.3
Tree crops	4.8	5.2	5.8	9.6	9.1	10.4	11.1	12.1	19.6	20.1
Other crops ^a	4.6	4.8	6.9	12.4	14.1	20.3	26.1	30.5	36.6	37.9
Others ^b	8.5	10.5	11.0	16.3	12.3	10.1	8.1	8.8	17.5	9.2
Forest land	198.2	185.8	176.2	163.9	145.4	130.8	103.4	94.4	89.9	85.4

Sources: Ammar, Suthad, and Direk (1993: 90) using data from the Office of Agricultural Economics, Ministry of Agriculture and Co-operatives; *Agricultural Statistics*, 1992/3.

^aIncludes upland, field, orchard, and garden crops.

^bIncludes house sites, pasture, and idle land.

TABLE 2.2
Area under Major Upland Crops by Region, 1950–1990 ('000 rai)

	1950–2	1958–60	1965–7	1980–1	1989–90
Maize					
Centre	102	699	3,453	2,016	2,866
North	15	65	160	4,658	5,156
North-east	125	424	419	2,267	3,107
South	12	87	81	19	35
Total	255	1,275	4,113	8,960	11,165
Sugar-cane					
Centre	247	513	603	2,267	2,779
North	41	77	52	366	851
North-east	113	266	187	294	668
South	11	56	22	—	—
Total	412	911	865	2,927	4,298
Cassava					
Centre	—	327	597	2,704	2,894
North	—	2	14	255	721
North-east	—	21	77	4,637	5,947
South	—	21	90	—	—
Total	—	371	777	7,596	9,562
Soya beans					
Centre	68	77	201	66	296
North	66	54	62	683	2,295
North-east	2	8	4	36	619
South	—	—	—	—	—
Total	136	139	267	788	3,209

Sources: Ingram (1971: 260); *Agricultural Statistics*.

sugar export industry. It built a sugar factory, banned white sugar imports, and taxed local sugar consumption. Several private firms built sugar mills. The area planted under sugar-cane grew fitfully during the 1960s. In 1971–2, world prices soared and the sugar area increased rapidly. Cane was planted in the Maeklong region beyond the old Nakhon Chaisi tract, in the hinterland of Chonburi, under new irrigation schemes in Kamphaeng Phet and Uttaradit in the north, and around Khon Kaen in Isan. By 1980, sugar-cane covered 4 million rai and expanded to 5 million over the next decade.

Cassava became the most widespread of all the uplands crops. In the late 1960s, the market for kenaf slumped. Synthetic sacks and direct bulk-loading of grain were replacing gunny. The kenaf area was transferred to cassava, which enjoyed growing demand in Europe as animal feed. Chinese settlers in Chonburi had long grown cassava as a food crop. Starting from the Chonburi area, the crop spread up along the Sattahip–Korat highway on to the Korat

plateau, and then beyond along the Mitraphap highway to the upper north-east. Cassava cultivation expanded to 800,000 *rai* by the mid-1960s, and then boomed to 8 million *rai* by the late 1970s (see Table 2.2). Cassava exports overtook rice in value terms and for a short time became the single largest export item.

From a very small base in 1950, sugar-cane, maize, and cassava had spread to cover 20 million *rai* by 1980. In addition, soya beans, cotton, oilseeds, mung beans, sorghum, and an array of minor dryland crops accounted for another 10 million *rai*. As the uplands frontier developed and matured, it extended into other types of crops and other types of farming. In the late 1960s, pineapple growing spread on the uplands at the neck of the peninsula. By 1977, Thailand had become the world's second largest exporter of canned pineapple. In the 1970s, the eastern slopes of the Korat escarpment were developed as cattle ranches and dairy farms. Tobacco cultivation expanded in the north above Chiang Mai. Rubber plantations spread in the south. Fish and prawn farms appeared along rivers and coastal areas. In the early 1980s, several areas were developed as commercial forests of eucalyptus and other fast-growing trees for the synthetic fibre, pulp, and paper industries.

Peasant Colonization on the Uplands Frontier

Between 1950 and 1980, the number of farm holdings throughout Thailand expanded at a rate of 70,000–80,000 per year, with around 60,000 of the addition located in the north and the north-east (Table 2.3). The rural population outside the central region expanded from 13.4 million in 1950 to 31.8 million in 1979, increasing at a rate of 0.6 million people per year. Some of this was natural increase, but many people were drawn into the uplands frontier from elsewhere. They came from the hills, from the towns, and from the densely settled paddy tracts. In one recently settled frontier village in Kanchanaburi, the range of dialects spoken included 'Central Thai (with provincial variations ranging from Kanchanaburi to Uttaradit), Karen, Khmu, Mon, Burmese, "Burmese" Lao, North-eastern Thai (Isan), and Buriram-Khmer' (Hirsch, 1993: 68).

From the ribbons of settlement along the rivers of Isan, plantations of maize and cassava extended out into the forest. In the north and around the central plain, settlement spread away from the main rivers, up the smaller streams into the hills, along the old caravan routes, and out of the valley basins up the hillsides. Along the newly built roads, settlement fanned out into the surrounding forest. Loggers who worked on clearing the land along the route were happy to clear some extra area into the surrounding forest. Many of the labourers who worked on the road gangs and logging teams stayed on to start villages. Some of them returned to their homes and fetched their friends. Before long, news spread by bush telegraph. Prospective colonists would arrive in the buses running along the new roads, and make off into the forest. Similar frontier waves began around the forest clearing for new dams on the

TABLE 2.3
Farm Holdings, 1953–1991

	<i>North-east</i>	<i>North</i>	<i>Centre</i>	<i>South</i>	<i>Total</i>
Total number of farms					
1953	993,504	357,605	776,124	264,368	2,397,735
1975	1,675,650	1,054,521	826,505	563,370	4,120,046
1980	1,786,465	1,162,618	891,620	626,844	4,467,547
1985	2,044,520	1,286,286	896,046	651,152	4,878,004
1991	2,183,557	1,281,697	898,444	766,833	5,130,531
Total farm holding land (million <i>rai</i>)					
1953	27.2	3.4	23.8	6.9	61.4
1975	47.4	23.9	27.5	13.2	112.1
1980	50.0	26.0	29.1	13.8	119.0
1985	55.4	29.2	29.0	15.1	128.6
1991	57.7	29.4	28.6	17.3	133.1
Average farm size (<i>rai</i>)					
1953	27.4	9.6	30.7	26.1	25.6
1975	28.3	22.7	33.3	23.5	27.2
1980	28.0	22.4	32.6	22.0	26.6
1985	27.1	22.7	32.4	23.2	26.4
1991	26.4	22.9	31.9	22.6	25.9
Additional farm area (million <i>rai</i>/year)					
1953–75	0.8	0.9	0.2	0.3	2.3
1975–80	0.5	0.4	0.3	0.1	1.3
1980–5	1.1	0.6	—	0.3	1.9
1985–91	0.4	—	−0.1	0.4	0.8
Additional farms ('000 units/year)					
1953–75	31.0	31.7	2.3	13.6	78.3
1975–80	22.1	21.6	13.0	12.7	69.5
1980–5	51.6	24.7	0.9	4.9	82.1
1985–91	23.2	−0.8	0.4	19.3	42.1

Sources: Tongroj (1990: 11); *Agricultural Statistics*, 1988/9, 1992/3.

upper tributaries of the Chaophraya, around mining enterprises, and around logging enterprises, both legal and illegal. The loggers cut access tracks into the forests, cleared the big and valuable trees, and then left the area for settlers.⁶

Many pioneers were tenants and landless labourers squeezed out of the dense settlements in the canal tracts and valley floors, labourers who had already worked in the city to raise some capital, robbers or others in flight from authority, peasants who simply resented paying tax, and later migrants from much further afield: 'Often, settlers came in groups, and on occasion whole villages or sections of villages transplanted themselves from Phetcha-

bun and north-eastern provinces' (Hirsch, 1990: 61–2). Some were successful cultivators from the settled areas. Crops like maize could be fitted into the agricultural calendar alongside wet rice. Some cultivators from established paddy areas took up new holdings in the uplands and cultivated by commuting long distances between their paddy village and a field hut on an uplands plot.

In the initial 'rush' driven by reports of fabulous export prices for maize and other export crops, methods were extremely crude. Land was cleared by burning, and planted using hoe and bullock. Sometimes it succeeded. Very often, it did not. Initial yields on the virgin forest soils could be very good, and sometimes remained good for many years. But in many places, coarse *Imperata* grasses spread across the plots in the off-season and made it difficult, if not impossible, to plant the fields again. In the maize belt, many areas which were too steeply sloped for tractor ploughing were abandoned and reverted to grass savannah. In some areas, tractor ploughing compacted the soils, and yields declined steeply after 4–5 years. Elsewhere, destruction of forest cover reduced the local retention of water, critical in such a hot, low-rainfall regime. Many uplands settlers finished up practising a modified form of shifting cultivation. They cleared the land, and if it succeeded they stayed. But if it failed—because of poor rains, ecological catastrophe, unlucky production decisions, hopeless indebtedness, or disputes with the locally powerful—they might simply disappear in the middle of the night, abandoning land and debt, and try to start again elsewhere. In the eastern sugar tracts, lands cleared and cultivated in the 1950s and 1960s were turned over to less-demanding cassava and pineapple in the 1970s and 1980s. The sugar cultivation moved away to adjacent tracts newly hacked out of the forests. In areas of Uthai Thani cleared in the 1960s and 1970s, the colonists soon experienced declining soil fertility, erratic rainfall patterns (drought and flooding), and soil erosion. By the second decade of the uplands frontier, groups of north-easterners who had already experienced one disaster turned up in all regions of the country looking for new lands. Many settlers moved several times in a few years.

Before long, however, settlers discovered that deep ploughing using four-wheeled tractors could defeat the *Imperata* grasses. Moreover, deep tractor ploughing appeared to churn up subsoil nutrients and maintain soil fertility over repeated seasons. By the mid-1960s, imports of four-wheeled tractors were running at 3,000–4,000 units a year. By the early 1970s, the extension of the maize belt was under the control of tractor owners, who moved across the area hiring out their tractors for land clearing and preparation. By the late 1970s, Thailand had almost 100,000 four-wheeled tractors with the majority in the north and north-east.

After a short initial phase, the key figure of the uplands frontier became not the pioneer peasant, but rather the agrarian entrepreneur. For the most part, the cultivation regime was relatively expensive, and far beyond the capital capacity of most settlers. To grow maize successfully, the settler had to hire tractors for land clearing, buy inputs of seed and chemicals, and pay cash wages for day labour needed at critical periods of weeding and harvesting.

Most pioneer uplands settlers had no access to reserves of exchange labour and were obliged to hire for cash. To finance all these outgoings, settlers needed advances. Traders set up shop in the uplands localities where they hired out tractors, sold inputs, lent advances, and traded in the final crop. In some cases where the initial settlers were forced out by the *Imperata* grass, these local entrepreneurs took over the land and reallocated it to settlers prepared to work the higher-intensity regime supported by their inputs. They ensured that the interest rates and purchase prices delivered them the major share of the profits from cultivation. These traders controlled the pace of the frontier. When maize prices boomed after 1969, they trucked in 'whole armies of wage labourers' to clear and settle large areas of land as rapidly as possible (Uhlig, 1984: 165).

Cassava expanded under a similar regime. Traders helped to allocate land to new settlers, supplied them with their starter cassava roots, advanced them other inputs, and took a lien on the crop. Cassava roots had to be dried within two days of harvest, after which they could be stored for several months before sale to the mill for processing into pellets. Cassava traders built drying yards and storage. Cultivators were obliged to sell to the traders quickly. The trader typically stored the dried cassava chips against a good price.

In the sugar districts, the frontier was pushed ahead by the mill owners and their associated networks of traders. In Chonburi, the mill owners and major cane growers from the old sugar area around Ban Bung cleared land to the east of the old sugar tracts by working with loggers and *pa boei*, peasants hired on 1–2-year contracts to prepare the land. Then they settled *luk rai* (contract peasants) on the land to grow cane for an annual cash payment, calculated as a lump sum or on a sliding scale related to the yield. For the peak periods of planting and harvesting, they trucked in short-term wage labour from Isan at a rate of 25,000–50,000 people each season. Using this sophisticated division of labour, the sugar-cane frontier moved eastward at the rate of 2–3 kilometres a year.

In the 1980s, Hirsch studied a series of frontier villages along the western uplands. Although their local ecologies and economies differed widely, the process of settlement in each place followed a similar pattern of three rapidly succeeding stages. In the first stage which extended up to the 1950s, there was gradual development of shifting cultivation in scattered villages in the fringe of the forest. Many of the inhabitants were hill people, or the itinerant Lao who specialized in cultivation within the forest. In the second stage which developed in the 1960s and early 1970s, groups of peasants arrived from the lowlands, generally from adjacent districts but often from further afield. They cleared areas of forest, or moved into tracts which had recently been cleared by logging. They planted subsistence rice mixed with maize or other cash crops which could be started with limited capital. This stage was short. Often it came to an end with a local ecological crisis and crop failure resulting from the exhaustion of the virgin soil fertility, rapid soil erosion, and failure of crops inappropriate to local conditions. In the third stage, traders and agribusinesses

moved in and organized the settler peasantry for more market-oriented forms of cultivation. These differed widely from tract to tract. In Uthai Thani it meant a shift to more intensive and widespread planting of maize. In Ratchaburi, sugar interests moved in and financed expansion of sugar-cane. In Pranburi, fields were converted into fish farms. In Kanchanaburi, local traders promoted rubber, livestock, flower nurseries, and tourist resorts. In this final stage, the commercial entrepreneurs organized another wave of immigration of landless labour to clear further land and to work on commercial production.

Government and Agribusiness

The initial spurt of the uplands frontier was propelled ahead by high international crop prices and US-funded roads. Before long, the government took an active role in driving it ahead. From the mid-1960s, the returns from uplands cash crop exports played a major role in the balance of payments. The government had an interest in promoting expansion.

From the early 1960s, agribusiness firms could secure packages of tax breaks, duty privileges, and other promotional measures under the government's investment promotion machinery. From 1976, the government highlighted agribusiness as a priority for promotion. The first industries to appear in response to these encouragements undertook basic processing of the crops already expanding on the uplands frontier. They converted cassava into chips and flour, maize into animal feed, soya beans into oil and paste, cane into white sugar. Before long, firms took up the promotional privileges to found new agro-industries. The Charoen Pokphand feedmill company set up an integrated poultry business covering the whole cycle from chicken to egg. It later transferred similar techniques into the pork industry. Several feedmill firms followed the move to livestock. In the early 1970s, several fruit canneries were established. Dole set up a pineapple business which was soon copied by other foreign and local firms. The Korat plateau, which had earlier been the breeding ground for draught animals, developed a ranching and dairy industry. In the 1980s, fish farming spread along the rivers and coastal strip. Rubber plantations, oil palm plantations, vegetable gardens, tea estates, and flower nurseries appeared on a smaller scale.

The government not only singled out agribusiness for the packages of promotional privileges, but also encouraged the foreign investment which enabled many of these industries to develop rapidly. Charoen Pokphand entered into a joint venture with a US firm to secure the technology and feedstocks for chick breeding. Dole played a leading role in fruit canning. European capital contributed to feedmill ventures. Dutch and Danish capital and expertise were used to develop the dairy industry. Taiwanese capital and technology helped to popularize fish and prawn farming.

The government boosted the capital available to these firms to develop their input sources. From 1966, the government promoted the Bank of Agriculture

and Agricultural Co-operatives (BAAC), nominally in order to improve the supply of capital to cultivators. In 1975, the government passed a regulation obliging commercial banks to divert at least 5 per cent of their lending to agricultural enterprises. This ratio was raised to 13 per cent in 1979, of which 2 per cent could be loans to agribusiness. In 1987, the proportion was raised to 20 per cent, with the coverage widened to include agriculture, agribusiness, and rural industries. As most commercial banks found it difficult to administer loans to small and medium peasants, they preferred to lend to big agribusinesses or to make deposits with BAAC, which in turn lent mainly to agribusinesses or big cultivators.⁷

Agri-exporters and agribusinesses in turn developed a wide variety of techniques for driving forward commercial agriculture in the uplands frontier. Poultry firms devised contract farming schemes through which villagers received complete packages of inputs and were bound to supply the output to the company. Fruit canners and vegetable packers developed outgrower schemes which supplied packages of inputs and incentives to the cultivators to sell to the company. In the 1980s, contract farming was extended to oil palms in the south and tomatoes, herbal plants, and flower nurseries in the north. Sugar mills built networks of agents who managed the cultivation of sugarcane on land nominally owned by individual cultivators. These agents channelled credit from the sugar mill owner through to the cultivator, arranged the hiring of the labour gangs for harvest, negotiated the purchase of the crops, and trucked the cane to the mill. The feedmills channelled credit through to the local traders and agricultural contractors in the uplands tract, who in turn provided advances to the maize and cassava growers in return for a lien on the crop. Seafood canners and freezers used packages of credit, inputs, and technology to help peasants to convert land to fish farming. Dairy farms provided forward finance and technical assistance to village-based groups of cattle rearers. The uplands frontier first started to move ahead through the initiative of the individual colonist and the local trader. By the 1970s, it was being urged along by agri-exporters and agribusinesses promoted by the government.

Forests, Settlers, and Land Rights

In 1961, the government estimated that 53 per cent of the country was covered by forests, and resolved not to let this percentage fall below 50 per cent. Then for the next twenty years, it simply failed to notice that the uplands frontier was moving through the forest like a firestorm.

Until the Second World War, around two-thirds of Thailand was covered by forests. In the north, the forests had been worked for teak since the late nineteenth century. In the 1930s, the government revoked the exclusive logging licences extended to colonial companies, and issued timber concessions to many local firms. From the 1930s to the 1950s, these firms concentrated on locating high-value timbers which were scattered thinly through the

forests. There was little wholesale destruction and the overall forest area diminished slowly.

From the 1950s, the logging business expanded at a rapid rate. With the expansion of industries making matches, plywood, para-wood, synthetic fibres, paper, and pulp, the loggers could sell any kind of timber. Loggers sometimes recruited peasant colonists to help clear new areas. In the north in the late 1960s, villagers who worked as contract labour for logging firms or who simply saw the loggers at work, set up their own small-scale logging businesses and began felling trees on a massive scale.

From the mid-1960s, communist insurgent groups set up camp in many of the forested areas of the uplands. To deny territory to the insurgents, the army adopted a policy of building roads into the forests and encouraging new colonists to settle the lands alongside these roads in new villages under military auspices. The policy opened up possibilities for military officers and loggers to work together for mutual gain. While the army undertook to settle only within a one-kilometre radius from the road, this provision was difficult for the forest authorities to police. These roadside settlements began a process of gradual erosion. Colonists worked their way further into the forest while the army stood aside and tacitly welcomed this diminution of the insurgents' domain. These politically-inspired military settlements could be very large. At Khao Khor in Phetchabun province, site of a major stand-off between the army and insurgents in the late 1970s, the army created thirty-five villages, each with around fifty families, on land carved out of the forest. The insurgency was rolled back under a cloud of woodsmoke.

To aid the policy of denying the forest tracts to the insurgents, in 1968 the government passed an order granting logging companies 30-year concessions to cut the forests on condition that the concession areas were replanted. Again, policing was difficult. Some of the concession areas were converted into commercial plantations or orchards. Others were transferred to cropping. The government also passed an order making it possible for forest areas which had become 'degraded' beyond any possibility of natural regeneration to be reclassified as agricultural land. This order made it simple for forest areas to be actively 'degraded', or even just reclassified in the official documentation.

The government passed the first laws to preserve forest area in 1938. In 1964, it passed a National Forest Reserves Act to strengthen the legislation. However, there was neither the will nor the administrative muscle to implement protective policies. Between 1961 and 1988, the total area covered by forest was reduced from 171 million to 90 million *rai*. The figure of 81 million *rai* lost from the forests in this period was roughly equivalent to the addition to the cropped area. The major transfer from forest to cropping came in the north-east, where total forest was reduced from 44 million to 15 million *rai*. The other large reductions occurred in the forested uplands on the fringe of the central floodplain, and in the foothills and valley sides of the north. On average, during the 1960s, 1970s, and 1980s the frontier was gobbling up the forest at a rate of almost 3 million *rai* a year. In the mid-1970s when cash

crop prices boomed and when the campaign against insurgency moved into high gear, the forest was being cut down at a rate of almost 6 million *rai* a year (Table 2.4 and Map 2).

While the government was in reality prepared to sacrifice the forest in order to expand exports and defeat insurgency, the *idea* of preserving the forest came to play an important role in how the government influenced the society and economy of the uplands frontier.

From 1951, the Forestry Department was entrusted with the task of preserving 50 per cent of the land under forests. By the National Forest Reserves Act of 1964, this figure was revised downward to 40 per cent. The Forestry Department gradually mapped out areas designated as 'forest reserves', and by 1985 these covered 42 per cent of the country.⁸ These 'forest reserves' were official definitions. They bore no relationship to the actual extent of tree cover. By the mid-1980s, it was estimated that no more than 25 per cent of land area (and perhaps as little as 15 per cent) actually remained

TABLE 2.4
Forest Area, 1938–1988 (million *rai*)

Year	Central	North	North-east	South	Total	Percentage of Total Area
Forested area						
1938	n.a.	n.a.	n.a.	n.a.	230.1	72
1947	n.a.	n.a.	n.a.	n.a.	224.9	70
1954	n.a.	n.a.	n.a.	n.a.	192.4	60
1961	40.7	67.8	44.3	18.5	171.3	53
1973	27.9	67.4	31.7	11.5	138.5	43
1976	24.5	60.9	25.9	12.6	123.9	39
1978	22.3	56.8	19.5	11.0	109.5	34
1982	19.0	53.4	16.2	10.3	98.9	31
1985	18.4	50.3	16.0	9.7	94.4	29
1988	17.9	48.1	14.8	9.1	89.9	28
<i>Million Rai per Year</i>						
Forested areas taken up for settlement						
1938–47	n.a.	n.a.	n.a.	n.a.	5.2	0.6
1947–54	n.a.	n.a.	n.a.	n.a.	32.5	4.6
1954–61	n.a.	n.a.	n.a.	n.a.	21.1	3.0
1961–3	12.8	0.4	12.6	7.0	32.8	2.7
1973–8	5.6	10.8	12.2	0.5	29.0	5.8
1978–82	3.3	3.4	3.3	0.7	10.6	2.7
1982–8	1.1	5.3	1.4	1.2	9.0	1.5
1961–88	22.8	19.7	29.5	9.4	81.4	3.0

Sources: Tongroj (1990: 48); Chirmsak (1991: 46).

n.a. = Not available.

under tree cover, considerably less than the 42 per cent officially defined as 'forest reserves'. At least one-third, and possibly over half, of all cultivated land was situated in the 'forest reserves'.⁹ This process of official definition had important consequences for land rights. Occupancy of land in the reserves was officially illegal and ownership technically impossible.

During the rapid expansion of uplands cultivation, the government made little effort to provide land deeds. By the 1950s, the cadastral survey had covered only 5 per cent of the area outside the central region. There was no government land office in the north-east before the 1970s.¹⁰ In 1936 and again in 1954, the government rewrote the land law and formalized three levels of land title corresponding to occupancy (NS-2), utilization (NS-3), and full title (NS-4). The registration process was slow and patchy. By the early 1980s, full titles had been issued for only 18 million *rai*, virtually all of it in the central region or urban land. In the north-east, only 2 per cent of land was covered by a full title. Another 64 million *rai* nationwide were covered by certificates of utilization (NS-3 or NS-3K). Again, these were mostly in the older settled areas. This still left some 111 million *rai* of cultivated area with no adequate title deed (Table 2.5). Most uplands settlers had only a SK-1, essentially a receipt for payment of land tax which had no legal status as a land title. In the areas classified as forest reserves, colonizing peasants were denied any kind of title. After the mid-1970s, the government started several schemes for semi-legalizing settlements in totally degraded forests by issuing new kinds of land deed (ALRO, Sor Thor Kor) which indicated occupancy only and were non-transferable.¹¹

The majority of uplands settlers had at best an occupancy certificate, and usually no land documentation at all. In 1974, it was conservatively estimated that around 5–6 million people were living as 'squatters' on untitled land in forest reserves. By the early 1990s, the estimate had risen to 10–12 million people, at least one-quarter of the entire population of rural Thailand.

TABLE 2.5
Land Titling, 1985

<i>Land Classification</i>	<i>Million Rai</i>	<i>Per Cent</i>
Full title (NS-4)	18.4	9.5
Certificate of utilization (NS-3/3K)	64.2	33.2
No title or occupancy (NS-2, SK-1)	38.9	20.1
Forest 'illegally' occupied	71.9	37.2
Total occupied land	193.4	100.0
Unoccupied forest	94.4	
Other (urban, etc.)	32.9	
Total land area	320.7	

Source: Adapted from Yongyuth and Feder (1985: 8).

Note: In the original paper, Yongyuth and Feder assumed that 130 million *rai* were still under forest. This figure has been revised to match Table 2.4.

The government never clearly articulated a policy towards the uplands frontier. But in practice, the government promoted the agri-exporters and agribusinesses which became the driving force of the frontier economy, opened the door for the conversion of forest land into cash crop cultivation, and withdrew legal backing and virtually any other kind of assistance from the peasant settlers. This policy framework moulded the society and economy of the uplands frontier.

Poverty and Dominance

By definition, most of the migrants to the uplands frontier were poor. Some were original hill people. Some arrived as labourers on the road gangs and logging teams. Others were fleeing the paddy tracts after sliding into debt, tenancy, or landlessness. Some were brought in as labour teams. Many of them started out indebted to the cash crop traders. Others quickly became so. They needed loans to tide them over the period of land-clearing, and to cover the relatively high cash costs of uplands cultivation. Access to formal sources of credit was usually denied as banks and co-operatives required at least NS-3 as collateral. Many settlers were financed by family loans, but usually the only source of finance was the crop trader interested in providing advances (in cash and inputs) in order to gain a lien on the crop. Surveys in the maize and cassava districts in the early 1980s reckoned that around 80 per cent of all settlers were indebted in this way. Interest rates typically ran at around 5 per cent a month. The choice of crop was often decided by the trader. Settlers preferred to plant part of the plot with uplands rice for subsistence and the rest with the cash crop dictated by the trader. But in the sugar-cane tracts where many cultivators worked on cash contract for the mills, often the whole plot was devoted to sugar. With no secure land title, most uplands cultivators had neither the incentive nor the access to capital to invest in higher productivity.

Many remained poor. The first estimate of poverty incidence made for 1962–3 placed 57 per cent of the total population below a poverty line (61 per cent for rural areas and 38 per cent for urban areas). In the rural north-east, the percentage was 77 per cent. A follow-up estimate in 1975–6 found 45 per cent of rural north-easterners living below the poverty line (Table 2.6). With rapid expansion of the uplands frontier and rising crop prices in the late 1970s, the poverty incidence in the north-east fell to 36 per cent in 1981, but the region still accounted for almost half of the nation's poor. The slump in agricultural prices in the 1980s reversed the gains of the 1970s. In surveys in the mid-1980s, again 48 per cent of north-eastern families were below the poverty line. In the early 1980s, the government adopted a poverty plan aimed at improving basic infrastructure and employment opportunities in 12,555 villages identified as the poorest in the country. Virtually all of the villages were in the uplands tract. Three-fifths were in the north-east.

While the agrarian economy of the uplands appeared to be booming with rapid increases in acreage, output, and population, the export of labour from

TABLE 2.6
Poverty Incidence, 1975/76–1987/89

<i>Location</i>	1975/6	1980/1	1985/6	1987/9
Poverty line (baht per month)				
Rural	1,981.0	3,454.0	3,823.0	4,141.0
Urban	2,961.0	5,151.0	5,834.0	6,324.0
Poverty incidence (%)				
Whole kingdom	30.0	23.0	29.5	23.7
North	33.2	21.5	25.5	23.2
North-east	44.9	35.9	48.1	37.4
Central	12.9	13.5	15.6	15.9
South	30.7	20.4	27.2	21.5
Bangkok	7.7	3.9	3.5	3.4
Rural	36.1	27.3	35.7	29.4
Urban	12.5	7.5	5.9	6.9

Source: Thailand Development Research Institute.

the tract accelerated. Cultivation throughout the uplands was dependent on monsoon rainfall and hence limited to a single season. Some of the new cash crops—sugar, cassava, fruit, plantations—required some form of labour input over a longer period. But most uplands cultivators had to wait out a long off-season. Traditionally, peasants in this tract had practised agriculture in the wet season alongside various craft and gathering activities for the remainder of the year. Local craft manufacture diminished in the face of competition from cheap, modern consumer goods. Gathering activities diminished as the frontier ate away the forest. With low and unreliable returns from agriculture, uplands cultivators had to rely on off-season work to supplement their income in cash and kind. In the north-east in the early 1970s, rural families derived 48 per cent of their income from off-farm work. A decade later, the proportion had risen to 69 per cent.

Since the late nineteenth century, north-easterners had migrated annually to work as paid labour on the paddy fields in the Chaophraya Plain. From the 1960s, this form of migration increased and became more complex. Uplands cultivators migrated to work in the paddy tracts where increases in double and triple cropping swelled the demand for short-term labour at peak periods. They went to work on crops such as sugar, fruit, and plantations which had different agricultural calendars to the usual monsoon pattern. They moved to new areas of the uplands frontier, to work as paid labour in land clearing, or to pioneer new tracts of potential settlement. They migrated to find work in the local towns and in the city of Bangkok.

Above this poor and mobile mass, a small élite acted as the agents of the agri-exporters and agribusinesses which ultimately controlled the uplands economy. This élite included some early settlers who were able to establish a

powerful position in local society and later brokered their services to the market economy. It included traders, financiers, tractor owners, and local officials who came to play a powerful role in controlling the labour and the destinies of the mass of settlers.

The role of this élite began from the process of land allocation. Methods for claiming land could be disarmingly simple. In Uthai Thani, 'land boundaries were sometimes demarcated by the sound of a gun fired from a central point in the forest, signifying that whoever was within earshot was on the claimant's territory' (Hirsch, 1990: 62). More often, the process was controlled by the loggers, traders, and military officers engaged in pushing forward the frontier. Loggers sold cleared land to settlers. Traders blocked off large tracts, subdivided them, and sold them. Military officers moved settlers into forest areas they had cleared and wished to deny to the insurgents. In the north, the small-scale village loggers sold the cleared land to the second wave of migrant peasants, many of whom came from far-off Isan. At the height of the price boom, traders financed the clearing of new land by contract labour and then sought new settlers, sometimes moving in peasants who were already in their debt.

Land allocation and land sale on the frontier proceeded without benefit of any form of government documentation. Enforcement depended on the local powers—the traders, loggers, military men, and sometimes strong, established village heads. In this situation, the uplands colonists were very vulnerable. In the early years of settlement, while land was still plentiful, land rights were not a concern. But the frontier regions filled up very rapidly, and access to land became subject to dispute. The tax certificates which most uplands settlers held as their only document conveyed no right of ownership in law, and were ignored by officials in cases of land dispute. Traders and loggers used their influence with officialdom to acquire land titles which were denied to the individual peasant. From the mid-1970s, the government established a mechanism for declassifying forest land which had been 'degraded' beyond hope of recovery, and allowing it to be taken up for cultivation and titled. Traders and other agrarian entrepreneurs used these provisions to acquire title to land which was already occupied by settlers. In the Chonburi sugar tracts, the powerful mill interests intimidated individual settlers who occupied land which they wished to convert to cane. The resulting violence and murder gave the tract the nickname of the 'Wild East'. The uplands acquired a reputation for the frequency of murders related to land disputes.

As the frontier matured and settled down, those who dominated were those who controlled the flow of peasant produce from the field to the agribusiness or export house. This included traders and the few villagers who gained some privileged access to capital or to market channels. Some settlers acted as agents for trading concerns. A few raised capital to acquire assets such as tractors, trucks, storage bins, or processing plants. Others occupied official positions which gave them access to capital and to market privileges. The *kamnan* and other local officials emerged as especially powerful. They gained

access to capital denied to the ordinary villager, and could use this to invest in a higher-value agricultural regime, in a trading business, in re-lending at a premium to other villages, or in capital assets such as tractors which could generate a revenue from hiring to neighbours. They had a better chance of gaining a secure land title as they were charged with keeping records, collecting taxes, and mediating disputes over land. They were favoured as agents for traders, agribusinesses, and other outsiders. In this tract, the big men were usually not distinguished by large landholdings, but by local office and ownership of capital assets. Hirsch (1993: 115–16) described the *kamnan* of a maturing frontier village in Uthai Thani:

With his transport interests he has benefited greatly from new roads, maintains patronage through his position as distributor of government relief and welfare in the form of blankets and free medical treatment cards, receives a large sum [from the candidates] for delivery of votes at election time, and is agent of the underground lottery. He has used his external links to establish extensive business interests outside the village, and this takes an increasing amount of his time.

This *kamnan* also ran an illicit timber business, had illegally commandeered land from other villages, and charged villagers fees for carrying out his official duties. Based on several village studies conducted in the 1980s, Turton (1989: 81–2) described the village élite as follows:

We find, in village after village, a small minority—perhaps some 5% more or less—of households which possess a degree of wealth, control of resources, prestige and power which sets them apart from the majority ... they include—and often in the same person, certainly family—larger landowners, commodity dealers, shopkeepers, village officials, some teachers, rice millers, moneylenders, owners of small-scale transport and machinery, large-scale employers of wage labour etc. They derive advantage from their external connections and alliances and from their roles in ‘linking’ the majority of villagers with state and market structures, above all through relations which enable them to accumulate (or be the first stage in the accumulation of) village surplus through wages, commodity dealing, retail prices, rent and interest.

Culture and Resistance on the Agrarian Frontier

The new peasantry on the agrarian frontier nurtured a culture of *ban* (village) which was very separate and distinct from that of *muang* (city). The early recruits to the rice frontier included many who were fleeing from servile status and government authority. As the frontier extended into the uplands, it absorbed many groups of swiddeners, hunters, graziers, and gatherers who traditionally lived in the forests, remote from the centres of political power. Often, these groups retained a sub-ethnic identity—Phu Thai, Chao Bon, Lao, So, Lao Phuan, Lua, Thai Lue, Thai Yai, Khamu, and so on—which emphasized their separation. The first of the Bangkok rulers to confront these peoples wondered at their difference and their separation. In the 1880s, a Bangkok general wrote about the ‘forest races’.

The peoples of this kind live in the jungles on the mountains at the frontiers far away from town. But they never settle down in any place or have any homeland, preferring to move on wandering in the jungles. Suppose that any country kindly wished to take care and protect these races, they may not be able to absorb civilization anyway. They might naturally avoid or escape in order to return to jungles and mountains (Thongchai, 1993: 13, quoting Chaophraya Surasakmontri).

The government developed no landlord class to act as intermediaries between the government and peasantry. Until the 1960s, neither did it develop an elaborate bureaucratic machinery for administering land and controlling the countryside. The government's stock of knowledge about the countryside was slight. Similarly, the peasantry's absorption within the culture of the city was limited. On the frontier, rural society developed its own distinctive culture.¹² *Ban* was unusually separate from *muang*. When the government breached this separation—tentatively at the turn of the century, more purposively from the 1960s—it faced resistance which was both concerted and subtle.

The two main co-ordinates of village culture were ideas about lineage and place. Within the vocabulary of the village, these and other natural and supernatural forces were expressed in the language of 'spirits' (*phi*). The spirits of the ancestors were the guardians of the village, providing protection against all kinds of malevolent external forces. The spirits of the place had power to influence the material and moral well-being of those who lived there. Together, these two defined the village community as both a location and as a community of people stretching back from the present into the past.¹³ The propitiation of these two main groups of benign spirits provided the ritual cement of the village community.

In peasant communities elsewhere, the concept of an 'ancestral village' often wraps together similar ideas about kinship and place. The restless movement of Siam's agrarian frontier made such a formulation impossible.¹⁴ The defining spirits of the Siamese village were adapted to these frontier conditions. Before any migration to a new settlement, the spirits of the ancestors were called upon to bless the enterprise. In some cases, some ritual representation of the ancestors was carried from the old site to the new. Often too, the spirits of the old place were asked to assist the relocation. They were invited to accompany the migration, and then to return home once the community's relocation was complete. At the new site, the settlers had to befriend the spirits of the new place:

The first thing they would do was choose a place at the entrance to or at the fringe of the village site to build a spirit shrine, or *san pu-ta*. The place had to be surrounded by big trees, with shadows, and a peaceful atmosphere. Once the spirit house was built, a ceremony was performed, as a rite of submission to the *pu-ta*, with the recently arrived migrants calling themselves the *pu-ta*'s children, and asking for its protection and blessing (Seri and Hewison, 1990: 6).

On the moving frontier, 'the village' was often not a fixed geographical idea. But even in migration, peasants carried along with them the idea of 'the village' as a community defined by its lineages and location.

The harsh conditions of survival on the frontier increased the importance of the community ethic which the spirits of lineage and place helped to define. Migrations to new areas were usually a communal decision and a communal enterprise. Individuals or small groups might travel in search of a new site, but the final move was generally undertaken by a whole village, part-village, or related group of families. Communities pooled labour for the tasks of clearing the land and founding the village. Systems of exchange labour were used to cope with the peak periods of labour demand at transplanting and harvesting. Communal labour was used to build basic village infrastructure, and the houses for individual families. These occasions of communal labour input were occasions for festivity, and for ritual reassertion of the role of the community.

The importance of the concept of community in rural life was dramatized in the most important and widespread form of ceremonial, the *su khwan* or *tham khwan*. In essence, the ceremony concentrated the moral power of all the members of the community in order to secure the success of some project, either individual or communal. The ceremonial was very versatile. It was used to mark life-cycle events such as births and marriages; to secure the success of great projects such as a village migration; to help a member of the community overcome sickness or misfortune; to welcome new members; to give ritual thanks to the natural environment or working animals. *Su khwan* was testament to the role of the community in the conditions of the frontier.

Before the road-building programmes began in the 1950s, many rural settlements were remote, relatively self-sufficient, and jealous of their independence. They were not, however, isolated. Another layer of rural culture was overlaid on the sparse stipple of rural communities. People travelled through the region constantly. Villagers loaded carts with spare rice, forest products, and preserved proteins and circulated through neighbouring villages to trade and barter. Young men travelled in search of knowledge and power. Entertainers toured the villages. In the tenth month, families customarily travelled to visit distant elderly relatives. Forest monks and spirit mediums passed through the settled regions on journey between remote outposts. These 'wandering networks' acted as transmission lines for knowledge, information, and ideas.

Many young men travelled for a handful of years in search of knowledge. This rustic version of the Grand Tour was part enjoyment, part life stage, and part education. They travelled to gain training in specialist skills needed in rural society. Such skills (*wicha*) included healing, fighting, singing and dancing, divination, and expertise in knowing and influencing the various forces, particularly malevolent forces, which controlled the environment of the village.

Such expertise was gained from teachers who were mainly found in two sorts of locations. First, some resided in the great political centres of the present and the past. North-easterners travelled to Vientiane, Luang Prabang, or the old Khmer centres. From the north, learners went to Chiang Mai,

Kengtung, or the political centres of northern Burma. By the mid-nineteenth century, Bangkok had acquired similar status. Such political centres were the destination for learning about martial skills, about singing and dancing, and about some of the spiritual arts associated with political power. Second, some teachers resided remote in the hills and forests. This was especially true of experts in various types of healing, and various kinds of spirit-controlling expertise which was acquired through meditation and ascetic practice.

The learners returned to the village with tattoos and amulets, which were the degree certificates of this form of training and which were also repositories of spirit power in their own right. The expertise gained was a key asset for advancement in village society. For some, it could lead to a career as a knowledge specialist.

The second main form of these itinerant networks consisted of knowledge specialists who dispensed their skill and wisdom over a wide area. Powerful practitioners of various forms of healing, divination, and spirit exorcism could acquire reputations and clienteles over a wide area. Expert entertainers travelled through the villages in troupes, and brought with them not only pleasure but information. By the mid-nineteenth century, *lam*, which consisted of a style of singing and playing (principally with the *khaen*, bamboo windpipes) had become the most popular of several folk music styles in the Lao world. *Lam* was more than simply entertainment. *Mo lam* (musicians) were expected to use their skills to propitiate gods and spirits on important ritual occasions, and the art was reckoned to convey important spirit power. The songs delivered for entertainment dealt primarily with courtship, but the performance always contained a large element of improvisation which the *mo lam* used to interject ideas and information of contemporary relevance. The *mo lam* were recognized as a powerful element in the distinct culture of *ban* against *muang*. In the 1850s, King Mongkut banned *mo lam* from performing in the city. In 1902, the project to raise a revolt against increasing government intrusion into the north-eastern countryside was heralded by *mo lam* circulating through the villages planting the idea of a coming millenarian event to counter Bangkok's administrative aggression.

One of the most important of these itinerant networks engaged in the transmission of knowledge was provided by the forest monks. Within Theravada Buddhism, there was always a division and a tension between a monkhood organized by the state into an official Sangha hierarchy and a monkhood which resided in the forests. The first derived much of its authority from the patronage of political rulers. The second derived its authority from immersion in the meditation and ascetic practices of the Buddha himself. The state occasionally looked to the forest tradition to invigorate a Sangha grown effete or corrupt under political patronage. But for most of the time, the state looked on the forest tradition as something to be limited, compromised, or controlled. The moral authority which forest monks gained through imitation of the Buddha's practices had the potential to become the source of political authority which was separate from, and possibly opposed to, that of the state.

This potential gave the forest monks a special role in the culture of *ban* against *muang*. From time to time, *ban* would promote forest monks as leaders of opposition against the impositions of *muang*.

In the early Bangkok period, the forest monk tradition was in abeyance. The early Bangkok kings virtually outlawed wandering monks not attached to urban monasteries. Such 'forest monasteries' that existed were on the outskirts of Bangkok and fell inevitably within the influence of royal power. The spread of the agrarian frontier expanded the forest tradition. Most new villages had no resident monks and called on the services of itinerant monks, who preached from village to village on the journeys between forest retreats. Villages invited forest monks to sojourn in their village for Buddhist Lent, and built them temporary residences (*samnak song*) which might later expand into a more elaborate *wat*. Village communities also called on the spiritual authority of the forest monks to propitiate the good spirits and combat the malevolent spirits in the environment.

As the government chased after the frontier settlers to impose its authority, villagers mobilized the solidarities and networks of *ban* to counteract the aggression of *muang*. The Bangkok government imposed its authority over the new peasant society of the frontier in two main waves. The first began in the 1890s, the second in the 1960s. The project begun in the 1890s had three main elements.¹⁵ First, the government planned a system of village headmen and land registries as the basis for administering land and collecting taxes. Second, the government set out a plan of mass education designed to impose a 'Thai' language, identity, and culture over the mishmash of identities and loyalties at the periphery. Third, the government set out to impose control over the Buddhist Sangha and to minimize the potential for elements in the monkhood to serve as regional or local centres of opposition to central control.

The results of this governmental aggression at the turn of the century were mixed. The resources of the government were limited in relation to the energy and motive power of the expanding frontier. The systems of land and village administration were not effectively extended beyond the provinces of the central plain. Even there, the execution was slapdash. The division of the area into official 'hamlets' and 'villages' bore little relationship to the actual geography of village communities. Many communities were split among several official units. The government's plan failed in the attempt to adopt the 'natural leaders' of the village community into the official hierarchy. The village officials were 'suspended from the governmental pyramid above' rather than rooted in the village as desired (Keyes, 1970: 103).¹⁶

The aim to spread mass education into the villages was delayed for at least a generation for lack of resources. The reorganization of the Sangha initially affected mainly the urban areas, and only gradually percolated down to the villages. However, the government made some specific attempts to bring regional and forest traditions within the monkhood under greater control. In the north, where the monkhood used some regionally specific ritual languages and a set of texts and doctrines which differed significantly from the canons

promoted from the centre, the government sent senior monks to the region to negotiate for a gradual *rapprochement* with the official tradition. In the upper north-east, the government made a concerted effort to bring a prominent movement of forest monks under control.¹⁷

Peasant society tended to view this invasive government as a predator whose demands for tax and respect were not met by any form of reciprocity: 'We peasants made our own rice fields, built our own houses, created our own roads, raised our own temple. When the paddy land was damaged by floods or drought, we bore the responsibility directly. So why do we have to pay head taxes? When we want to sell cattle, why do we have to pay royalties? These were cattle we raised with our own hands' (Chatthip and Phonphilai, 1994: 45).¹⁸

Rural society's main strategy in response to government aggression was evasion, interspersed with occasional outbreaks of active resistance. Village communities regularly reacted to tax and other government demands by decamping to more remote areas of the frontier. Where the tax simply had to be borne, it could be tempered by collusion with the village headmen on whom the government relied for the assessment, collection, and record-keeping. The government was well aware that the rolls for the capitation tax showed remarkable numbers in certain categories (monks, disabled, and mentally ill) which qualified for exemption. With no capacity for administering land measurement over most of the area, the government was resigned to the fact that holdings were probably dramatically underestimated. In the central plain, the government found it difficult to recruit village heads. Some 'natural' leaders fled at the prospect. In the north, the new bureaucrats at first tried to recruit a police force to back up the new administration, but gave up the effort after most of the recruits fled.

More concerted forms of resistance varied from region to region in relation to the extent of government intervention and the nature of local society. In the central plain, where government authority penetrated more quickly and deeply than elsewhere, the 1890s saw a spate of 'banditry' which was to a large extent perpetrated by elements in village society which were being shouldered aside by the new administration. The first wave of frontier expansion had given great prominence to the *nakleng* or local toughs who provided defence for property and possessions. As the imposition of the new administration relieved them of their role, some turned from defence to attack. While some simply lived by robbery, in some respects they continued to police a 'moral economy' of the village community in defiance of government controls. They robbed from the rich who appeared to be benefiting unduly from the new regime, and gave to the poor, who in turn protected them from the authorities. They harassed landlords and their agents, and occasionally made raids on the officials transporting the land tax proceeds. For over a decade, during which time the government invested in construction of a police force specifically to bring them under control, these 'bandits' dominated the central region.

In both the north and the north-east, the imposition of land and head taxes

helped provoke revolts which the government suppressed with military force. The largest of these, the *phu mi bun* revolt in the lower north-east in 1902, illustrated how rural culture and the networks of supra-village information and authority could be brought into play. The possibility of a revolt against increasing government intrusion was advertised by the *mo lam* with songs telling of the imminent appearance of local leaders followed by cataclysmic events. The emergent leaders were foretold as *phu wiset*, the term for people with expert knowledge gained usually from specialist study beyond the village, or as *phu mi bun*, 'people with merit' gained usually through the meditation and ascetic practices associated with forest monks and other spirit specialists. The man who came forward to fill this role had been a forest monk and was invested with the power of this tradition. He foretold of millenarian events in which both the economic and political order would be turned upside down and the dominance of *muang* over *ban* would be reversed. He attracted a following of over 4,000, captured a district town, and repelled an army detachment before the army finally dispersed the movement and executed the leaders. Similar but smaller-scale revolts led by *phu mi bun* recurred from time to time through the north and north-east over subsequent years.¹⁹

In the north, the most significant resistance after the turn-of-the-century tax revolts was focused against the Bangkok government's attempts to impose control over the monkhood. The movement was not simply a struggle within the religious establishment, but rather was a contest between *ban* and *muang* and their differing concepts of the role of the monk.

Khruba Siwichai was a villager who was ordained into the monkhood at an urban *wat* in the north, but who in 1904 retreated towards the forest tradition. He withdrew to a remote place and practised intense meditation and asceticism. Among the peasantry of the surrounding area, he was lionized as a *tonbun*, a figure of great spiritual power presumed to have been acquired by great merit accumulated over previous lives sustained by rigorous practice in the present incarnation. In the 1900s, he promoted a movement of Buddhist resurgence which was apart from, and implicitly in defiance of, the authority of the Sangha. He travelled among the hill peoples of the region and succeeded in winning many converts to Buddhism. He wandered the region in search of old *wat*, and between 1904 and 1938 organized the restoration of over a hundred *wat* using mainly voluntary labour. He emphasized the spiritual significance of these works of communal labour, and many came to participate to gain merit. Khruba Siwichai also began to ordain monks. According to customary practice, this was not unusual for a locally revered monk to undertake ordination. But since the 1902 Sangha Act, permission to administer ordination had to come from the Sangha and local authorities. Between 1908 and 1938, Khruba Siwichai was summoned before the authorities several times and accused of illegal ordination. Each time he suffered the rebuke and repeated the practice.

Amongst the peasantry of the region, Khruba Siwichai became a symbol of resistance to the encroachment of central government. His authority, based on

accumulated merit reinforced by intense meditation, his following among the hill peoples, his vision of a Buddhist society implicitly superior to the present situation, his ‘illegal’ ordinations carried out at forest locations, and his defiance of the control of Sangha and central legislation, made him a leader of the periphery against the centre. Rumours spread that ‘Indra gave Khruba a sacred golden sword called Hariphunchai for use in rituals so that he could do many things without submitting to the control of [the authorities]’ (Tanabe, 1986: 231). Peasants urged him to progress from the role of religious leader to that of righteous king. Large crowds accompanied him in procession to Lamphun when he was summoned to appear before the authorities for ‘illegal’ ordination. The government proclaimed the procession a ‘revolt’ (*khabot*) and made many arrests. At the time of his death in 1938, Khruba Siwichai was planning to conduct a mass ordination in the forest as another, larger act of peripheral defiance.

The second wave of government intrusion into the countryside beginning in the 1960s was much more aggressive, and the results were much more traumatic. borne along by new highways and electronic media, the power of the central administration penetrated more deeply and more broadly into the countryside. Driven by the perceived need to ‘combat communism’, many of the projects to control the countryside conceived in the 1890s were now rapidly put into effect. Moreover, the second wave of government intrusion coincided with a new phase in the penetration of capital into the countryside, and in many ways the two processes worked in concert.

For the first time, villages were regularly visited by officials—by the *nai amphoe* (district officer), by police, by military officers, and by representatives of various ministries. An American asked to report on the impact in the late 1960s concluded that peasants saw officials as prebendary vultures: ‘Every registration required by law, every application for permission to engage in some activity touched on in the legal code, every favour asked is, potentially, an occasion for proffering a prebend. It is not surprising, thus, that there is a reluctance on the part of peasants to have more contacts with district officials than are necessary’ (Keyes, 1970: 119–20).

The government renewed its efforts to co-opt village leaders into the outer edges of the central bureaucratic structure. In the extension of the system of village headmen into the north-east and other areas of recent settlement, greater care was taken to match administrative geography with social reality. While village headmen remained nominally elected by the local community, the government increased the amount of authority and patronage funnelled through the village heads, with the result that their interests and loyalties tended to reside with the bureaucracy.

The 1960s saw advances in the programme of acculturation devised by the Chulalongkorn regime, but abandoned for lack of resources. Thousands of primary schools were built in the rural areas, and by the 1970s the majority of rural children attended four years of compulsory schooling with its emphasis on the Thai language and respect for the fundamental symbols of the centre’s

definition of 'Thai culture'. In 1962, the Sarit government again imposed central control on the Sangha and renewed attempts to ensure that all practising monks adhered to approved doctrine and practice. The Sarit government launched programmes to send monks out into the rural areas to encourage interest in Buddhism and to ensure that local *wat* were aligned with official doctrine. These programmes were extended beyond the agricultural communities of the plains to the swidden cultivators and hunter-gatherers of the hills in efforts to counter the spread of communist ideas. In parallel with these official programmes, investments by the emerging class of rich peasants and rural entrepreneurs in building *wat* in the small towns and villages extended the reach of Sangha Buddhism and reduced the importance of the forest tradition.

The intrusion into the village of schoolteachers (usually the first permanent official resident), other visiting government officials, and Sangha monks represented new sources of knowledge which claimed to be superior to village-based knowledge.²⁰ Moreover, the extension of radio and then of television from the 1970s provided an even more compelling means of access to the 'national culture' emanating out from the city. Often explicitly, and always implicitly, these new types of knowledge emphasized the inferiority of *ban* as against *muang*.

These assaults on the culture of the village were reinforced by changes within the rural economy. The pace of the uplands frontier increased the frequency of resettlement. Labour migration pulled people out of the villages. New agricultural technologies drastically reduced the importance of communal forms of labour. The increase of differentiation within rural society challenged the integrity of the village community.

This dual onslaught evoked two conflicting reactions. First, the culture of the village community was pushed into retreat. Village studies of the 1960s and early 1970s regularly noted the decline in the importance of village elders and other forms of 'natural' leaders; the erosion of community co-operation through exchange labour and other communal schemes; the decline of some of the rituals emphasizing the importance of ancestry and place; and the decay of local communities leading to large-scale migration by rural girls (and later also boys) to work in prostitution for the US soldiers, for an increasingly prosperous urban market, later for the tourist trade, and finally as an export commodity.

Second, the countryside resisted, and made the 1970s the most turbulent decade since the turn of the century. The communist-led rural insurgency which began in the mid-1960s drew on the independent, anti-statist traditions nurtured by the frontier. In many areas, insurgency was directly related to problems over land rights. When settlers cleared forest land, the government was quick to register their presence and to collect land taxes. Many settlers believed that by taxing and registering them, the government was recognizing their settlement and legitimizing their presence. Indeed, some settlers interpreted the government's action as an active approval for the felling of the

forest and used this as justification for clearing even more forest land. In certain areas, the government's refusal to issue land titles led directly to local revolts and adherence to the insurgent cause. Elsewhere, the government went beyond refusing a title, and attempted to move settlers off the land they had cleared and been taxed for. Again, such incidents occasionally flared into local violence and insurgency. The insurgency drew support from forest communities which resented government attempts to break down their remoteness, from frontier settlers who resented a government which taxed them but withheld land rights, and from villages which simply resented the invasion of official predators.²¹

Phleng Luk Thung: Peasant, City, and Nation

The strains of this period found expression in a new form of country music, *phleng luk thung*. Indeed, the creation of *luk thung* was a direct result of the problems and opportunities faced by the village as it was drawn into a closer and subordinate relationship with the city.

Until this period, there were many different local styles of village music. The emergence of *phleng luk thung* reflected the appearance of new media which knitted together a single rural audience, and the emergence of new and common concerns arising out of the rural population's common confrontation with the city.

The most important medium was radio, which began in the 1930s and spread rapidly into a national medium in the 1960s. By the end of that decade, *phleng luk thung* programmes had become a major part of radio broadcasting. *Phleng luk thung* also spread on records in the 1960s, and underwent a second wave of popularity from the late 1970s with the expansion of a low-cost audio-tape industry, and of television. In the 1960s, the spread of *phleng luk thung* was also linked to the expansion of the road network. The style became popular through singers who toured the provinces to perform at temple fairs, roadshows, and festivals.

In both style and content, *phleng luk thung* was distinctively rural. To become a famous *phleng luk thung* star, a village background was a necessary qualification. Sayan Sanya, who became for a time the most popular singer in the genre, had been a rice cultivator in Suphanburi. Suraphon Sombatcharoen, Ploen Phromdaen, Chai Muangsing, and Phaibun Butkhan came from a similar background. Phumphaung Duangjan was the daughter of a rural wage labourer. Others began as performers of older styles of local music and performance, such as Khwanjit who sang *phleng phuenban* (local village music), Buppha Saichon who came from a family of *like* (drama) performers, Ponchai Soipet and Samai Onwong who had been *mo lam*. Most of the important songwriters also had a rural origin. The audience quickly rejected performers and songs which lacked the mark of rural authenticity. The genre boasted a liveliness, sense of humour, and earthy crudity that made sure it could never be confused with urban styles.

You will have to run after grandma Taen with the big breasts.
She is the wife of grandpa Pho, the buffalo castrator (Anek N., 1984: 63).

The music mixed elements of various local folk music forms with other distinctive elements injected through the confrontation with the city. There were traces of court music which the Bangkok bureaucrats had imported to the provinces. There were touches of the nightclub genre of *phleng sakon* (international music) which also flourished on radio. There was a large influence of flamboyant Latino stagecraft which stemmed from the Xavier Cugat band's hugely popular visit to Thailand in the early 1960s. Flashy costumes, strings of backup dancers (*hang khruang*), and masses of sequins and ostrich plumes became part of the standard format of *phleng luk thung* stage performance.

The genre name of *luk thung* was first coined in 1964.²² The phrase was already in common use to describe a rural personality or lifestyle. The rhyming opposition of *luk thung/luk krung* (country/city music) neatly captured the contrast of country and city. The designation as *phleng luk thung* gained immediate currency because it exactly expressed the music's distinctly rural origin and purpose.

The village's confrontation with the city was one of the major themes of *phleng luk thung* songs. As one analyst of the genre concluded: '*Luk thung* was invented, written, and sung by singers with country background to give comfort and warmth to rural people migrating to work in the city, and to relieve their homesickness' (Lakkhana, 1978: 302). Even while a majority of songs were built round romantic themes, they still dealt with the special circumstances of the village and its relationship to the city.

Several songs lamented the decline of the village economy which forced villagers to migrate in search of money. Titles included 'Namta chao Isan namta chao tai mai mi khao kai' [Isan tears, southern tears, no rice to sell], and 'Rong hai tam mia' [Crying after my wife], which told how forest destruction caused a flood which carried away the singer's house, wife, and livelihood. In 'Nak phleng khon jon' [The poor singer], Sayan Sanya sang of himself:

I studied only to fourth grade
I travelled from Don Jedi, Suphanburi, in the forest
Singer Sayan Sanya, a rural lad,
I gambled my life with my songs (Lakkhana, 1978: 153).

Many songs told of the new jobs and roles in the city: 'Sip lo ro rak' [Truck drivers waiting for love], 'Num krapao' [Young bus conductor], 'Sao rong ngan' [Factory girls], 'Rak sao rong thor' [I love the girl in the weaving factory], 'Luk jang' [Wage labourer], 'Namta sao serp' [Tears of a waitress], 'Cham ok phro sau' [I cry because of Saudi], 'Song thaew jai thung' [The bus driver hero]. At the same time, many also told of the mystery, difference, and danger of the city and the life beyond the village. 'Mai tai klap ma taeng' [If I survive I'll return and marry you] told of the uncertainty of life in the city during the turbulence of 1973–6.

Many songs stressed the difference and incompatibility of village and city. In 'Sao AM' [AM girl], Phumphuang Duangjan contrasted a village girl, who listened to AM-band radio, with a boy from the city, where FM was more popular:

In the village we wear sarong,
 Carry a big basket on our shoulder out to the paddy field,
 Speak just simple Thai words,
 And listen to AM radio all the time.
 The radio set costs only 100 baht ...
 You are a city man, you will lure me in vain
 We are not compatible. You listen to FM radio!
 You think you can fool me because I'm a country bumpkin ...
 As a city guy, you are suitable for a city girl.
 You only want my youth
 You would drop me like a stone for a city girl.

Other songs brought out the migrants' confrontation with city attitudes, and with city contempt for rustic ways and rural poverty: 'Kha noi phiang din' [Value as low as the ground], 'Men sap khon jon' [The poor are smelly], 'Klin khalone sap khwai' [The smell of mud and buffaloes]. The perils of falling in love with a rich city girl and having to face the indignities which resulted became a favourite theme.

Several songs emphasized that the city sojourn was a temporary life-stage, and that the singer intended to return as soon as possible to the village. 'Bo leum isan' [I won't forget Isan] was typical of many songs which mixed themes of poverty, nostalgia for the village, the girlfriend left behind, and the intention to return:

I have to go though I miss you all the time
 If I save enough I would ask for your hand
 I'm poor and that's why I have to leave you
 To find money in Bangkok
 Please wait until I save enough (Lakkhana, 1978: 124).

The early singers were mostly male, but by the mid-1970s female singers also gained popularity, and the special position of female migrants became a major theme of *luk thung*. Songs dealt with life inside the brothel, being a 'hired wife' for a US soldier, and working as a masseuse in Germany. A survey of popular *luk thung* titles in the late 1980s found as many as one-fifth dealing with prostitution, including sympathetic treatments by male singers. In 'Luk noi nai phung maew' [A kitten among cats], Jintara Punlap sang:

Being poor, I had to leave home
 Hauling my virginity along
 I had to stagger away from the paddy field
 I had to say goodbye to my old mattress and pillow
 I had to say goodbye to all the lads in the village
 I got a job in the city as a waitress in a side-road shop

Pouring the beer, setting out the bowls,
Paid just by the day (Buppha, 1991: 113).

Several songs, such as this one by Sunaree Ratchasima, justified the fall into prostitution in terms of the twin scissors of poverty and family responsibility:

They call me the angel with a number
Have you ever come to my address
So many customers come, and leave with a lighter heart
This room's just a den for the lust of men
Who want only my beautiful body
The angel can stand it
Just by thinking of the hungry family back home
Every banknote has the same value
Even when stained with tears (Buppha, 1991: 165).

As one analyst wrote, '*luk thung* reflects the conditions of the countryside, both events and ideas ... it acts as a medium for news ... rural people learn about new events, new trends by listening to the music' (Lakkhana, 1978: 8). In 1975, the government's plan for a new rural development fund became the subject of a *luk thung* song within just a few weeks of its introduction. Many songs commented on politics, but usually with a sense of distance and a high level of cynicism: 'Phuthaen khwai' [Buffalo MPs], 'Thevada khi kong mon kan muang' [Politics are a cheating angel]. One 1970s song ran:

The candidates' adverts tell all about their good deeds
They bring along movies to entertain us in the villages
They say they can solve all kinds of problems ...
There will be lots of roads and canals
You won't have to raise buffaloes
Because we will provide you with tractors
We are all so pleased at this news
But they have become MPs for many years now
We are still using buffaloes ...
And they have become very rich (Lakkhana, 1978: 184–5).

One of the most popular early *luk thung* songs poked fun at the co-opting of village leaders by the government. Headman Li presented himself as the mouthpiece of the 'authorities' and used fancy new 'official' words:

In 1961 Headman Li banged the drum to call the village to a meeting
I Headman Li will now share with you what I've been entrusted to say
The authorities have ordered all villagers to raise ducks and *sukorn*.
Now Grandpa Si with the knobbled head asked: what is this *sukorn*?
Headman Li at once replied: It's just the ordinary street dog.

Sukorn was a Sanskritic, urban, official word for 'pig' which had no place in the culture of *ban*.

In sum, *ph leng luk thung* grew out of the new relationship of *ban* and *muang* in the 1960s. It was created on the networks of roads and radio stations which

helped tie the village closer to the city. It superseded earlier local music styles and became hugely popular. Its songs dealt with the villages' common experience in confronting the city, seen especially through the lens of the rural–urban migrant. It acted as a medium for sharing news, experience, and attitudes. It continued to express a distinctive identity for *ban* against *muang*, *thung* against *krung*, and acted as a medium for broadening that identity to a national scale. The content of the songs were rarely defiant (after all, they were broadcast on army-owned radio). But in their humour about officials, their cynicism about politics, their laments against exploitation, and their emphasis on the special values of village life, they maintained the key themes of village resistance.

Closing the Frontier

In the 1980s, the role of agriculture in the overall economy and the relationship of countryside and town changed rapidly. During the 1970s, agriculture was still the main contributor to GDP. Over the next decade, its contribution dived from 25.4 per cent in 1980 to 12.8 per cent in 1990. This rapid decline was partly a result of falling prices and faltering world trade. From the 1970s, the long post-war boom in world trade in primary products was disrupted by oil crises, by the subsequent chaos in currency markets, and by the rise in protectionism. The EEC introduced quotas on cassava imports which had to be renegotiated every year. The US protected its own rice industry. China, and later Vietnam, emerged as competitors in world rice markets. The Green Revolution made many rice-importing countries more self-sufficient. From 1980 to 1985, world rice prices declined by around 50 per cent. Paddy acreage stagnated in the early 1980s, and then at the end of the decade shrank significantly for the first time in over a century (see Table 2.1).

The decline in the importance of agriculture within the overall economy was also the consequence of industrialization, especially from the mid-1980s. Agriculture had a rapidly diminishing role in public finance, the balance of payments, and the national accounts. The contribution of manufacturing to GDP overhauled that of agriculture for the first time in 1984. By 1990, it was more than double the agricultural contribution.²³ Up to the late 1970s, agricultural exports had remained the main driving force behind overall economic growth. This role was now taken over by the garments, electronics, auto parts, gems, and light manufactures coming out of the new factories. Manufactured exports surpassed agricultural exports in value for the first time in 1985. By 1990, they were over four times as large.²⁴ In a move which symbolized the changing balance of the economy, some of the most valuable tracts in the Rangsit area, where the great paddy boom had started a century earlier, were now taken over by factories, suburban homes, and golf courses.

For the industrial sector which was quickly acquiring pre-eminence in the economy of the 1980s, the rural sector figured as a source not of inputs and of possible surplus value, but simply as a provider of labour.

Against this changing politico-economic background, the land frontier was closed. This was not a question of expansion coming up against some kind of natural limits, although that was how it was often expressed.²⁵ Since the 1960s, the frontier movement had progressed mainly through lands classified as 'forest' and officially off limits for agricultural colonization. In the mid-1980s, the extent of forest land which remained uncolonized was still roughly equal to the amount which had been taken up since 1960. Nor was the closure of the frontier the result of a single, abrupt and public decision. Rather, the closure was effected gradually and still not totally during the decade of the 1980s.

The critical precondition was the ending of the insurgency, which reduced the military role in pushing ahead the frontier and opened up the possibility of public debate on closing the forests. In 1981–3, the military flushed out the Communist Party of Thailand's remaining jungle bases and declared that the insurgency had been defeated.²⁶ The army no longer had a political interest in pushing the frontier ahead into the forest. The rate of destruction, which had peaked at the height of the counter-insurgency movement in the late 1970s, was now severely reduced. It did not, however, stop altogether. The experience of forest clearing in the 1970s had taught many businessmen and military offices about the extraordinary profits available in the lumber trade. More privately, and a little more moderately, the clearances still continued.²⁷ With the ending of the insurgency, logging interests put pressure on the government to improve access to the remaining reserves of timber. In 1984, the government restarted allocating forest concessions to private firms. In 1987, logging firms used the judicial process to regain access to old logging concession areas which were now contained within forest reserves and wildlife sanctuaries. It was widely believed that military connections played a large part in enabling the logging firms to open up new areas in the face of growing environmental concern over the forests.²⁸

With the political rationale for forest destruction removed, the issue of preserving the forests became available for public debate. In the early 1980s, the Forestry Department published satellite maps revealing the massive extent of forest colonization that had occurred over the previous two decades (see Map 2). In 1983, it issued a major study of forest destruction and of the forest resources remaining. Local and international environmentalist groups campaigned for an end to logging. In some areas, villagers worked alongside environmental activists to obstruct continued logging. By mid-decade, clashes between villagers and illegal loggers had become a regular event. Forest monks 'ordained' trees to save them from the logger's saw.

The major logging interests began prudently to shift their operations into neighbouring countries. In 1988, the army head, General Chavalit, visited Burma and held talks with the Burmese military government, after which thirty-three Thai firms were granted concessions for logging across the Thai–Burmese border. Similar arrangements were negotiated with Laos and Cambodia. Many believed that the border war fought between the Thai and

Laotian armies in 1988 stemmed from local rivalries over the timber trade.

In November 1988, a monsoon mudslide carried away two villages in the south and killed over 300 villagers. The incident was attributed to uncontrolled logging on the watershed. In January 1989, following fierce protests from environmental groups, the government revoked all logging concessions and in effect announced the closure of the forest frontier.

The closure intensified competition to control land and forest resources at the margins of the frontier. This competition came to focus on the areas of 'degraded' forest, zones which were officially classified as within the forest reserves but which had been largely or totally stripped of trees by logging and settlement. These areas were large. They amounted to some 67 million *rai* or over 20 per cent of the country's total land area. They were occupied by an estimated 7–12 million people.

The settlers wanted to stay put. Many had occupied these zones before they had been labelled as 'forest'. Some of the villages had been established for a century. Others had been pushed into the forests by the counter-insurgent military, who had promised to arrange land rights in return for their co-operation.

The Forestry Department claimed the land by virtue of legal definition and the need to maintain the ecology. From the late 1970s, agribusinesses pressed the Forestry Department to make degraded forest land available for plantations of fast-growing trees required as inputs for industries of synthetic fibre, pulp, and paper. For the Department, this strategy was appealing. The Department could achieve the goals of reforestation without expense or effort, and would be rewarded with both official and unofficial revenues from plantation entrepreneurs.

The Forestry Department carried out experiments which concluded that the most appropriate fast-growing tree was eucalyptus. From the early 1980s, the Department began its own eucalyptus plantations and granted 30-year concessions for agribusiness firms at the very low rate of 1 baht per *rai* per year. The fee was later raised, but only to 10 baht. In 1985, the government agreed with the Forestry Department's proposal that the target of 40 per cent forest cover should be achieved by preserving 15 per cent of the area as 'natural' forest and reforesting 25 per cent through commercial plantations. This policy made a vast area available for eucalyptus plantations at a minimal cost.

In parallel, the government extended promotional privileges to paper mills, pulp companies, and plantation firms.²⁹ In the late 1980s, strong international demand raised pulp prices. Several firms launched pulp ventures and plantation schemes, including Charoen Pokphand, the Kaset Rung Ruang agribusiness concern, the Shell Company, which had experience in similar ventures in other countries, and at least fifteen Japanese firms and several Taiwanese groups in joint ventures with local partners which included Sahaviriy, the leading local iron and steel firm. By 1987, there was 0.5 million *rai* under eucalyptus. The quick profits to be made induced irregularities. In 1987, senior forestry officials were found to be involved with Japanese investors in a company which won a government contract to supply the Forestry Department

with 10 million young eucalyptus plants. In 1990, officials of the Kaset Rung Ruang subsidiary, Suan Kitti, were discovered planting eucalyptus in areas still classified as protected forest reserve. Investigations revealed that the head of the firm was a major financier of the political party of the Agriculture Minister, that the chairmanship of the firm had been granted to the ex-head of the police, and that the firm had been granted large reforestation concessions in supposedly 'degraded' forest.

From the early 1980s, the Forestry Department attempted to move peasants out of degraded forest areas to make way for reforestation. Often the settlers objected. Sometimes the Forestry Department backed off. Sometimes they sought help from the local police or military. Suan Kitti and other firms were involved in evicting such settlers, with assistance from police and forestry officials who stigmatized the settlers as illegal, title-less 'squatters' on forest land. Elsewhere, peasants objected to eucalyptus planting on areas of forest close to their settlements. The enclosure of eucalyptus plantations denied the peasants access for grazing and forest gleaning. The tree sucked up water and nutrients from the soil to the detriment of the water-table and neighbouring cultivation. The eucalyptus tree became the focus of competition between peasant and agribusiness over the forest fringe.

After 1985, there was a regular series of local incidents of protest against eucalyptus planting. Villagers sometimes uprooted eucalyptus saplings. In Roi-et, they attacked the bulldozers clearing the land for plantations. In Buriram, they burnt down a plant nursery. In other cases, they protested to the local government officials, and on one occasion burnt down a forestry official's house. The level of petty dispute with regular outbreaks of violence recalled the friction between land grantees and colonizing peasants in the early years of the Rangsit tract.

In the late 1980s, the military stepped in. Since the war against the insurgency, the army had become immersed in the economy and politics of the forests and the rural areas. In 1990, the army drew up a massive plan to move 9,700 villages with around 6 million people out of 1,253 different designated forests throughout the country. In April 1991, it began to implement the scheme, known by the acronym Khor Jor Kor, in the lower north-east. Since 1985, the Dongyai forest in Buriram had been the scene of growing tension between forest settlers and the authorities. This region now became the battle-ground for Khor Jor Kor.

Dongyai had been a centre of the insurgency. Some of the settlers had fought with the insurgents. Others had been moved in by the army, had helped fight the insurgents, and had been promised land allocations. All felt aggrieved by the Forestry Department's attempts to move them out. Since 1985, they had taken their protests to the provincial governor and to the prime minister's office. In 1989, a forest monk, Phra Prajak Kuttajitto, settled in Dongyai and helped the villagers' protest. He ordained trees to protect them from illegal loggers. His village residence was shot at. Villagers destroyed the Forestry Department's eucalyptus nurseries and stands of eucalyptus trees in

concession areas. The police arrested Phra Prajak for incitement. The villagers captured and 'arrested' illegal loggers.

In September 1991, the army moved into Dongyai, dismantled the village houses, herded the settlers out of the forest, and ploughed over their cassava fields. The villagers refused to go to their resettlement site. In a nearby *wat*, they set up a 'Thai refugee camp', a sarcastic allusion to the border camps for Indo-Chinese refugees. The army tried unsuccessfully to pressure the abbot to evict them. Bombs and grenades were thrown around the *wat*. Phra Prajak continued to ordain trees and pursue loggers. After a violent clash in which police and loggers fought with the monk and the villagers, Phra Prajak was again arrested and threatened with disrobing.

In some twenty other areas, military units moved forest villages by force. A few resisted successfully. Others were relocated into areas which were dry and barren, or were deposited in already settled areas where the existing villagers were supposed to share their land with the newcomers. These resettlement problems sparked a second wave of protests. To find available land for resettlement, the army even cleared forests under its control. The Dongyai villagers tried to reoccupy their old site, and were engaged in a pitched battle by the troops.

Villagers organized protests and contacted student and activist groups for help. In early 1992, rallies and petitions were held in many of the north-eastern provincial capitals. In June, the protests moved from the periphery towards the centre. Protesters from different Khor Jor Kor zones assembled in the regional capital of Khon Kaen and determined to march on Bangkok. The march set out from Korat along the Mitraphap highway, the first US-funded highway which had begun the opening up of the uplands frontier a quarter of a century earlier. Over 4,500 peasants joined the march. Government ministers rushed up to the highway to negotiate a compromise and prevent the march reaching Bangkok. In early July 1992, the government suspended the Khor Jor Kor programme.

For over a century, the agrarian frontier had been the driving force of the economy. Between 1970 and 1990, this role evaporated. The increasingly dominant forces of urban capital rapidly lost interest in the peasant economy. They wanted to use available land to plant industrial inputs, and were keen to squeeze marginalized rural people into the urban labour pool. The violence implicit in this attempt to stem the momentum of the agrarian frontier surfaced in the military manoeuvres of the Khor Jor Kor programme and the battles of Dongyai. In the locality, these battles pitched village community and forest monk against the soldier, the logger, the Forestry Department, the agribusiness, and the eucalyptus tree. On a wider scale, they represented the agrarian frontier against city domination, *ban* against *muang*.

Conclusion

In the 1960s, the momentum of frontier expansion spilled out of the rice tracts along the strategic roads funded by the US military. Over the next thirty years, a combination of loggers, soldiers, traders, and pioneer peasants felled and

burnt over 100 million *rai* of forests to grow upland rice, maize, cassava, sugar-cane, pineapples, rubber, and eucalyptus.

On the paddy frontier, the typical settlement had been a group of related families who established a cluster village on the bank of the river or canal, planted paddy on the fields behind, and were later joined by a Chinese trader who paddled up the river to buy the paddy. On the uplands frontier, the typical settlement was a spot on a newly opened highway where a handful of traders set up shop to rent tractors, sell inputs, and buy crops; and from where tracks led off into the forest to a scattering of simple field huts where the settlers grew uplands rice, maize, and cassava around the stumps of recently felled trees.

Initially, the uplands frontier was driven ahead by the peasant settler and the local trader. Before long, larger forces became involved. The cash crops exported from the uplands frontier assumed a major role in the national economy. The government promoted agribusinesses in order to accelerate the expansion of exports and accelerate the transfer of surplus for building the urban economy. Behind the retreating tree line, urban capital erected sugar mills, cassava yards, feedmills, oil presses, fruit canneries, cattle ranches, and pulp mills.

While the government vigorously promoted entrepreneurial capitalism among agribusiness, it provided no support or protection for the colonizing peasant. Instead, the government denied the colonizing peasant access to land rights and independent capital. The framework created by the government shaped the political economy of the uplands frontier. Many of the settlers were reduced to virtual labourers working for the cassava yard or the sugar mill. Others became contract cultivators for the livestock enterprise, vegetable packer, or oil factory. Many more became the dependants of the merchants, tractor owners, and purchasing agents who straddled the linkages between the frontier field and the agribusiness. Most remained very poor. Many migrated several times in search of better opportunities. By the 1980s, many were migrating between jobs in the uplands, the paddy tracts, and the city. Uplands society was dominated by a small élite of traders, contractors, agents, and local officials who managed the local processes of production on behalf of agribusiness.

At the turn of the century, the government laid plans to control the society of the frontier through school, *wat*, and village headman. The plans met fierce resistance. From then on, the government treated the countryside with benign neglect. It imposed minimal tax, administration, and policing. It allowed the frontier to expand on its own momentum. It failed to police the forests, invested minimally in irrigation and agricultural improvement, and took only limited interest in land titling. It tried not to get too deeply involved in the countryside. The frontier was left to develop a society and culture which was both separate and distinct. No landlords or land revenue officers provided a bridge between city and village.

In the 1960s, the government again invaded the village with school, *wat*, village headman, US-funded roads, development budgets, and counter-insurgency schemes. Resistance to this invasion fuelled the insurgency, a

peasant movement, and several local protests. It found expression in the sardonic humour of *phleng luk thung*. It led to the emergence of new rural leaders better equipped to deal with government and city. The 1970s saw more violent confrontations between government and peasant than any decade since the turn of the century. The government responded with both carrots and sticks. Cash was funnelled into rural development. A poverty plan was devised to accelerate growth in the most backward areas. The rice premium was scrapped. The government attempted to manage rural prices. The army built political organizations in the countryside.

But as the insurgency faded into the past, the government's attitude shifted again. Agriculture ceded its dominant role in the economy to export-oriented manufacture. For the newly dominant export-oriented Bangkok business, and for the government ever more reliant on the revenues they generated, the countryside figured not so much as a source of products as a source of labour. Gradually during the 1980s and early 1990s, the frontier which had been opened up in the early nineteenth century was closed down.

The peripheralization of the countryside did not eliminate its political importance, or extinguish its rich culture of resistance. The frontier century had created a society of independent peasants, and a rural culture which valued the separateness and independence of the village. Peasants mobilized to defend diminishing marginal resources of land, water, and forests from increasing urban encroachment. In the forest fringe, settlers and forest monks fought pitched battles with soldiers, agribusiness, and the Forestry Department. A prominent rural development worker observed: 'Conflicts have mounted in society. There's confrontation between individual villages who want to protect the forest and water sources and those who want to destroy; between rice-farming and salt-farming communities; between local communities and the outsiders who invade. Finally, there is confrontation between the state and the local communities, which is the most serious of all' (Yos Santasombat, *Bangkok Post*, 22 May 1993).

1. In the seventeenth century, it was 'almost totally depopulated', and in the eighteenth century, the inward movement from the Lao territories had been limited.

2. Several new *muang* in the lower north-east were formed between the 1770s and 1790s.

3. See the map of tax sources in C. Wilson (1987: 170), the description of settlement along the Chi River in Keyes (1976), and the maps in Sternstein (1965; 1976a: Fig. 14.1; 1993).

4. The highway plan was conceived soon after the US assumed responsibility for defending Indo-China.

5. The sources for these maps were: a Forestry Department map from the 1950s, and the published satellite maps for 1980 and 1991. It should be noted that these maps are not always mutually consistent. There is a lot of 'interpretation' between a satellite photo and a map, and between a detailed published map and the sketches shown here. See Chapter 1, n. 3 on sources for the early map.

6. The best collections of histories of settlement are in Chirmsak (1991) and Uhlig (1984).

7. By 1981, it was reported that 43 per cent of the commercial bank credit to agriculture went directly to farmers, and 57 per cent through deposits with the BAAC.

8. By 1993, this figure had risen to 46 per cent (MIDAS, 1993: 10–11).
9. The MIDAS report reckoned 67 million *rai* of reserved forest was under cultivation.
10. In 1966, it was estimated that only 35 per cent of all occupied land in the kingdom was covered by any form of land deed.
11. ALRO is the abbreviation for deeds granted by the Agricultural Land Reform Office.
12. In 1984, Chatthip argued that the village existed prior to the state. Later, he developed the analysis of a village culture distinct and separate from that of the city. See Chatthip (1984a); Chatthip and Phonphilai (1994). Critics have countered that the village cannot be construed as entirely independent from the state. This is undoubtedly true. Yet it is equally true that many of these critics have a view of the relationship between village and state culled from the histories of Europe, South Asia, and Latin America where there were powerful intermediaries (landlords and revenue officials) between state and peasant. On Thailand's agrarian frontier, such figures were conspicuously absent.
13. Some areas were home to more powerful spirits with influence over wider areas. In some cases, these were the spirits of famous past warriors or hunters whose power was still available to protect the community. In Chaiyaphum, for instance, villagers believed the spirit of the hunter *pu loup* held sway over the whole area of Dong Lan forest.
14. Probably over two-thirds of all today's village settlements have been founded in the past century, and probably over half in the last two generations. As many as 4,000 new village units were officially defined in the years 1984–8 alone.
15. These reforms are considered more fully in Chapter 7.
16. The quote originated from Sharp et al. (1953: 45–6).
17. This effort waned in the 1910s, possibly because of central distrust of 'Lao' religious figures after the revolts of 1902. It resumed forcefully from the 1920s onwards.
18. Quote from an old man from Khon Kaen talking about the early years of the century.
19. These revolts are covered in Chapter 7.
20. For a dramatization, see Khammaan (1992), a novel written by a teacher in the new village schools of this period. A minor theme of the novel is the uneasy relationship between the new teacher and Carn Khan, the old keeper of local wisdom.
21. The insurgency is considered in more detail in Chapter 9.
22. Prior to this, the form had been called *phleng talat*, market music.
23. In 1990, agriculture contributed 12.8 per cent and manufacturing 27.3 per cent.
24. In 1990, agricultural exports totalled 100 billion baht and manufactures totalled 440 billion baht.
25. By the mid-1980s, some experts contended that Thailand had run out of free land and that remaining tracts were too steeply sloped for cultivation. These experts had presumably never been to Java.
26. On the insurgency, see Chapter 9.
27. Satellite pictures revealed new communities founded between 1967 and 1975, and between 1981 and 1984.
28. In 1985 a Cabinet resolution allowed the army to use protected forest land for 'security projects' without asking for government approval. In 1993, the National Committee on Forest Policy reported that this resolution had resulted in 'massive' deforestation, and the resolution was revoked. See 'Army Loses Forest Land Privileges', *Bangkok Post*, 28 September 1993.
29. In 1990 alone, firms which successfully applied for these privileges included 5 paper mills, 8 eucalyptus plantations, and 12 woodchip companies.

Bibliographical Note

On the expansion of the uplands frontier, see especially Uhlig (1984, 1987), Chirmsak (1991), Hirsch (1990, 1993), and Keyes (1967, 1976). *On land issues*, see Seth (1970), Kemp (1974), Tongroj (1990), Platenius (1963), Ng (1978), Yongyuth and Feder (1985), and Ammar, Suthad, and Direk (1993). *On poverty*, the classic analysis is Oey (1985), and Ammar, Suthad, and Direk (1993).

(1979), and more recent overviews are Duangmanee (1993), Suganya and Somchai (1988), and Kitti, Bunlue, and Mana (1984). *On the society and culture of the uplands frontier*, there is material in Preecha and Kanok (1987), Chatthip (1984a), Chatthip and Phonphilai (1994), Seri and Hewison (1990), Moerman (1968, 1969, 1975), Sangiam (1990), Pranee and Sujit (1989), and Van Roy (1971). *On ph leng luk thung*, see Anek N. (1984), Lakkhana (1978), and Buppha (1991). *On resistance*, see Chatthip and Phranut (1984), Tej (1981), Keyes (1977), Chatthip (1984b), and Turton (1984, 1987, 1991). *On forests and closing the frontier*, see Pramool (1991), Pinkaew and Rajesh (1992), MIDAS (1993), Kanoksak (1992), and Suthawan (1992). *On the disputes over natural resources*, see also Apichai, Somboon, and Chaiyuth (1991), Local Development Institute (1991, 1992), Chai-Anan and Kusuma (1992), Thai Development Support Committee (1992), and Assembly of Northeastern Farmers (1992, 1993).

PART II
CITY

3

Traders, Tax Farmers, and Kings

THE city was also a frontier. From the mid-nineteenth century, urban Siam developed rapidly. The new ‘urban material’ arrived by sea. Bangkok and the up-country towns were populated by migrants from the south-western coast of China. The characteristic tale of Bangkok tells of the immigrant Chinese who arrived with ‘one pillow and one mat’ and made his fortune.

In this respect, Bangkok was no different from most of the port cities of the region. Singapore, Penang, Jakarta, and Saigon were also built by the migrant Chinese. But in one important respect, Bangkok differed. The immigrant Chinese were absorbed into the local, ‘Thai’ population. As a result of Siam’s chronic need to attract more people, it had developed the ability to absorb outsiders. Moreover, Siam’s success in evading colonial rule meant that there was little of the racial antipathy which resulted from colonial ‘divide and rule’ in much of Asia. The integration of the Chinese was not wholly smooth. There were strikes, protests, and deportations. But there were no pogroms, no race riots, and no mass expulsions. By the late twentieth century, there were few residents of urban Thailand who did not have a large admixture of Chinese blood. But equally, few who did not call themselves ‘Thai’.

The next three chapters trace the rise of urban capital and that means largely the history of Chinese-origin entrepreneurs. The three chapters trace different stages in the process, and different relations between the state and urban society. In the nineteenth century, the trader and tax farmer developed within a framework of royal patronage. In the early twentieth century, independent entrepreneurs emerged first in the rice trade before expanding into banking and industry. In the last quarter of the twentieth century, industrialization accelerated, the economy became more outward and export-oriented, and Thai capital began to expand beyond the national boundaries.

Traders and Tax Farmers

By the later part of the Ayutthaya period, trade was the foundation of rule. The court sucked forest goods out of the hinterland, sold them in the junk trade to China, and with the proceeds bought the weaponry, luxuries, and status-defining goods which were the props and privileges of rule. The key institution of government was the Phra Khlang which combined the roles of foreign ministry, port authority, export warehouse, and treasury. The army was

deployed to maintain a network of dependencies and tributary states in the hinterland. Royal diplomacy focused on maintaining tributary and trading relations with the vital China market.

The Ayutthaya rulers entrusted the handling of much overseas trade to foreign merchants who were encouraged to take up permanent residence at the royal capital. The palace at Ayutthaya was circled by suburbs of Japanese, Chinese, Arabs, Persians, Dutch, French, Portuguese, and British. Through this policy, Ayutthaya gained easy access to the trading markets of these merchants' countries of origin. It also gained access to new technology and techniques. Foreign merchants helped to run the royal trading monopolies, to manage the treasury, and to implement new techniques for trading, book-keeping, and fiscal management.

Overseas merchants who became prominent at the port could find themselves absorbed into the court and the administration. Among the ranks of these 'semi-merchant, semi-administrators' (Subrahmanyam, 1991) who flourished at the court of Ayutthaya between the sixteenth and eighteenth centuries were Chinese, Arabs, Persians, and Europeans. Foreign merchants were also sometimes absorbed into the other key institution of rule, the army. Japanese traders served in the armies of Ayutthaya. The Crown patronized these outsiders for reasons of political security. The foreigners were less likely to put down strong political roots and become threats to the power of the king. If they overreached themselves, they could be exiled or otherwise dealt with. The career of the seventeenth-century Greek adventurer, Constantine Phaulcon, illustrated the point. He rose from utter obscurity to one of the highest offices in the Ayutthaya administration, but then lost his life in the intrigues of the court. Where Phaulcon ultimately failed, others were spectacularly successful. In the early seventeenth century, the dominant overseas trader community was the Persians. The descendants of Sheikh Ahmat, one of its leading lights, became the premier aristocrat family (Bunnag) of nineteenth-century Siam.

Trade was the major factor in the urban map and political map of the interior. Towns were distributed along the trade routes around the coasts, up the river networks, and along the caravan routes which wound out of the Chaophraya Basin to Burma, China, and Vietnam. The rulers of the states in the hinterland also maintained themselves through trade. The ruling *jao* of Chiang Mai, for example, raised revenues from running an entrepôt mart on the trading routes connecting southern China with both Burma and Siam. Ayutthaya collected its supplies of forest goods by demanding tribute from these hinterland states, and by posting officials at the lesser towns along the riverine, coastal, and caravan routes.

In both late Ayutthaya and early Bangkok, the king raised the major part of his revenues by imposing monopolies on certain items of trade, especially forest goods demanded in the China market. The king owned trading junks and hired Chinese merchants and captains to handle the technicalities. The king also licensed other nobles of the court to own ships and trade. The king earned

further revenues from various taxes and fees raised from this private trading, and from a growing re-export trade as Ayutthaya emerged as a major entrepôt between the China market and other ports of South-East Asia.

After the disorder of Ayutthaya's fall, the new rulers of Bangkok quickly re-established this trading network. They reassured military control over the hinterland. They reopened relations with China. Their new capital was deliberately sited on the Chao Phraya trade route, closer to the sea than Ayutthaya. They continued the Ayutthaya policy of encouraging foreign communities to handle much of the trade. However, in this case 'foreign' was equivalent to 'Chinese'. This was partly because the European trading communities were temporarily distracted by major empire-building activities in India and Indonesia, and did not take renewed interest in South-East Asia until the 1820s. But it was partly a deliberate policy of the dynasty. The site of the new capital, Bangkok, had been a small Chinese trading settlement. Taksin, the general who first established the state centred on the Bangkok region, was himself half-Teochiu and may have chosen the Bangkok-Thonburi site because it was already a centre of Teochiu traders. In the early years, this Teochiu community ran the trade which financed the pacification effort. The mother of Rama I, who replaced Taksin and began the Chakri dynasty, was possibly the daughter of one of the richest Chinese merchants of Ayutthaya.

The early tribute ships to China brought back more Chinese traders to set up shop in Bangkok. By the turn of the nineteenth century, Chinese traders were arriving in Bangkok in large numbers. Over the next two decades, they helped to transform the small new settlement in the marshes of the Chao Phraya Delta into a major trading city. With royal encouragement, the Chinese moved out of the city into the smaller marts and settlements along the waterways of the delta. At the start of the century, the region was devastated and depopulated by the Burmese invasions. By the 1830s, it was a hive of commercial activity. Terwiel (1989: 235) summarized the observations of foreign and official travellers on the variety and vibrancy of the local economy:

In the Southwestern coastal region many people made a living by evaporating salt water, an industry that apparently was thriving during the Second Reign, and around Phetburi great numbers spent much of their time boiling palm sugar. We have come across professional firewood cutters, an attap industry, an indigenous paper-making establishment, brick-making factories, lime-burning, alcohol manufacture, iron-ore mining and blacksmiths scattered around the countryside.... Internal trade was lively, markets operated in provincial towns and cargo ships plied the rivers and canals.

The *pax Chakri* and the expansion of the economy through the stimulus of Chinese immigration transformed the nature of trade and the relationship between trade and rule. The range of trade goods and export markets became much more diversified. Some of the old *suai* items such as elephant tusks and speciality timbers found a new market in Europe. Rice and other agricultural goods such as sugar, pepper, and tobacco grown by Chinese settlers found growing markets in China and other parts of Asia. Processed and manufactured

goods from growing artisanal industries such as wood products, metal utensils, dried meats, prepared betel, and oil extracts also entered into trade to China and to the south. These new items fell outside the royal monopolies. Private trade increased in volume and in share of Bangkok's overall trade. By 1835, the anchorage of trading junks stretched in a continuous ribbon along 2 miles of the Chaophraya river.

Both court nobles and Chinese merchants participated. By the early 1830s, among the eighty-two Siamese-owned ships operating out of Bangkok, nine belonged to the King, twenty-five to nobles, and forty-eight to Chinese merchants. Of the seventy-two junks built and operated out of Bangkok between 1835 and 1861, twenty-two belonged to the royal family, thirteen to court aristocrats, and thirty-four to Chinese merchants. According to another account, the Chinese merchants operated 136 junks while the court owned only around twenty. After the 1830s, Chinese merchants 'dominated the junk trade with China and Singapore' (Suehiro, 1989: 52). Among the noble traders, the Bunnag family emerged supreme. By origin, the family were traders from Persia. In late Ayutthaya, they had become close associates and marital relatives with the Chakri family. In the 1820s, these dynastic links enabled members of the family to secure appointments as the head of the Phra Khlang, and in the royal warehouse. From these offices, they were able to secure supplies of tradable goods. The elder of the family, Dit Bunnag, owned five junks and was the largest operator in the private junk trade. His son was the first to build and operate one of the larger European-style trading ships.

The growth of private trade made it possible for the Crown to withdraw from active participation in trade and raise revenue instead by taxing both trade and production. Between 1824 and 1830, Rama III abolished virtually all the royal monopolies with the exception of the lucrative sugar trade. The King continued to own ships, but did not expand his fleet and mainly used it for official tribute missions. He no longer traded the forest goods which were collected as *suai*. Instead, he sold the stocks to Chinese traders who undertook the export. Then between the mid-1830s and 1860, the *suai* payments from the north-east were progressively converted from kind to cash or specie. In both the rice basins and the hinterland, those liable for rice taxes or *suai* sold their produce to the agents of the private exporters and paid their dues in cash. Gradually, the King replaced tax payments due in kind with tax farms payable in cash. He extended tax farming to forest goods, agricultural goods, and artisanal manufactures.

From the 1800s, the government farmed out collection of taxes on liquor, fisheries, markets, gardens, and some forms of gambling. From the late 1820s as the economy started to move, government allotted farms on many new items of produce including salt, attap, coconut oil, opium, pepper, birds' nests, cotton, tobacco, molasses, sugar, meat, and fish. From the late 1840s until the 1860s, farms were extended to more kinds of produce including pork, poultry, beans, and rattan; but also more to manufactures such as kilns, stoves, carts,

pots, dug-out boats, buckets, sheds, rafts, and shrimp paste; also to entertainments such as theatre; and to various forms of liquor and gambling.

Tax farming amounted to state-promoted entrepreneurship. The Crown allocated or auctioned to the tax farmer the right to collect a tax on a specific commodity in a specific area. The tax farmer was remunerated by collecting more than what the Crown required. The tax farmers thus had an interest in promoting production of the item to be taxed. Many of them were already traders in these items. In some cases, local entrepreneurs approached the Crown to propose new items to be tax farmed. The Crown sometimes advanced money to the tax farmer to invest in expanding production. The Crown used the machinery of government to promote the production of goods which could be taxed and traded. The letter of appointment to the new governor of Nakhon Chaisi in 1843 made plain the connections between trade and administration:

Because sugar is an export crop, it brings revenue to the government. Nowadays, more and more ships are coming to Bangkok than ever before, and there is not enough sugar to meet their demands. If more sugar was produced, even more ships would come, and government revenue from collecting shipping fees would be increased.... Therefore, the governor, as the representative of the king in the province, should encourage the Chinese, Lao, Khmer and the people of Nakhon Chaisi to plant cane more extensively than before... the governor should approach the owners of vacant land to cultivate the crop... the governor should arrange for it to be cultivated with cane by others, and not be left vacant. The governor was also to persuade the people to set up more mills for the processing of sugar (Hong, 1984: 54–5).

Many of the *nai akorn* or tax farmers were immigrant Chinese. To aid collection, the King granted them special police powers. To lend them authority and to tie them to the Crown, the King gave them official titles and administrative positions. In the 1840s and 1850s, some local officials complained that tax farmers were supplanting their power. The Crown responded by urging the officials to support the tax farmer. Later, the Crown removed the cause of such disputes by granting tax farms directly to officials or by elevating tax farmers to official rank. Elsewhere, officials and tax farmers reached local accommodation for mutual benefit. In 1854, the Crown appointed a successful Chinese tax farmer, Khaw Soo Cheang, as a provincial governor.

The story of Khaw Soo Cheang and the na Ranong family which he founded exemplified the interlocking of entrepreneurship and administration. Khaw was a Hokkien who migrated to Penang as a penniless labourer at the age of twenty-five, and then moved up the western coast of the peninsula to Ranong to engage in coastal trade. In 1845, he was appointed tax farmer for tin in an area covering Ranong, Chumphon, and Krabi. He was very successful in expanding the industry by importing Chinese labour. In return for the magnificent revenues he generated, the King made him governor of Ranong. From then on, Khaw developed his economic and political control of the peninsula. All his six sons became governors of provinces in the south

including Trang, Phuket, Ranong, Langsuan, and Kraburi. The family developed large interests in tin, in trading through Penang to provision the tin-mining workers, and later in investing along with British and Singaporean capital in modern tin dredging and smelting ventures.

As the China-bound junk trade declined from the 1850s, several big Bangkok Chinese merchants moved enthusiastically into tax farming. They concentrated on the opium, lottery, liquor, and gambling farms which presented the largest opportunities for profit, and which became the government's major source of revenue. To help them collect such splendid revenues, the King granted them grand titles and legal privileges. To further gild their status, the most successful offered their daughters as minor wives to the King and other royal lines. From the 1870s, they invested some of the super-profits of tax farming in sugar enterprises, rice-milling, and land development. In these ventures, they again worked in partnership with members of royal and noble families.

While successful Chinese went from trade to tax farming to office, aristocratic families moved from office to tax farming. Through their command over Phra Khlang, the Bunnag family controlled the distribution of thirty-one tax farms. In the 1850s, members of the family secured the sugar tax farm in Phetchaburi province. In 1858, they moved from there to the governorship of the province, which they kept in the family for the next fifty-five years. Several local nobles, including the provincial governor of Nakhon Sithammarat, also took up tax farms.

As Hong Lysa (1984) has pointed out, the tax-farming system which flourished from the 1820s to the 1870s was much more than a revenue-gathering device. Through this period, new reserves of labour came available through Chinese immigration, seizure of war prisoners, and the gradual relaxation of corvée. These reserves of labour were applied at the new frontiers of the economy through the twin devices of Chinese entrepreneurship and government pressure to create new goods for local consumption and for export. The Chinese merchants and noble officials who administered the tax farms were primitive entrepreneurs. They invested in the businesses over which they had the right to collect taxes, especially in tin, rubber, and other plantation enterprises. The surplus of this production was skimmed off and shared between the royal administration, the administrative nobility, and the Chinese immigrant merchants.

Over time, the share-out of this surplus changed. It accumulated in the hands of the merchants and, to a lesser extent, the administrative nobility. From mid-century, the Crown became aware of collusion between merchants and provincial officials. The King attempted to devise systems to set officials against merchants so that they would act as a counterbalance to one another. But to little avail: 'The tax-farming system had grown into a vast, sprawling, unwieldy operation over which the central government had little direction or control.... The tax farmers had worked out various compromises with the provincial leaders who could either obstruct or assist them, depending on

which was the most profitable course' (Hong, 1984: 105). Many lucrative farms were never opened to bidding, but remained under the same control for decades. From the mid-1850s to the early 1870s, the revenue from the tax farms grew slowly, despite the increase in the number of farms and the evident growth of the economy.

The tax-farming system contributed to some noble fortunes in the provinces. By the process of administrative trickle-up, it helped to build the wealth and political power of a few major aristocratic families in the court and central administration. Most prominent was the Bunnag family, who controlled the important Phra Khlang for much of the century, ran ships to Singapore, China, and Java, and developed a provincial fiefdom of governorships and tax farms to the west of the capital. Trade and tax farming provided the foundation of several major Chinese merchant dynasties, particularly in the towns on the southern coasts (Ranong, Trang, and Nakhon Sithammarat), on the fringe of the Gulf (Phetchaburi and Chanthaburi), and in parts of the north (Tak and Chiang Mai) where there were trading routes over the hills into Burma and China.

Eventually, the Crown would react to constrain the rate of accumulation by these two groups. But first it attempted to contain their growing prominence by using another tactic inherited from Ayutthaya—bringing in other foreign trading groups to act as a counterweight.

European Enterprise

With their empire consolidated in India at the turn of the nineteenth century, and with a forward base established in Singapore in 1819, the British began establishing a network of 'country trade' around the Indian Ocean and the South China Sea. From the 1810s, British merchants and diplomatic missions visited all of the major river ports from the Irrawaddy to Shanghai. They came armed with the theory of free trade and the threat of superior weaponry. They tried to persuade local rulers that encouraging freer trade would benefit all parties. When they met resistance, they would threaten to impose free trade by force if necessary.

Several British missions visited Siam in the 1820s, and the Bangkok rulers responded with guarded openness. To the west in Burma and to the east in southern China, the local rulers resisted the demands of the arrogant Westerners, and were soon engaged in wars of trade and conquest. But Siam was used to the idea of negotiating with foreign traders. In 1826, the British-Indian envoy Sir James Burney was able to conclude a treaty which allowed British ships to trade with Siam.

At first, this was perfectly satisfactory for both parties. In 1842, it was reported there were fifty-five European ships in the Bangkok port and that many of them were regular visitors. But during the 1840s, the situation changed. First, the Chinese at Bangkok were more successful than the Western merchants. The immigrant Chinese spread along the waterways of Siam,

creating a trading network which fed goods into the major Chinese export houses in Bangkok. As the Crown disengaged itself from direct involvement in trade, the Chinese traders who had earlier acted as royal agents gained most of the benefits. They were able to secure concessions on port dues, duty privileges, and commodity monopolies which were not extended to the foreigners. By the 1840s, the foreign traders complained. Second, British India had discovered the enormous value of Indian opium as a trade article whose export could balance the costs of imports into India. The British were intent on developing markets for Indian opium, particularly wherever there were Chinese communities, which had proved to be the main source of demand. By 1850, the British traders perceived that 'Siam is ... in a commercial point of view, second only to China' and they resented that its trade was dominated by the Chinese (Seksan, 1989: 155, quoting Rajah James Brooke).

In the 1840s, the Siamese government resisted these pressures. In the early 1850s, Siam's attitude changed. The trade with China slumped disastrously owing to the disorder of the Taiping rebellion. Siamese trade expeditions were waylaid by Taiping rebels and by pirates. In 1851, King Mongkut ascended the throne through the support of a group of nobles dominated by the Bunnag family, who were deeply involved in trade and were keen to expand trade with the Europeans. They could see the potential in the opium which the British wanted to sell. In Siam, trade in opium was technically illegal, but actually widespread. In 1851, these nobles proposed to the new King that since the opium trade could not be controlled, it should be managed for profit. The King agreed, legalized the import of opium, and allowed these nobles to start an opium tax farm. This new ruling group passed several measures to encourage more trade with the Europeans. In 1851, they abolished the remains of the royal monopolies and reduced the privileges of the principal licensed Chinese traders. They lowered some of the discriminatory port dues. They lifted some restrictions on Western residents. They corresponded with the British authorities on the topic of free trade. In 1855, they invited London to send a mission to renegotiate the whole trading relationship.

The resulting Bowring treaty had four main parts. First, it gave the British residence rights, trading rights, and privileges of extraterritoriality (modelled on the Chinese treaty provisions). Over the next seven years, matching treaties were negotiated with all the other important Western trading nations (the US, France, Denmark, Portugal, the Netherlands, and Germany) and foreign firms began to set up shop in Bangkok. Second, it removed all the remaining privileges accorded to the Chinese trading communities. Westerners and Chinese now did business in Bangkok on an equal footing. Third, it attempted to regularize import and export dues through a flat 3 per cent import duty, a fixed schedule of export duty rates on fifty-one specified items, and a fixed schedule of transit duties on fourteen others. Any other levies on these specified items were banned. Fourth, it sealed a pact between Britain and the Siamese government to maximize their mutual profits from opium. Imports of opium were exempt from all duty, and could be sold only to the government's tax farmer.

Bowring paraded the arrangements on import and export dues as a victory for free trade and a 'total revolution in all the financial machinery of government' (Ingram, 1971: 35). With this boast, he attempted to promote his career and his position in the history of free trade imperialism. But he should not be taken at face value. The schedules of import and export dues represented the current arrangements enjoyed by Chinese traders at Bangkok. The Siamese government removed some of the specified export items from the list of tax farms, but others continued to be taxed at source. In the early twentieth century, when the Siamese government wanted to manipulate tariffs both for revenue-raising and for managing the impact of the volatile international trade environment, the treaty's duty provisions would appear restrictive. But in 1855, they were little more than a codification of existing practice. The King, the Bunnag family, and the new ruling group heralded the treaty as a huge success. The main result of the Bowring treaty was to complete the process, begun by the new Siamese regime in 1851, of bringing the Europeans into Bangkok to trade in the hope that this would avoid the decline towards gunboat diplomacy, would stimulate expansion of the economy and the tax base, and would provide a Western counterweight to the influential Chinese trading networks.

Despite Bowring's 'total revolution', Western enterprise in Siam expanded at a very modest rate. In common with other Asian territories, Siam became a source for extraction of primary goods (rice, teak, tin, sugar, and rubber) and a market for Western manufactures. Siam was also penetrated by Western companies wielding new commercial techniques—agency houses, banks, and insurance companies. But progress was slow. Few Western firms got much of a grip on Siam.

At first, Western firms were most attracted by the sugar industry which had already developed in the pre-Bowring period. The first steam-driven sugar mill was built in 1862 and the second in 1870 by a British firm which also brought in modern machinery to assist in sugar cultivation. Yet the industry failed to grow against competition from subsidized beet sugar production in Europe and forced sugar-cane cultivation in Dutch Java. By the 1880s, the industry was virtually dead. The foreign firms and British consular representatives complained that the taxes government levied on land, cane production, and processing made it impossible to compete with overseas producers.

After sugar came rice. The first rice mill was built by an American company in 1858, and five other mills were built by European firms in the next few years. In 1888, the European trading houses controlled about 68 per cent of the total rice exports from Thailand, including all exports to Europe and three-quarters of the volume transhipped through Singapore.¹ But over the next decade, the European firms were pushed out of the rice trade by the Chinese. The technology required for rice-milling was inexpensive. While European firms established the first rice mills and used this advantage to gain a major hold on the trade, before long they faced competition from mills owned by Chinese and other local competitors. With their hold over the chain of supply

which moved the crop from the paddy field, the Chinese mill owners took over the business. Moreover, while the initial market for Siamese rice was in Europe and could be controlled through the European network of trading companies, the bulk soon flowed to Asian markets with transhipment through Singapore or Hong Kong. By 1897, Chinese firms controlled all of the trade to Hong Kong and Singapore. By 1898, the Western trading houses owned only four out of the total forty-two rice mills and handled 10 per cent of the rice volume. The remainder was handled by ten Chinese companies with backgrounds in trading and tax farming. By 1920, the East Asiatic Company was the only Western firm remaining in the rice trade.

Next came teak and tin. In both these businesses, Western firms developed their expertise in territories under direct colonial control, and then moved into Siam. The Western teak firms arrived in force in the late 1880s after their business in Burma had been disrupted by war. The colonial companies had several advantages. First, teak extraction required heavy capital input (timber purchased up-country took four to seven years to reach the port) which the Western firms could raise overseas. Second, the timber was sold in markets in the West or in British-controlled Hong Kong. Third, the British firms gained synergy between their operations in Siam and those in British Burma. Fourth, the King manipulated British timber interests to increase Bangkok influence over the northern states of Lanna. To sort out disputes which arose between timber concessionaires and the northern rulers, Chulalongkorn borrowed a British forest official from Burma. From 1901 to 1930, British officials ran the Forestry Department. Three British firms (Borneo, Bombay Burma, and Siam Forest) virtually monopolized the concessions. The Borneo Company was reckoned to have the head of the Forestry Department in its pocket. The Chinese secured a share of the sawmilling business, owning three of the nine modern sawmills built by the 1920s. But extraction was largely under the control of the colonial firms.

From the 1890s, Bangkok sought to impose controls over the spread of the teak industry. The timber merchants were in dispute with the Chiang Mai *jao* (lords) who leased the same tract to several firms. The Shan labour employed by the timber firms sporadically rebelled. Bangkok was concerned about disorder in a region which had always been a buffer between Burma (now British) and Laos (becoming French). In the 1890s, Bangkok took over control of Chiang Mai and the other northern states, partly in order to be able to police the relations between the Western merchants and the local population. In 1908, Bangkok issued new regulations on forest exploitation in order to limit the spread of European influence. Existing concession areas were consolidated into discrete blocks, and remaining forest areas were declared off limits to the Europeans.

The tin industry on the southern peninsula had originally been developed by immigrant Chinese enterprise and labour in the pre-Bowring period. It remained under Chinese control until the end of the century. The key to tin production was labour, which was in very short supply in the southern

provinces. The industry came to be dominated by a handful of Chinese entrepreneurs who imported Chinese labourers from the Malay tin areas or direct from China. From the 1870s, Western firms established in Malaya moved into southern Siam, but none enjoyed any success as long as they needed access to the scarce, Chinese-controlled supplies of labour. From the turn of the century, however, Western firms imported technology which reduced the requirement for labour. Centrifugal pumps arrived in the late 1890s, and dredges in the 1900s. Also in the early 1900s, modern smelting works were established by British firms in Penang. By 1930, there were thirty-eight dredging operations, almost all Western owned. Their production surpassed that of the Chinese companies which continued to use open-cast techniques. Virtually the total output was exported as raw ore to the smelters in Penang. With these technologies and the increased Western investment which followed them, output roughly tripled between the turn of the century and the Second World War. Some of the large Chinese concerns were bought over by British firms.

Yet the Siamese tin industry remained small in comparison to neighbouring Malaya. The colonial government in Malaya built railways to open up the tin areas and helped to expand annual production from around 6,000 long tons in the early 1870s to over 60,000 long tons in the late 1930s. Siam's production was less than one-quarter of the Malayan level. In the 1920s, the railway was extended south from Bangkok and opened up new tin areas along the eastern coast of the peninsula. But no railway was ever built across to Phuket and the western coast, which were the site of the best deposits and the original heart of Siam's tin industry. Moreover, in Phuket the government was reluctant even to invest in roads. Visitors in 1908 found it 'almost roadless' (I. Brown, 1988: 95).

Western firms pressed for larger mining concessions, but the government was hostile to the idea. In the mid-1890s, 20,000 tin workers rioted in Phuket. Smaller incidents of riot and disorder among this large and mobile work-force were commonplace. The combination of large numbers of unruly Chinese and a few buccaneering British mining prospectors looked like the perfect recipe for a colonial 'incident'. Units of the British military were not far away across the Malayan border. Bangkok resisted allowing Westerners or Chinese entrepreneurs to acquire new mining concessions along the railway line, arguing that further expansion of the industry must await the establishment of sound administration in the region.

The rubber industry followed a similar pattern. The growth of the automobile industry boosted rubber prices from the 1910s. With the extension of the railway to the south, smallholder rubber cultivation spread. Colonial firms pressed for land rights and other guarantees to safeguard the long-term capital investment required for plantation business. But the government would not alter the law which disallowed foreign ownership of land and limited holdings to 800 hectares. Plantation capital thus concentrated on British Malaya where the colonial government adopted a much more liberal and protective attitude to Western enterprise. In Thailand, rubber spread as a smallholder business

with most holdings in the range of only 2,000–3,000 trees. While many of the smallholders were Thais and Malays, the motive force of the industry in the south was the immigrant Chinese. Many became smallholder planters themselves. Others financed the industry and organized the movement from tree to port.

While colonial extraction industries grew slowly, manufactured imports were only a little less sluggish. Siam's village-based textile industry proved resistant to the onslaught of Manchester imports. Not until the 1880s, a generation after Bowring, did imported cloth start to make significant inroads into the markets in the Chaophraya Plain. However, over the next generation as this region concentrated its energies on developing the rice economy, the penetration of Western cloth increased.² Yet beyond the central region, the local industry fared much better. Transport costs were high. Local production was carried out in the long off-season. People continued to prefer locally made goods over the imported variety. After the railways reached these outer areas in the 1920s and paddy was traded for cash, imported textiles penetrated to some extent. But the local textile industry was never eclipsed. By the 1930s, imports of yarn were expanding faster than imports of cloth and finished goods, as local weavers incorporated Western yarns into local designs.

The Europeans came to dominate Bangkok's shipping. In 1850, they had only a modest share of the total. By 1871, British and German ships carried 40 per cent of the tonnage, and Siamese ships a similar proportion. By the early 1890s, the British and Germans shared 90 per cent, and Siamese shipping had become almost non-existent. In the early twentieth century, several attempts to found new Siamese shipping companies and break this monopoly ended in bankruptcy. From shipping, the Western firms came to dominate imports. The Crown helped to popularize Western goods. Western managing agencies which struggled with export of rice, tin, and rubber moved enthusiastically into importing the products of industrial Europe for the delight of the Bangkok court and mercantile élite.

Total Western investments in Siam in 1914 were estimated at US\$65 million, less than half the amount in Indo-China, one-third that in Malaya, and one-tenth that in the Netherlands Indies. Separate estimates of Western and Chinese capital in 1930, while not strictly compatible, showed a clear pattern. In all the colonial territories, the Western figure was much higher than the Chinese. In Siam, the Chinese figure exceeded the Western by almost four times (I. Brown, 1993a: 86–7, using data from Callis and Fukuda).

Without the support of a colonial government, Western business in Siam failed to develop. It dominated only teak and, to a lesser extent, rubber and tin, which were all carryovers from neighbouring territories under direct colonial control. Among imports, the major Western success was opium, which succeeded largely because it suited the Siamese state. The returns from the tax farms for distributing the imported opium became the single largest source of revenue for the Siamese government by 1900. Without access to political power, Western firms were unable to structure the economy of Siam to suit

colonial aims. There was no backing for the kind of taxation systems and labour regulations that created the plantation economies of South Asia or the sugar industry of Java. The Siamese government drew borders round the teak concessions, refused to license large-scale rubber plantations, and built no infrastructure for tin production. In effect, Bangkok allocated the Europeans a role not very different from the foreign trading communities at the court of Ayutthaya. They were more or less confined to the capital, where they dominated shipping, insurance, and banking, and supplied luxury imports to the court, aristocracy, and emerging Chinese business élite.

Crown, Capital, and Chinese

From its take-off in the 1870s, the rice trade created many new opportunities for profit and accumulation—trading, rice-milling, brokerage, export finance, insurance, shipping, canal-building, and land development. The paddy economy sparked the growth of Bangkok. Until the middle of the century, the capital was still a city on water. With the exception of the palace and its surrounding area of temples and noble houses, the rest of the population lived afloat. In the 1880s, and more particularly from the 1890s to the 1910s, a land-based city emerged out of the swamp. Construction boomed, population grew, and consumption demand increased.

Several leading Chinese tax farmers deployed the funds accumulated by their state-appointed extraction into opportunities thrown up in the new economy of colonial trade and urban growth. Low Teng, founder of the Laohasetthi family, was a Hokkien who arrived in Siam at fifteen years of age and worked initially in the business of an earlier migrant relative with interests in tax farming and the junk trade. He later developed his own trading and tax-farming business and was rewarded with a royal title. He invested the profits in land in the Sampheng area, which was developing as the centre of Chinese business in Bangkok, and also in rice mills and trading firms in Hong Kong and Singapore.

One of the most prominent tax farmers turned entrepreneurs was Jin Teng or Akorn Teng (founder of the Sophanodon family), who was born in China in 1842 and came to Bangkok at the age of eighteen. At first, he worked paddling boats and cooking for other labourers. Later, he saved enough to start a small trading and moneylending business. In the reign of Chulalongkorn, he left Bangkok to trade successfully in the north. He married a Tak woman who had connections with the ruler of Chiang Mai, and acquired tax farms in opium, gambling, teak, and transit dues in the northern state. In 1893, he returned to Bangkok and invested his tax-farming profits in a trading company, Kim Seng Lee, handling teak and rice. Before long, he owned five rice mills, one sawmill, and a dockyard, and was recognized as a leader of the Bangkok business community. His son became a partner in new enterprises floated by royal and European capital after the turn of the century, including the Siam Commercial Bank and other joint enterprises. The total investment of

the family company in 1910 amounted to about 3 million baht, equivalent to 5 per cent of the total government revenue.

Yet Akorn Teng's spectacular success marked an end rather than a beginning. The Chinese traders and tax farmers of the nineteenth century had operated within a framework of royal and aristocratic patronage. By the early twentieth century, the court opposed the possibility that the Chinese merchants could become independently wealthy and powerful: 'In the old days, the Chinese ... always visited princes and nobles, or high officials, and were very close to the Thais.... Now they are different ... they see no need to visit or please anyone. They come in to pursue large businesses, investing in rice mills and trading firms with thousands or millions of baht, without having to have connections with anyone' (Seksan, 1989: 276–7, quoting Chaophraya Yommarat to Vajiravudh in 1916).

From the 1870s, the royal government set out to seize the proceeds of tax farming. This strategy both undermined the newly rich merchants, and at the same time enriched the Crown and court. By edicts in 1873, 1875, and 1892, the tax farmers were subject to greater supervision. From 1892, most of the commodity taxes were transferred to collection by bureaucrats working for the new Ministry of Interior. In the 1900s, the opium, gambling, liquor, and lottery taxes were abolished or taken under government management.³

With the proceeds of the tax farms, the Crown invested in the opportunities thrown up by urban growth. In some cases, the Crown invested in joint ventures with the Chinese. But more and more, the Crown favoured ventures with Western companies, often formed in competition with Chinese enterprises.

The Privy Purse Bureau (PPB) was established early in the nineteenth century to handle payments to the royal household. It was later used to finance overseas education for members of royal and noble families. Before 1850, the land taxes and 5 per cent of other revenues went to the PPB. From around 1890, the PPB developed a new function as the palace's investment arm. In 1890, the ordinary allocation to the PPB was increased from 5 to 15 per cent of government revenue, and then up to 20 per cent in 1891–2. Later, it was reduced to 10 per cent. From the 1890s, the absolute amount funnelled into the PPB each year was in the region of 6–8 million baht. The King invested PPB funds in many of the opportunities thrown up by the rice economy and urban growth—rice mills, barge transport, railways, shipping, canal-building, construction, and land development.

In the 1890s, the PPB was a major investor in land development schemes, including the Siam Land, Canals, and Irrigation Company which developed the Rangsit tracts. The PPB also invested in rice-milling and rice-trading ventures managed by Europeans and by Chinese merchants. During the economic fluctuations of the mid-1890s, many rice mill owners became indebted to the PPB and could not repay the loans. The PPB took over ownership of the rice mills and then leased them back to other European and Chinese merchants. By the turn of the century, the PPB was one of the largest owners of rice mills.

The PPB was also a major investor in the first attempt to launch a locally owned bank. The PPB provided 10 per cent of the original funds for the Siam Commercial Bank. The remainder was invested by Chinese merchants and other entrepreneurial members of the court. The PPB also invested in shipping, starting the Siam Steam Navigation Company in association with the Danish East Asiatic Company.

As the construction of Bangkok got under way, the PPB built shop-houses and markets in the new and prospering business districts. When the demand for cement grew, the PPB became involved in starting the Siam Cement Company. The PPB provided half of the one million baht required for the plant's initial capital, while the remainder came from local merchants, other aristocrats, and a Danish company. Between 1887 and 1926, the PPB contributed 11.5 million baht out of a total of 33.6 million baht invested in thirteen private projects undertaken jointly with European and Chinese partners in railways, tramways, banking, cement, import trading, coal mining, and steam navigation.

The PPB acted as a merchant bank, offering loans to enterprises started by nobles, tax farmers, and Europeans. In such cases, the PPB charged high rates of interest (6.0–7.5 per cent) and insisted on urban land as collateral. Prince Surasakmontri borrowed from the PPB to support his timber and other businesses. Before approving the loan, the King checked whether the collateral land would be suitable for shop-houses. When the businesses eventually failed, the PPB took over both the land and the enterprises. Through this prudent merchant banking, the PPB acquired several companies and tracts of land.

While the King working through the PPB was the main funnel whereby political power was used to accumulate capital, other members of the royal family and court participated to a lesser degree. Minor members of the royal family who had been allotted specific tax farms for their upkeep were able to channel these funds into business. Most of their investment was in land development and in services for urban Bangkok. The major promoter of the Rangsit land development scheme was Sai Sanitwong, who was descended from Mongkut's brother. He served as the royal physician and head of the Customs Department. He was active in overseas trade. Other partners included two large Chinese tax farmers. The initial capital was 80,000 baht, but later the King and other court members participated, and the total capital rose to 696,000 baht.

Prince Narathip, a son of Mongkut and Finance Minister from 1886 to 1898, bought 11,245 *rai* under the Rangsit scheme, and invested another 193,660 baht in a rice mill which was rented out to a Chinese merchant. Eventually, he was obliged to sell the rice mill to the operator at a loss, and invested instead in services required by the expanding city. He put money into tramways in collaboration with the PPB and other Chinese merchants. Other members of the court invested in land and shop-houses in the city, and in Chinese-run rice-milling enterprises. Pan Sukhum (Chaophraya Yommarat), who served as

Minister for the Capital in the 1910s, became a shareholder in the Siam Cement venture and other royal-associated projects. Princes and leading bureaucrats were involved in 50 out of the 164 limited companies registered between 1912 and 1933, most of which were involved in dockyards, electricity generation, banking, and trading.

The Crown softened the blow for the tax farmers by winding down the tax-farming system gradually, and by compensating the most powerful of them with titles and other marks of favour. Kim Seng Lee's son, for instance, was given the title of Phra Sophonphetcharat. But as the numbers of lucrative tax farms diminished, the big Chinese merchant houses fought over the remainder and suffered large losses through underbidding. Many shifted their capital into new speculative enterprises and again suffered severe losses. Several then appealed to their old royal patron for assistance in the form of loans. But the Crown gave no material support to tax farmers anxious to climb into the new commercial economy. Kim Seng Lee almost went under when the abolition of tax farming removed his most significant revenue generator. He fell deeply in debt to the PPB, then defaulted and lost many of his assets. In the 1890s and 1900s, the Crown was regularly petitioned by Chinese tax farmers begging for financial help. In some cases, the PPB extended loans against collateral of land and eventually seized the property. In other cases where the collateral was insufficient, all assistance was refused.

Kim Seng Lee declined slowly towards bankruptcy in the 1920s. A similar fate faced others. Virtually all the tax farmers who moved into rice-milling and dominated the rice trade in the 1900s were wiped out in the slump of 1919–20. Even the resplendent na Ranong family, who controlled the tin industry and the government of the western side of the peninsula in the last quarter of the nineteenth century, suffered a decline in the twentieth century. Their tin enterprises stagnated, and many of their companies were bought over by Europeans. Almost no business dynasties emerged out of the ranks of successful tax farmers and prospered as accumulators of capital in later periods.

After a general strike in 1910 demonstrated the Chinese control over the city's commerce, the Crown's campaign against Chinese wealth acquired an ideological streak. The rulers still understood the importance of Chinese labour and enterprise for government revenue and for their personal wealth. But they set out to prevent the translation of merchant wealth into political power. Their strategy was a campaign of ideological exclusion. They raised the spectre of the Chinese importing republican and revolutionary politics. They stressed that Chinese were 'aliens'. In the 1910s, King Vajiravudh portrayed them as the 'Jews of the Orient', intrinsically alien, exploitative, and disloyal:

I know that there are many who argue that Chinese immigrants should be welcomed because they not only help to increase the country's population but they also help to develop the wealth of the land. But they seem to forget the other side of the question, namely that the Chinese are not permanent settlers, and steadfastly refuse to be

assimilated but remain aliens. There are some that would willingly be assimilated, but their secret leaders never allow them to cherish any such dreams. As to the fact of their developing the country's wealth, that is not to be denied, but nor must it be forgotten that whatever wealth the Chinese help to develop they also take *out* of the country. They take care to spend as little of it in the country as possible. Indeed, so determined are they in this that practically all the food they consume and every single article of every day use come from China. Thus directly or indirectly, the Chinese keep on steadily draining the resources of the country of their temporary residence, like so many vampires who steadily suck dry an unfortunate victim's life-blood (Asvabahu, 1985: 83–4).

In face of this growing commercial and ideological assault, many of the successful trading and tax-farming factories elected to cling not to their mercantile heritage but to royal patronage. They abandoned business. They invested in the education required to raise their children into the new royal bureaucracy. Sons of the wealthy Chinese formed some of the most eager recruits to the new royal-patronized schools established in the 1890s and 1900s. Some were directly sponsored by royal patrons. Some were sponsored by Western firms needing skilled labour. Many more simply invested the profits of trade and tax farming into education. From these investments came some of the premier bureaucratic families of twentieth-century Thailand—Sarasin, Huntrakun, Prachuapmoh, Vejjajiva, Sophanodon, Phisonbut, Phisanbut, na Ranong, Laohasetthi, Sombatsiri, Chotikasathian, Chotikaphukkhana, and na Songkhla.

Conclusion

The period from the early nineteenth century to the First World War saw a trend of economic growth created by the *pax Chakri*, overseas trade, and the urban expansion of Bangkok. Two forces were key to the process of growth—immigrant Chinese entrepreneurship and royal control. The kings wanted to expand the commercial economy to generate income for building the state and the dynasty. As in the Ayutthaya period, they favoured using outside entrepreneurs because of their trading connections and because of the lower risk that they would become competitors for political power. The kings encouraged both Chinese and, later, European entrepreneurs to operate in Siam.

From the early years of the new dynasty, the kings promoted Chinese immigration, gave the Chinese civic privileges, patronized individual Chinese with trading licences, tax farms, and investment loans, and legitimized their activities through the gift of royal titles and bureaucratic posts. As Bangkok started to grow on the upturn of foreign trading after mid-century, the Chinese came to dominate the city population. For the Thai peasantry, the city was a strange place associated with aristocratic domination and corvée obligations, with far fewer attractions than the freedom and opportunity of the opening paddy frontier. For the Chinese alighting from the boats docked in the

Chaophraya, there was work, business opportunities, and a society of compatriots within a few hundred yards' walk. The journey from Swatow to Sampheng was somehow shorter than the journey from Angthong, Korat, or Chiang Mai.

From the 1820s, the dynasty encouraged Western traders as a counterweight to the growing commercial power of the Chinese. Here, however, trading policy was complicated by diplomacy. The court constantly debated whether the best strategy for controlling Western political designs in Siam was concession or exclusion. In the 1850s, the new King and his court encouraged a greater European role. The resulting Bowring treaty did not cause the 'total revolution' which its author claimed. But it did bring the Europeans into Bangkok on a more equal footing with the Chinese. However, without access to government power to organize labour, build infrastructure, and coerce the peasantry, European business developed only in peripheral areas of the economy. From the 1870s, the government was intent on limiting the extent of European intrusion. It feared that every extension of European commerce, particularly in the loosely controlled interior, raised the risk of a typical 'incident' of colonial history—a European wronged or even killed, followed by a show of diplomatic hubris, and a gunboat take-over. Burma, Indo-China, and China furnished plenty of examples. The Siamese government attempted to restrict the European traders to their traditional role of trading at the capital port. From 1870, the rice trade was rooted at one end in an up-country network of small-scale Chinese paddy merchants and at the other end in Chinese commodity dealers in the transhipment markets of Singapore and Hong Kong. The resident Chinese merchant community dominated the paddy trade and dominated Bangkok.

The Bangkok rulers promoted the growth of trade with great success. From the 1820s to the 1870s, the Crown provided political and sometimes financial backing for the *nai akorn* or tax farmer to increase production, trade, and the taxable surplus. The Crown rewarded the Chinese trader and *nai akorn* with fortunes, titles, and social acceptance. Ironically, however, the growth of trade and of the internal economy made it more difficult for the Crown to control the kingdom. Merchant barons appropriated the lion's share of the surplus.

The expansion of the rice economy provided the Crown with an opportunity to reverse this trend. Over a long period beginning in the 1870s, the Crown rolled back the tax-farming system, redirected tax flows to a new royal treasury, and shifted the tax base onto the rice frontier. The Crown used the resulting revenue to build a new structure of administration, and to develop a portfolio of royal investments in the new economy founded on the rice frontier. By acquiring large reserves of land in the canal tracts and by developing a large portfolio of investments under the PPB, the King established the foundations of the monarchy. By refusing to back the growth of landlordism and by dismantling the structure of tax farming around the end of the century, the Crown made it difficult for others to use government authority to accumulate assets at a competitive rate. A small number of royal-related and

royal-patronized families prospered under the shadow of the emerging absolute monarchy. But similar patronage was not extended to the major tax farmers and merchant dynasts. Deprived of the profits of tax farming, exposed to competition from the palace and foreign firms (often working in concert), vulnerable to the eccentricities of the international rice trade, they staggered into the twentieth century.

The fortunes of the traders and *nai akorn* were dissipated into bankruptcy and bureaucracy, making way for the slow, difficult, but relentless rise of an independent merchant capitalism.

1. The major firms were Borneo, Windsor Redlich, A. Markwald, Franklin Blake, and Arracan.

2. In the central region, taxes on craft production dropped in the last quarter of the century, suggesting that there was a decline in textile-making and other manufactures competing with new imports. On textile imports, see Ingram (1971: 120).

3. See Chapter 7.

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Rice Barons, Bankers, and Generals

FOLLOWING the decline of the great merchant and tax-farming families of the nineteenth century, it was not until the boom of the 1920s that two new merchant groups emerged. The first appeared in the rice trade, which had become the major activity of the urban economy. The second invested in providing goods and services to an expanding domestic market. Unlike the nineteenth-century merchants and tax farmers, the new entrepreneurs were independent of state patronage. They grew with the dynamism of the market economy. The rice barons started out in the lower reaches of the paddy trade and gradually accumulated the capital to build large, integrated trading businesses which could survive the fluctuations of the international rice market. The urban entrepreneurs grew with the rising urban market created from surplus extracted from the rice economy and translated into trading profits and bureaucrat salaries.

The urban entrepreneurs faced strong competition from colonial trade. Western businesses were only moderately successful in the export trade. But they dominated shipping, banking, importing, and many of the new opportunities opened up by the growing urban domestic market. Moreover, from the viewpoint of the prospective local capitalist, the court favoured these foreign enterprises. The court espoused things Western and helped to make them fashionable. The leading lights of the new bureaucracy were educated in Europe, and returned with Western inclinations and Western tastes. The Privy Purse Bureau (PPB) invested in joint ventures with Western firms.

The domestic entrepreneurs hoped that the change of regime in 1932 would result in a new government orientation to promote local business in competition with colonial trade. The promoters of the revolution welcomed business support, but failed to return them any satisfaction. The new regime inherited the peasant bias of its royal predecessors. In its economic planning, it saw its role as supporting the peasants and protecting them from the exploitative tendencies of merchant capital. To achieve this goal, it set out to replace the merchants with state enterprises.

The Second World War brought a dramatic change in the strength of domestic capital and its relationship with the government. The disruption of European business created a vacuum which Bangkok's nascent entrepreneurs occupied. These new merchant barons (*jao sua*)¹ took over banking and shipping, expanded in import and retailing, built factories, and bought up declining agency houses. With this increased accumulation, they were ready to subvert

the indifference of the rulers. By the late 1940s, the powerful political leaders were themselves in business, often in joint venture with the *jao sua*. From the late 1950s, with US aid and encouragement, businessmen and generals redrew the country's economic strategy in favour of domestic capital.

Rice Exports and Rice Barons

From the 1920s to the 1950s, rice, teak, tin, and rubber contributed 80–90 per cent of Thailand's total exports. The main motor of accumulation was the paddy trade. Rice contributed 70 per cent of all exports in the 1910s declining to around 50 per cent at mid-century.

Steady accumulation from the rice trade was difficult. In the countryside, the lack of land titles and legal protection made trading risky. In the international markets, competition and price swings made trading uncertain. Indo-China, Burma, and other countries competed to sell supplies on the international market. Prices fluctuated widely from year to year as a result of the quality of the monsoon in the various exporting countries. Siam was not a big enough player to dominate the market. From the 1910s, the Chinese merchants who dominated the rice trade attempted to minimize risks by forming associations to regulate prices and trading practices. Until the late 1920s, all of these associations foundered on the rocks of mutual competition. The same factors took their toll of the rice merchants. Most of those who dominated the trade at the end of the nineteenth century were swept away by the post-war slump of 1919. The remainder disappeared in the depression of 1929 along with several newer firms.

In the 1930s, a small group of families came to dominate the paddy trade. These were the 'Big Five' of Wanglee, Lamsam, Bulasuk, Bulakun (Mahboonkrong), and Iamsuri, and some smaller firms including Setthapakdi and Bunyarak. Unlike the previous generation of state-patronized tax-farming entrepreneurs who disappeared from commerce into bureaucracy or bankruptcy, these families founded some of the major corporate dynasties of modern Thailand.

The new rice entrepreneurs were the second and third generations of Chinese families which had immigrated in the mid-nineteenth century. Only one (Setthapakdi) had been involved in tax farming.² None had begun as merchants or entrepreneurs in the court-dominated economy of the capital. Rather, they started out in the lower levels of the trading economy—owning junks, dealing up-country in teak and rice, importing silk and European piece-goods, and operating barge and lighter services in the Chaophraya River port. They moved into rice-milling around the turn of the century, expanded into rice and general export in the 1920s, and came to dominate the paddy business in the 1930s.

Their ascent was far from easy. The government was not helpful, and at times actively hostile. Colonial firms dominated shipping, insurance, and many of the service functions surrounding the rice trade. The success of the new rice traders came from the ways they dealt with market instability and government indifference. They built integrated businesses. They looked inward to the Chinese immigrant community rather than outward to the

government for the support needed to weather the fluctuations of the international economy.

Unlike the earlier rice millers, these new firms integrated different aspects of the rice trade within one business unit. Starting from a base in trading, they set up ancillary businesses which replaced the services supplied by the colonial firms. By this strategy, they gradually engrossed more of the profit opportunities offered by the paddy trade. When the depression struck in 1929, these integrated businesses were able to weather the storms.

The Wanglee family began in junk trading and textile imports. They opened a rice mill in 1874, added three others over the next generation, and set up a trading company in Singapore. In the 1930s, they established a bank, insurance company, and shipping firm to service their rice trading. By integrating milling, trading, shipping, banking, and insurance, they built a business which emerged from the depression stronger than all its rivals. By 1938, the Wanglee mills could handle 1,710 tons a day, almost one-fifth of the total capacity of the industry. By the early 1940s, the total assets of the group were valued at 20 million baht.

The Bulakun family originated from a Cantonese engineer who arrived in Thailand in 1888 and soon specialized in installation and maintenance of rice mill machinery. In 1917, he set up his first rice mill, and his sons expanded the business in the 1920s and 1930s. The family later extended into shipping, insurance, and foreign exchange dealing. The Bulasuk, Iamsuri, Lamsam, and Setthapakdi followed similar patterns of integrating shipping, banking, insurance, and trading businesses.

The big rice merchant families drew on the wider resources of the growing Chinese business community in the city and beyond. They built business networks which stretched out from the city to the up-country traders, small rice mill owners, canal boat syndicates, and warehouse owners. These networks were based on mutual commercial interest cemented by commonalities of clan and language.³ All of the big families played a major role in the Chinese business community as a whole, and in their respective dialect group associations. Wanglee, Bulasuk, Iamsuri, and Setthapakdi were among the original promoters of the Teochiu association. Lamsam founded and dominated the Hakka association. Bulakun were founders of the Cantonese association. The big families forged dynastic links, without reference to the clan and language boundaries which usually delimited marriage alliances. The Wanglee exchanged partners with the Lamsam and the Bulasuk. The Bulasuk married into the Setthapakdi and Bulakun.

Economic Nationalism and the 1932 Revolution

Besides the new rice barons, a second group of entrepreneurs emerged with the expansion of urban demand. As crop exports expanded, trading profits and government taxes translated a portion of the profits into urban incomes. The market towns in the paddy tracts grew. Bangkok boomed. Suburbs to house

the expanding ranks of the new government bureaucracy extended out beyond the old confines of the capital. A nation-wide occupation survey carried out in 1929 revealed the impressive extent of the commercial economy. The survey estimated 160,000 were dependent on manufacturing and half a million on commerce, including 20,259 rice traders, 12,738 handling timber and charcoal, 6,703 miners, 7,053 trading forestry products, and 3,709 rice millers.⁴

The European agency houses established in Bangkok at the end of the nineteenth century initially reaped most of the benefits of this rising urban market. They dominated shipping, banking, and insurance. They imported the products demanded by the city dwellers. The Borneo Company, one of the largest agency houses, owned rice mills and sawmills, served as an agent for banks and insurance companies, ran shipping agencies and warehouses, traded between its branches in other Asian ports, imported textiles, beer, wine, sacks and soap, managed lighters and port facilities, and acted as commission agent for over 120 foreign firms.

A handful of new entrepreneurs challenged the agency houses' domination over the supply of goods and services to the rising urban market. Most were from Chinese-origin families. In the early years of the century, they began to replace imports of ice, bottled water, soap, cooking oils, and foodstuffs. In the late 1920s, new company laws and some initial measures of tariff protection prompted expansion into matches, cigarettes, and animal feeds. In the 1930s depression, the retreat of colonial exports opened up opportunities in beer, textiles, and some household durables.

Like the new rice barons, the domestic entrepreneurs did not emerge from the ranks of old tax farmers or royally sponsored traders, but began in the lower ranks of the urban economy and clambered their way up. Nai Lert began as a clerk in a Western firm. In 1893, he set up his own business importing sewing-machines and other goods. As the city grew, he exploited various new opportunities. He imported the cars and manufactured the ice demanded by the growing foreign and local community. He set up a bus service to move the growing population around the city. He speculated on real estate. Nai Boonrawd started out as a clerk and translator for the rice trader Kim Seng Lee, switched to work as a manager for a European sawmill, tried unsuccessfully to set up his own timber trading firm, and then began a profitable river ferry service. Around 1930, he decided there was a business opportunity offered by the European-led taste for beer. He set up a brewery in 1934. Nai Mangkorn Samisen started as a rice miller, but then moved into processing other foodstuffs enjoying growing urban demand. He began a coconut oil plant and a sugar factory. Nai Kokliang set up a cigarette factory employing 1,500 people. Nai Koson Huntrakun started an ice and aerated water factory.

The new domestic entrepreneurs found that the structure of the economy favoured colonial import firms against local producers. Two attempts to start local shipping concerns ended in bankruptcy. The few local banking ventures which survived were small in comparison to the colonial banks. Local

businessmen petitioned the government to assist them to compete against the strength of colonial capital. When making plans for his brewery, Nai Boonrawd discovered that the sum effect of various local taxes would make his local product more expensive than imports, and he petitioned the government to rationalize the taxes. Nai Kokliang's cigarette venture faltered when the government raised taxes on imported tobacco leaves. He petitioned for the government to take a more supportive attitude towards import-substituting local ventures: 'For making this request I do not aim to reduce the government revenue, but I wish to show the different benefits accruing to the country from importing ready made products and from locally made products. I think it is time the government promoted local industries and encouraged tobacco planting so that we do not have to import from abroad' (Nakarin, 1992: 95). Nai Lert over-invested in real estate and found himself in financial difficulties at the onset of the depression. He petitioned the government to help him out with loan capital on the grounds that banking was still dominated by foreign firms which were not sympathetic to indigenous businesses. None of these petitions bore result.

From the 1910s, the emergent urban entrepreneurs formed business associations, including the Samosorn Phanit Jin Sayam (Sino-Siam Commercial Association), which was led by the Sibunruang family, and the more informal groups of *pho kha thai* (Thai merchants) or *phu prakorpkhan thai* (Thai entrepreneurs), which were led by Nai Lert, Nai Boonrawd, and Nai Mangkorn Samsen.⁵ These groupings lobbied for more government support to local business. The *jin sayam* group started its own newspaper. As the depression stalled the growth of both agricultural industries and urban services, these groups agitated for the government to show more active support for indigenous business on the grounds of nationalism and sound economics: 'Wealthy *jao nai* and *khun nang thai*, why don't they ever think of these things. They let imports flood the market and limit local capacity. Why don't you think of ways to prevent this. Instead you lead people to use imports' (*Isara*, 19 November 1931, quoted in Nakarin, 1992: 97).

These arguments were extended into a more fundamental opposition to the privileged role of Western business in Siam. Various journalists and writers pointed out that Siam's prospects for further growth were constrained by the lack of fiscal autonomy and by the grant of extraterritoriality privileges to resident foreign merchants. Both were a result of the Bowring treaty. Neither had been an important issue in the first half-century after the treaty was signed. But as rising indigenous (or, more precisely, domesticated Chinese) businesses came into competition with Western firms, these provisions became issues of debate. In the mid-1920s, the government renegotiated the treaty provisions concerning import and export dues, and in 1927 was able to impose some protective tariffs.

The issues of extraterritoriality and fiscal autonomy had implications beyond the immediate sphere of business competition. They were seen as an affront to the emerging concept of Siam as an independent, modern nation state. The attempts by the new generation of businessmen to pressure the

government to provide immediate help to their business aims—and their frustration at the government's lack of response—contributed to a rising trend of criticism of the absolute monarchy. The businessmen and their journalist advocates blamed the privileged position of Western merchants on the monarchy, which had negotiated the original treaties, had welcomed the foreign merchants, had liberally used foreign advisers to help administer the economy, had invested in foreign enterprises including agency houses, had popularized foreign goods, and had not responded to the petitions of the new businessmen.

The local merchant groups played no role in the execution of the 1932 coup which overthrew the absolute monarchy. But in its aftermath, they showed that they welcomed the result and had high hopes that it would lead to a major change in the relations of business and the government. The *jin sayam* group ‘collected several hundred baht with which bread and fruits were bought and distributed to soldiers, navy men and civilians’ involved in the coup (Nakarin, 1992: 106). At first, the 1932 revolution appeared to be favourable to the economic nationalism of the business groups. The People’s Party members who led the coup resented the monopoly of government power by a small group of royal and related families, and openly criticized their ability to manipulate state power and to dominate the economy for personal and dynastic advantage: ‘The traditional ruling group attempted to raise import duties on selected goods. The primary purpose of this policy was not to protect the local infant industries but to enrich their own pockets.... They have never really considered the economic situation of the people. They have always looked down on the people as if they were slaves or animals’ (quoted in Suehiro, 1989: 106–7).

Among the six points of the People’s Party’s initial programme was the promise to ‘promote the economic welfare of its citizens by providing remunerative employment for everyone and by promulgating a national economic policy designed to end poverty’.⁶ A handful of merchant leaders, including Nai Mangkorn Samsen, the leader of *jin sayam*, were appointed by the People’s Party to the first Assembly established in June 1932. A month later, Nai Mangkorn proposed a national economic development plan which advocated an import-substitution strategy through devaluation of the baht and measures to promote indigenous firms. Two months later, a local merchant group petitioned the government for permission to establish an association to promote the consumption of Siamese goods. In late 1932, Nai Mangkorn proposed to parliament the establishment of a national council for the promotion of the Siamese economy with the explicit aim of supporting indigenous business to compete against foreigners. In 1933, Nai Lert led a petition to establish a Board of Trade on grounds that: ‘Most Thai traders nowadays do not cooperate. Each carries on his business according to his specialized field. Most of them face difficulties and losses as a result of ignorance, or from unfair practices by others. We have withstood the disadvantaged position for some time without a good way out. By not coordinating our work and forming associations, we Thai merchants lack influence

in trading nowadays' (Nakarin, 1992: 107). The government ignored Nai Mangkorn's proposals for protecting indigenous enterprise, but approved the foundation of a Board of Trade. Nai Boonrawd became the first president. The board used the new medium of radio to encourage people to buy locally made goods.

Within the 1932 coup group, the responsibility for drafting an Economic Plan was assumed by Pridi Bhanomyong, the young lawyer who represented much of the intellectual force of the group. Pridi consulted with Nai Mangkorn over the draft. Pridi's document was not so much a plan as a manifesto. In a handful of its paragraphs, it reflected the aims and aspirations of Nai Mangkorn and the emergent urban business groups, particularly their wish to recruit government assistance to compete against colonial business. The eighth chapter railed against the 'trade restrictions and embargoes' imposed by nations which were not 'absolutely honourable' in their conduct of international trade. It contended: 'The fundamental aim of the government should be the administration of all kinds of agricultural and industrial enterprise with a view to rendering this country entirely independent of all foreign nations' (Landon, 1939: 283). The document briefly argued the case for import substitution, both as a strategy for increasing local enterprise and employment, and as a means to free foreign exchange for the purchase of capital goods:

For instance we import food, sugar, cloth etc. If the government were to produce all articles now imported which could be manufactured here—and that would mean a very large share of present importations—the money derived from our foreign trade of baht 134 millions could be applied on purchases of machinery which we cannot yet produce. Whenever this is possible we shall see how rapidly the nation can progress. Another advantage from government control of foreign trade will be that the potentialities of the people for productive labour, at present only partially employed, can be used by the government to increase the volume of such exports (Landon, 1939: 280).

However, these passages were a minor element in the Pridi Plan. They were brief. They came in the concluding sections. They were not followed through in the practical legislative proposals which Pridi appended to the document. They played no part in the controversy which followed. Despite the pressures of the new business groups and the role of Nai Mangkorn in drafting the Pridi Plan, the development of the new urban economy remained a peripheral concern. The core of the Pridi Plan was overwhelmingly about land and rural society.⁷

Pridi argued that the main purpose of the Economic Plan, as of the 1932 revolution itself, was 'to promote the welfare of the people', by which he meant the rural mass most of whom he stated were 'very poor' (Landon, 1939: 263).⁸ The essence of the plan was that the state should take over management of agriculture in order to mobilize underutilized labour resources and introduce more productive technology. The government would assume ownership of agricultural land, and turn the cultivators into state employees with salaries and pensions. This reorganization of agriculture would deliver higher

productivity, enabling the state to raise the incomes and the welfare level of the mass of the population. Pridi appended to the plan draft bills covering the state purchase of land, establishment of a capital fund to support the agrarian reorganization, and transformation of farmers into state employees. There was no draft legislation following up the proposals on trade and industry.

Pridi's plan caused a major crisis in the ranks of the People's Party.⁹ The aristocracy rallied to oppose the proposals on land. The plan was suppressed, and Pridi was hustled into temporary exile. The People's Party hurriedly commissioned an alternative economic plan which appeared in September 1933. This document again showed some signs of the influence of Nai Mangkorn and the emergent business group. It expressed support for the formation of a Siamese Chamber of Commerce, promised legal protection for patents and trade marks, proposed a labour law, and encouraged 'the formation of Siamese export, import, transport, and insurance companies'—the areas where Western companies remained prominent. However, even more than the Pridi Plan, its focus was firmly on the rural sector. It proposed that the government concentrate on building railways and canals, promoting co-operative societies and other forms of rural credit, disseminating better agricultural techniques, erecting silos, improving irrigation, and supporting schemes of land colonization. While it had none of Pridi's revolutionary intentions, the two plans shared many similarities. Both documents envisaged Siam as a society of peasants organized by bureaucrats. The disagreement between the two views lay in *how* to organize the peasant. The conservatives criticized Pridi and the 'radicals' for not understanding the 'peasant... on whom we all live' (Batson, 1984: 245, quoting editorial of the *Bangkok Times*).

Both documents viewed new urban classes as either insignificant, or as a potential threat to the stability of the desired alliance of bureaucrat and peasant. Pridi's manifesto argued that evidence from the West (and from the recent tramcar strike in Bangkok) showed that private ownership of industry inevitably led to industrial conflict, and hence all industry should be managed by the state. Even Pridi's conservative critics recognized the merit of proposals which would eliminate the 'middleman' and suppress 'the Chinese'. The 1933 plan talked about reorganizing 'the present uneconomical handling of imports and exports' and envisaged state ownership of major industries (Landon, 1939: 62–3).

The rising domestic entrepreneurs supported the 1932 revolution in the hope that the new government would promote domestic business against colonial competition. But the 1932 revolutionaries believed that the main task of economic planning was improving the fortunes of the peasants who formed the mass of the population. In Pridi's thinking, this priority meant that measures to promote urban business were a secondary concern. In the thinking of some of the others in the revolutionary group, help for the peasant implied opposition to the urban capitalist who exploited the peasantry through debt and trickery. To some, this in turn implied that the government should take the urban economy out of the capitalists' grip.

A Thai Economy for the Thai People

Among the military faction in the People's Party, which came to dominate by the mid-1930s, this anti-capitalist thinking prevailed. In their view, urban business was a threat to the peasant. By extension, the Chinese who dominated urban business were an outside force, foreign in origin, and hence lacking in legitimacy. In 1932, during discussions on Pridi's Economic Plan, Phya Song Suradej, one of the coup group casually remarked, 'we now dominate the Chinese, who have to do whatever we happen to want them to' (Landon, 1939: 312). From the mid-1930s, the military leaders in the coup group set out to reinforce that domination.

The division between the military rulers and the businessmen was widened by their opposing attitudes to the major force in Asian politics in that decade, the rise of Japan. The business leaders were inflamed by Japanese policy towards China, and inconvenienced by the flood of cheap Japanese imports. The Chinese associations raised money for Chinese political causes and tried to organize a boycott of Japanese imports. The military leaders, however, were impressed by Japan's military nationalism. Wichit Wathakan, who became the leading ideologue of military politics from the 1930s to the 1950s, visited Japan, tried to popularize the *bushido* code, and adopted many elements of Japanese and European fascism into the Thai military group's ideology. In 1938, Wichit revived Vajiravudh's comparison between the Jews in Europe and the Chinese in Thailand. In novels, plays, and speeches, he painted a picture of Siam as a society of militaristic peasants in which Chinese businessmen intruded as carpetbaggers and parasites.¹⁰

The military group launched schemes to free the peasant from the domination of the businessman. They promoted co-operative societies. They laid plans for government-run agricultural extension services. They set out to drive back both colonial economic influence and 'foreign' Chinese business domination by founding new industries under government direction. In 1935, the Ministry of Defence established a cotton mill and a paper mill to manufacture supplies for the army. Later, the Ministry expanded to paper mills and slaughterhouses which supplied both the commissariat and the local market. In 1936, the government set up an industry division in the Ministry of Economic Affairs which invested in two sugar factories and a silk plant. After the military consolidated its hold over the government in December 1938, this policy expanded. The Prime Minister, Phibun Songkhram, promoted the idea of 'a Thai economy for the Thai people' which meant Thai peasants selling rice to, and buying manufactures from, organizations run on the people's behalf by the Thai government to the exclusion of the Chinese.

In 1937, the government imposed controls on Chinese immigration. It raised the immigration fee by 600 per cent, and made all aliens carry a registration certificate. In 1938–9, it passed laws and regulations excluding ethnic Chinese from various economic activities, including driving taxis,

slaughtering pigs, fishing, planting rubber, and selling petrol. It placed the salt and tobacco trades, both of which were dominated by Chinese, under government monopoly control.

The government also embarked on a plan to take the urban economy under state control. The plan had three main parts: first, taking control of the rice trade, which was the largest business sector and the major resource flow from village to city; second, controlling the distribution networks which managed the flow of goods back from city to village; third, deploying the surplus accumulated from the paddy and distributive enterprises to invest in import-substituting manufacturing. The post-1932 rulers argued that only the government had the ability to raise the large sums of capital necessary to start modern manufacturing and service businesses.

The rice policy was aimed at 'freeing the growers from the hands of the Chinese middlemen', which required the government to 'help from the time the rice is planted in the ground until it is put in the stomach of the final buyer' (Suehiro, 1989: 125, quoting the Minister of Economic Affairs in March 1939). The government established the Thai Rice Company (TRC) and ordered middlemen to sell rice to TRC for export. In 1939, 70–80 per cent of export rice was handled by TRC. Over the next three years, TRC leased and operated seventeen of the forty-four rice mills in and around Bangkok, and made contract arrangements with some thirty more remote mills. The government moved into the shipping side of the business by taking a stake in the Siam Steam Navigation Company and running it jointly with the previous owners, East Asiatic, and the Borneo Company. To finance paddy exporting, the government set up the Provincial Bank and Thai Sethakit Insurance. To replace the Chinese trader at the farm gate, the government established up-country trading firms to buy up paddy and other products.

In 1939, the government established Thai Niyom Phanit to take over the distribution of imported and locally made goods. Beginning in 1940 in Lamphun, it set up provincial trading companies (*jangwat phanit*) to handle the downstream end of distribution. The government held 51 per cent of the shares in these local companies and sold off the rest. The government also established monopolies in trading for products such as salt and rubber, and replaced the four existing private tobacco companies with a government tobacco monopoly.

From the mid-1930s to the late 1940s, the government helped start a wide variety of industrial enterprises as either full or partial owner. It set up public utilities, including railways, electricity generation, public abattoirs, and waterworks. It invested in consumer goods industries such as textiles, soap, paper, glass, silk, and cigarettes to replace European imports disorganized by depression and war. In most of these cases, the government took over factories already established by Chinese or European enterprise. Third, it founded a range of companies involved in the expanding primary product trade, including sugar-milling, tapioca-processing, rubber goods, and gunny sack

manufacture. Many of these were financed through the Thai Industrial Development Company, established as the government's industrial investment arm in 1942.

Throughout the early 1940s, the government argued that the economic disruptions of the war justified increasing government control over the urban economy. After the armistice, the policy maintained its momentum until the mid-1950s. Thirty state enterprises and public companies were started before 1945, another nineteen between 1946 and 1952, and thirty-seven from then until 1956. After 1951, the government used the model of the rice industry to impose control on the match industry, hotel business, gold dealing, and pork trade. It also launched another project to monopolize the distributive trades. The Taharn Co-operation Company became involved in rice trading, and similar organizations appeared in the timber and livestock business. The government also became a major promoter alongside private capitalists in new ventures in cement, jute, and textiles.

The Reorientation of Government and Business

Despite the military rulers' plans to bring the urban economy under government control, Bangkok's Chinese-dominated business grew significantly stronger during the 1940s. In parallel with the military leaders' attempts to extend state enterprises, some of the civilian members of the People's Party pursued a totally contradictory policy. They introduced some of the protective measures the nationalist businessmen had demanded. They used government funds and government powers to promote private business. At the same time, the retreat of colonial business during the war created a range of new business opportunities which boosted private capital. The rapid increase in the strength of domestic capital paved the way for a new and dramatic reorientation of the relationship between business and the government in the 1950s.

While the military leaders laid down the *policy* of economic nationalism as a containment of the Chinese, some of the civilian leaders of the People's Party handled the *implementation* very differently. They promoted joint ventures between the government and private businesses. They used state funds to boost businesses managed by private Chinese-origin entrepreneurs. The businessmen benefited from this arrangement in the form of capital injections, political protection, and sometimes monopolistic privileges. The politicians were rewarded with revenue to build private fortunes and political war chests.

After the controversy over his economic plan settled, Pridi was brought back from exile and rehabilitated. In the plan, Pridi had envisaged a society of secure peasants managed by a benevolent bureaucracy. However, as the decade progressed and as power under the new regime concentrated in the hands of a cadre of senior bureaucrats and generals, Pridi's faith in bureaucratic paternalism diminished, and his attitude to urban business modified. In the late 1930s, Pridi implemented many of the measures advocated by Nai

Mangkorn and the business lobby. He built up business as a counterweight to fascistic militarism.

As Foreign Minister in 1936–7, he abrogated the unequal treaties and obliged the Western powers to negotiate new treaties on the principles of equality and reciprocity. As Finance Minister in 1938–41, he used the newly gained fiscal autonomy to impose import tariffs, which provided some protection for local industries. In the late 1930s, some of the leading entrepreneurs who had been agitating for protection for over a decade invested in consumer industries sheltered behind these new tariffs.

Through his experience at the Finance Ministry, Pridi came to understand the power of capital. As a result of the new tariffs, Siam generated a trade surplus and a healthy reserve in the form of silver. In 1939, Pridi used some of the silver reserve to buy gold on the London market, and then used some of the gold to buy dollars for currency backing. Buying and selling the gold on a rising market, he made a windfall profit of 5 million baht. He then used these funds to found a national banking bureau, which by 1942 matured into a central bank. By deft handling of government money, Pridi had created a currency reserve and a central bank out of absolutely nothing. In the late 1930s and early 1940s, Pridi and his close followers in the People's Party displayed a similar deftness in using state funds and state authority to build business enterprises.

While the military group promoted economic nationalism and took industries under state control, Pridi's group deployed state capital to enter into joint ventures with private businessmen. With capital from Pridi's Finance Ministry, they formed the Thai Rice Company (TRC), which managed the rice trade, and Thai Niyom Phanit, which attempted to take umbrella control of the domestic distribution trades. With capital from the Thammasat University welfare fund, they started the Bank of Asia to take over the business of a Chinese bank closed down by Phibun for remitting money to China. To ensure the bank's success, Pridi brought in leading businessmen as managers and entrusted the bank with government business. In 1945, Pridi's brother founded the Bank of Ayudhya to add to the group's economic and political strength. From the banks, they extended into other businesses including insurance, warehousing, and construction.

In most of these ventures, the Pridi group worked in partnership with the big rice-trading families of Wanglee, Lamsam, and Bulasuk. For these rice barons, co-operation with Pridi's group helped overcome the disruption of their businesses in the early years of the war. Ma Bulakun became the managing director of the Thai Rice Company. The government leased rather than nationalized the mills owned by the Bulakun and other members of the 'Big Five'. Both the Bulasuk and Wanglee continued to operate as subcontractors to the Thai Rice Company. The head of the Lamsam family took the key role in Thai Niyom Phanit. These same merchant families helped run related shipping, insurance, and service companies established by ministries controlled by the Pridi group.

A small group of Pridi's supporters occupied the boards of directors of

many new state enterprises formed in this period.¹¹ Twenty-seven members of the People's Party appeared repeatedly on directorships of twenty of the state firms established after 1938. Members of the big rice-trading families and other leading Chinese businessmen appeared on these boards. In return, these businessmen invited members of the Pridi group on to the boards of their own companies. At the end of the war when a large number of new business ventures were started, it became customary to invite prominent members of the Pridi group on to the boards of directors in the hope of gaining political patronage. Within the framework of economic nationalism, this group of political leaders had acquired extensive interest in the management of state enterprises, in several private ventures in banking and trading, and on the boards of directors of private companies. These positions delivered the politicians a healthy income in the form of dividends, fees, and bonuses.

Domestic capital expanded outside the ambit of political sponsorship. European trade was disrupted by the depression, the war, and the Japanese occupation. The flow of manufactured exports from Europe diminished. Colonial firms were temporarily closed down by the Japanese. Many subsequently withdrew from Siam or sold out to rising local entrepreneurs. The wartime economy created many new opportunities for local enterprise. Thailand's domestic capital seized these opportunities and accumulated more rapidly than ever before. Entrepreneurs expanded out from the rice trade and the fringes of the urban economy to start new businesses in manufacturing, banking, retailing, and importing. In the early 1950s, the Asia-wide economic boom brought on by the Korean war provided a further boost to Thailand's nascent domestic capital.

The Bangkok business groups which had already developed some expertise in supplying the domestic market in the face of colonial competition now surged ahead. They took over import opportunities vacated by European firms. They expanded the ice factories, water plants, and oil factories founded earlier. They bought over some of the smaller managing agencies from the retreating Europeans. Many of the major business combines of modern Thailand stem from enterprises which were first founded or first began to grow around the wartime years. Most of these beginnings were in trading and retailing. Most of the entrepreneurs were second-generation Chinese.

During the war, Sukree Potiratanangkun set up a cloth import business. He would later become Thailand's leading textile magnate. Thaworn Phornprapha set up a scrap metal dealership and auto repair shop. He would become the leader of the automotive industry. Thiem Chokwatana started a grocery business. He would become the leading local consumer goods manufacturer. Chin Sophonphanich started a construction materials business. He would later become the main force behind Bangkok Bank and hundreds of individual firms. Kiarti Srifuengfung started banking and insurance businesses. He would later become a leading industrialist with interests across textiles, glass, and chemicals. Uthane Techaphaibun started an insurance business. He went on to become a leading banker and financier. He also started a liquor wholesaling

business, from which grew the Sura Maharas distilling empire. The Chirathiwat family opened a grocery store. From this base, they expanded into the retailing empire of Central Department Stores. Wit Viriyaprapaikit started a scrap metal business shortly after the end of the war. His Sahaviriya firm came to dominate the steel industry. Suri Asadathaon began an ice factory during the war and a sugar refinery in 1946, which became the foundation of the Thai Roong Ruang agribusiness conglomerate. The agribusiness groups of Betagro, Kwang Soon Lee, and Mitrphol all began from firms founded in the late 1940s.

These new entrepreneurs pooled resources to exploit the opportunities provided by the withdrawal of the powerful European banks. Right up to the Second World War, the colonial banks maintained a dominant position on account of their large capital reserves and their expertise in financing foreign trade. The Siam Commercial Bank founded in the 1900s offered no serious competition. The other banks formed by the rice barons were wholly dedicated to the affairs of a single business group. In the 1940s, groups of businessmen created new banks by amalgamating the assets of a large number of small and medium merchants in the Bangkok Chinese business community. These banks grew rapidly by providing services which included banking, but which went far beyond it. The capital accumulated by the banks financed many of the new enterprises of the post-war period.

The Bangkok Bank grew out of co-operation among nine Teochiu families with businesses ranging across import, construction materials, gold-dealing, liquor distribution, ice-making, match manufacture, and cinemas. The key figure was Chin Sophonphanich, a second generation immigrant who was educated in China and became an early business success because of his facility for finance. During the war years, these nine families combined to set up partnerships in gold-dealing, import-export, and banking. The banking arm quickly became the most successful. It set up a branch in Swatow and acquired a near monopoly of migrants' remittances back to China. Chin became the first local banker to develop expertise in the documentation and money instruments required by the import-export trade. He attracted the business once enjoyed by the colonial banks. To operate efficiently in trade finance, Chin travelled widely and built a financial network covering the main destinations of Bangkok's export trade—Hong Kong, Singapore, and Saigon.

Three other groups emerged in a similar pattern in the late 1940s and early 1950s. In each case, the promoters were a group of established businessmen from a single dialect group. In each case, the key enterprise was a bank. In each case, they diversified into other financial activities and import-export trading. As with the rice barons, intermarriage and community leadership were critical factors in building business strength. The Thai Hua or Bangkok Metropolitan Bank group emerged from the numerically dominant Teochiu dialect group. The original promoters included U Chuliang, a dye dealer, Uthane Techaphaibun, a liquor distributor, Kiarti Srifuengfung, an insurance entrepreneur, two other importers, and members of the Iamsuri and Setthapakdi rice merchant families. The Mahaguna group evolved around the Union Bank

of Bangkok. The main promoter was a leading construction contractor who drew in participation from the Wanglee, Lamsam, and other leading families. The Ayudhya group was founded by an up-country rice mill magnate, Luan Buasawan, in association with other up-country-based Teochiu merchants.

These emergent groups soon became entwined with politics. In 1947, the generals took power by coup and pushed the Pridi group aside. The dominant element in the coup was a small group of related families (Choonhavan, Adireksarn, Siriyothin), which came to be known as the Rachakhr group after the street where most of them lived in Bangkok. This Rachakhr group followed the Pridi group's example of allying government authority with private enterprise. Immediately after seizing power, they pushed the Pridi group out of the boards of Thai Rice Company, Thai Niyom Phanit, and other state enterprises, and filled the boards with members of their own group. They founded several new trading companies which shared out the paddy export business previously monopolized by Thai Rice Company. They established several distribution companies which supplanted Thai Niyom Phanit. They took over both banks of the Pridi group.

The big rice traders who had worked with the Pridi group were also pushed aside. The military politicians established close relations with the new banking groups which had emerged during the war. Initially, the military debated founding their own bank to support their business and political operations. They decided, instead, to approach the Bangkok Bank which had experienced financial difficulties in the previous year and was open to new alliances. In 1953, the military leaders transferred 30 million baht from the Ministry of Commerce into the bank, swelling its capital base from 20 to 50 million baht, instantaneously converting it into the largest local bank, and launching it into a period of rapid growth. Two leading members of the military group were installed on the bank's board, and over the next few years no less than seven of the coup group and their associates occupied directorial posts. After the Bank's business had grown significantly for two years, the generals sold the ministry's shares to themselves.

Over the next few years, the Rachakhr military group extended its relationship with Chin Sophonphanich and the Bangkok Bank group in a variety of enterprises. Chin helped them to organize the gold-dealing, pork, jewellery, and timber merchants into 'syndicates'. The businesses continued under the management of their original owners, but the directors of the syndicates, including the military leaders, were able to skim revenue through fees, dividends, and bonuses. The Rachakhr group appropriated US\$10 million of foreign aid and used it to create NEDCOL, an investment company which financed several ventures in agri-processing. They also established companies whose sole purpose was to contract supplies to the government such as police uniforms, arms, and construction materials.

With the military politicians aggressively using their official power to monopolize business opportunities, private entrepreneurs responded by inviting the military politicians to act as advisers and board directors. The

minutes of the foundation of a new trading firm in 1952 noted that ‘as usual and as a tradition a number of “special shares” should be set aside to grant freely to our “benefactors”’ (Sungsidh, 1983: 199). The proportion was 5 per cent, and among the benefactors were six senior military officers including Praphat Charusathien, the army commander and one of the key members of the ruling coup group. Following the profitable alliance of Rachakhru and the Bangkok Bank, other new banks hastened to forge association with the military leaders.¹² Seven of the promoters of the 1947 coup occupied a total of 91 directorships, and members of the 1947 group were involved in 101 companies.

By the mid-1950s, all of the major Thai-Chinese groups which had emerged in the 1930s rice trade and the 1940s banking business had forged alliances with key figures in the 1947 coup group. As Suehiro (1989: 170) neatly summed up:

The Chinese-military alliance was basically developed on the basis of mutual interest. Chinese capitalists were able to obtain business security, official privileges, and in some cases government contracts in exchange for promises to the military groups of stock gratuities and director's posts in their firms. The military group, on the other hand, could utilize Chinese managerial skill, commercial acumen, capital funds and established commercial network in exchange for providing political patronage. The newly established Sino-Thai joint ventures and syndicate organizations offered a monopolized business base to the Chinese on the one hand, and a non-budgetary income base to the military leaders on the other.

The era of economic nationalism did not result in the replacement of private business by state capitalism. Many of the politicians gave up the idea of attempting to slay the monster of emerging capital. Instead, they mounted the monster's back and directed its fire against their enemies.

The Sarit Era: The US, the Military, and Business

From the Korean war boom onwards, the world entered two decades in which economic activity increased and world trade grew. Driven by rapid growth in the economies of the US and Europe, world demand for primary produce expanded through the 1950s, 1960s, and early 1970s. At the same time, freed from colonial constraints and led by the US, capital became more internationally mobile. Increasing world trade, increasing foreign capital inflows, and the expanding geopolitical ambitions of the US had a dramatic effect on the Thai economy.

As the US developed its cold war strategy between 1947 and 1950, Thailand came to play a part. By 1950, the US was deeply involved in the opposition to communism in Indo-China. Thailand became important in US policy making, first as a ‘domino’ that needed to be held upright, and later as a strategic base for US military operations in Indo-China. To achieve these policy aims, the US took an interest in the internal affairs of Thailand. The US policy makers believed that the best recipe for resistance to communism was strong government and economic growth based on private capital. To achieve

the first part of the recipe, the US channelled support to the leaders of the Thai military and helped them to consolidate their hold over the government. The military leaders responded with enthusiasm. From the late 1940s, they discovered that the more they paraded anti-communist sentiments, the more money the US gave them. To achieve the second aim, the US pressed the Thai military leaders to embark on programmes of economic development based on support for private capitalism.

Again, the response was enthusiastic. The military leaders were already deeply involved with local capital. In the mid-1950s, the backwash of the Korean war boom caused a temporary recession which forced several companies into bankruptcy, including a major cotton factory and twenty rice mills. In an echo of the arguments of the nascent business groups during the 1930s depression, the business lobby used this occasion to argue for greater government support for private business on the grounds of building national strength. The Bangkok Chamber of Commerce went on to argue that the promotion of state enterprises was hindering economic growth and that the government should favour private business:

Free private enterprise would still be the best course for Thailand.... This does not mean that the State should not enter the field of private business.... On the contrary, if public authorities are extended in the orthodox areas such as the procurement of goods and services for the [Armed] Forces, the supply of water, electricity and light, bus or rail transport, and so on, private enterprise can certainly live happily together with public monopolies (Hewison, 1989a: 89–90).

During the 1950s, the interests of the US, some sections of the military leadership, and the leaders of Thai domestic capital converged.

US military aid began in 1951 with a grant of US\$4.5 million. By 1953, it had swollen to US\$56 million a year. In all, between 1951 and 1975 the US channelled around US\$2.5 billion into Thailand in the form of direct military aid, investment in military installations, and upkeep for troops.¹³ Non-military US aid geared up in parallel, and between 1951 and 1975 supplied another US\$627 million. These transfers, amounting in total to over US\$3 billion, had an enormous impact on the Thai economy. They eased Thailand's balance of payments position. They stimulated local demand. They inflated government revenues.

Until 1957, the full consequences of the US strategic interest in Thailand were not yet apparent. The government was headed by Phibun, the pre-war leader, who had built his career in the 1930s and early 1940s on Thai nationalism, alignment with the Japanese, and repression of the Chinese business community. He was ambivalent about accepting the full consequences of US clientship and about supporting the growth of Thai domestic capital. His lieutenants, however, had different priorities. Sarit Thanarat rose to the head of the army following the coup of 1947. As US military aid increased, Sarit became the most enthusiastic supporter of anti-communism. He visited the US to negotiate aid arrangements and arms deals. Through the early and

mid-1950s, Sarit and his followers became involved in shipping, construction, insurance, manufacturing, printing, and trading ventures, some as joint ventures with leading Thai-Chinese business figures.

In 1955, Phibun visited the US, told Congress that Thailand would ‘always be on your own side’, and arranged for a World Bank mission to study the Thai economy. In 1957, Sarit visited the US and was courted by high US officials who pointed out the advantages of developing Thailand with the assistance of foreign investment. In 1957, Sarit brushed Phibun aside and took power.¹⁴ In 1958, he brushed aside the constitution and imposed dictatorial rule. He ‘informed his followers that Thailand needed a stable anti-communist government to convince the Americans that it deserves more aid’ (Darling, 1965: 184). He justified the coup in part as preparation for launching a plan of national development. Within three days, the US State Department issued a statement that the coup would not alter Thai-US relations. The Thai ambassador to the US hurried back to Bangkok to confirm US support for the new regime. In the same few days, Sarit and his lieutenants met with bankers, merchants, and the leaders of the various chambers of commerce. The Sarit coup brought into line the strategic interests of the US, the dictatorial aims of the Thai military, and the commercial ambitions of domestic capital.

Over the next five years, Sarit presided over a major restructuring of the Thai economy in favour of the growth of domestic capital. For the US, this close alliance with the Thai military served a key strategic purpose in the Asian sector of the cold war. For the Thai military, it provided a flow of resources which built the foundations for military domination of Thai politics. For the new entrepreneurial groups which had emerged in the 1940s around the new banks, it boosted their precarious infant enterprises into sprawling conglomerates which dominated the urban economy for a generation.

The restructuring of the economy began with the report of an IBRD mission in 1959. The report criticized the inefficiency of the state enterprises. In 1957, NEDCOL, the holding company through which Rachakhrus had tapped foreign capital to found its new enterprises, had collapsed in a mess of debts. With the exception of the tobacco and liquor companies, virtually all of the state-owned factories were operating at a loss. Thai Niyom Phanit was catastrophically in debt. The report recommended that the government scale down state enterprise and promote manufacturing under private ownership by improving the legal framework, infrastructure, and credit systems, and by establishing an institutional structure for economic development planning.

The US indicated that they expected Thailand to follow the recommendations of the report. Kennedy wrote personally to Sarit: ‘I would like to ask you to study this document [the IBRD report] seriously. Even though this report does not show the formal US policy towards Thailand, I think it provides the basis of our aid.’¹⁵ Over the next few years, the report’s major recommendations were implemented. The state enterprises in distribution were dismantled. Some of the state factories were sold off to private owners. No new enterprises were begun except for public utilities. Sarit espoused the US language of

development: 'Our important task in this revolutionary era is development (*phatthana*) which includes economic development, educational development, administrative development and everything else.'¹⁶ With US assistance, the government established a Budget Bureau, National Statistical Office, National Economic Development Board (NEDB), and Board of Investment as infrastructure for promoting urban economic growth.

The main function of the NEDB (later NESDB, the 'S' for Social) was to draw up five-year economic plans. The IBRD was the main patron of the board. The key middle-level staff were drawn from a new generation of Thai technocrats educated largely at US universities in the current development thinking. The IBRD was a major source of finance for the infrastructure development programmes which were the main component of the NEDB's initial plans. Between 1950 and 1975, IBRD loans to Thailand amounted to US\$440 million, mostly directed to highways, other transport, irrigation, hydroelectricity, and education. The first three plans were written by US advisers nominated by the US government. They closely reflected the US/IBRD strategy for the economic future of Thailand. The preamble to the first plan (1961–6) nailed the colours firmly to the mast: 'It is believed that in Thailand increased output will be most readily secured through the spontaneous efforts of individual citizens, fostered and assisted by Government, rather than through Government itself entering directly into the field of production. The key note of the public development programme is, therefore, the encouragement of economic growth in the private sector' (NEDB, 1964: 9, quoted in Thak, 1979: 229).

In one of its first proclamations, the Sarit government indicated that it would provide a welcoming environment for foreign investment. In 1959, it set up the Board of Investment (BOI). In 1960, it passed an Investment Promotion Act which provided incentives of tax and tariff concessions for both local and foreign investors. The government allowed foreign firms to repatriate profits, gave specific guarantees against the possibility of nationalization, modified the land code to make it easier for foreign firms to occupy land, and rounded the whole package off by abolishing labour unions and outlawing strikes.

The government erected a structure of tariff protection which encouraged manufacture of consumer goods to substitute imports in the domestic market. The specific strategy of import substitution was not prefigured in the IBRD report or the early plans. Rather, it grew out of pressure from domestic capital and the practical policies of the Finance Ministry. Trade taxes had long been the major source of government revenue. In 1960, import dues alone supplied 30 per cent of all government revenue. In the late 1950s and early 1960s, the Finance Ministry raised import tariff levels several times, mainly for revenue purposes. Under the new policy to promote industry, tariff rates on capital goods were revised downwards in the late 1950s. The result was a tariff structure with high rates on consumer imports and lower rates on capital goods and inputs. A study of protection rates in 1960 reckoned that the weighted average rates for durable and non-durable consumer goods were 42 and 34 per cent,

while the rate for capital goods was 19 per cent. Moreover, tariff holidays offered under the scheme of investment promotion made the gap between the rates on capital and consumer goods even larger for promoted firms.

The price of labour was kept low. While Chinese immigration stopped in 1950, labour shortage was no longer a constraint as a result of the high volume of immigration in the previous decade, and the country's demographic boom. In the 1930s and 1940s, the natural rate of increase ballooned to 3 per cent per annum. By the 1950s and 1960s, the number of new entrants to the labour force was running at a similar rate. In addition, the Sarit government outlawed labour organization, and used the rice premium to lower the urban rice price as a subsidy to urban wage rates.¹⁷

The new generation of technocrats in the Ministry of Finance and Bank of Thailand ensured the economy remained stable. They inherited traditions of conservative fiscal management which had long proved their worth for such an open trading economy. For many years between 1957 and 1973, they were able to finance most of the fiscal deficit from external grant aid and loans.¹⁸ This strategy reduced inflationary pressure at home and eased the balance of payments constraint. Thailand was able to sustain a high cumulative growth rate of 6.6 per cent without provoking inflation.¹⁹

The reorientation of the economy, fiscal stability, and investment promotion attracted foreign capital. Between 1960 and 1982, a total of 6 billion baht was invested by foreign firms in BOI-supported projects. The total foreign inflow was much larger than this. The Bank of Thailand estimated that the annual inflow was around 1.25 billion baht between 1965 and 1975. The US was the largest contributor, accounting for 38 per cent, followed by Japan with 30 per cent.

While the Sarit restructuring opened up the economy to foreign capital, the impact on local capital was even more dramatic. Rising world demand for primary goods coupled with the impact of US-funded investments in better transport links sparked off another boom in Thailand's exports of primary commodities. Between 1960 and 1975, the total value of agricultural exports increased at a compound rate of 10 per cent a year.²⁰ This revenue coupled with the inflow of foreign capital, military assistance, and other grant aid, created an exceptionally strong balance of payments position. Urban Thailand was able to import capital equipment and consumer goods without running up against the foreign exchange constraints and inflationary pressures faced by many other countries which embarked on investment-focused development strategies in the same period. The Thai government had very little need for recourse to trade and exchange controls.

The tariff regime and the dismantling of economic nationalism gave new incentives to Thai capital to exploit the home market. Government investment in roads, dams, crop research, and irrigation encouraged capital to begin exploiting the potential of the countryside. The expansion of agricultural production and the huge inflow of aid and capital stimulated domestic demand. The differentiated tariff structure created a sheltered environment for

manufacture of goods for the domestic market. Foreign investment flowed in, but did not swamp its domestic counterpart. Foreign capital supplied only 12 per cent of total gross capital formation over the period 1964–72. A survey of a sample of 500 of the largest firms in 1979 found that 308 were fully or almost fully Thai-owned. Of the remainder, many were joint ventures. Most of the fully-owned foreign firms were concentrated in areas where there had already developed a high degree of international specialization based on technology and scale—chemicals, pharmaceuticals, petroleum, and engineering. Since foreign capital was oriented to produce for the home market, it often chose (or was encouraged) to ally with domestic capital to get access to local knowledge and local marketing networks. The Thai bankers and their allied entrepreneurs welcomed foreign joint venture capital because it gave them access to modern management and foreign technology.

To celebrate the importance of *phatthana* (development) as the governing ethic of the age, Sarit popularized slogans such as ‘work is money, money is work which brings happiness’ and advertised the regime’s achievements as ‘flowing water, bright electricity and good highway’.²¹ With better infrastructure, tariff protection, access to foreign technology, cheap labour, a growing home market, and an easy balance of payments position, Thai urban capital grew rapidly. The new entrepreneurs of the 1940s grew quickly into the *jao sua* or merchant lords of the 1960s and 1970s.

Banks and Capital Mobilization

The Thai banks formed in the 1940s rapidly came to dominate the whole Thai business world. The origin of their spectacular rise lay in the pivotal role they played in mobilizing capital to take advantage of the new opportunities opening up in the Sarit era. By mid-century, Thailand was home to thousands of Chinese-origin families who had immigrated over the past three generations and made their fortune in some corner of the paddy trade or import-export. But with the exception of a handful of families who dominated the peaks of the rice trade ('the Big Five') and a few other businesses, most of these fortunes were small. Until the late 1950s, a significant proportion was remitted to China. Much of the remainder was invested in traditional systems such as chit funds and pawnshops.

After 1957, the major banks built up-country branch networks to service the increasing trade in paddy and new upland crops. These expanding networks made the banks much more accessible as a location for savings. Government restrictions in Thailand and the internal disorder in China in the era of the Great Leap Forward diminished the flow of remittance which had fallen to a trickle by 1960.²² In 1962, the government passed new banking regulations which improved the security of local banks, and changed regulations on pawnshops with a view to diminishing their importance as deposit takers. The growing reputation of the banks and the improved branch access encouraged thousands of merchant families to transfer their savings and remittances into

TABLE 4.1
Commercial Bank Deposits, 1962–1981 (million baht)

	1962	1972	1981
Bangkok Bank	1,578	16,991	103,269
Thai Farmers Bank	431	4,151	40,912
Bank of Ayudhya	475	3,288	14,489
Bangkok Metropolitan Bank	253	2,530	12,032
Total (16 local + 14 foreign)	8,454	54,903	299,077

Source: Suehiro (1989: 248).

bank deposits. Between 1962 and 1981, the total deposits in the Thai banking system grew from 8 million baht to 299 million baht, an average annual rate of increase of over 20 per cent sustained over 20 years (Table 4.1).

Two other major reasons for the prominence of the banks in this period were their political connections and their extensive business networks. In the early 1950s, all of the five banks which came to dominate the Thai financial world over the next two decades had forged close links with the emerging military leaders. The sharp division which arose in the military between the Rachakru group, which had led the 1947 coup, and Sarit's opposing Sisao Theves group, which came to power in 1957, made these alliances fluid. Chin Sophonphanich of Bangkok Bank worked with the Rachakru military faction in the early 1950s. When Sarit assumed power in 1957, Chin had to withdraw into temporary exile and entrusted the management to a smart young accountant, Boonchu Rojanastien. He rebuilt the bank's political connections. He made Sarit an adviser to the bank. He invited Praphat, Sarit's second-in-command, to chair the board. He put other members of the Sarit group on the boards of several other companies in the group.

The Mahaguna group (Union Bank of Bangkok) became involved with the Rachakru group in the mid-1950s, but in 1957 switched horses to Sarit. It dissolved its existing boards of directors and invited members of the dominant Sarit faction to join. In the mid-1960s, virtually every powerful political general had a seat on the board of a Mahaguna company. The Bank of Ayudhya was also aligned to the Rachakru faction, but after 1957 the management was changed (from Buasawan to Rattanarak) and the bank worked closely with the Sarit generals. The Lamsam group (Thai Farmers Bank) handled the factional divisions in the military better. In the mid-1950s, they invited members of both factions on to the boards of various companies in the group. After 1957, they solidified their relations with the Sarit group. Drawing on these powerful connections, the banks ensured that the banking legislation of 1962 put a bar on the foundation of new banks, and prevented the entry of foreign competitors. This comfortable cartelization was not challenged for thirty years.

The most successful of the banks possessed extensive connections within the local business community and overseas. Four of the five banking groups—Bangkok Bank, Thai Hua, Mahaguna, and Buasuwan/Ayudhya—came from the dominant Teochiu group within the local Chinese community.²³ While they competed to build their banks, they also co-operated in business ventures, worked together in the chamber of commerce and business associations, and exchanged marriage partners. Moreover, many of them had relatives and associates scattered by the Chinese out-migration across the other business centres of Asia and beyond. With these contacts, the big bankers offered their clients services which went far beyond the provision of funds. They helped build business alliances, brokered deals, and found markets.

Chin Sophonphanich, the single most successful banker of the period, exemplified this kind of network. Chin's dominant role within Bangkok Bank was based on the extensive network of contacts he had built in the Chinese community through his trading activities, his financial skills, and his role in organizing remittance channels back to China. Seeing the opportunities opening up in trade finance in the late 1940s, he travelled around Asia to establish corresponding banks in the main trading centres. In the late 1950s, when he was forced into temporary exile by the rise of Sarit, he again travelled abroad and built a network of overseas branches, starting in Hong Kong, where the branch was managed by the son of Chin's first (Chinese) wife. In the 1960s and 1970s, the Bangkok Bank used this network to help finance some of the leading Chinese-origin entrepreneurs across the region—the Kwok in Malaysia, the Liem group in Indonesia, and the Loh family in Hong Kong. Chin's network extended throughout Thailand's business community and out along the trade routes to the Nanyang diaspora throughout Asia.

By mobilizing the savings of the Chinese-origin community, building powerful political links, and extending business networks both locally and overseas, the major banks were able to dominate the expansion which began from Sarit's reorientation of government attitude to commerce in the late 1950s. The banks spawned hundreds of new companies spread across the new areas of opportunity in the economy. They also helped to finance their friends and associates in other ventures. The typical rising entrepreneur of this period began from a background in trading, possessed limited supplies of capital, and had a trader's attitude towards the prospect of rising large sums as fixed capital. The banks funnelled funds into such ventures, demanding high rates of interest in return, but achieving many cases of success in the favourable conditions created by American largesse and the Sarit-period political patronage.

Among all the banks, Bangkok Bank reigned supreme. The companies which the bank established itself were mostly in the financial area (banking, insurance, and investment) with some sidelines in agribusiness and construction. Bangkok Bank, however, was *involved* with just about everybody. For over two decades it was uniquely successful at promoting ventures at the frontiers of opportunity. In the late 1950s, as the rice trade was released from government control, the bank financed five families who came to dominate the

trade over the next twenty years. In the early 1960s, the bank helped some of the same rice-trading families and others to move into opportunities which the new tariff regime opened up in the textile industry. From the mid-1960s, the bank recognized the opportunities which upland crop expansion had created for agribusiness, and became a major financier of several of the leading agri-processing companies. It became closely involved with the leader of the sector, Charoen Pokphand (CP), and used the bank's overseas network to help extend CP's business throughout the region. Also in the mid-1970s, the Bangkok Bank laid out around 8 billion baht to buy heavily into textile firms affected by the oil crisis recession. Over the following decade, these firms grew rapidly on export demand.

The Lamsam group, centred on the Thai Farmers Bank, expanded by founding a wide variety of companies under its own direct control. Like the Bangkok Bank, the group spawned a range of financial service companies. The Lamsam continued to play a large role in their original area of crop exporting. They diversified into related business such as warehousing and agri-processing, and into a range of joint ventures with multinational companies such as Dole, Firestone, and the Australian Dairy Industry. The Rattanarak/Bank of Ayudhya group moved into cement and several ventures in agri-processing. The Techaphaibun/Mahaguna group expanded from a highly profitable core business in distilling into related businesses in brewing, sugar-processing, glass manufacture, and chemicals.

In 1958, these four banking groups were involved in a total of 51 firms. By 1973, the number had grown to 173, and by 1979 to 295. The Sophonphanich/Bangkok Bank and Lamsam/Thai Farmers Bank groups were spectacularly successful. Between 1962 and 1981, the deposits of the Bangkok Bank expanded sixty-five times. It represented one-third of Thailand's banking sector, and alone was financing 42 per cent of the country's total exports and 27 per cent of imports.

The major banks and their special relationship with the generals was central to the networks of political connection which were a crucial ingredient to business success. Many of the entrepreneurs who prospered under the aegis of the banks benefited from the advantages which these connections conveyed, particularly during the period in which the state enterprise system was dismantled. Sukree Potiratanangkun used his contacts as a military supplier to take over a state-owned textile business and launch a textile empire. Thaworn Phornprapha's motor industry empire took off when the government decreed that taxi firms must buy Thaworn's Nissans. In 1959, Uthane Techaphaibun put together a consortium and persuaded the Sarit government to award them a monopoly on distilling local whisky (Mekhong), which had previously been handled by a state enterprise. He later also took over the state-owned brewery, and back-integrated into manufacture of sugar and molasses. Chuan Rattanarak started in the river transport business in which he became involved with Praphat, Sarit's second-in-command. After 1958, this military backing propelled him into the headship of the Bank of Ayudhya. From there, the

Rattanarak family extended into finance, agribusiness, cement, and construction. In many of these businesses, military patrons acquired a stake. Kiarti Srifuengfung started his first business venture with General Pramarn of the Rachakhr group in 1952. Through this connection, Kiarti moved into textiles, into joint ventures with Pramarn's Japanese associates, and then into a major glass-making joint venture with Japanese Asahi. Through all these ventures, Kiarti worked with the Rachakhr clique and with the Bangkok Bank.

As a result of these connections, the involvement of political leaders in business was very extensive. Sarit himself was owner, adviser, or board member on a long list of firms including banks, match factories, construction, contracting, shipping, and insurance. Narong, the son of Thanom who succeeded Sarit as Prime Minister, was on forty boards. Praphat, who became Minister of Interior, was on forty-four. Krit Sivara, who headed the army from the late 1960s, was on fifty. As part of his campaign for the 1969 elections, an anti-military candidate published a list of 243 generals, politicians, and top officials who together were involved in 347 firms.²⁴ A survey conducted after their fall in 1973 found that Thanom, Praphat, and Narong were involved in 137 firms and possessed bank deposits of 151 million baht.

Import Substitution: Assemblers, Feedmills, and Textiles

Borne along by a growing domestic market, cheap labour, government assistance, and foreign investment, industry began to grow. By 1975, there were almost 5,000 factories with at least ten workers. Since 1963, their work-force and their output had expanded roughly four times (Table 4.2). The major expansion areas were agri-processing, some basic manufacturing sectors including textiles, and a variety of assembly and fabrication industries supplying consumer goods to the domestic market.

Agribusiness expanded from rice-milling to a wide range of processing. The paddy business was freed from state controls in 1957, and enjoyed another rapid phase of growth with the extension of paddy acreage, better irrigation, the development of high-yielding seeds, and more intensive cultivation systems. Two of the family firms (Iamsuri and Bulakun) who had been among the five dominating the paddy trade before the war returned to a dominant role.

TABLE 4.2
Manufacturing Industry, 1963–1975

	1963	1968	1975
Number of Factories with			
10+ workers	3,440	2,699	4,911
Workers ('000)	156	185	597
Output value (million baht)	11,277	21,527	50,455

Source: NSO, *Industrial Census*, 1964, 1969, and 1979.

They were joined by four other Teochiu trading families who had earlier been minor traders.²⁵ However, the major feature of agricultural trade and processing in this period was the diversification of crops and the increase in opportunities for processing. The Wanglee family, which had been the biggest rice trader in the 1930s but had faltered during the era of economic nationalism, made an early move into the new crops. It came to dominate the cassava trade, which ranked among Thailand's major export commodities by the early 1970s. The Bulakun family, which had also counted among the big paddy traders, moved into cassava, silos, and warehousing. The Metro group started from a fertilizer import business founded in 1968 by a consortium of established agricultural exporters. In 1973, it entered into a joint venture with Japanese capital to manufacture fertilizer locally. Over the remainder of the decade, Metro moved into wheat flour, silos and warehousing, feedmills, and cassava. Metro later integrated further with ventures in haulage, shipping, insurance, finance, and retailing.

Four firms which had variously begun in the rice trade, sugar-planting, and engineering established themselves in sugar-milling in the early post-war years—Thai Roong Ruang, Ban Phong, Kwang Soon Lee, and Mitrphol. After the Sarit regime banned the import of refined sugar in 1961, they expanded on the pull of domestic demand. Between 1961 and 1976, the acreage planted under sugar multiplied five times. These four firms expanded their capacity and managed to prevent any new entries. In 1969, they persuaded the government to dismantle the state export monopoly introduced during the era of economic nationalism and replace it with two cartels controlling all exports. The management of these cartels was shared between the big four firms and a handful of leading generals. Immediately, exports started to increase, passing 100,000 tons for the first time in 1971, and passing one million tons in 1976.

With the massive growth in maize and cassava from the mid-1960s, a number of firms moved into the feedmill business. Laemthong began as a manufacturer of gunny sacks, and later moved into flour-milling and then to feedmills. Betagro was an extension of one of the major rice-trading firms. CP began as an importer of seeds, fertilizers, and other agricultural inputs and moved into feedmilling in the late 1960s. Then in the early 1970s, all of these firms moved from feedmilling into the livestock business. Amongst the four, CP emerged pre-eminent. It concluded a joint venture with Arbor Acres, one of the major US suppliers of parent stocks for the chicken industry. After the government ended the slaughterhouse monopoly in 1973, CP moved into slaughtering and processing. With these two bridgeheads, CP created an integrated chicken business. CP supplied its contract farmers with chicks, feed, and other inputs; bought back the fully grown birds; and processed them for the local market and for export. From this base, CP moved into a similar integrated pattern in the pig business, and set up a range of associated companies covering engineering, transport, finance, fertilizers, chemicals, and seeds. From the early 1970s, CP started feedmill and livestock businesses in Indonesia, Taiwan, Singapore, and Malaysia.²⁶

Among the basic manufacturing industries founded in the 1960s under the new tariff protection were glass factories, cement works, downstream iron and steel plants, and paper manufacture. Easily the most important was textiles. By 1979, the textile industry accounted for 19 per cent of all value added in the manufacturing sector, employed 54,000 people, and supplied 6 per cent of total exports. Across all these industries, including textiles, most of the entrepreneurs began as traders and importers, and moved into manufacturing in the 1960s as a result of tariff protection and government incentives. Hong Yiah Seng started out as a major rice exporter and textile importer, responded to the beginnings of agricultural diversification in the 1950s by founding a cotton-gin mill, and then in 1960 started a textile mill in partnership with Chin Sophonphanich of Bangkok Bank. Sukree began as a textile import merchant who moved into military supply in the 1950s. Through these contacts he took over control of a government textile mill during the dismantling of state enterprises in 1957. At first, the company was not successful. But in 1964, Sukree went into partnership with Japanese who enabled him to raise the capital to a profitable scale. Over the years to come, Sukree started a total of twenty-six enterprises, mostly in association with Japanese or US capital. The Sukree group became the largest textile enterprise in South-East Asia. The Saha Union textile group also began from an import business. It extended first into manufacture of various textile accessories (buttons, zips) in collaboration with Japanese capital before moving into spinning and weaving in the 1970s.

The differentiated tariff structure, which levied high rates on finished goods and low rates on parts and components, encouraged the foundation of several assembly-type industries to supply domestic market demand. Such assembly operations covered a wide variety of consumer goods, especially household durables and automobiles. Many of these companies were founded by local import firms who joined with their overseas supplier to form a joint venture to manufacture the previously imported products inside the tariff wall.

The Phornphrapha business began in hardware import during the Second World War, and switched to the import of Japanese Nissan cars in 1952. After the erection of the tariff system, Thaworn Phornphrapha and Nissan jointly set up an assembly business, Siam Motors, in 1962. From there on, the firm prospered as Japanese cars took over the Thai market and Nissan commanded the majority share. Thaworn also started a similar joint venture with Yamaha, for motorcycles, in 1964. Another branch of the family went in with rival Suzuki. From the mid-1960s, Thaworn formed joint ventures with Nissan and with Nissan's own subcontract firms to manufacture various automotive components including batteries, electrical components, and brake systems. In the mid-1960s, similar automotive joint ventures were formed with Toyota, Mitsubishi, Mazda, Hino, Daihatsu, Isuzu, and Honda motorcycles.

In the area of consumer durables, importers and foreign principals combined to form joint venture assembly operations. Siew Kanchanachari began as an importer of radios. In 1961, he entered into his first joint venture with Matsushita to manufacture dry-cell batteries, radios, and television sets. Over

time, this relationship developed into a range of assembly and distribution operations. The Tanin company also began as an importer of radios and other electrical equipment. In the mid-1960s, it received promotional assistance from the government and technical assistance from its overseas principals to start local manufacture. Tanin remained a totally local venture and secured its technology by licence and contract. In the 1970s, as television transmission extended across the country, Tanin came to dominate the market for cheap TV sets, exported sets to Europe, and back-extended into manufacture of components.

In textiles, assembly firms, agri-processing, and other new areas opened up in the Sarit era, many of the new entrepreneurs started out as traders and extended their businesses as opportunities were opened up by tariff protection, better raw material supply, foreign assistance, and political connections. They generated the initial capital from the original trading business with some assistance from business associates, and with active participation by the Bangkok Bank or one of the other major financial conglomerates.

Foreign Investment

After the finalization of the investment promotion regulations, foreign investment flowed in at around one billion baht a year in the late 1960s, and at around 1.5 billion baht a year during the 1970s. At first, the major source of foreign investment was the US, accounting for almost half of the total. Much of the US investment was in 100 per cent foreign-owned firms in areas such as petroleum and chemicals. The rate of inflow of Japanese investment in Thailand changed gear at the end of the 1960s. In 1969, the volume of Japanese direct investment was 404 million baht, over twice that of the previous year and just short of the US volume of 476 million. In 1973, Japanese investment increased to 707 million baht and for the first time surpassed the US. From 1969 to 1980, the Japanese inflow averaged 523 million baht per year against 494 million baht from the US. At the same time, Thailand's trade gravitated towards Japan. Between 1960 and 1972, Japan's share of Thai exports increased from 8 to 21 per cent, and its share of Thailand's imports from 26 to 37 per cent.²⁷

The increasing Japanese role recalled memories of wartime domination. Technocrats complained that Japanese firms were less willing than other nationalities to enter into joint venture arrangements. The president of the Board of Trade said that local capitalists feared the Japanese wanted to dominate the local economy. In July 1971, thirty business and trade associations formed the Union of Trade to combat foreign domination. Businessmen complained of the unequal trade balance between Thailand and Japan.

In the early 1970s, the Japanese government attempted to smooth things over by reducing duties on many Thai goods and increasing loans to the Thai government. Japanese firms were urged to consider joint ventures and to promote their Thai staff. Japan earmarked 10 per cent of its total world-wide aid budget for Thailand, and by the 1980s Japan accounted for two-thirds of all aid Thailand received.

The Japanese investments in this period were of two types. First, there were many tariff-jumping assembly operations, mainly in the area of consumer goods. Secondly, there were investments in manufacturing for export, both back to Japan and elsewhere. As the Japanese economy grew and wages rose, firms moved some low-tech, labour-intensive operations overseas to countries with cheaper labour.

In Thailand, the major impact was in textiles. Pramarn Adireksarn, a key figure in the Rachakhrū military clique, visited Japan in the late 1950s. He found that Japanese textile firms were already keen to expand production offshore by investing in Thailand. Pramarn became a major figure in the development of the industry. He helped to broker joint ventures between Japanese and local partners, and himself became a major shareholder in several ventures. Between 1963 and 1971, Japanese textile groups including Toray, Teijin, and Kanebo established twelve major projects, helping to increase the spinning capacity eight times and cloth production six times in just nine years. The Japanese textile firms were careful to protect themselves against charges of domination. While sometimes the initial investment was a Japanese majority, they subsequently diluted holdings until by 1977, all of the seventeen largest textile firms were nominally 50 per cent Thai-owned. The Thai partners included Pramarn and other members of his Rachakhrū faction, the major textile magnate Sukree, and the Saha Union group.

In contrast to the US style, the majority of Japanese investments were directed into joint-venture enterprises. In part, this reflected the political sensitivity of the Japanese, particularly after anti-Japanese protests in the early 1970s. In part, it was encouraged by the government. To gain promotional privileges, all foreign investors other than the Americans had to have a Thai majority partner. But largely it reflected the nature of the enterprises. Most of the Japanese investments originated from the *sogoshosha* trading companies and other big Japanese conglomerates. They invested in Thailand to gain access to the Thai domestic market. They tended to prefer partnership with a local trading firm to gain access to local market knowledge and distribution expertise.²⁸

For Sukree in textiles, CP in agribusiness, Thaworn in automobiles, and many others, the ingredients of success were similar: a background in trading; a joint-venture partner for access to capital and technology; a good relationship with Bangkok Bank for working funds and business networking; and a batch of well-rewarded generals for government contracts, monopolistic privileges, and assorted favours.

Conclusion

After 1900, the city of Bangkok grew rapidly, driven by the continued growth in the paddy economy, and by the rapid expansion of the new centralized bureaucracy. The expanded ranks of traders and bureaucrats supported a wide range of new urban services and utilities ranging from tramways to welding

shops, and from ice factories to tailoring. In turn, this expansion of urban population and wealth drove rapid growth in the import of goods and services. This was the heyday of colonial trade. While the European companies' role in exports remained confined to teak, tin, and services such as shipping and insurance, the agency houses flourished on the import of goods to please those made rich by the rice economy and by the returns to bureaucratic office.

Thai domestic capital grew, but it grew slowly. It was restricted by the competition of colonial firms, by the lack of government support, and by the limitations of size and profitability in the major business of rice-trading. By the early 1930s, Bangkok's big business consisted of a handful of rice-trading concerns, and another handful of entrepreneurs providing manufactures and services for the urban market. This small business community supported the revolution in 1932 in the hope that the new government would promote the interests of local capital in competition with Western firms. But the military group which came to dominate the government after 1932 was not disposed to support the growth of business. They sought support from the peasantry, which formed the majority of the population. They launched schemes to protect the peasant from commercial exploitation. They drew on ideas from contemporary Japanese and European fascism to position Chinese businessmen as exploitative aliens. They promoted policies aimed to suppress the immigrant Chinese and to bring the small urban economy under state control.

Ultimately, the economic opportunities closed down by this essay in economic nationalism were smaller than the opportunities opened up by the growth of domestic demand and by the retreat of colonialism during the Second World War. In the 1940s, domestic capital accumulated more rapidly than ever before. In the early 1950s, the Korean War boom sustained the momentum. Partly as a result of political pressure applied by the military regime, groups within the Chinese business community co-operated more than before to create new business combines which were larger and stronger than the family firms of the past. While the military faction in the post-1932 regime planned to bring the urban economy under state control, many of the civilian politicians were keen to use state power and state capital to start joint ventures between the government and private entrepreneurs. Through the 1940s and 1950s, the growing importance of capital subverted the anti-business stand of even the military politicians. The generals who dominated politics after the end of the Second World War built alliances with the leaders of the Chinese business community, particularly with the banking combines which rose in the 1940s.

In 1957, the strategic demands of the US, the politico-economic ambitions of the Thai military leaders, and the aspirations of the small but increasingly confident group of Thai-Chinese business leaders fell into line. The accession to power of Sarit confirmed Thailand's strategic course for the immediate future, and began a realignment of state and capital under the auspices of the US.

From the 1960s, the revenue from booming primary exports and the inflow of investment capital and grant aid provided the background for acceleration

of urban growth. With encouragement from the US interested in creating a happy and stable base in South-East Asia, the Sarit regime built infrastructure, promoted investment, provided infant industry protection, and gagged labour. The new regime no longer wanted to repress the growth of business. Instead, it wanted to encourage it, and profit from it.

Commerce expanded, and under the influence of the protective tariff structure began back-extending into manufacture. Primary exporters back-extended into agri-processing. Consumer goods importers back-extended into assembly. Cloth merchants back-extended into the classic starter industry, textile manufacture. Manufacturing GDP grew by 10.9 per cent per annum in the first plan period 1961–6, 9.2 per cent in the second, and 8.4 per cent in the third.

Foreign capital flowed in, initially mainly from the US, but later more from Japan. Yet foreign capital did not swamp the economy. In this stage, foreign capital entered Thailand principally to sell to the local market. A large number of the foreign entrants preferred joint ventures with local capital for the benefits in contacts, distribution, and local knowledge. Through joint ventures, domestic capital secured access not only to more capital, but also to technology and management expertise.

The most spectacular accumulation of capital in this period occurred in the banking system. This was largely the result of the banks' success in mobilizing the accumulated savings of the trading community and channelling them into the new opportunities in agribusiness, import-substituting manufacture, and basic industries such as textiles. The five main banking families dominated the business world and developed interests in networks of companies across the spectrum of profitable activity. Bangkok Bank dominated almost everything, financing one-third of all trade, capturing one-third of all banking business, playing a partnership role with the leading companies in almost every growing sector of the urban economy, and extending its linkages out from Thailand across the Chinese diaspora of South-East Asia.

Economic growth, driven by government promotion and oriented to the home market, resulted in a high degree of concentration. The key axis of the period ran between the generals of the First Army and the offices of the Bangkok Bank. A handful of entrepreneurs who had their initial success during the Second World War linked up to this axis. They secured the promotional deals from the Board of Investment. They pocketed the government contracts and licences. They were positioned to make the right connections with incoming foreign capital. They got the introductions to the right people. This small group of *jao sua* dominated the expansion of the 1960s and 1970s.

The state's skimming of profits and its encouragement of capital concentration still acted as constraints on the rate of growth of manufacturing. Yet the major constraint was the combination of the import-substitution strategy and the limited size of the domestic market. The policies initiated in the late 1950s had a strong inward-looking orientation. They promoted better exploitation of the country's primary resources, and industrial growth to service home

demand. For a short period, this was massively successful, especially because of the success of the primary sector and the added stimulus of American largess. By the mid-1970s, this strategy was running into trouble.

1. The term *jao sua* had originally been used for great Chinese merchants. Its mid-twentieth century use alluded to the Chinese origin and extraordinary success of these business pioneers. Reynolds (1995) traces the nineteenth-century origins of the term and the significance of its revival in the late twentieth century.
2. The Lamsam had taken up forest concessions in the north.
3. For the lower levels of these network pyramids, see Punee (1993) and Hanks (1972: 130–1).
4. The survey also counted 7.5 million employed in agriculture.
5. Note how these associations used the epithets 'Thai' or 'Siam Chinese' (*jin sayam*) to lay claim to inclusion in the nationalist project and to counter the royalist argument that Chinese were by definition 'alien'.
6. As quoted by Pridi in the preface to his Economic Plan, translated in Landon (1939: 262).
7. See Chapter 8 for the political reaction to these proposals.
8. Under attack in committee, Pridi briefly lost his temper with his colleagues: 'I did not grow up in the city like you Bangkokians and I know from long residence in the country what the farmers have had to endure in the way of hardship and poverty. Many of my friends in the provinces are very poor.' (Landon, 1939: 308), minutes of meeting on 12 March 1933.
9. See Chapter 8.
10. On Wichit, see also Chapter 8. Ironically, Wichit was himself Chinese.
11. The core of this group were mainly civilian members of the People's Party, including Direk Chayanan, Thawee Bunyakhet, Thawee Tawethikun, Wanit Pananond, and Naeb Paholyothin; and a few military supporters of Pridi, notably General Charoon Ratanakun.
12. The Thai-Hua Insurance company put Pramarn on the board. The Bangkok Metropolitan Bank invited in Krit and Praphat. The Lamsam gave directorships to Phao and Thanom.
13. Direct military assistance over the period 1951–75 totalled US\$1.1 billion. The cost of building bases and maintaining troops for the period 1966–71 was US\$1 billion. Another US\$0.2 billion was spent on financing Thai troops sent to Vietnam between 1966 and 1969. The balance is an estimate for spending by US troops on leave, etc.
14. See also Chapter 8.
15. Confidential, Department of State, outgoing telegram no. 1005, 11 January 1962; here translated to English from Thai translation in Ukrist (1983: 91).
16. Announced on 16 March 1960; quoted in Thak (1979: 227).
17. On the rice premium, see Chapter 1.
18. From 1964/5, they also had to draw on domestic finance to cover the deficit to a growing extent.
19. Inflation averaged 1.9 per cent per annum from 1951 to 1969.
20. Calculated from a table in Suehiro (1989: 266).
21. These slogans were broadcast on radio and displayed on shopfronts.
22. Total remittance to China in 1960 was 7 million baht compared to 216 million baht in 1950.
23. The fifth, the Lamsam of Thai Farmers Bank, were Hakka.
24. The candidate was Thammanun Thien-ngern.
25. The families were Ophasawong, Liaophairat, Phuthanakit, and Wonsirikasem.
26. CP also tried unsuccessfully to extend its integration strategy into rice.
27. Figures from Bank of Thailand, *Monthly Bulletin*, various years.
28. However, the local partner's access to technology was usually hedged with restrictions and this provided cause for complaint.

Bibliographical Note

On the development of the economy as a whole, the major works are Sompob (1989), Hewison (1989a, 1989b), and especially Suehiro (1989). Additional material *on the 1930s and 1940s*, comes from Sungsidh (1983), Punee (1993), Nakarin (1992), Suehiro (1992), Landon (1939), Batson (1984), and Vichitvong (1979); *on the 1950s and 1960s*, from Narongchai (1973, 1975), Sarkar (1974), Puey et al. (1975), Surachart (1988), Pasuk (1978), Ukrust (1983), Thak (1979), Darling (1965), Muscat (1990, 1994), Ammar (1975a), Prasert, Phisidhi, and Itoga (1989), Mingsarn (1981, 1988), and from corporate and personal histories such as Somjai (1990), Arunee (1991), Bunchai (1990), and Siam Cement (1993).

5

Exporters, Industrialists, and Technocrats

THE reorientation of economic strategy under Sarit paved the way for two decades of rapid expansion in the urban economy. Capital accumulated in the banks and in a handful of major industrial conglomerates engaged in textiles, agribusiness, and import-substitution industries. In the late 1970s, growth slackened. Leading bankers and businessmen pressed for a change of economic orientation. They argued that the current strategy based on domestic market protection had run to its limit, and that Thai business was now mature enough to compete in the world.

The advocates for a change of strategy were among the most powerful and influential figures in Bangkok business. They were supported by many of the technocrats in government offices. Their basic message was echoed by the World Bank, which insisted on the same change of strategy in return for loans to relieve the country's growing foreign debt. Yet for several years, the government resisted change. The economy decelerated. In 1983–5, in the aftermath of the second oil crisis, the economy slumped and several major businesses failed. In the face of recession, the government finally put its faith in export-led growth.

The realignment of the economy in the mid-1980s had dramatic results. In 1985, many analysts still forecast a continuing recession and general mid-term gloom. By 1987, the economy was growing rapidly. By 1988, it had become the highest performer in a generally bullish Asian region. By 1989, Thailand was recognized as the newest contender for the status of NIC (newly industrializing country). In part, the speed of the transformation reflected the pent-up pressures for expansion within Thailand's rapidly maturing capitalism. In part, it was enhanced by timing. Thailand's reorientation towards export production coincided with a flight of capital from East Asian economies in search of new, low-cost production sites overseas. But domestic capital soon played the major role. It plunged into export industries, dominated the secondary boom of finance, property, infrastructure, and consumer goods for the home market, and began to move out beyond Thailand in search of global opportunities.

In the mid-1980s, many analysts found it difficult to attach the adjective 'capitalist' to Thailand's political economy without adding a qualifier—'ersatz', 'semi', 'dependent', 'proto'.¹ By the end of the decade, these qualifiers had disappeared. They had been erased by the trade figures, the GDP trends, the forest of construction cranes, the strings of new factories lining every radial road

from the capital, the disappearance of so much labour from the villages, the stacks of shipping containers all over Bangkok, the attention paid to the stock market closing price, and the sudden new interest in turning mainland South-East Asia into a *suwannaphum*, a golden land of prosperity led from Bangkok.

Import Substitution or Export Promotion

In the Sarit era, the economy was driven ahead by two engines: the expansion of crop exports and the inflow of foreign aid and investment. The government structured the economy to transfer surplus from the expanding agrarian economy into urban consumption and investment. Domestic capital accumulated on the back of the expanding domestic market.

For almost two decades, the strategy was dramatically successful. The economy grew at around 8 per cent a year in real terms, and the urban economy grew faster.² Thailand survived the first oil crisis of 1973 with relative ease. The OPEC price increase raised the share of oil in the import bill from around 10 per cent to around 30 per cent, but the impact was offset by other factors. World agricultural prices were also moving upwards. Thailand's agricultural production was still growing at a strong rate. Foreign funds were still flowing in. The overall impact on the balance of payments was minimal. The sharp oil price rise set off a spate of inflation, but this was brought under control. Compared to most countries, Thailand's economy barely missed a beat. The potential for growth under a strategy of import substitution was ultimately limited by the size and the rate of expansion of the domestic market. As long as the domestic market expanded on the basis of the growing rural surplus and continuing foreign inflows, the point of saturation was delayed.³

In the late 1960s, economists in the West started to draw attention to the problems faced by many of the 'protected' developing economies—particularly India and many Latin American countries—and contrasted them with the spectacular success of the export-oriented strategies of Japan. After the first oil crisis, the export-oriented economies of Japan, Korea, and Taiwan performed better than either developed or other developing economies. Admiration grew into an economic model. Within Western universities and the World Bank, economists developed a theory of export-oriented growth characterized by low trade barriers and undistorted factor markets policed by strong government. From the early 1970s, the coming generation of Thai technocrats brought these ideas back home in their doctoral theses (see, for instance, Narongchai, 1973). Technocrats and foreign advisers began to advocate export orientation. But neither businessmen nor bureaucrats paid much attention as long as the world demand for Thailand's primary exports continued to be buoyant.

In 1967, the NESDB publicly questioned the future of import protection. In 1969, the Bank of Thailand argued the case for export promotion. In 1971, the preamble to the third five-year plan recognized the need for export promotion. Yet it also stated that protection could not yet be abandoned and proposed no serious plans for export support. In 1972, the Investment Promotion Act was

revised to include some export promotional measures including tax incentives and import tariff reductions. Yet these measures were tacked on to a promotional strategy which was fundamentally protectionist. The fourth plan published in 1976 was enthusiastically pro-export.

Despite the technocrats, little was done to promote exports during the 1970s.⁴ The structure of the economy under import substitution worked against exports. Tariffs increased the costs of capital goods and inputs, and these costs were only partially and clumsily offset for exporters by concessions available under investment promotion. The baht was tied to the dollar, and the US pumped up the dollar's value to reduce the impact of the oil price hike on US consumers. The high baht and tariffs discouraged investment in exports. They encouraged domestic and foreign capital to concentrate on opportunities in the home market.

Moreover, while the planning board supported export promotion, other institutions in the policy process opposed it. Import tariffs supplied 30 per cent of total tax revenue in 1971. The Finance Ministry rejected any move to rationalize tariffs, and was quite happy about the high value of the baht. The military liked the fact that the rising baht reduced the price of arms. Ministries and departments which administered the licences, privileges, and restrictions which enforced import protection were not keen to surrender this patronage. Many entrepreneurs who had been nurtured under import-substituting protection were opposed to changes which would expose them to international competition. As the saturation of the domestic market increased problems of profitability, firms used their political connections to secure additional tariff protection, bans on competitive entries, and other privileges. The vehicle assemblers achieved extra protection in return for promises to increase the domestic content of their output.

Some tariffs were reduced in 1974. But as a general rule, the government increased tariff levels in an attempt to sustain the growth of import substitution. Between 1974 and 1981, tariffs were increased on fifty-three categories of goods and reduced on only nineteen. From 1977, the Board of Investment (BOI) was allowed to impose tariff surcharges to provide additional protection to promoted firms. With all these pressures, the average level of effective protection more than doubled between 1970 and 1980.⁵

In 1975, the government introduced measures to aid recovery from the first oil crisis. The package consisted of higher tariffs coupled with measures to boost internal demand, including a poverty plan to lift rural incomes, control on interest rates, support for new sources of credit, and investments in infrastructure. The package reflected the belief that Thailand should continue to protect its infant industries and should pull them along towards fuller capacity utilization by stimulating domestic demand. In the late 1970s, the government tried to extend the import-substitution policy into capital and intermediate goods. It launched the Eastern Seaboard Scheme to build new port facilities in Chonburi and Rayong, and to develop a complex of chemical industries fuelled by natural gas from the Gulf of Thailand.

In the late 1970s, the major underpinnings of the import-substitution era began to shake loose. The era had been driven by growth in agriculture and agricultural exports which both fed rising domestic demand and contributed to a generally healthy trade balance. From 1974, Thailand faced a major decline in the international terms of trade for primary produce. Thailand's overall terms of trade index declined from 100 in 1970 to 56 by 1982—a drop of almost half. Faced by falling prices, the rate of agricultural expansion slackened. The stagnation of agricultural export revenues led to deceleration of domestic demand and growing pressure on the balance of payments. The current account deficit jumped from 1.5 per cent of GDP in 1970–4 to 5.1 per cent in 1975–80.

The timing and impact of the agricultural export decline, however, were affected by two external factors, and by the way the macro-managers responded to the advancing crisis. First, the backwash of the oil price rise of 1973 intensified the pressures on domestic demand and the balance of payments. The government initially softened the impact of the oil crisis by passing only one-third of the sixfold price rise on to the consumer. The result was a growing budgetary deficit, which was largely disguised as trading losses of various state enterprises. The deficit added to the problems of macro-management in the later 1970. Second, the withdrawal of the US from Indo-China in 1975 saw an end to the regular infusions of grant aid and military expenditures. From 1976, Thailand's defence fell wholly on the national budget. The military borrowed US\$800 million from overseas for arms purchases. The foreign commercial banks prepared to fund such loans demanded high interest rates and short payback periods.

The political disorder of 1974–6 prompted a short-term capital flight which initially looked as if it might tip the precarious macro-management into crisis.⁶ Yet the second half of the decade witnessed a huge inflow of funds, which in the short term counteracted the underlying deceleration of domestic demand and rescued the balance of payments. This inflow came partly from a boom of private investment. After the restoration of military-dominated government in 1976, the Prime Minister announced: 'I have a vision of bright sunshine over Thailand. At the same time as I can see so many people here, I can also see American dollars, pounds sterling, French francs and other foreign currencies flowing into Thailand for our happy reunion' (Hewison, 1989a: 110). In 1977, the government passed a new Promotion of Investment Act which increased the type and range of investment incentives. Japanese investment flowed in to occupy opportunities vacated by the fleeing Americans.

Even more significant were inflows from public sector borrowing. Besides the loans for arms, the government embarked on large infrastructure investments to replace energy imports. Prospecting by concessionary companies located small amounts of oil and natural gas onshore, and rather larger amounts of natural gas in the Gulf of Thailand. In the late 1970s, a pipeline and processing plants were built to utilize these resources. Gas from the Gulf came into use from 1981. Two major hydroelectric dams (Bhumibol and

Sirikit) were built on the upper reaches of the Chaophraya system. While these investments were partly financed by aid, and partly by low-cost loans from the World Bank and similar institutions, most of the funds were raised from foreign commercial banks. The combined effect of the loans for arms and infrastructure boosted the public sector's total overseas borrowing from US\$29 million a year in the first half of the decade to US\$559 million in the second. Total foreign capital inflow rose from 2.3 to 4.5 per cent of GDP (Table 5.1).

During the late 1970s, government planners and policy makers clung to the belief that agricultural exports would continue to play their historic role and would somehow drag the economy through its increasing difficulties. The second oil crisis of 1979–80 invoked reality. The oil bill ballooned to 30 per cent of total imports in 1981 and 1982. The balance of payments lurched towards deficit. Debt service on the private and public sector foreign loans contracted since 1975 soared above the levels which the country's fiscal managers had come to expect (see Table 5.1). External foreign debt as a percentage of GDP grew from virtually zero in 1973 to 21 per cent in 1980 and a peak of 38 per cent in 1986. Compared to the spectacular debt crises in Latin America, such figures were modest, but compared to Thailand's norms in the past, they were large. The government reacted by slamming on the brakes. It applied strict fiscal discipline and capped credit in order to bring inflation under control. The effective call rate rose to almost 17 per cent in 1980, and remained in the region of 11–15 per cent until 1985. The second oil crisis pitched the country into the arms of the World Bank.

As Thailand had grown more prosperous during the 1960s and 1970s, the influence of the World Bank had declined. Yet in 1979–80, Thailand had to borrow US\$542 million from the Bank to cover the deterioration in the balance of payments, and so became the world's fifth largest recipient of the bank's largess. In 1981–3, Thailand borrowed US\$325 million from the Bank and drew another US\$610 million from linked IMF standby credits. The early 1980s saw a major flurry of bank activity, including a slew of reports and a major role in the writing of the fifth five-year plan. The World Bank extended

TABLE 5.1
Trade and Financial Indicators, 1970–1992

	1970–4	1975–80	1981–6	1987–92
Current account deficit as percentage of GDP	1.5	5.1	4.3	5.1
Total foreign capital inflow as percentage of GDP	2.3	4.5	5.0	9.0
Debt service ratio	12.8	13.7	19.7	11.7

Source: Bandit (1994) using Bank of Thailand data.

loans to Thailand under its structural adjustment programme. The loans were dependent in principle on major institutional and policy reforms designed to reorient the economy towards exports.⁷

Despite the enormous pressure from the bank, little changed in the early 1980s. Export promotion was limited to some reduction in export taxes, some countervailing measures to offset anti-export biases in the tax and tariff structure, and some adjustments in energy pricing. Moreover, any impact of export promotion measures was offset by the rise in the value of the baht. In the immediate aftermath of the second oil crisis in 1981, the US allowed the dollar's value to rise to soften the blow on the US consumer. The baht rose with it.⁸ The revenue from export of tin, tapioca, and rubber, whose prices were quoted in overseas currencies, slumped dramatically. The government resisted devaluing the currency on the grounds it would stimulate inflation and increase the burden of debt service obligations. Driven by oil prices, inflation rose to 20 per cent in 1980 and 13 per cent in 1981. The deteriorating payments position forced the government to devalue by 1.07 per cent in April 1981, and by a further 8.7 per cent in July.

The dollar continued to strengthen, pulling the baht along. The government continued to react in traditional ways. Instead of trying to drive exports, it attempted to choke off imports. In 1983, it raised tariffs on several items which it believed could be substituted by domestic production. In early 1984, it requested banks and other financial institutions to limit credit expansion.

The government sought relief by promoting the export of services. It encouraged the export of labour to the oil-rich states of the Middle East. By the early 1980s, some 200,000 Thais were working abroad and the foreign exchange earnings from remittances had grown to 8 billion baht. With government promotion, the remittance earnings tripled to 24 billion baht by 1985. The government also promoted tourism. It offered incentives for construction of hotels and other tourist facilities. It increased the promotional budget of the tourism authority. Arrivals grew from around one million a year in the mid-1970s to around 2.5 million by the mid-1980s. Tourist earnings grew from 3 billion baht a year in the mid-1970s to 18 billion baht in 1980 and 32 billion baht in 1985, when tourism overhauled paddy as the country's largest earner of foreign exchange.⁹

The decline in agricultural growth, the long adverse movement in the terms of trade, and the US withdrawal brought to an end the era in which Thailand's urban growth was floated on agrarian exports and the inflow of US grant aid and military expenditure. In the late 1970s, Thailand entered a period of uneasy transition. Yet for several years, the transition was delayed. The economy stumbled ahead. Compared to other countries, the crisis was mild. Until it worsened, the forces opposing dramatic change held sway. The Finance Ministry, the military, and the clients of import-substituting protection formed a powerful lobby against any dramatic shift towards the unknown and untried possibilities of export-led growth.

Recession and Devaluation

The leaders of domestic capital were more sensitive than the fiscal managers to the situation and prospects of the national economy. As business growth slowed and the economy slid towards recession, they agitated for change. The Bangkok Bank, which represented such a large factor in the overall economy, led attempts to lobby the government. The textile industry, which was the largest manufacturing industry with export potential, provided support. When the bureaucracy failed to respond, the business leaders explored ways to exert more influence or control over government policy making. The old connections between companies and generals no longer worked. The crisis propelled business leaders to take a more aggressive role in politics.

Until the mid-1970s, domestic capital showed little interest in exporting.¹⁰ It was quite happy to concentrate on the rapidly expanding opportunities provided by the domestic market and the uplands frontier. The export of manufactures grew to contribute 35 per cent of all exports by 1981, but three-quarters came from two sectors: labour-intensive products such as textiles and integrated circuits promoted by Japanese and Taiwanese capital; and processed agricultural products. The agricultural manufactures were uplands crops with a little value added from basic processing. The export of labour-intensive goods was small in comparison to other Asian countries (Malaysia, Singapore, and Hong Kong) in the same period.

As economic growth slowed in the late 1970s, business leaders became interested in exporting. They organized to put pressure on the government to change strategy. The Thai Bankers Association had been formed in the late 1950s to negotiate the terms of the Banking Act. During the 1960s and 1970s, it worked discreetly behind the scenes. Now it was equipped with a secretariat, headed by Boonchu Rojanastien of Bangkok Bank, and given a higher profile. Similarly, the Association of Thai Industries, formed in 1967, became more active and more public under the leadership of Pramarn Adireksarn, who had served as the political ambassador of the textile industry since the 1950s. In 1977, these two associations, along with the chamber of commerce formed a joint standing committee consciously modelled on the Keidanren, the Japanese business association which enjoyed very close relations with the government. They petitioned the government to form a regular government-business standing committee to discuss economic policies. In June 1978, the government responded by setting up a consultative body. In its meetings, the leaders of the business associations pressed for government commitment to a strategy of supporting exports.

The textile industry leaders pushed government for direct concessions to improve exports. They persuaded the Bank of Thailand to give preferential credit on textile exports, and the Ministry of Finance to grant refunds of taxes and tariffs levied on inputs. Other industries with export potential followed the textile example. Jewellery firms secured similar concessions on taxes and tariffs.

In 1980, Parliament was restored and elections held. Many prominent

figures in Bangkok business were elected, including Boonchu in the Social Action Party and Pramarn in the Chat Thai Party. Both parties joined the government coalition under the premiership of the army head, General Prem. Boonchu proclaimed that 'we should co-operate between private and government to become one'. He popularized the idea of 'Thailand Inc.', an adaptation of the title of a recent book which attributed Japan's economic success to the co-operation between the government and business (Rathakorn, 1993: 283). After joining the Cabinet as minister in overall charge of economic affairs, he organized a forum to discuss economic policy with business leaders. In April 1981, however, Boonchu's party withdrew from the Cabinet. The business associations continued to press for the establishment of a formal consultative body headed by the Prime Minister. The Joint Public Private Consultative Committee (JPPCC or Kor Ror Or) came into existence in mid-1981. At its meetings, the business representatives pressed for more support for exports. Chatri Sophonphanich, the head of Bangkok Bank, stressed that much of the problem lay in governmental over-regulation: 'A simple way to boost Thai exports is to do away with a myriad of government regulations.... These regulations have been continually added.... They have never been removed.... [These regulations] have led to the loss of [our] market [share] to competitors. They have increased the costs of exporters and delayed our deliveries to importers' (Anek L., 1992: 130). Through the JPPCC, the business lobby pressed for changes in export procedures, simplification of customs formalities, and easier access to the incentives which the government already supposedly offered to exporters.

By 1983–4, the government's attempts to counter the impact of the oil crisis by dampening demand through strict fiscal discipline and tight money caused a general business slowdown and a crisis at the more speculative end of the financial sector. The stock exchange slumped. Twelve finance companies which threatened to collapse were taken under the control of the Finance Ministry. Two minor banks, one of which was part of the Techaphaibun empire, had to be rescued by government action. Three other banks teetered. Rumours of massive bad debts extended even to the doors of the Bangkok Bank. The crisis reverberated through other areas of the economy. A major textile group went bankrupt. The Sahapat consumer goods conglomerate reported a loss. A large number of firms, including agri-processors and sugar companies, complained of financial difficulties. Half of all the rice mills were reported to be effectively bankrupt. A growing real estate empire spun out of the Bangkok Bank group failed. In early 1984, the government still attempted to contain the crisis by choking off credit and curtailing imports. Bounced cheques, bad debts, and bankruptcies prevailed.

The government at last responded. In November 1984, the baht was devalued by 14.7 per cent. The baht was also separated from the dollar and linked to an undisclosed 'basket' of currencies of major trading partners. Between 1985 and the end of 1987, the baht was allowed to float downwards, resulting in an effective devaluation of around 20 per cent.

The 1984 devaluation and managed float signalled a major change. The

government had committed itself to a strategy of exporting its way out of the payments crisis. The devaluation was followed by reforms designed to encourage export growth. In 1985, the government reduced import taxes for materials used in exports, and abolished several export taxes. The Bank of Thailand established special credit facilities for exporters. In 1986, the business tax was revised to reduce its adverse impact on labour-intensive manufacturing. Investment incentives were changed, both in form and, more importantly, in implementation, to favour projects which exported all or most of their output. The BOI solicited foreign investment which was geared to production for export. For the first time, non-US overseas firms were encouraged to have 100 per cent foreign ownership in promoted ventures on the condition that they exported 100 per cent of their output. Firms which exported a high proportion of their output enjoyed large tax and tariff exemptions.

The impact of the devaluation was magnified by two other factors which contributed to the major reorientation between the Thai economy and the outside world. Oil prices dropped. The yen soared.

In the mid-1980s, oil was Thailand's largest import item. From 1983, the oil price started to decline on a world scale. By 1986, the oil import bill stood at half the 1982 level, and oil's share of the total import bill had dropped from 30 to 13 per cent, close to the level in the early 1970s before the first oil crisis.

In August 1985, the Group of Five countries met in Geneva to discuss the destabilizing effects of the yen-dollar ratio. The US had combated the oil crises by allowing the dollar to rise. The Japanese had held the value of the yen down, controlled costs at home, upgraded productivity, and flooded the world with cheap manufactures. Japan now enjoyed massive payments surpluses, especially with the US.¹¹ The result was increasing friction between Japan and its trading partners, and a widespread fear that the Japanese surpluses could destabilize an already vulnerable world financial system. Following the Geneva meeting, the yen was allowed to rise. From August 1985 to April 1988, the yen appreciated 89 per cent against the dollar. The combined effects of the baht devaluation and the yen revaluation resulted in a 100 per cent devaluation of the baht against the yen between 1986 and 1989.

In mid-1985, a conference of academics, technocrats, and businessmen reflecting on declining GDP figures and business failures concluded that: 'Thailand's future does not look rosy with the economy in the worst shape it has ever been in' (Hewison, 1989b: 61, quoting *Bangkok Post*, 22 July 1985). Around the same time, the economist Olarn Chaiprawat (1988) assessed the combined effects of devaluation, falling oil prices, and the yen adjustment, and predicted a 'golden age' for the Thai economy.

The Golden Age

From 1985, the Thai economy changed gear. The rate of real GDP growth spurted to 13.2 per cent in 1988 and maintained double-digit rates until the end of the decade. Between 1985 and 1992, the total GDP doubled (Table 5.2).

TABLE 5.2
Gross Domestic Product, 1980–1993 (billion baht at constant 1972 prices)

<i>Year</i>	<i>Total GDP</i>	<i>Percentage Growth</i>
1980	292.9	5.8
1981	311.3	6.3
1982	324.0	4.1
1983	343.2	5.9
1984	362.2	5.5
1985	373.9	3.2
1986	413.5	4.9
1987	452.6	9.5
1988	512.5	13.2
1989	573.9	12.0
1990	631.8	10.1
1991	683.8	8.2
1992	743.3	7.4
1993	789.6	7.5

Source: Bank of Thailand.

The boom was driven by exports of manufactures and services. Between 1985 and 1991, Thailand's total exports almost quadrupled in value. Agricultural exports grew only slowly and unevenly, depending on season and world demand. Manufactured exports grew almost sixfold in six years. Their share of total exports grew from around one-third at the start of the decade to two-thirds at its end (Table 5.3).

Exports of services also grew strongly. Remittances from overseas workers grew to over 20 billion baht per year by 1986, and then levelled off. The

TABLE 5.3
Structure of Exports, 1980–1991

	<i>Percentage of Total</i>			<i>Growth Rate</i>	
	<i>1980</i>	<i>1985</i>	<i>1991</i>	<i>1980–5</i>	<i>1985–91</i>
Agricultural goods	48.4	40.0	19.7	3.7	10.8
Agro-industry goods	8.2	14.4	11.8	20.6	20.7
Manufactures	35.6	41.6	65.9	11.1	34.6
Minerals	3.8	2.4	1.4	-2.1	14.2
Others	4.0	1.2	1.2	-	24.8
Total (billion baht)	133	193	725	7.7	24.7

Source: Bank of Thailand.

TABLE 5.4
GDP by Sector, 1970–1993 (million baht at 1972 prices)

<i>Year</i>	<i>Agriculture</i>	<i>%</i>	<i>Industry</i>	<i>%</i>	<i>Manufacturing</i>	<i>%</i>	<i>Services</i>	<i>%</i>
1970	42,064	27	39,201	25	24,893	16	74,429	48
1980	61,770	21	92,287	31	64,984	22	145,415	48
1990	90,711	14	226,402	36	156,043	25	314,497	50
1993	97,700	12	300,400	38	208,800	26	391,500	50

Source: Bank of Thailand.

government promoted 1987 as ‘Visit Thailand Year’, boosting tourist arrivals in one year by 24 per cent, and contributing to a doubling of the rate of tourist arrivals from 2.5 to 5.0 million a year over the second half of the decade. Total receipts from tourism grew from around 30 billion baht in 1985 to 110 billion baht in 1990. During the 1980s, Thailand was converted from an exporter of agricultural goods to an exporter of manufactures and tourism. The shape of the GDP changed in parallel. Between 1980 and 1993, agriculture’s contribution declined from 27 to 12 per cent. Manufacturing’s contribution grew from 16 to 26 per cent (Table 5.4).

Three factors prevented the currency devaluation and the spurt in GDP growth provoking inflation and strain on the balance of payments. First, the free fall in international petroleum prices reduced petroleum’s share in the import bill from 31 per cent in 1985 to just 9 per cent by 1990. Second, the labour-market responded to the sudden increase in urban demand. Third, the traditions of careful macro-economic management institutionalized within the Finance Ministry and the central bank kept the economy on an even keel through the boom.

The closing of the land frontier and deceleration in agricultural growth propelled over 2 million people from the village to the city in the course of the decade. Possibly a further million entered the urban work-force on a temporary basis.¹² This supply flow, coupled with weak labour organization, ensured that real wage rates underwent no serious inflation in response to the rapid increase in urban labour demand. The government raised the official minimum wage from year to year marginally faster than price inflation.¹³ But the government devoted little effort to policing the minimum wage. At least half the workers in the organized sector were paid less. A large number of the new jobs were paid on a casual basis with no reference to the law. The two largest and most rapidly increasing subsectors of urban employment were tourism and the textile and garments industries. By the late 1980s, they employed respectively around 450,000 and 600,000–800,000, with the majority in temporary, casual, subcontract, or putting-out arrangements. As labour supplies tightened in the early 1990s, new supplies were imported covertly from neighbouring countries. Unofficial estimates put the number of Burmese, Laotians, Chinese, and Cambodians working illegally in the fringes of the economy at around

500,000–600,000. The usage of child labour, which supplied 340,000 to the urban work-force in 1983, reputedly increased.¹⁴

From the years when Thailand was primarily a trading economy, technocrats had developed traditions of conservative macro-management. From the mid-1980s, the regulators developed new techniques and rules of thumb for maintaining stability in the unprecedented conditions of rapid growth and increasing complexity. The spurt in capital goods imports which came in the wake of the investment surge increased the trade deficit. This was partly offset by the surplus in the service account from tourism and labour exports. The fiscal balance also came to their aid. Government revenue, tied to trade and business activity through indirect taxes, increased rapidly. Government spending, hobbled by bureaucratic inertia, lagged behind budget targets. From 1988, budget surpluses cooled the economy against overheating.

While the macro-managers maintained a tight grip, in other respects the government's role in managing the economy was in retreat. Working through the JPPCC, the business associations succeeded in clearing away some of the apparatus of licences and controls installed in the Sarit era. In 1988, the NESDB was relieved of its role as supervisor for all major government investment projects. The sixth five-year plan, published in 1987, announced the intention to 'transform the role of the public sector ... into that of a planner, supporter and facilitator of private sector participation. The government will withdraw from activities which can be carried out better and more effectively by the private sector and will allow more privatization of some parts of its operation' (Muscat, 1994: 262). The Eastern Seaboard Scheme, which represented a major return to direct government intervention in investment and industry, was scaled back. Several new infrastructure projects were opened up to privatization.

In other areas, the government abandoned policies to plan and control the direction of economic growth. Since the 1970s, the government had been committed to a policy of dispersing industrial growth away from Bangkok. In 1988, Pisit Pakkasem of the NESDB advocated abandoning this policy, allowing location to be decided by free-market principles, and concentrating instead on managing the Bangkok area better (Rimmer and Medhi, 1992: 12). In effect, Pisit's suggestions were followed. The incentives for locating in the provinces were not revoked, but were not attractive enough to overcome Bangkok's advantages in location and infrastructure. As the new factories spread along the radial roads on the Bangkok outskirts, the government made no attempt to rejig the incentives.¹⁵ In labour policy, zoning, and many other respects, the government reacted to the boom by retreating towards *laissez-faire*.

Industrial Relocation and Domestic Enterprise

The dramatic devaluation of the baht against the yen and other currencies made Thailand attractive for industries migrating from Japan, Korea, Taiwan, and elsewhere in search of lower-cost production sites. Investment and technology flowed in and transformed Thailand's industrial base.

The rapid change in currency value forced many Japanese firms to 'Escape the influence of the yen!'—to relocate production outside Japan. Relocation was not a new strategy for Japanese industry. During the 1970s, many major Japanese firms had transferred production processes to overseas sites to improve international competitiveness. The rise in the yen accelerated this trend, and changed its direction. In the 1970s, Japan's first choices in Asia had been Taiwan, Singapore, and Hong Kong. But the rise in the yen in the mid-1980s sparked off a general realignment of currencies which also affected those of these three prospering Asian tigers (and of Korea). Japanese capital in Asia now focused more on countries such as Thailand, Indonesia, Malaysia, and Sri Lanka. In a secondary wave, capital flowed out from the four new tigers—Korea, Taiwan, Hong Kong, and Singapore—in the direction of these new low-cost sites.

Some Japanese companies relocated production of parts requiring high labour input to lower-wage economies, especially those close at hand in Asia. Some shifted the final assembly operations. They transferred production to overseas subsidiary companies which had originally been established in host markets to overcome import substitution. These parent companies then encouraged or even forced their dependent subcontractors to move from Japan to the new site to reduce component costs. Alternatively, they established new subcontract relationships with local firms, perhaps by pumping in some investment and technology. From 1978 to 1984, the number of Japanese firms establishing overseas subsidiaries or ventures had numbered around 800. By 1987, it had risen to over 1,400. The Japanese government encouraged the trend by providing low-interest loans for overseas operations and by deploying overseas organizations such as JETRO (Japan External Trade Organization) to provide information and assistance.

Foreign investment started to flow into Thailand more rapidly from 1985, and accelerated dramatically from 1988. Japanese capital led the way, followed by its East Asian competitors. In the period 1988–91, the annual inward flow of investment from East Asian countries was running at around ten times the level of the first half of the decade. Although investment from the West and elsewhere also increased, East Asia accounted for two-thirds of the inwards flow from 1986 to 1991 (Table 5.5). The registered capital of Japanese firms in Thailand rose from 2,836 million baht in 1986 to 38,755 million baht in 1991.

While East Asian capital flowed out to several new sites in Asia, Thailand became one of its most popular destinations. The attraction was not simply low wages. Even lower wage regimes could be found elsewhere (South Asia and China). Japanese capital already had experience in Thailand, and had built

TABLE 5.5
Net Flow of Foreign Direct Investment, 1980–1993 (billion baht)

	<i>Average</i>	1980–5	1986	1987	1988	1989	1990	1991	1992	1993
Japan	1.7	3.0	3.3	14.6	18.8	27.9	15.6	8.6	9.3	
Korea	—	—	—	0.3	0.3	0.5	0.3	0.3	0.3	0.4
Taiwan	—	0.1	0.7	3.1	5.1	7.2	2.8	2.2	1.4	
Hong Kong	0.7	1.0	0.8	2.8	5.7	7.0	11.6	14.5	4.4	
Total										
North Asia	2.4	4.1	4.8	20.8	29.8	42.6	30.2	25.6	15.4	
Singapore	0.7	0.4	0.5	1.6	2.7	6.1	6.5	6.7	5.8	
USA	1.9	1.3	1.8	3.2	5.2	6.2	5.9	11.9	7.4	
UK	0.3	0.3	0.3	0.9	0.2	1.1	0.3	3.2	4.1	
Germany	0.2	0.2	0.4	0.6	0.8	1.2	0.8	0.6	0.8	
Others	0.7	0.7	1.1	0.9	6.9	7.5	7.7	5.8	5.1	
Total	6.1	6.9	9.0	28.0	45.7	64.7	51.4	53.8	39.0	

Source: Bank of Thailand.

up an infrastructure of support agencies. Japanese firms were attracted by Thailand's careful fiscal management, relatively well-developed infrastructure, openness to foreign investment, free-market attitudes, and long-term political stability (Sakurai, 1992).

Unlike the 1960s and 1970s, when Japanese investment in Thailand had concentrated on assembly of consumer goods, in the new wave Japanese direct investment diversified into intermediate goods industries and exports. The share of Japanese direct investment devoted to manufacturing increased from 32 per cent in 1984–5 to 72 per cent in 1988. Within manufacturing, most Japanese investment went into metal products, electrical products, machinery and transport goods, chemicals, paper, petroleum products, and construction materials.¹⁶ With this input, Thailand's industrial structure deepened. Engineering subsectors were among the largest and most rapidly growing (Table 5.6).¹⁷

The large inflow of Japanese and other foreign direct investment in no way swamped Thai domestic capital. Indeed, the post-1986 period saw an unprecedentedly high rate of accumulation of Thai domestic capital. In the mid-1980s, private domestic investment had remained more or less static at around 150 billion baht a year. From 1986, it quintupled in four years (Table 5.7).

Many factors contributed to the rapid response of Thai domestic capital. First, established big business combines mobilized their large resources to take up joint venture opportunities offered by incoming capital. Firms such as Siam Cement, Charoen Pokphand, the Phornprapha group, Saha Union, and the leading banks were favoured partners for foreign investors who wanted to establish or expand their manufacturing facilities in Thailand as rapidly as

TABLE 5.6
GDP from Manufacturing, 1987–1991 (billion baht at constant 1988 prices)

	<i>Billion Baht at 1988 Prices</i>		<i>Percentage of Total Manufacturing GDP</i>		<i>Annual Growth Rate, 1987–91</i>
	<i>1987</i>	<i>1991</i>	<i>1987</i>	<i>1991</i>	
Food	40.3	57.6	11.8	5.9	9.3
Beverage	23.3	36.2	6.8	6.0	11.6
Tobacco	12.9	16.2	3.8	2.7	5.9
Textiles	39.0	66.2	11.4	10.9	14.1
Garments	36.5	65.7	10.7	10.8	15.8
Leather	10.9	23.5	3.2	3.9	21.1
Wood	7.7	5.9	2.2	1.0	-6.9
Furniture	10.4	17.4	3.0	2.9	13.7
Paper	5.1	7.8	1.5	1.3	11.2
Printing	4.9	6.5	1.4	1.0	7.3
Chemical	10.8	15.7	3.2	2.6	9.8
Petroleum	26.9	33.9	7.9	5.6	5.9
Rubber	8.9	14.2	2.6	2.3	12.4
Non-metallic	17.8	34.9	5.2	5.8	18.3
Basic metals	6.6	9.1	1.9	1.5	8.4
Fabricated	8.8	16.9	2.6	2.8	17.7
Machinery	10.3	33.6	3.0	5.5	34.4
Electrical machinery	16.3	41.1	4.8	6.8	26.0
Transport	22.1	53.4	6.4	8.8	24.7
Other	22.0	50.9	6.4	8.4	23.3
Total	341.5	606.7	100.0	100.0	15.5

Source: NESDB, National Accounts Division.

TABLE 5.7
Domestic Investment, 1986–1992 (million baht)

<i>Year</i>	<i>Private Business Investment</i>	<i>Gross Domestic Investment (GDI)</i>	<i>GDI as Percentage of GDP</i>
1986	155,087	238,643	21.8
1987	218,868	299,790	23.9
1988	399,821	508,354	33.7
1989	549,187	651,175	35.1
1990	747,743	899,914	41.1
1991	852,206	1,052,935	42.0
1992	881,230	1,125,396	40.0

Source: Bank of Thailand.

possible. The local firms benefited from access to their partner's export markets, from new technology, and from the chance to accumulate technical and management skills.¹⁸

Second, a large number of small Thai firms took advantage of the changed relationship of the Thai economy with the outside world. During the earlier period of domestic market growth, Thailand had acquired a vast array of small firms engaged in trade, service businesses, and backyard manufacturing. In the post-1985 boom, several of these were able to move into exporting and grow with extraordinary speed.

Third, the capital market developed new institutions which mobilized new sources of investment capital. The existing banking network continued its trend of rapid growth. Total assets of commercial banks grew from 714 billion baht in 1985 to 2,657 billion baht in 1993. Banks still accounted for 67 per cent of all private savings mobilization in the first half of the 1980s, and 59 per cent in the latter half. However, finance and securities companies grew faster. Until the mid-1980s, the finance subsector had a reputation for instability resulting from the spectacular crash of Raja Finance in 1979 and the collapse of twelve firms during the recession of 1983–5. However, from 1985 finance firms were able to offer high interest rates to mobilize savings, which they then lent to the expanding manufacturing sector. Between 1985 and 1993, the total assets of finance companies increased from 133 to 918 billion baht.¹⁹

The stock exchange had been founded in 1975, but had been more or less dormant since the recession of the early 1980s. In 1987, it came alive. The valuation and turnover of the market increased rapidly as the exchange mobilized funds from private and corporate savings (Table 5.8). From 1989, it attracted portfolio investment from overseas. As the world's capital markets emerged after the crash of October 1987, Thailand was one of the few markets which showed a trend of positive growth. Initially, much of the incoming foreign portfolio investment came from Hong Kong and Taiwan, and followed

TABLE 5.8
Stock Exchange, 1975–1993

Year	Number of Companies Listed	Market Capitalization (billion baht)	As Percentage of GDP	Average Daily Turnover (million baht)
1975	21	5	2	3
1988	141	234	15	633
1989	175	660	37	1,526
1990	214	614	30	2,539
1991	276	897	38	3,237
1992	320	1,485	56	7,418
1993	347	3,325	109	8,984

Source: Stock Exchange of Thailand.

the speculative habits of those markets. By the early 1990s, the more conservative investors and fund managers from the European and US markets took an interest. Mutual funds of Thai stocks were quoted on overseas exchanges from 1991. Major international stockbroking firms and merchant banks established offices in Thailand between 1989 and 1992. In 1991–2, the government made the baht freely convertible, opening up the possibility of easier capital inflow. In 1992, a new Securities Exchange Act simplified the procedure for listing, and facilitated a large number of new company flotations. A new Securities Exchange Commission provided tighter market regulation. In 1992–3, foreign portfolio investment and loan funds flooded in to take advantage of the high interest rates and increased sophistication in the Thai market. In 1993, the net foreign capital inflow on to the stock exchange amounted to 114 billion baht, over seven times the previous year's figure, almost four times the value of foreign equity investment (31 billion baht), and over one-third of the total inflow of funds.²⁰ Thai firms which had become familiar to the branches of the international brokerage firms established in Bangkok found it easier to raise funds on overseas markets.

The Development of Export Industries

Like South Korea, Taiwan, and Hong Kong, the development of manufacturing exports in Thailand began with the textile industry. By 1991, the export value of textiles and clothing was 104 billion baht or 22 per cent of total manufactured exports value (Table 5.9). Other manufactured products which surged in the 1980s included electrical and electronic products, mechanical equipment and parts, precious stones and jewellery, canned food, shoes, toys and games, travel goods and leather products, confectionery, and automobile parts. Growth was spread across a broad swathe of sectors, and a large number of firms.

Textile firms from Japan and garment firms from Hong Kong and Taiwan had relocated production to Thailand and other overseas sites since the 1970s. Following the yen rise, existing Japanese joint-venture textile firms in Thailand increased their capacity. Garment firms expanded production in Thailand not only to reduce production costs, but also to find a way around the US General System of Preferences Scheme which placed restrictive quotas on imports from individual countries. Some Taiwanese garment firms invested in large-scale garment factories using modern computerized technology. Another 2,000 garment firms produced through subcontracting and putting-out systems.

Labour-intensive segments of high-tech industries relocated to Thailand. Semiconductor production, which had been established since the late 1970s, doubled in volume in the second half of the 1980s. The Japanese firm Minebea, which originally set up in Thailand to manufacture steel products, started moving units of its computer component businesses into Thailand from 1986. By the end of the decade, it was making keyboards, stepper motors, and other parts, and had become the largest employer of labour among Japanese firms. Towards the end of the decade, Taiwanese and US firms used Thailand

TABLE 5.9
Structure of Exports, 1981–1993 (billion baht)

	1981	1985	1988	1990	1993
Agriculture ^a					
Rice	26.4	22.5	34.7	27.8	32.9
Tapioca	16.4	16.6	21.8	23.1	21.7
Total	73.0	73.4	104.5	100.0	110.7
Labour-intensive manufactures ^a					
Textiles and garments	14.7	26.6	64.1	92.3	129.6
Jewellery	5.2	8.7	23.7	34.9	41.0
Footwear	0.6	2.4	9.7	20.2	27.9
Total	22.6	41.5	118.7	185.1	257.2
Medium-high technology manufactures					
Machinery and appliances ^b	0.3	2.5	16.5	45.4	90.8
Electrical appliances	0.6	1.4	6.3	32.5	62.6
Electrical circuitry ^c	6.2	8.2	29.9	32.8	75.6
Vehicles and parts	0.1	0.3	3.8	5.5	16.5
Total	7.9	13.7	61.7	130.3	281.4
Total manufactures	54.7	95.6	265.6	440.4	752.6
Total exports	153.0	193.4	403.6	589.8	935.9
Manufactures as percentage of total exports	35.8	49.4	65.8	74.7	80.4

Sources: Thailand Development Research Institute (1994); Bank of Thailand.

^aAll ‘other’ categories (other agriculture, other labour intensive, etc.) have been omitted.

^bMainly computers and parts.

^cMainly integrated circuits.

as a base for computer parts. Seagate moved a major part of its disk drive assembly operation from Singapore to Thailand in 1989–90. IBM set up a disk drive joint venture with Saha Union in the early 1990s.

A wide array of other footloose manufacturing operations came in search of cheap labour supplies. Among these were toy and footwear manufacture, promoted by Japanese, Taiwanese, Korean, and Hong Kong capital. Between 1985 and 1991, the number of firms producing shoes for export grew from one to twenty-nine, and the total value of exports from 3 to 24 billion baht. Toy exports grew from 200 million baht in the early 1980s to 9 billion baht in 1993. Other industries which grew in the same way by the early 1990s were watches and watch parts, contact and spectacle lenses, leather goods, and artificial flowers.

Many joint ventures formed earlier to assemble goods for Thailand’s domestic market were now transformed into production platforms for export. Japanese electronics firms developed specialist production sites in Thailand for the manufacture of individual components, and spread complex dispersed

manufacturing networks across several countries in the South-East Asian region. Automotive components followed a similar pattern. Since the 1970s, the Thai government had obliged the vehicle manufacturers to source some parts domestically to meet local content regulations. These firms had either established their own subsidiaries, or had encouraged their Japanese-based suppliers to relocate to Thailand. Many were joint ventures in which the Thai partner in the vehicle assembly business took a major share. From 1985, many of these subsidiaries expanded their operations and many more Japanese subcontract firms relocated to Thailand. Production was no longer limited to the requirements of the home market, but extended to export of parts and components destined for final assembly in Japan and other countries. By 1990, Mitsubishi assembled light trucks in Thailand for export to North America. Other major vehicle makers (Hino, Ford, Isuzu, and Honda) laid plans to produce in Thailand for export to Indo-China and elsewhere. From 1987 to 1991, the automotive industry grew at 23 per cent a year.

Agribusinesses and other resource-based industries also grew. Exports of fruit, seafood, animal feeds, wood products, and assorted foodstuffs all expanded. In most of these instances, the capital was wholly or largely local. Firms started out using local inputs, but later acquired sufficient scale and comparative advantage to move on to processing imported materials. Fish and shrimp farming expanded in the late 1980s and provided inputs to several new ventures in freezing and canning seafood for export. These ventures then moved on to processing imported ingredients such as tuna caught in the Pacific and Indian oceans. Several firms were established to make furniture for export. Initially they used local timber, but expanded into manufacture with imported woods and laminates. Similarly, jewellery was a long-established business founded on the supply of stones from Thailand and neighbouring countries. In the late 1980s and early 1990s, this business expanded to process imported stones. Several major gem and diamond cutting businesses relocated to Thailand. Exports of precious stones and jewellery grew from 13 billion baht in 1986 to 35 billion baht in 1990.

Cheap-labour industries such as textiles, shoes, toys, and jewellery grew most rapidly in the early years of the boom. But they slowed down from 1991 as wage rates edged upwards and neighbouring countries offered lower-cost sites. From 1988 onwards, the fastest export growth came in medium-technology products such as computer components, auto parts, and electrical goods (see Table 5.9). By 1994, this subcategory supplied one-third of all exports. For most of these products, Thailand was only an assembly base. Design, hi-tech manufacturing processes, and marketing were located elsewhere. Even so, these medium-tech assembly industries required higher skill and more sophisticated support industries than textiles and toys. Thailand had quickly begun to climb up the technology scale.

The Domestic Market Boom

By 1988, the growth in exports and the influx of foreign investment created a secondary boom in the domestic urban market. Between 1986 and 1990, per capita GNP at constant prices increased by 44 per cent. Within the urban sector, the rise in income and the rise in demand were much steeper. During the 1980s, the GDP of the Bangkok area grew at over double the rate of the rest of the country and increased its share of the total from 31 to 48 per cent. The population of the Bangkok region increased at over 7 per cent a year, ballooning from almost 5 to almost 9 million in the course of the decade (Tables 5.10 and 5.11).

TABLE 5.10
Regional Distribution of GDP, 1960–1989 (current prices)

	<i>Percentage of Total GDP</i>				<i>GDP Per Capita; 1989 (baht)</i>
	1960	1970	1980	1989	
Bangkok region	22.6	29.0	31.1	48.1	96,239
Central	28.8	27.7	29.0	18.5	30,587
North	15.4	15.1	13.9	11.4	18,833
North-east	17.4	15.7	14.4	12.9	11,981
South	15.7	12.4	11.5	9.1	21,955
Total (billion baht)	54.0	136.1	684.9	1,776.0	32,028

Source: Pranee (1992: Table 10) from original NESDB data.

TABLE 5.11
Growth of GDP and Population by Region, 1960–1989 (percentage)

	1960–70	1970–80	1980–9	1960–89
Rate of growth of GDP (current prices)				
Bangkok region	12.5	18.4	16.7	15.8
Rest of country	8.6	17.2	7.7	11.3
Total	9.7	17.5	11.2	12.8
Ratio of Bangkok to the rest	1.5	1.1	2.2	1.4
Rate of growth of population				
Bangkok region	3.7	4.4	7.3	5.0
Rest of country	2.6	2.5	1.7	2.3
Total	2.6	2.5	1.7	2.3
Ratio of Bangkok to the rest	1.4	1.8	4.3	2.2

Source: Pranee (1992: Table 10) from original NESDB data.

TABLE 5.12
Bangkok Household Budget Shares, 1981–1988 (percentage)

	<i>Poor</i>		<i>Medium</i>		<i>Rich</i>	
	1981	1988	1981	1988	1981	1988
Food, etc.	61.1	51.3	59.9	54.4	52.9	38.9
Manufactures	15.4	18.9	13.8	16.0	15.1	18.1
Shelter	12.9	16.9	13.5	17.5	20.4	20.7
Other services	10.6	12.9	12.8	12.0	11.7	22.2

Source: Ammar (1991: 23), using NSO Socioeconomic Surveys.

Urban demand increased sharply. Affluent urban consumers spent an increasing proportion of their incomes on manufactures. The rich raised their spending on services, especially transportation. The middle and lower ranks spent more on housing (Table 5.12). Increased urban spending fuelled booms in real estate and retailing, and indirectly sparked growth in such subsectors as financial services and telecommunications. Thai domestic capital reaped most of the opportunities thrown up by domestic demand.

The Bangkok real estate market started to grow rapidly from 1987, and by 1988 was dragging along the real estate markets in other urban and some selected up-country areas. By the time the boom started to flatten out in 1991–2, prime urban land values had multiplied many times. From 1987 to 1990, the construction sector showed a real trend growth rate of 20 per cent a year. While some overseas capital, notably from Hong Kong, moved into the real estate market from 1989, by far the majority of the projects were locally funded.

The Karnchanapas family originated from Hong Kong, but had settled in Thailand and become naturalized. In the 1960s, they ran a watch-importing business. During the late 1970s and early 1980s, they re-invested surplus funds in land around the edges of Bangkok. In the real estate boom from 1988, they became the most aggressive players. By the early 1990s, they were estimated to be the wealthiest business family in Thailand. From real estate they extended into contracting for privatized infrastructure projects, into ownership of media, and other related business. Anant Asavabhokin was a son of the head of the association of pawnshops. His Land and Houses group became the second most prominent player in the real estate market and extended into ancillary businesses in retailing, finance, and construction.

Retailing changed rapidly with department stores, supermarkets, shopping malls, and convenience stores replacing corner stores and speciality shops. In 1985, only a minute percentage of purchase of everyday household items in Bangkok passed through modern outlets. By 1992, over half did. Japanese capital moved into retailing. The Daimaru department store chain had been established since the 1970s. Now it was joined by Sogo, Isetan, and the Jusco, Sunny, and Fuji supermarket chains. Despite this inflow, domestic capital

continued to dominate modern retailing. The leading department store chain was the Central group run by the Chirathiwat, a trading family which made its first retailing fortune during the Second World War, opened its first department store in the 1960s, and expanded steadily at the leading edge of the market. The family worked with the Bangkok Bank throughout. During the 1980s boom, the Chirathiwat worked alongside the Sophonphanich in several retail and real estate ventures. The CP group also extended into retailing by forming joint ventures with established foreign operators. It linked up with the US firm 7-Eleven to open convenience stores, with the Japanese Sunny group for supermarkets, with Kentucky Fried Chicken for fast food, with the Dutch Makro group for cash-and-carry hypermarkets, and with Wal-mart for discount stores.

Taking on the World

Domestic capital not only played a dominant part in the rapid growth of the late 1980s, it also began to move overseas. A few Thai firms were able to use the skill and experience they had accumulated in Thailand's domestic market over recent years to enter into new foreign markets.

The three major locally owned hotel businesses, the Imperial, Central, and Dusit Thani groups, all started overseas ventures. Starting from a base hotel in Bangkok, the Imperial group built a series of resort hotels in up-country locations, expanded its ventures in Bangkok, and opened restaurants in Europe and the US. The Dusit Thani group bought or built a chain of up-country resort hotels, opened a secondary hotel chain and several restaurants, and in 1992 purchased a hotel in the US. The Central group similarly expanded from a Bangkok property to several resort hotels, and opened an airport hotel in Los Angeles. Through these and similar service-business investments, in 1993 Thai corporate investment in the US exceeded US corporate investment in Thailand.

From the 1980s, a series of technological changes in micro-electronics started to create a large new range of products and world-wide markets in the triangle of the computer, telephone, and television. The international developers of these technologies were generally prepared to sell these technologies on the open market. From the late 1980s, the Thai government opened up new telecommunications projects to privatization. Local companies took advantage of these contracts to gain expertise in this new field. They raised their expansion funds through the stock market, on which telecommunications quickly became the second largest sector. They acquired the necessary technology from Western or Japanese sources through licence or purchase. They built up expertise in downstream manufacture, packaging, project management, and service. Within 3–4 years they were able to use their accumulated expertise to expand into other Asian markets.

A handful of companies grew rapidly in this new field. The Shinawatra family were Chiang Mai merchants who came to specialize in marketing tradi-

tional silk, and who put several family members into the bureaucracy. In 1986–8, Suraphon Shinawatra served as Deputy Minister of Communications. Thaksin Shinawatra studied law in the US and returned to work in the police. In 1983, he established a computer business which mainly relied on his extensive personal and family network to market IBM hardware to the public sector. From computers he extended into paging, pay television, and mobile telephones. In 1993, Shinawatra launched Thailand's first broadcasting satellite. The company extended its expertise in paging and mobile phone networks, and its base in microwave and satellite broadcasting, into Vietnam, Laos, Cambodia, the Philippines, Indonesia, and India. Thaksin claimed: 'The opportunities in the year 2000 and onwards will be information technology and electronics and everyone will have a chance to participate' (*Nation*, 29 July 1994).

The Vilailuck family's Samart company built its first capital base in the 1980s from backyard manufacture of cheap TV aerials for the expanding rural audience. From there, it moved into sale and fabrication of satellite dishes, extended sideways into other communications fields including broadcasting, and took the business into Indo-China, Burma, and the Philippines. The Jasmine group built expertise in large-scale optical fibre networks, extended downwards into other telecommunication services, and started ventures in Indo-China, Indonesia, and the Philippines. The Ucom group began from an agency selling specialized communications equipment to the Thai armed forces. It expanded into supply of other government and semi-government agencies, and became the agent for a large range of equipment manufactured by Motorola. In the late 1980s, Ucom moved towards the consumer end by marketing Motorola's mobile phones and pagers, establishing the associated transmission networks, and extending into a range of associated telecommunications and electronics projects in Thailand and Indo-China.

In the early 1990s, Charoen Pokphand formed a new company, TelecomAsia, to exploit opportunities in the telecommunications business in Thailand. The firm won the major contract for expanding Bangkok's telephone system, and floated several related telecommunications ventures. Within the next two years, the CP group installed a cellular phone system in Cambodia, won telephone installation contracts in Vietnam, China, and Nepal, and launched telecommunications ventures in India, Indonesia, and the Philippines. CP also began to apply the principles of business integration which had been the foundation of its success in agribusiness. Under the cover of its contract to expand telephone lines in Bangkok, CP installed optical fibre cabling capable of carrying communications services which extended far beyond simple telephone transmission. It took a 20 per cent share in a company building a global optical fibre network, and opened negotiations with Samsung for a joint venture to manufacture electronic components.

CP's global ambitions stretched beyond telecommunications. Since the early 1960s, CP had transferred its expertise in the feedmill and livestock businesses into overseas ventures across South-East Asia. In 1979, CP

TABLE 5.13
Net Flow of Thai Equity Investment Abroad, 1988–1993

	1988	1989	1990	1991	1992	1993
Total (US\$ million)	24.1	50.8	141.4	176.1	182.0	281.0
By origin (per cent)						
ASEAN	88.6	20.2	2.8	21.8	12.5	22.0
Indo-China/Burma	—	2.1	0.2	1.7	19.9	17.1
China	—	—	—	—	19.0	9.0
Hong Kong	1.0	1.1	28.2	30.0	5.9	17.4
Taiwan	—	—	—	—	5.8	0.2
USA	7.5	75.8	59.2	26.9	17.9	5.8
Other	2.9	0.8	9.6	19.6	19.0	28.5

Source: Samart (1994) using Bank of Thailand data.

founded its first agribusiness project in China. By the late 1980s, it had diversified its China projects into automobile manufacture, bicycles, oil refining and distribution, petrochemicals, beer brewing, property, industrial estates, power plants, and retailing. CP had over a hundred ventures in China and had become one of the largest foreign investors there. CP also extended its expertise in some of these new areas, such as petroleum, into Indo-China and other countries. To fund these ventures, CP tapped the stock markets in Tokyo, New York, Shanghai, Hong Kong, Jakarta, and Bangkok. Dhanin Chiaravantong, the CP chairman, said: 'We are really going to go global in the future' (*Nation*, 29 July 1994).

Before 1987, total Thai investments overseas were negligible, but from 1990 they increased rapidly, aided by new BOI tax incentives, the liberalization of foreign exchange, and the advent of offshore banking. Investment flowed mainly to the neighbouring countries of ASEAN, Indo-China, and Burma or to Greater China (Table 5.13). The main sectors were forestry, property, telecommunications, finance, and assorted manufacturing.

The Changing Shape of Domestic Capital

From the Sarit period, Thailand's domestic capital had been dominated by the major banks and by twenty or so conglomerates. The dominance of these firms rested on their dense web of personal and commercial relationships, their political linkages, their relations with foreign partners, their access to the accumulated assets of the big banks, and their resulting ability to dominate the home market. In the post-1985 boom, this structure changed. The central role of the banks declined. The corporate ranks broadened dramatically. The home-market focus was replaced by global participation.

The handful of big banks faced new sources of competition. Several new

corporate groups rose rapidly on the high demand for merchant banking services, on the profits from stockbroking, and on the windfall gains from the inflating property market. Pin Chakkaphak, for instance, was a member of the Yip In Tsoi family, which had begun in the tin-mining industry in the early part of the century, and which had expanded into agribusiness, finance, and manufacturing as part of the group around Thai Farmers Bank. From the mid-1980s, Pin built one of the most successful of the new wave of finance companies, extended sideways into stockbroking, consultancy, and real estate, bought his way into one of the mid-sized banks, and took stakes in many other ventures. The banks also faced increasing competition from overseas finance. The removal of foreign exchange restrictions and the modifications of the banking laws allowed Thai firms access to new sources of loan and equity capital. In 1993, several firms raised large sums on the European bond markets.

The big banking families such as the Sophonphanich and Lamsam began to function as portfolio investment companies. They were among the first firms to take advantage of the potential of the stock market. They diluted their holdings in the flagship company, discreetly withdrew from the front line of management, brought in professional executives, and cultivated the image of the banks as blue-chip stocks. They shifted their accumulated funds into investment companies which took stakes in many of the new joint ventures. They played a large part in real estate, retailing, and other aspects of the domestic market boom. Some of the smaller banks where the controlling families attempted to maintain an old-style grip became undervalued on the stock exchange and were raided by entrepreneurs who understood how to deploy the modern capital market.²¹

The expansion in the ranks of corporate players stemmed from strong export demand, new sources of capital, and easier availability of technology. Since the 1950s, Thai firms had become adept at managing joint-venture partnerships to secure access to skill and technology. In the post-1985 boom, many firms still secured technology through this strategy. However, many others achieved the same result by internal learning and reverse engineering. In many of the cheap-labour industries which migrated from East Asia, Thai firms were quickly able to imitate the technology required. In the toy industry, for instance, the local melamine manufacturer, Srithai, managed to replicate the technology which Taiwanese firms used for making plastic toys. Over the next few years, over thirty local firms moved into plastic toy manufacture in their wake. In the high-tech area, firms such as CP and Shinawatra were able to take advantage of the growing readiness of Western firms to sell technology on licence or contract. In their various telephone and telecommunications projects in Thailand and neighbouring countries, these firms acquired technology by auctioning subcontracts, commissioning consultants, and hiring skilled expatriates.

Pin, Anant, Thaksin, and other new entrepreneurs in exporting, property, finance, and telecommunications constituted the most significant 'wave' of

corporate expansion since the 1950s. They had the skills to operate in the more open, more internationally oriented economy. They were adept at using the new capital market, both domestic and international.²² They responded more nimbly than established firms to opportunities opened up by the growth of urban demand. They looked beyond the local market to Indo-China and China. A few of the older firms expanded by the same techniques. CP hired a new cadre of skilled managers, bought technology, exploited international finance sources, and went overseas. But many of the older firms slipped behind, hobbled by old-style family management, continued reliance on the banks, and a domestic market focus.

The new structure and orientation of capital dictated a new relationship with the government. In the 1960s and 1970s, the businessmen teamed up with the generals to exploit the protected home market. Some businessmen used political connections to profit directly from the government's own large and growing expenditure on infrastructure and supplies. Others used connections to dominate a segment of private demand and defend this monopoly from competitors. In the transition to the 1980s, many of these firms resisted the change to outward orientation. They continued to manipulate political contacts in attempts to protect domestic market privileges and to maintain privileged access to government expenditure flows. Many of the new firms pioneering the export frontier had a very different attitude to the government. They needed the government to improve the infrastructure to keep pace with economic growth; to manage foreign relations in the neighbouring region to provide business with new frontiers; to expand and monitor the capital market; to manage the labour-market by upgrading the education system, regulating the flow out of the countryside, and policing the relations between capital and labour; to maintain foreign confidence in Thailand's economic growth, fiscal stability, and political stability so as to ensure a continued flow of tourists, technology, and yen. These new demands dictated new strategies in the relationship of business and government.

During the 1980s, the relationship between metropolitan business and the senior bureaucracy underwent a subtle change. In earlier decades, businessman and bureaucrat had seemed to belong to two separate and mutually exclusive cultures. The senior bureaucrats stemmed from the great noble and aristocratic families of the nineteenth century. The businessmen were descendants of Chinese immigrants, still tinged even at some generations removed by their foreign origin. This separateness had begun to dissolve in the era of Sarit. Businessman and bureaucrat co-operated in joint ventures for mutual gain. Bureaucrat dynasties were not above sealing such profitable co-operation with marriage alliances. Some of the wives and children of senior bureaucrats plunged enthusiastically into business. Some business families distributed their children between commercial and administrative careers. The next generation on both sides progressed shoulder-to-shoulder through Bangkok's élite schools, top universities, and final degree courses in the US. By the time the youngbloods of the 1960s had become the executives and permanent

secretaries of the 1980s, the gap between leading businessmen and leading bureaucrats was criss-crossed with connections of kin, marriage ties, friendship, and shared experience.²³

In the 1980s, business worked at closing the gap further. The business lobby cheered the careers of technocrats like Pisit Pakkasem who shared the belief that economic growth and national goals would best be achieved by allowing private capital a freer rein. Major firms invited retired technocrats and other senior bureaucrats on to their boards of directors. The more ambitious firms lured leading technocrats away from the public sector into key executive positions. Anat Arhabirama moved from NESDB to be a private business consultant, and then took an executive position with the Karnchanapas' Tanayong company. Kasem Chatikavanich retired from a career in the state enterprises and also joined Tanayong. Tongchat Hongladarom moved from the government petroleum business to the CP group. Kosit Panpiemrat left NESDB to join the Padaeng mining firm and later moved to Bangkok Bank. Anand Panyarachun moved from the diplomatic service to the chairmanship of Saha Union. Thaksin Shinawatra filled most of his senior executive positions with technocrats, and invited Chao na Sylvanta, a Privy Councillor, into the chairmanship. Through these connections, metropolitan business developed direct connections into the bureaucracy, both on a personal and an organizational level. For several years, Anand Panyarachun spearheaded the Association of Thai Industries through which manufacturers negotiated with the government.

The growing association between businessmen and technocrats provided means for business to influence government policy directly, without working through the cumbersome structures of Cabinet, parliament, and electoral politics.²⁴

Conclusion

From the early 1970s to the mid-1980s, the growth of the urban economy slowed under the impact of the weakening of agricultural growth, the withdrawal of US patronage, and the inherent limitations of the import-substitution strategy. The transition to export orientation was advocated by technocrats, bankers, potential exporters, and foreign creditors, but blocked by vested interests in both business and bureaucracy. Only after the recession of 1983–5 threatened major disorder in both governmental and commercial finance did the government devalue the baht and promote exports. Over the next two years, the massive devaluation of the baht against East Asian currencies, and the fall in the price of the major import item of oil, completed a reorientation of the relationship between the Thai economy and the outside world. Prudent macro-economic management paved the way for accumulation by creating an environment of economic stability.

The spectacular boom which followed was made up of three major elements. First, some 2 million people were sucked out of the faltering

agricultural sector, possibly several hundred thousand more from the ranks of children, and a smaller illegal contingent from neighbouring countries. These labour reserves were applied to the production of goods and services for sale, mainly in the richer countries of the world. The spurt in labour-intensive manufacture was promoted both by foreign firms escaping from inflating costs, and by domestic firms released from the constraints of the import-substitution regime. Some of the existing domestic conglomerates diversified into export areas. Many new firms emerged from the ranks of small import-export, service, and retail businesses. Others were founded by members of the expanded ranks of the urban educated.

Second, some Thai firms carved out a niche in the new world of globalized business. Some took their expertise in running service businesses in the home market and applied that expertise overseas. Others took advantage of changes in the international market for skill and technology brought on by the prolonged recession in many advanced countries. They bought technology, skill, and expertise on the international open market. They sold the resulting packages of applied technology in overseas markets where they possessed some special advantages—in the emerging neighbour states of Indo-China, and in the old homeland of mainland China.

Third, export growth sparked a secondary boom in property, retailing, consumer goods, and financial services in the home market. While foreign capital participated to some extent, the majority was domestic.

The impact of the boom was dramatic. The industrial sector became more diversified, and the industrial structure deepened. The capital market became more sophisticated. Old family firms were transformed or came under threat. Several new industrial sectors appeared. For the first time since the 1940s, a large number of new firms and new entrepreneurs entered the market. The domination of the old conglomerates diminished with the appearance of new firms with new expertise in new sectors. The alliances of banker and general to carve up the domestic market passed into history. The new firms developed personal and organizational links with the technocracy in order to take on the world.

1. Some analysts did, however, affix the label 'capitalist'; see Kraisak (1984), and the collected essays in Hewison (1989b).

2. Bangkok grew 45 per cent faster than the rest of the country in the 1960s, and marginally faster in the 1970s. See Table 5.10.

3. Narongchai (1975) showed that in the period 1960–72, growth of manufacturing was attributable 58 per cent to domestic demand, 30 per cent to import substitution, and 12 per cent to exports.

4. Dr Snoh Unakul, head of the planning board, remarked that there was so little interest in the fourth plan that the NESDB was left with stacks of unread copies. See Snoh (1988: 137).

5. Thailand's level of protection was still lower than most other countries in the region, especially Indonesia and the Philippines.

6. The political disorder prompted a flight of Thai capital, particularly to Hong Kong, where Thailand became the third largest overseas investor.

7. Reforms were proposed in five major areas, including fiscal policies, agricultural policies, industrial policies (such as tariff reforms and rationalization of incentive and export promotion policies), energy policies, and institutional reforms. Very little of the reform programme advocated by the bank was achieved during the SAL period, though several of its recommendations were enacted from 1988 when the boom had started.

8. The baht appreciated 14.54 per cent against the Deutschmark, 10.98 per cent against sterling, and 4.52 per cent against the yen in 1981.

9. Earnings from tourism totalled 31,768 million baht in 1985 compared to 22,524 million baht from rice.

10. In 1974, there was a spurt of exports in animal feed, thread, and yarn which was restrained by a government ban.

11. US\$117.7 billion in 1985, US\$141.4 billion in 1986.

12. Between 1985 and 1990, the non-agricultural labour force increased from 8.2 to 10.2 million. See NSO, *Report of the Labour Force Survey*, August Round, 1985, 1990. This process is considered more fully in Chapter 6.

13. By the late 1980s, there was upwards pressure on wage rates for scarce skilled people, which the government countered by easing restrictions on employment of foreigners.

14. Table 2.1 in Sumalee (1985). The figures refer to those in the age-group 11–15. In 1992, 100,000 children aged 13–14 worked in the urban sector.

15. Most of the new factories were built along the Bangkok radials and in an 'outer ring' of satellite towns—Bang Pakong, Ayutthaya, Nakhon Pathom, and Samut Sakhon.

16. In 1988, these subsectors accounted for 88 per cent of the total.

17. This deepening process, however, was still at an early stage. See Atchaka and Brimble (1992).

18. Some studies have argued that technological transfer in joint-venture firms is limited. These studies underestimate the importance for domestic entrepreneurs of learning by doing, exposure to modern management and marketing techniques, and experience in international business.

19. By the end of the decade, the government was able to sell the finance firms taken into the 'lifeboat' scheme in 1984–5 back into private hands.

20. Pisit Leeatham of Bangkok Bank, *Bangkok Post*, 28 January 1994. In 1980–5, the stock exchange accounted for 8 per cent of total private savings mobilization. In 1986–9, the percentage rose to 20.

21. The Laemthong Bank, Bangkok Metropolitan Bank, and the Bank of Asia were all 'raided' in the early 1990s.

22. The finance, property, and telecommunications fields in which these new groups specialized became the three largest subsectors on the stock exchange after banking.

23. In 1993–4, a member of the Chirathiwat retailing family married a member of the Queen's family; and in a spectacular alliance of poachers and gamekeepers, the son and anointed heir of the Bangkok Bank Sophonphanich clan married the daughter of Nukul Prachuapmoh, member of a leading bureaucrat dynasty and one-time head of the Bank of Thailand, the body regulating commercial banking.

24. Saneh (1992: 24–6) pointed out that this new working relationship between ex-technocrats and business signified a coming together of two cultures which had previously been very separate. Earlier generations of technocrats had tended to try to control business. Since the late 1970s, technocrats had been instrumental in promoting the liberalization efforts as led by the World Bank. This new alignment, Saneh argued, would boost the World Bank strategy and lead to deterioration of the environment and the income gap between city and countryside.

Bibliographical Note

On the transition to industrialization, the works of Hewison and Muscat cited at the end of Chapter 4 are still relevant, and Warr (1993) is a broad survey. Many of the themes presented here have appeared in Pasuk (1990, 1992a, 1992b). There are interesting *approaches to specific topics* in Kraisak (1984), Bhattacharya and Brimble (1986), Narongchai and Juanjai (1986), Kraiyudht (1992), World Bank (1983), Snoh (1988), Samart (1994), Bandid (1994), Chaipat et al. (1988), Pasuk and Samart (1993), Somchai (1992), Somsak T. (1993), Suphat (1992), Falkus (1992), Rathakorn (1993), Waret et al. (1992), Olarn (1988), and Tokunaga (1993). *On the changing context of policy-making*, see especially Anek L. (1992) and also Chaiyawat (1984, 1988), Pisit (1991), Jansen (1990), Jemio and Jansen (1993), Direk (1992), and Atchaka and Brimble (1992).

6

Urban Labour

IN parallel with the growth of urban capitalism, Thailand acquired an urban working class. At first, most of the recruits came from China. From the 1930s onwards, more and more came from the villages up-country. By 1990, some 5.5 million people worked in the towns and cities, and over a million of them worked in large factories.

The history of organization among urban labour stretches back to the period of rapid growth and transformation of urban Siam in the late nineteenth century. Strikes, stoppages, and protests involving thousands of workers began in the 1880s. In the 1930s, labour groups and labour politics contributed to the emergence and triumph of the movement against absolutist rule. In the late 1940s, a labour federation brought out tens of thousands of workers at labour rallies, organized strikes to win labour rights, helped put candidates into parliament, and participated in the mainstream of political development.

To this point, organized labour developed in pace with the growth of urban society. From the 1950s, it fell out of step. By the 1990s, only a small portion of the labour force was unionized. The labour movement was fragmented. Labour politics had been excluded from the mainstream of political development. The last major labour rally had taken place two decades earlier.

The history of Thailand's urban labour up to the 1940s ran parallel to that of many countries in Asia and elsewhere. The struggle to found labour organizations and gain labour rights developed alongside movements against colonialism, dictatorship, and absolutism. The two movements co-operated for mutual advantage in the face of political domination.

From the 1940s onwards, however, two factors caused a decline in labour's strength and political assertiveness. First, the bargaining position of labour was undermined by the gradual release of surplus labour from the countryside. Second, governments knew, from the history of more developed urban societies, of the potential of labour as a political force. They paid special attention to suppressing urban labour organization, and isolating labour from politics. They exploited and intensified labour's weakness through strategies of co-option and political exclusion.

Chinese Immigrants and Early Urban Growth

In the early nineteenth century, supplies of labour were very scarce. The court increased labour supplies by the traditional methods of capturing war prisoners and attracting immigrants from adjacent areas. The court put considerable effort into registering *phrai*, tattooing wrists, and chasing down runaways in order to secure enough labour to man the army, maintain the administration, build the palaces and temples of the new capital, and dig the strategic canals required for trade and warfare. But as the rice trade gathered momentum, people were drawn off to the agrarian frontier.

The court imported Chinese to overcome the labour shortage. Chinese labour was used to construct Rama II's cremation pavilion in 1824, and to build major canal projects in the 1830s. Six to eight thousand migrants arrived each year on the junks from the ports of southern China. Around half of them returned to China after a few years, but the net annual inflow to Siam was around 3,000. The rulers encouraged this migration. The Chinese were granted entry, allowed to travel freely, and excused corvée. Once in three years, they owed a poll-tax. As the political disorder in southern China increased from the 1830s to the 1860s, the numbers boarding the junks for Siam steadily grew, and so too the numbers who chose not to return. By mid-century, there were around 40,000–60,000 Chinese in Bangkok.

By most accounts of this period, the Chinese in Bangkok outnumbered the Siamese, possibly by around two to one. The court developed a dual policy on labour supplies, and maintained the policy until the end of the century. Runaway *phrai* and freed *that* could escape to the agrarian frontier. For new kinds of work in the city, the Chinese were preferable. Even when the government allowed *phrai* to escape indenture by paying a tax in place of corvée, the fee was set so high that Chinese labour was cheaper. The court helped develop urban Siam as a Chinese preserve.

In the 1860s, steamships increased the capacity and cheapened the price of passage from China. By the 1880s, there were regular steamer services between China's southern ports and Siam. Recruiting and shipping labour became big business, both for Chinese labour agents and for the European shippers who took over the routes. The passage was not pleasant. Those who came were among the poorest and most desperate.

From the 1870s onwards, the demand for urban labour increased rapidly. The paddy, tin, and timber trades grew. Construction labour was needed for city streets, buildings, port facilities, markets, residential suburbs, and the road and railway networks. The increased demand was met almost wholly by Chinese immigration on the new, capacious steamships. The net of departures over arrivals rose from 3,000 a year in the 1820s to around 7,000 a year in the 1870s, and to 15,000 a year at the turn of the century. From 1882 to 1917, Chinese immigration added around 450,000 to the population (Table 6.1). The first census in 1904 reckoned there were around 200,000 Chinese in Bangkok, and 400,000 in Siam as a whole. Skinner (1957: 74) reckons this may be an

TABLE 6.1
Chinese Immigration, 1882–1917 ('000 persons)

Period	Annual Average			Total Addition
	Arrivals	Departures	Net	
1882–92	16.1	9.0	7.1	78.1
1893–1905	35.0	20.1	14.9	193.2
1906–17	68.0	53.0	15.0	180.2
1882–1917				451.5

Source: Skinner (1957: 61).

underestimate, and the total was probably around 600,000. Outside Bangkok, the main concentrations were in the three sugar regions of Prachinburi, Ratchaburi, and Nakhon Chaisi, and in the tin-mining district of Phuket. Each of these had a Chinese population of over 30,000.

The government employed Chinese in large numbers. In 1892, 2,000 were contracted to build the first railways. By 1925, the railways employed over 14,000 workers.¹ The port became virtually a Chinese preserve. Much of the new urban private business in this period was promoted by Chinese entrepreneurs, who favoured Chinese labour. By the turn of the century, Bangkok had some fifty rice mills and around twenty sawmills which together employed around 10,000 Chinese workers. In the south, tin-mining was promoted by Chinese entrepreneurs, who shipped Chinese labourers from Penang or direct from China. The work-force peaked at 50,000 in the 1880s. Between the turn of the century and the 1920s, some 200 rice mills were built up-country, and again the labour force was primarily Chinese.

During the rapid urban growth from the 1880s to the 1910s, even the plentiful flow of immigrants could not keep pace with demand. Foreign businessmen complained of wage inflation, and estimated that wage rates were higher than in other Asian ports. They joked that the Chinese worker had become 'master of the port' through awareness of his scarcity value (Skinner, 1957: 116 quoting Smyth). To recruit labour for the Siam Cement factory opened in 1913, labour agents travelled to southern China and marched armies of recruits down to Bangkok overland.²

Among the immigrant Chinese, the main form of organization was the *angyi*, which combined the functions of clan association, labour exchange, protection racket, welfare society, and political club in ways similar to organizations among immigrant labour communities elsewhere. To the rulers and to the Westerners, these were *samakhom lap* or 'secret societies', associations which were alien, mysterious, and, by implication, dangerous. From mid-century, the court grew nervous about the growing power of the Chinese and their organizations. In 1848, the government sent a force of 300 troops against a Ratchaburi opium dealer who was rumoured to be protected by a secret society. The government forces lost the first encounter, provoked the Chinese

into outright revolt, and regained control only after sending in reinforcements and killing some 300 Chinese. A few months later, a similar incident in Chachoengsao touched off a riot. The government sent its top military commander, and provoked the local population to turn on the Chinese and kill several thousand. In the midst of the royal succession in the 1860s, the government felt sufficiently nervous about the Bangkok Chinese to stage military manoeuvres in the city centre. In the 1870s, there was again rioting among the Chinese in the sugar districts of Ratchaburi and Nakhon Chaisi which had to be subdued with troops. By the 1890s, the government had come to view the growing concentration of Chinese in Bangkok and the power of the 'secret societies' as a major threat to social stability. In the 1910s, the court was panicked by a rumour that the Bangkok Chinese were planning an armed revolt.

The increase in labour demand from the 1870s onwards put Chinese worker communities in a strong position to negotiate better wages and working conditions. The precarious nature of government mechanisms for urban control and its combined fear and suspicion of Chinese organizations ensured that the results were often bad-tempered and violent. This was particularly true in the tin mines of the south, where there was a large group of mobile migrant mine workers and only a skeletal provincial administration. In 1876, wage negotiations between tin miners and mine owners in Ranong turned into a fight. Some 300–400 workers ran away, clashed with provincial forces, went on a rampage through the town killing twenty-one people, and escaped into the jungle. Some made their way to Phuket and touched off riots there. The government sent a gunboat, which provoked another clash in which 2,000 Chinese were reported to be burning and looting the town.³

In the city, the large but dispersed work-forces of rickshaw pullers and cargo hands, who were possibly controlled by the *angyi*, occasionally protested violently over pay or treatment. From the 1880s onwards, rice mill workers, railway construction crews, port labourers, and tramway workers regularly agitated about pay and conditions. The growing power of Bangkok's Chinese labour horrified the British consul: 'Should the majority of the coolie class demand increased wages, they have no hesitation in striking work altogether and boycotting those who continue at the old rate of wages. A strike of this kind happened during the year, lasting for several days, and causing an entire cessation of business. Some steamers were even obliged to leave the port for want of hands to load the cargo' (Skinner, 1957: 116).

In 1905, Chinese port workers refused to handle American ships for several days in protest against American policy towards China. In 1910, the government raised the poll-tax on the Chinese, and in reaction the Chinese associations organized a general strike which closed down the shops, port, rice mills, construction sites, and railways for five days.

The government attempted to control these outbreaks by negotiating with the *angyi*, by sending in the troops, and by putting 'troublemakers' on the boat back home. After riots among rice mill workers in 1889, 900 were put on trial and punished with fines, prison, and flogging. In 1898, the government passed

a Secret Society Act. Associations had to register with the government, and the government could outlaw any assembly of five persons which was 'thought to be a source of trouble to the people' (quoted in A. Brown, 1990: 57).⁴ The local authorities also registered rickshaw pullers and other dispersed work-forces. The government brought the 1910 general strike under control by rounding up around sixty leaders, tattooing them for future identification, and deporting them.

By the turn of the century, Bangkok housed a colonial economy of trade and resource extraction bolted on to a traditional Asian port-and-court, run by a large immigrant labour force imported from south-east China. In the new city which grew up around the old royal core from the 1870s to the First World War, the Chinese clustered in the new district of Sampheng, which stretched along the river south from the royal centre. Even after the legal supports for corvée and slavery were abolished around the turn of the century, Thai immigration into the city remained very limited. In part, this was a reflection of economic opportunity. Urban wages were good, but so also were the returns to settler agriculture in the interior. In part, it was also a reflection of a cultural division. Thai peasants were reluctant to move to a city dominated by the palace, Chinese *hong*, and *farang* agency houses, where labour was controlled by Chinese secret societies.

In sum, Siam's urban labour was recruited from the marginal groups of a Chinese economy in severe crisis. They faced an unpleasant journey, followed by harsh working conditions. From the 1880s onwards, they used their growing bargaining power to leverage marginal improvements. There was no development of any labour organization which could negotiate with employers or the government. Most migrants had a short-term working horizon. Employers and rulers treated them as a renewable resource. Disputes tended to be sporadic and violent. The rulers managed this mobile and mysterious force through registration, deportation, and riot control.

Labour and Economic Nationalism

In the 1920s, the labour market and labour politics changed. More of the Chinese immigrants settled. More Thai peasants joined the urban work-force. Large-scale work-forces were employed in the new public utilities. Labour organization emerged. Around 1932, these organizations supported the political movement against the absolute monarchy. However, these emergent workers' organizations were not strong enough to bargain with the military nationalists who rose to dominance in the mid-1930s. They fell victim to the military plans to bring both urban capital and urban labour under government control.

Between the two world wars, Bangkok expanded as a city of administration and commerce. The total population grew from 400,000–500,000 in the 1910s to around 800,000 by the 1940s.⁵ The new classes of bureaucrats and merchants generated demand for goods and services of many kinds. The ranks

of artisans, petty traders, and service workers expanded rapidly. Around the city appeared match factories, a brewery, liquor distilleries, tanneries, cigarette factories, metal workshops, soap plants, and mosquito coil factories. The port expanded. The railway network spread. Bus, tram, and rickshaw services conveyed the growing population around the city.

Only a handful of the manufacturing plants had large work-forces. The two tobacco factories set up in the 1930s had over 1,000 apiece. The match factories established in the late 1920s and early 1930s had several hundred. The cement factory, brewery, and some distilleries were also large. The total work-force in the rice mills and the sawmills ran into several thousand. Most factories, however, employed in the range of 10–50 workers. The work-forces in the public utilities were much larger. By the 1940s, the waterworks, electricity generating plants, and tramways employed around 1,000 each. In total, the railway employed several thousand; the Makasan railway workshops alone employed 1,000 by 1924. These large work-forces in transport and other infrastructure services became the cradle of labour organization and agitation.

In the inter-war period, the Chinese immigration stream continued to be the main source of additions to the urban labour force. The annual inflow grew to a peak of 154,000 in 1927, but then fell off as a result of depression, political opposition, and immigration controls. During the 1920s, migration contributed an average of 40,000 people per year to the population. Over the inter-war period as a whole, the net increase of arrivals over departures amounted to around half a million (Table 6.2). Just prior to the Second World War, it was still reckoned that the Chinese supplied between 60 and 75 per cent of the country's labour force outside agriculture.

Yet the Chinese labouring community was changing. While the bulk of them were still recent arrivals who planned to work only a few years before returning home or moving into private business, there was a growing group with a longer-term commitment to the place and the work-force. More were

TABLE 6.2
Chinese Immigration, 1921–1950 ('000 persons)

Period	Annual Average			Total Addition
	Arrivals	Departures	Net	
1921–5	95.0	61.0	34.0	169.9
1926–30	116.5	70.8	45.7	228.6
1931–5	46.4	40.2	6.3	31.4
1936–40	38.2	23.7	14.5	72.5
1941–5	21.3	20.9	0.4	2.2
1946–50	45.2	14.9	30.2	151.2
1921–50				655.8

Source: Sompop (1989: 207–8).

migrating to Siam for the long term rather than as short-term guest workers. More were second or third generation settlers who had grown up in the city. By the 1930s and 1940s, there were large numbers who lived their life by urban labour and some who were sons of those who had lived the same way.

From the 1910s onwards, Thai peasants entered the urban labour force. The peasant frontier continued to absorb most of the increase in the supplies of rural labour. But the international market in which the Siamese frontier peasant sold his produce became more erratic. Periodic slumps of price and demand forced some to look to the city for cash income. The new railway network made the city more easily accessible. The post-war slump of 1919 saw the first significant wave of rural-urban migration. In the depression of 1929–32, peasants moved to the city in large numbers.

These peasant migrants eased gradually into the Chinese-dominated work-force. Some came initially to work as retainers and dependents of the new bureaucrats. Some entered the work-forces of the public enterprises which these bureaucrats managed. Others came as workers in the service and craft industries catering largely for the bureaucrat market.

The government installed after the revolution of 1932 promoted growing Thai participation in the urban work-force. They attempted to mitigate the impact of the depression on the Thai peasantry, and to help the peasants which the depression forced into the city. The new rulers were concerned by the huge inflow of poor Chinese migrants, and by the ideologies and political squabbles of Chinese nationalism and communism that they brought with them.

From 1935, the government passed laws to reserve urban occupations for 'Thai', as against 'Chinese', workers. They ruled that at least half of the workers in rice mills must be Thai. From 1936, they inserted similar quotas in terms of reference for government contractors. Several departments laid down that at least half of their contract labour should be Thai. The forest organization raised its quota to 75 per cent. In 1939, after the military element came to dominate the government and adopted a more openly fascistic anti-Chinese ideology, regulations were passed reserving various trades such as food vending, bartering, taxi-driving, the pork trade, and slaughterhouse labour for Thai workers. While not all these regulations were effective, they helped to open up more opportunities for migrant peasant labour, particularly in the infrastructure companies and other state enterprises which expanded under the economic nationalist policies during the 1940s. By the end of the Second World War, the large work-forces in the railways, electricity plants, and tramways had a large proportion of Thai workers. In the rice mills, which had earlier been a Chinese preserve, Thai and Chinese now worked side by side.

The increasing role of Thais in the urban work-force helped to change the style of labour politics. The Thai workers brought with them some of the expectations of reciprocity between master and worker which were the norms of labour relations in rural society. They reacted to what they felt was maltreatment or excessive exploitation by complaining of 'unfairness' and 'unmasterlike' behaviour. They responded by sending petitions to employers

and to the government. If these petitions evoked no response, they withdrew their labour. In 1934, the railway workers explained their decision to strike in this form: 'On account of the fact that the Railways authorities lack all sense of justice, fail to make progress to the country and abuse their authority to oppress the inferiors, all of us—workers and office clerks—decided to combine together and suspend all train services for a while until the government restores the fairness' (Kanchada, 1989: 100). Among these workers, a style of petition, negotiation, and appeal for outside arbitration replaced the tendency for sporadic protest and violence which had marked earlier Chinese worker politics.

These new politics paved the way for labour organization, and for rapprochement between labour politics and the emerging politics of anti-dynastic nationalism. In 1923, 122 tramway workers presented their employers with a petition complaining about reductions in pay, the proliferation of petty regulations and working rules, and the 'evil, uncompassionate, and inhuman ways' of the work supervisors. The tramway workers already had a history of protest stretching back to 1896. Receiving no satisfactory answer, they went on strike, and redirected their petitions to government officials. The protest developed into the longest and most disruptive labour dispute the city had seen. Petitions, strikes, lock-outs, and clashes with the police extended over several weeks. The Minister of Interior took a major role in the negotiations. The strike was broken and the trams resumed operation with a policeman in every car. The dispute was remarkable not just for its length and the involvement of the Minister, but also for the appearance of a new newspaper, the *Kammakorn* [Worker], which took up the labour cause.

Thawat Ritthidet, the founder of *Kammakorn*, was part of the new urban society of bureaucrats, journalists, intellectuals, and professionals who nurtured the ideological opposition to absolute monarchy. Thawat was a minor civil servant for four years before taking up journalism. Like such contemporaries as Kulap Saipradit, he argued that royal absolutism was both an affront to the dignity of the individual and an inefficient way to manage a modern nation. In the opening manifesto of the new paper (on 12 January 1923), he stated that 'our major aim is to destroy slavery among workers ... and to replace it with freedom' (quoted in A. Brown, 1990: 43). On 3 March 1923, he drew the connection between the 'slavery' of the workers and the wider 'slavery' of submission to absolutism: 'We have not seen one official who has offered to help this group of Thai workers. The company has organized police protection. Why is this? Because the company is rich isn't it? And, people of noble rank hold many shares in the company and have therefore helped each other resolve the matter' (quoted in A. Brown, 1990: 45). He used the pages of *Kammakorn* not just to promote workers' issues, but also to argue for the overthrow of absolutism to make way for a more rational economy and a more liberal society. Thawat and the Khana Kammakorn (Labour Group) of journalists and activists provided a meeting place for workers, helped them to compose petitions, and developed workers' organizations. They brought

labour politics into contact with the political mainstream.

The late 1920s and early 1930s saw a rash of strikes and labour protests associated with the economic downturn of the depression. Weavers, dockers, the Makasan railway workers, and others struck in protest at attempts to reduce wages and dismiss staff. After the overthrow of the absolute monarchy in June 1932, there was a wave of strikes by the tramway workers, railwaymen, construction labourers, and rice mill workers. Thawat again helped to organize the tramways protest. In the aftermath, he petitioned the authorities to allow registration of a labour association. The new civilian government approved the request. In September 1932, with the new Minister of the Interior in attendance, the Thai Tramwaymen's Association was inaugurated.

Through the mediation of Thawat's group, the urban workers and the new nationalist politicians initially worked together. The manifesto published on the day of the 1932 revolution promised 'to promote the economic welfare of its citizens by providing remunerative employment for everyone and by promulgating a national economic policy to end poverty'. In his 1933 Economic Plan, Pridi alluded to the 'beginnings' of labour unrest and specifically referred to the tramwaymen. To prevent the increase of 'quarrels and hatreds between employer and employee', he proposed to replace private ownership with state enterprise so that 'when the profits of their joint enterprise are greatly multiplied, labourers and other government employees will share this prosperity equally' (Landon, 1939: 284). When the King criticized Pridi's Plan as 'communist', Thawat and three others sued the King for libel. When the royalist forces attempted a counter-revolution (the Boworadet revolt), 3,000 workers led by Thawat and the Khana Kammakorn volunteered to help the nationalists fight the royalist troops.

Over the next two years, however, this co-operation between the 1932 revolutionaries and the Khana Kammakorn labour activists fell apart. In June 1934, rice mill workers struck in protest against a fall in wages which the owners attributed to declining business. Thawat helped to organize. At first, he received co-operation from his allies in the new regime. But the strike became long, violent, and disruptive of the city's major business. The government stepped in and subdued the strike employing tactics long used against the Chinese section of the work-force. Police were sent in to restore order. Seven strike leaders were deported. Thawat was prosecuted. In mid-1934, the tramwaymen's association collapsed. Another attempt to form a union was met with prosecution under the new anti-communist law.

In the years that followed, Pridi's influence in the government declined, while the influence of military politicians increased. The military-dominated government set up systems to control labour disputes, to prevent the rise of labour organization, and to isolate labour from politics. In 1934, the railway workers demanded wage and welfare benefits, called a strike, seized railway property, blocked bridges, and took officials as hostages. The military leaders stepped in to end the strike. Afterwards, the government set up a committee charged to seek 'reconciliation between employers and employees whenever trouble arises'. In several small strikes which followed in the late 1930s,

officials stepped in to arbitrate before they expanded to organization or violence. In the mid- and late 1930s, sporadic attempts to restart independent labour organizations were squashed by government opposition.

After 1932, Pridi had been willing to bring labour into the political arena through the mediation of Thawat's Khana Kammakorn. Pridi's version of nationalism envisaged a more participant society emerging in the aftermath of absolutism. He welcomed the support of labour to overthrow the social bases of the old order which still remained after 1932. The military members of the 1932 group, however, pursued their version of nationalism through greater government regulation and control. From the mid-1930s, they set out to control business, regulate migration, and manage labour. The contrast between these two approaches and their implications for the role of labour organization and labour politics became clearer in the decades which followed.

Radicalism and Reaction in the 1940s

The connections between the Pridi faction and workers' groups were re-established during the Second World War under a complex skein of local and international politics. After the military leaders aligned Thailand with Japan, Pridi secretly became a key leader in the Seri Thai (Free Thai) movement of opposition to the Japanese. Some groups of Chinese workers and businessmen who resented Japan's invasion of China became associated with the Seri Thai. They organized propaganda and small-scale sabotage. They offered to help in a mooted uprising against the Japanese in the final years of the war. Following the alignment of Russia with the Allies in 1941, the Communist International urged local communists to ally with liberal and nationalist groups to oppose the Axis powers. In Siam, communists had been active among Chinese workers since at least the mid-1920s, but had always remained secretive, particularly after the 1933 anti-communist law. After 1941, the underground communist organizations worked in a united front with the Seri Thai. A small group of intellectuals helped to organize anti-Japanese groups in the Makasan workshops, the docks, the brewery, and some rice mills and sawmills. They took up the work which the Khana Kammakorn had started, and formed a *samakhom songkhro kammakorn* (labour welfare association) which provided some basic welfare services.

At the end of the war, this loose network of connections between Pridi's group, the Chinese workers, communist cells, and other labour activists was propelled into prominence. With the decline of Japan, the military leaders were deposed and the Seri Thai group led by Pridi took over the offices of government. The labour welfare associations emerged from the underground, and by April 1947 had been formalized as the Samakhom Sahachiwa Kammakorn Prathet Thai, variously translated as the General Trades Union Association (GTUA) or Central Labour Union (CLU). The CLU organized workers in the rice mills and sawmills, docks, and railways. On May Day 1947, 70,000 attended its first major rally.

The Soviet Union demanded the lifting of the anti-communist law as a condition for Thailand's entry into the United Nations. Pridi's government complied. The Communist Party of Thailand (CPT) operated openly, produced journals, translated parts of the Marxist canon into Thai, and propagated among workers' groups in the capital. Some party activists played a part in organizing the CLU. At parliamentary elections held in 1946, the CPT successfully fielded one candidate in a Bangkok constituency. Other activists involved with the CLU co-operated in forming the Sahachip (Co-operative) Party to support Pridi. The Sahachip secretary-general was given an executive position in the CLU. Within two years, the labour movement had emerged above ground, had acquired an umbrella organization, and had begun to play an important role at the heart of the evolving political process.

It also became more radical. The ideological direction was provided by the communists and other activists, who helped set local worker politics in a wider perspective. The CLU leaders argued that labour organizations needed to assume a political role. Their argument followed closely the Communist International, which analysed non-Western countries as under the twin domination of capitalism and colonialism, and urged labour organizations to co-operate with domestic capital in opposition to them. This line of thinking provided a basis for co-operation with Pridi's group.

The economic disorder in the aftermath of the war caused inflation and widespread shortages of food and other necessities. Beginning in November 1945, there was a wave of strikes among the big work-forces in the railways, port, rice mills, cement company, soap factories, and tobacco factory. The strikers pushed for wage rises to match the rapid inflation.

Already by this time, the Makasan railway workshops had become established as the focal point of labour protest. The workshops had a large work-force (approaching 2,000). Like the other state-owned infrastructure work-forces, the railway workers had the power to cause widespread public disruption and to embarrass the government authorities. A large part of the Makasan work-force was skilled or semi-skilled in a variety of metal trades. Many of them were long-term employees. Prakop Tolaklam, who led the Makasan workers in the 1950s, was the son of a Makasan worker and early labour leader from the 1930s. The Makasan workers had struck and protested regularly since the 1910s. They were among the most active during the period of the depression, the 1932 coup, and its aftermath. In 1945–6, the Makasan workers struck for wage rises, sick pay, overtime pay, long service bonuses, and various privileges currently available only to officials. They also demanded the right to set up works councils to bargain with management. They marched to Government House to present their petition to Pridi, and gained acceptance for most of their demands. In mid-1947, they struck again over rice shortages and forced the management to organize a cheap rice supply scheme. In 1952, they struck for better pay and conditions, held off a government attempt to declare the protest a *khabot* (rebellion), and again forced the authorities to cede most of their demands.

The CLU leaders guided this impetus away from petitioning and wildcat violence, which had been the two major strains of labour protest before the wars. They emphasized the importance of worker education, organization, and bargaining with management on the basis of lists of demands. In 1948, they helped to organize a strike among mill workers which demanded pay rises, regulation of overtime, paid holidays, and other codification of workers' rights. The success of the strike boosted the CLU's prestige. By 1947, the CLU claimed to have sixty member organizations and 75,000 members.

From late 1947, however, the military's corporatist approach to labour politics reappeared. In November 1947, the military seized power by coup, and set about dispersing the alliance of the CLU, the Sahachip, and the associated activist organizations. Over the next few years, they destroyed Pridi's political bases using sheer military force, and consigned Pridi himself to a life of exile. They did not try to suppress the workers' organizations, which by this time had acquired considerable strength. Instead, they suppressed the radical element, and then attempted to bring the labour movement under their own control. In essence, they applied a modified version of their earlier strategy from the late 1930s. In the name of economic nationalism, they attempted to extend government control over both capital and labour.

Between 1948 and 1951, the military rulers attacked the CLU for being dominated by Chinese workers and activists, for acting as a conduit to bring alien Chinese communist ideas into Thailand, and for promoting the interest of 'Chinese', rather than 'Thai', labour. They claimed the CLU was a threat to both economy and society. This argument fused the anti-Chinese slant of pre-war military ideology with the new enthusiasm for opposing communism. The police searched the CLU offices and claimed to seize foreign propaganda. Two CLU activists were arrested when trying to organize a rice mill strike. They were prosecuted for 'secret society' activities. In mid-1948, some fifty-three radicals and labour organizers were deported for 'communist' and alien activities.

After the military consolidated control in 1951, they set about destroying the radical trend in politics and labour organization. In June 1952, they proscribed a long list of books, which included many Marxist works. In November, they branded as traitors a group of six who had travelled to Peking for an international peace conference. The CLU had helped to organize the trip, and one of the delegates was a founder member of the Khana Kammakorn. He was arrested on return, and spent five years in jail. In November, the government arrested journalists, labour organizers, and assorted radicals, and reimposed the anti-communist law.

The military also set up new organizations to bring labour under control. In May 1948, they founded the Samakhom Kammakorn Haeng Prathet Thai, variously translated as the Thai National Trade Union Council or the Thai Labour Union (TLU). The organization was entrusted to Sang Phatthanothai, a propagandist who had earlier worked with Phibun during his period of fascistic irredentism in the early 1940s, and to Phibun's brother-in-law, a fervent anti-communist. The TLU was dedicated to 'co-operation between

labour and management'. Recruitment focused on the state enterprises (railways, rice mills, port, and transport). Phibun provided money from government funds which was used to attract members through welfare payments. Membership was limited to 'Thai' workers. The TLU conducted classes in 'moral education' to teach workers about the evils of communism. It ran a journal which contained articles on the duties of a good worker and the importance of submission to management. By the early 1950s, the TLU claimed over 20,000 members. Several ex-members and ex-leaders of the CLU sided with the TLU. Some, like the Makasan leader Prakop Tolaklam, reasoned that they would stand a better chance of winning concessions over pay and conditions by siding with the TLU rather than becoming embroiled in the ideological battle between the military and the left.

In February 1954, the police chief General Phao started another labour organization, Free Workmen's Association of Thailand (FWAT), along the same lines. The organization work was carried out by Luan Buasawan, a rice merchant who helped the military leaders run the rice trade. FWAT recruited in the rice mills under government control, and in other state enterprises such as the waterworks and docks. Phao used the police force to apply pressure on workers to join FWAT. Like Phibun's association, Phao's labour organization concentrated on anti-communist propaganda.

These organizations reflected not only the military leaders' wish to manage labour, prevent the spread of communist ideas, and crush activism, but also attempts by rivals in the military's internal power game to found bases of support. In 1955, under attack from his ambitious subordinates, Phibun attempted to mobilize labour support for his leadership. On return from a trip abroad, he announced his conversion to democracy and the cause of labour. He proposed to reintroduce parliament, grant labour legislation, and run for the prime ministership as the champion of labour. He formed a Labour Party, designated 1 May as Labour Day, permitted worker delegations to travel to China, and appointed a committee to begin drafting labour legislation.

This Peronist surge was somewhat out of line with the realities of Bangkok's emergent labour politics. Yet labour leaders co-operated in return for the opportunity to gain the protection of labour legislation. Bills had been debated since the mid-1930s, but without any significant result. The leaders of the CLU formed a new organization, the Sixteen Labour Units, to negotiate with the government's drafting committee. The law was passed in late 1956, and enacted in January 1957. It combined a trade union act, a factory act, and a trade disputes act. It provided legal status for trade unions and labour federations. It laid down basic labour rights, including a 48-hour week, holiday and overtime requirements, and health and safety standards. It legalized strikes, and provided the machinery for arbitration. After its passage, 136 unions and two federations were registered. In 1957, several unions negotiated to enforce the basic labour standards enshrined in the act. Phibun continued in his role as the champion of Thai labour, personally intervening in some disputes and imposing settlements.

Bangkok's organized labour was far too limited a base for a political crusade. Most of the labour leaders were suspicious of Phibun on account of his attitude to labour over the previous two decades. They co-operated only to gain the labour law. The subsequent elections in February 1957 were a fiasco. A handful of workers' representatives ran under the Labour Party or a more radical Socialist Party. All were defeated. Phibun emerged victorious, but was immediately deposed by the coup of the army chief, General Sarit. A year later, Sarit tore up Phibun's labour law, outlawed unionism, and arrested labour leaders, journalists, and activists. The statement abrogating the labour law affirmed the return to the military's philosophy of corporatist control of unionism, which Phibun had deserted in 1955. It argued that the provisions of Phibun's labour law were a 'tool to promote conflict between employers and employees and destroy the understanding which exists between them. In addition, they also provide communist agitators with the opportunity to lead employees in inappropriate directions.... All of these things contribute to the destruction of industry and commerce and endanger the development of the economy and the progress of the country' (A. Brown, 1990: 128).

In sum, labour politics from the 1920s to the 1940s had three main themes. First, new large work-forces in public utilities organized to demand pay rises and basic labour rights such as holiday pay, overtime, and sick leave. Second, labour allied with Pridi's nationalists in opposition to the absolute rule of the monarchy and later of the generals. These two trends climaxed in the strikes, organization, and political activity of the mid-1940s. Third, from the mid-1930s the military set out to co-opt both capital and labour under government control. They brought public utilities and manufacturing companies under government management, and they simultaneously founded organizations to control their labour forces. This trend of military corporatism continued over the next four decades.

The Changing Labour Market in the Sarit Era

Following Sarit's takeover in 1957–8 and subsequent reorientation of economic strategy, the urban economy accelerated. Bangkok continued to dominate urban growth, and expanded from a city of 2.6 million in 1960 to 4.6 million in 1970, and 5.9 million in 1975.⁶ Much of the increase was drawn in to man the infrastructure, petty trades, and service industries of an expanding commercial city. Bangkok acquired hotels, a better airport, new roads, hospitals, massive banks, more administrative offices, more universities, and department stores. Between 1966 and 1973, the number of service establishments in Greater Bangkok alone expanded from 4,000 to 27,000, and their total employment from 120,000 in 1968 to 293,000 in 1973. Bangkok developed a huge informal sector of street traders, taxi-drivers, food sellers, construction workers, and service industries of all kinds.

Employment in manufacturing also accelerated. Between 1960 and 1975, employment in industry increased by a million, from 0.6 to 1.6 million. While

most of these workers were still scattered among thousands of workshops and small factories, the numbers employed at the more organized end of manufacturing industry increased markedly. Between 1960 and 1975, the total employed in factories with over 50 workers expanded from under 100,000 to almost 600,000. Between 1960 and 1975, 3.3 million people were added to the total urban population, 1 million to the industrial work-force as a whole, and over half a million to the work-force in larger factories.

At the start of the Sarit period, the organized end of the urban labour market was still dominated by state enterprises. After Sarit's strategic shift, the government sold off some of the existing enterprises, but retained some of the larger and more profitable manufacturing projects, including the tobacco monopoly. The public utilities remained under state enterprises, and expanded with the growth of the city and its commerce. Despite the apparent shift from 'state-led' to 'private enterprise' under Sarit, a large proportion of the organized work-force in large units continued to come under state enterprises.

The main growth industries in the private sector were textiles, consumer goods assembly, and agribusiness. Most of the feedmills and other agri-processors were small and medium-sized units located up-country, which drew their labour out of the local rural work-force. The assembly plants were mainly medium-sized units, but included some big units, such as vehicle makers. Textiles and other basic industries such as glass, cement, and metal-works included a number of large units. By the early 1970s, the Bangkok area was the site for thirty large factories, each employing over 1,000 workers, and in total employing 65,000. In the private-sector growth of the 1960s and 1970s, the most important development from the viewpoint of organized labour was the expansion of the textile work-force arrayed in large factory units on the perimeter of Bangkok.

While the demand for urban labour changed gear in this period, the source of supply also changed in character. Chinese immigration ceased to provide the major contribution. The migrant stream was choked off in the late 1930s, resumed briefly after the war, and was stopped in 1949. During the 1960s and early 1970s, about half the additions to the urban labour force came from natural increase in the urban population. The other half was sucked out of the countryside.

For three decades from the mid-1950s, Thailand's population grew exceptionally fast. The main proximate cause was a decline in the infant mortality rate resulting from better standards of child care, nutrition, and medical care. The natural rate of population growth in the 1960s was among the fastest in the world, exceeding 3 per cent per annum and possibly even higher. The birth-rate did not begin to fall until the mid-1970s, and then fell rapidly as a result of education and a major promotion of family planning.

The absolute increase in the population between 1950 and 1990 was more than double the absolute increase of the preceding century. Between 1950 and 1990, the population grew from 19.6 to 56.1 million. The impact on the labour force was even more dramatic. In 1950, Thailand's total labour force

numbered around 12 million. The next twenty years added another 5 million. And the next twenty years added another 15 million. This rapid demographic transition converted Thailand from a society which was labour-scarce at the turn of the century to one in which labour was abundant.

This demographic spurt did not result in a sudden and swamping migration into the cities. Urban expansion continued at moderate levels, and overall Thailand remained less urbanized than many neighbouring countries.⁷ The expanding agrarian frontier still absorbed nearly 60 per cent of the new addition to the labour force between 1960 and 1980 (5.5 million out of the total new additions of 9.5 million).⁸ In 1980, 71 per cent of all labour was still working in agriculture.

The continued pull of the agrarian frontier prevented the flood of poor and dispossessed peasants into the city. The rural-urban migrant flow was dwarfed by a much greater mobility within rural society. Thai peasants were not in a hurry to leave the land. This was not wholly a matter of economic logic. The gap between urban and rural incomes grew wider during this period. By the early 1980s, the average non-agricultural income was almost eight times the agricultural average.⁹ The village represented long-term security, a known production regime, and a clutch of cultural values which went beyond simple statistical comparisons. The countryside only gradually released labour into the city.¹⁰

Rural Thailand contained large reserves of underutilized labour which could be transferred into the urban sector without permanent migration. In the 1970s, only 20 per cent of the cultivated area was irrigated, and only 10 per cent enjoyed water supplies all the year round. The remainder operated under monsoonal rain-fed conditions, and usually supported only a single crop a year. In the hot, dry months of January to April, many families undertook various kinds of non-farm work including craft production, hunting, and gathering. Yet opportunities for such work were limited, and tended to diminish over time with the decline of forest areas and competition of industrial goods. In the 1970s, around 3–4 million (a quarter of the peak-season rural labour force) were unemployed in the off-season. With the expansion of road and rail communications, and with the growth of urban labour demand, these underutilized resources could be put to work to earn extra income outside the farm.

This was not new. Railways had carried migrants to the city for off-season work since the 1920s. But the scale increased in this new phase of urban growth. By the early 1980s, around 1.5 million looked for work outside the village during the off-season. Many of them migrated to find work in other parts of the rural sector. A growing number made their way to Bangkok and other urban places.¹¹

While some migrated for the slack period of 3–6 months, many stayed in the urban area for one or more years before returning to the village. Some made several trips of several years apiece, interspersed with stays back in the village. Some took up semi-permanent urban residence, and returned home

only for the peak periods of agricultural work such as the harvest. Some made a permanent transfer into the city. The complexity of these movements defy neat statistical categorization. Several local village studies from the 1960s onwards show high rates of temporary outflow. In a survey of a village in Ayutthaya in the late 1970s, 18 per cent of the work-force had been away for periods of 1–2 years and another 13 per cent regularly migrated to Bangkok for stays of a few months (Lauro, 1979).

Most of the seasonal migrants were young, especially teenagers. Almost half were female. These were the family members of smallholders. They might work on the land only at harvest or other peak times. If they left for the city, the smallholding could still be maintained. The largest flows came from the rural areas with low average income and high vulnerability to the seasonal variations of the monsoon, particularly the north-east and parts of the north.

Many of these short-term migrants headed for the urban informal sector, finding self-employment as vendors or petty traders, or working as housemaids, gardeners, dressmakers, and labourers in backyard factories. Others worked in more organized enterprises with casual work arrangements such as taxi-driving, construction, shops, beauty parlours, bars, and restaurants. In the 1960s, many girls entered the sexual services industry, which expanded to meet the demand from US troops, and continued after 1975 to supply the local market and a growing tourist trade.

Migrant labour also supplied a major part of the recruitment for manufacturing industry. A survey in 1988 found that 61 per cent of male migrants and 35 per cent of female migrants in Bangkok were production workers, engaged in both small-scale workshops and large factories (NSO, 1988).

Labour Politics under Military Dictatorship

The rapid changes in the supply and demand for labour, the repression of labour organization by the military regime, and Sarit's abrogation of the labour law had major consequences for labour management and labour politics. Three major trends emerged in the 1960s. First, the powerful labour movement within the state enterprises continued to grow even while labour politics were suppressed. The military leaders continued their policy of co-opting this leading element in the labour movement. As a result of this patronage, the state enterprise workers developed to some extent as a 'labour aristocracy' enjoying better pay and conditions than the mass of the private enterprise work-force. Second, a small number of more sophisticated firms used paternalistic methods to stabilize their labour supply and cultivate a peaceable and permanent work-force. Third, the mass of new firms operated primitive labour management. They traded off the low labour price of migrant workers against high rates of turnover and low levels of skill. They took advantage of the absence of labour regulation and the suppression of labour politics to operate with low wages, long hours, and poor conditions. The

fractious factory politics which such practices created paved the way for the labour troubles of the 1970s.

Even after suppressing labour politics and announcing their commitment to private enterprise, the military leaders in power continued to operate their corporatist strategy within the state enterprises. They managed the companies, and they also attempted to manage the labour unions. In 1958, the military-led government banned labour associations and outlawed strikes. But in the state enterprises they encouraged the formation of small, semi-official 'bargaining units' to negotiate with management. Within the Ministry of the Interior they created a labour section, which became the Department of Labour in 1965. This section devoted much of its time to negotiating with the state enterprise workers. In 1965, the government passed a Trade Disputes Act, which set up formal machinery for government arbitration in labour disputes.

Even before 1957–8, some of the state enterprise labour leaders, such as the Makasan leader Prakop Tolakkam, had argued that labour should avoid 'political' complications, and should concentrate on achieving better pay and conditions. After the suppression, this 'labourist' line triumphed. Within the framework of enforced co-option constructed by the military leaders, the state enterprise workers negotiated for better pay and conditions. In the absence of any factory act or labour law defining basic standards, they used the civil service rules as a standard. They bargained for rights and privileges equivalent to those enjoyed by low-ranking civil servants. By the 1970s, the state enterprise employees enjoyed a higher level of pay and welfare than most workers in private firms. Their wage levels were estimated to be around 25 per cent above the norm. Their working hours, holidays, overtime conditions, and other basic work-force rights were well defined.

Some of the more sophisticated private enterprises, particularly capital-intensive firms with large numbers of skilled workers, provided above-average pay and benefits in order to create a stable and peaceable work-force. The model example was the Siam Cement Company, which invested heavily in training, paid above the norm, and provided benefits and conditions which were at least as good as those in the public sector. Some multinational and joint-venture firms followed a similar practice. Japanese firms were sensitive to the possibility of attracting popular and political opposition. Many provided above-average pay and conditions and imported some Japanese labour management practices designed to ensure a contented work-force.

In the big textile factories and in a mass of smaller enterprises, the labour conditions were much worse. Many of these firms fished in the migrant stream for their labour supply. They paid workers a daily rate. They accepted a high rate of turnover. Wages were low, and possibly became lower as the migration stream increased. Real wages for textile workers decreased slightly between the 1950s and the 1970s. Hours of work were generally long. In smaller factories, the average working day was 12 hours. In 1970, a survey of textile workers found that 18 per cent worked over 70 hours a week, and another 43 per cent worked over 48 hours. The mass of workers on piece-work or daily

hire were denied basic benefits. In the smaller factories, holidays, overtime rules, sick pay, and dismissal pay were unknown.

Despite the ban on labour organization, workers at the plant level agitated for pay and basic conditions. Most of the disputes in this period concerned basic rights such as sick pay, overtime, and working hours. The number of petitions and disputes submitted to the Department of Labour grew from around 350 a year in the early 1960s to around 700 at the end of the decade. Most were mediated by government officials. Only a handful led to strikes. Employers could rid themselves of plant-level labour organizers. In the mid-1960s, the number of 'ringleaders' dismissed from employment was running at the rate of roughly two per working day. Labour leaders who organized strikes ran a high risk of being branded 'communist' and thrown in jail.

1972–1976: Protest and Politics

From 1972, the protests against low pay and primitive labour management in private enterprise erupted in a mass of strikes and agitations. For a short time, these movements bore fruit. Firms conceded wage rises. The government brought in labour legislation defining basic labour rights and conditions. In 1976, the military again imposed control. Labour leaders were outlawed, and labour organizations dispersed. Employers evaded the labour laws with impunity. Throughout this process, the state enterprise unions held aloof from radical agitation and cultivated their special relationship with military patrons.

In 1972, the military government introduced a new labour law, which legalized labour associations. The law was partly a response to pressure from the ILO, which criticized the ban on labour organization and expressed horror at the pay and conditions prevailing in Thailand's growing industry. The passage of the law also formed part of the attempt by the weakening military regime to move from outright dictatorship to legitimate rule.

The military rulers framed the new labour law to allow labour activity within strict limits. The law legalized workers' associations covering either a single enterprise or a single occupation in a single province. It banned any broader form of labour organization. It set up an approval process for registering associations, and outlawed any political activity. It legalized strike action only if the workers gave notification 50 days in advance. It set a minimum wage level, and laid down minimum standards for sick allowance, overtime, holidays, and dismissal pay. It set up a tripartite committee of labour, employers, and government to negotiate claims for workers' compensation.

The response from labour was immediate. Forty-five associations were registered in the next three years. The state enterprise workers from the old centres of labour activity in the railways, the electricity authority, the port, the waterworks, and the tobacco monopoly led the way. Many of the old leaders from the active days of the 1950s resumed leadership of the new associations. By 1973, the larger of these public sector unions had signed up several thousand members.

The restoration of labour politics coincided with the first downturn in the industrial sector for over a decade. Poor harvests, excess rice exports, and the first oil crisis set off a spurt of inflation. The consumer price index jumped 12 per cent in 1972, and 23 per cent in 1973. The textile industry, which had a high dependence on exports, suffered from the recession in the international market. Some textile firms reacted by attempting to cut back their labour force.

Labour agitation surfaced first in the public sector. In 1973, the big state enterprise unions demanded pay increases to match inflation. The railway and electricity workers went on strike and both won gains in wages and benefit payments. In addition, these labour associations demanded the dismissal of officials who they claimed were corrupt, dishonest, and exploitative. Some of the smaller state enterprise unions followed suit with disputes demanding wage increases and removal of corrupt officials.

Labour associations were also formed in the private sector, particularly in textiles, metal industries, and chemicals. Several went on strike to demand wage rises in line with inflation, and to demand the rights and benefits provided under the new law. In 1972, there were 34 strikes involving almost 8,000 workers. In 1973, the number of strikes soared to 501, involving almost 120,000 workers (Table 6.3). Of all the strikes in 1973, 157 involving 62,000 workers were concentrated in the textile industry. These disputes focused on pay, basic conditions, and opposition to the labour cut-backs.

In October 1973, the military government fell. For the next three years, the political environment became more open. The level of labour protest intensified against the background of continuing inflation and the sudden change in the political environment. The number of days lost in strikes grew from 300,000 in 1973 to 500,000 in 1974, and a peak of almost 800,000 in 1975. In this period of intense activity, the labour movement split. The big, powerful state enterprise organizations tended in one direction, the newer private enterprise organizations in another. The split was a reflection of their different histories and their different needs.

In mid-1974, some of the student activists who had led the protests against military dictatorship became involved in the private sector labour protests. In June, 6,000 textile workers from Bangkok's southern industrial suburbs struck in protest against management attempts to reduce their work-force. Student leaders helped them to frame their demands for no layoffs, a raise in the minimum wage in line with inflation, and amendment of the labour law to allow full unionization and political activity. The workers marched to the centre of the city, and rallied in Sanam Luang in front of Thammasat University, the centre of student organization. The rally lasted five days, and grew to 20,000–30,000 people. Students brought in sympathetic workers from other textile plants. The government agreed to raise the minimum wage, and encouraged the textile owners to agree with the other demands.

Six weeks later, workers in the Dusit Thani hotel struck to claim the minimum wage rate. The hotel responded by closing down, locking out the workers, and

TABLE 6.3
Strikes, 1956–1993

<i>Year</i>	<i>Number of Strikes</i>	<i>Workers Involved</i>	<i>Days Lost</i>
1956	12	66	3,673
1957	21	203	12,947
1958	4	8,458	4,202
1959	11	846	8,060
1960	2	3	64
1961	2	68	93
1962	3	81	63
1963	4	118	159
1964	6	300	539
1965	17	3,753	6,566
1966	17	5,431	18,476
1967	2	470	470
1968	14	1,867	3,217
1969	18	5,345	23,593
1970	25	2,888	6,004
1971	27	5,153	12,646
1972	34	7,803	19,903
1973	501	117,887	296,887
1974	357	105,883	507,607
1975	241	94,747	772,946
1976	133	65,342	495,619
1977	7	4,868	12,331
1978	21	6,842	8,600
1979	64	16,203	33,837
1980	18	3,230	5,356
1981	54	22,008	173,396
1982	22	7,061	116,795
1983	28	10,532	54,537
1984	17	6,722	185,113
1985	4	648	13,078
1986	6	5,191	157,898
1987	4	1,092	15,484
1988	5	1,444	32,386
1989	6	2,678	42,006
1990	7	2,799	22,775
1991	7	5,316	142,131
1992	20	6,614	215,186
1993	14	4,817	214,029

Source: Department of Labour, Work sheets.

distributing its guests among other hotels. The dispute dragged on for a month. The students helped organize demonstrations of 6,000–10,000 hotel and textile workers outside the Dusit Thani in the very centre of Bangkok. The government stepped in to arbitrate, and ruled that the hotel employees should receive the minimum wage.

Over the next year, there was a series of similar strikes by private sector workers to gain enforcement of the minimum wage and the basic provisions of the 1972 Act. At the Pheut Mongkon factory, workers struck after management fired those who refused to sign contracts which attempted to evade the labour law. In a towel-weaving factory, workers struck when managers changed the pay scale from a daily wage to piece-work in an attempt to evade the law. Elsewhere, workers protested about factory conditions, treatment by superiors, and unfair dismissal.

Most of the private sector workers were new recruits to industrial work, had no experience of labour negotiation and protest, and had no organizational base. Most of the factory workers who struck had no labour association, and the few associations which did exist had no source of funds. The student leaders helped to give some shape and weight to a fragmented and uncertain momentum of protest about basic pay and conditions. They publicized the workers' demands. They connected each individual incident to a wider trend of labour protest.

The student leaders also helped to form a new umbrella organization, the Labour Co-ordination Centre of Thailand (LCCT). The key figures were Therdphum Jaidee, the hotel worker who had spearheaded the Dusit Thani strike, Prasit Chaiyo, who led the big textile workers' demonstration, and Seksan Prasertkul, one of the most prominent student leaders. For the student activists, the formation of the LCCT was a key part of the strategy to ally student, worker, and peasant. LCCT became a platform for protesting against the military, against the US military presence, and against corruption and exploitation.

By early 1975, the tide turned. The student movement was weakened by internal dissension. Right-wing forces regrouped to suppress the trend of dissent. In May 1975, the Dusit Thani workers again struck in protest against the management's refusal to pay the revised minimum wage. The hotel based its action on a legal interpretation of the definition of salaries in the hotel industry. Whereas a year earlier, the authorities had sided with the workers, now they sided with management. The government upheld the hotel's claim on the nature of salaries, and ruled the strike illegal. Police and the Red Gaur right-wing vigilante group were used to guard the hotel during the dispute. The hotel sacked the workers. Therdphum was shot and wounded.

Other strike attempts met similar strong resistance from the combined forces of management and government. In the textile firms of Thai Charoen, Peter Cramer, and Asia Garment, the management reacted to strikes by dismissing the work-force and rehiring workers on a piece-work basis. At the Burapha Weaving Factory, the management refused the demand for minimum

wages, sacked the workers' leaders, and brought in local gangsters to attack those on strike. At the Saharot Weaving Factory, management dismissed the fourteen leaders who presented a demand for enforcement of the minimum wage, and hired a local gunman to run other protesting workers out of the province. At two large textile plants, Lucky Textiles and Standard Garments, the management hired gangs to break the strikes with the assistance of the police. The management of the Thonburi Textile Factory used bombs to break a strike. At TB Industries, ten workers were injured by the works' fire-engine, and the police stood to one side while a strikebreaker threatened the workers with a gun and hand grenade. When the Hara Jeans workers struck and marched to the Prime Minister's residence, they were arrested and charged with inciting unrest. Fourteen leaders of a strike at a jute mill in up-country Korat were arrested and held in prison in ankle-chains for a month. Many firms dismissed workers they suspected of fomenting disturbances. In the first nine months of 1975, a total of 8,100 workers were dismissed from 1,931 enterprises. In early 1976, a group of labour leaders were arrested as 'communists'. In Bangkok's southern suburb of Oomnoi where many textile plants were located, right-wing groups demanded the dismissal of thirteen 'communist-suspected' unionists. By this time, the LCCT had collapsed.

During this wave of protest, the state enterprise labour leaders carefully distanced themselves from the student leaders and from the growing radical trend of politics.¹² They had little reason to be interested in the struggles over the minimum wage and enforcement of the labour law, which formed the thrust of protest in the private enterprise unions. Workers in the state enterprises already had better pay than the new minimum wage, better benefits than those stipulated in the 1972 law, and better organization than the students could provide. The state enterprise unions had no wish to jeopardize their privileged position or their informal links with the government and military. They continued to develop their 'labourist' strategy. They pressed for better legislation. They backed general labour issues. They attempted to institutionalize the role of labour organizations in collective bargaining. They sought to build a role for themselves as leaders of the overall labour movement.

After the passage of the 1972 Act, the government formed an unofficial umbrella labour organization. Its main function was to select the labour representatives on the tripartite system for adjudicating workers' compensation. The government invited leaders of the main state enterprise associations into this organization. The railway, metal industry, and river transport leaders took a major role.

In August 1974, the railway, waterworks, transport, electricity, and tobacco monopoly workers jointly demanded government increases in cost of living allowances to offset inflation. The government conceded only part of the demand. The state enterprise associations reacted by forming a new federation. The Makasan railway works, the old centre of strike activity which now employed a work-force of 6,000, threatened to strike. The government conceded most of the remaining demands. This incident took place at the same

time as the Dusit Thani strike. The state enterprise workers took great care to distance themselves from the parallel development of worker-student radicalism. Paisan Thawatchainan, the electricity workers' leader, declared: 'We want everyone especially the people to be sure that they will not be disturbed by the activities of the state-enterprise employees. We will not try to create unrest among the public; we will take peaceful and step-by-step measures for the sake of the peace of our nation.' Paisan and his colleagues stressed that they were government employees, and insisted: 'We don't want any intervention of the third hand; we want to deal with the government as brothers' (Sungsidh, 1989: 182-3).

In February 1975, the government passed a new labour law designed to mollify the rising tide of protest. The law granted legal recognition to trade unions, and removed the restrictions preventing the legal establishment of union federations. It reduced the notice a union was required to issue before going on strike from fifty days to eight. It created a more elaborate tripartite system of dispute settlement. It provided a framework for arbitrating labour issues, but at the same time attempted to limit the political ramifications of labour organization. Labour federations were confined to workers' education and general administrative duties. Trade unions were debarred from political activity.

The state enterprise unions formed the Federation of Labour Unions of Thailand (FLUT, sometimes FLAT). The government gently helped its progress. It allowed FLUT to nominate the labour representatives on the new tripartite structures. It involved FLUT in cases of labour disputes. It gave FLUT a grant-in-aid to celebrate 1 May as Labour Day. The FLUT leaders responded by refusing the student leaders' suggestion that they jointly organize the Labour Day event. By 1976, FLUT had affiliated 49 state enterprise unions and another 135 from the private sector. The state enterprises provided 200,000 of FLUT's 300,000 members, and dominated its leadership.

The state enterprise leaders used this bridgehead to assert leadership of the overall labour movement, and to demand more 'labourist' concessions from the government. FLUT supported the demands by private sector unions for employers to comply with the labour laws and minimum wage. They protested against police intervention in strikes, and against violence used in strike-breaking. They became involved in dispute settlement. They organized workers' education courses. They pressed the government to strengthen the tripartite machinery, and to create a full-scale labour court. They demanded legislation on health and safety at work. In December 1975, Paisan wrote to the Prime Minister asking the government to control the price of rice, which had risen by 25 per cent over the previous year. When the demand was rejected, FLUT organized a one-day general strike involving 200,000 workers. The government conceded. The FLUT leaders denied that their agitations had any 'political' implications. Paisan argued: 'If a union gets involved with any political interest group, it will lose legitimacy. We know very well from the history of the labour movement in 1956-57 that when a union engaged deeply in political

activities it was immediately banned. It is very dangerous. Suppose we are banned again. It would be enormously hard to revive' (Sungsidh, 1989: 228).

In October 1976, the student movement was dispersed with violence, and the army overthrew the parliamentary government by a coup. As with previous coups, the military abrogated civil rights, arrested suspects, banned strikes and demonstrations, and closed down organizations. Some 2,000–3,000 students and several labour leaders (including Therdpum) fled to the jungle. After previous coups, the military had torn up the labour laws and closed down unions. In this case, they debated this option but were dissuaded by some of the officials of the Department of Labour and by some of the army's own political strategists. The events of October had suppressed the radical trend in the private sector unions. FLUT represented the trend within the labour movement which military leaders had fostered and co-opted since the 1950s, and which they wished to maintain. The leaders of the coup summoned Paisan and FLUT to sign an agreement to keep the peace and co-operate with the military.

After 1976, the military continued to patronize the state enterprise union leaders. As part of the strategy of combating communism, the army assumed the responsibility for managing interest groups which were reckoned to be vulnerable to political infiltration. The military retained FLUT under close patronage and supervision. In 1978 General Kriangsak, who had negotiated the 1976 agreement with FLUT, became Prime Minister. He invited the FLUT leaders to his house, became chairman of their Labour Day committee, and assured them of continued mutual co-operation. Kriangsak's government dissolved all existing labour federations, and approved the reconstitution of FLUT as the new Labour Congress of Thailand (LCT, sometimes TLF). For good measure, the army helped found two other labour federations. Most of the powerful state enterprise unions joined the LCT.

In the early 1980s, this relationship continued to convey benefits to the state enterprise workers. The annual revision of the minimum wage worked as an index-linked increase in the already above-average wages of the state enterprise workers. Their union leaders invested considerable effort in the annual tripartite negotiations to fix the minimum wage. In 1982, it was estimated state enterprise workers earned 28 per cent more than private sector employees. By 1987, the gap had widened to 51 per cent. For skilled and semi-skilled workers, the gap was over 90 per cent.

In sum, the Sarit era and the 1973–6 protests saw the labour movement divide. First, in much of private industry the enterprises were new, the workforces contained many migrants, and the management of labour was primitive. Until 1972, labour organization was banned. After 1972, it developed in an atmosphere of management opposition and government indifference. Its major objective was to gain basic rights of wages and conditions. The result was a history of petty disputes, sporadic violence, and incipient radicalism. Second, the state enterprise unions continued to exist under the military's corporatist control. They won packages of wages and basic rights which made them something of a labour aristocracy. They used their organizational strength to

lead the labour movement as a whole, but at the same time they distanced themselves from violence and radicalism.

Agrarian Decline, Migration, and Cheap Labour

Tentatively from the late 1970s, and then more emphatically from the mid-1980s, the government shifted the economic strategy towards promotion of exports in both service and manufacturing industries. Many multinational firms moved production processes to Thailand to take advantage of low-cost conditions, especially supplies of cheap labour. Established local firms and many new entrants also invested in export-oriented enterprise. Export-led growth fed through into a secondary boom in the domestic market.

During the 1980s, the urban population grew by almost 4 million.¹³ Total employment in manufacturing increased by one million, from 1.3 million in 1980 to 2.3 million in 1990. A growing proportion of manufacturing labour was concentrated in sizeable firms. By the end of the 1980s, around one million (40 per cent of all manufacturing workers) were employed in firms with 100 or more workers.

Both natural increase and rural in-migration contributed to the labour supply. However, there was a distinct shift. The proportion supplied from rural migration increased. The flow of migrants out of the villages gathered speed. Much rural-urban migration continued to be temporary. By the early 1990s, around 4 million people dropped out of the agricultural labour force in the off-season, and around a million found other work, mainly in manufacturing and construction.¹⁴ According to one estimate, the seasonal flow increased Bangkok's labour force by 10 per cent in the dry season. Some 40 per cent of the workers in construction, transport, and small factories came from this migration flow (Chalongphob, 1993: 381–93; Apichat, 1994).

While some rural migrants still spent only short periods in the city and circulated back to the villages, more made a longer-term commitment to urban life and work. In a survey of rural in-migrants into Bangkok during 1986–8, a quarter expected to stay for up to a year, and the remainder for an indefinite, longer period (NSO, 1988). By the early 1990s, a fifth of those employed in Bangkok and other towns had in-migrated in the previous five years. Of these, four-fifths had come from the rural areas, and half were female. In the 1970s, 60 per cent of net additions to the workforce had entered agriculture. In the 1980s, this dropped to 20 per cent; the remaining 80 per cent entered service, commerce, and manufacturing (Table 6.4). With the decline in agricultural growth and the closing of the agrarian frontier, the countryside released people into the city more rapidly and more permanently.

The largest growth in export manufacturing in the mid- and late 1980s was in the garment industry, which was ideally suited to benefit from the character of the labour market. Out of the million added to the manufacturing workforce in the 1980s, a little over half were female. Most were young girls who were the easiest to release from the farm enterprise. Many had basic sewing

TABLE 6.4
Annual Addition to Employed Labour Force, 1960–1991 ('000 people)

	1960–70	1970–80	1981–91
Total	288	663	678
Agriculture	187	402	125
Non-agriculture	101	261	553

Sources: 1960–70 and 1970–80 from the NSO, *Population and Housing Census*; 1981–91 from the *Labour Force Survey*, August Round, 1981, 1991.

skills. They accepted employment on a piece-work basis. Work could be scheduled to match the labour flows of the agricultural cycle. In times of low demand, workers returned to their villages without the employer incurring a liability to maintain them on the payroll. Some of the workers were gathered into factories. Many more worked at home or in small subcontract workshops. By the late 1980s, the industry employed around 800,000 workers. Gem-cutting and some food industries adopted putting-out systems. Others, such as wood products, shoes, and toys, used a factory environment but accepted a high turnover in the work-force and major fluctuations between agricultural seasons. By 1992, 80 per cent of the workers in seven out of the ten leading export industries were female.

Labour Politics in Export-led Growth

Labour politics in the 1980s were framed by the suppression of 1976, the growing strength and political influence of business, the dictates of export-oriented manufacture, and the plentiful supplies of rural migrants. Labour organization and labour agitation were subject to a strong and sustained attack. In the private sector, employers set out to nullify the 1975 act and prevent the growth of union activity. They used a combination of legal evasion and violence. The government, dominated at first by the military and later by business, made no attempt to intervene. Then from mid-decade, the state enterprise unions also came under attack. Business politicians conducted the assault. In part, they were reacting against union opposition to the privatization of state enterprises. In part, they wanted to weaken labour organization further. In part, they were intent on undermining the bases of support of the old-style military dictators.

Immediately the 1975 Labour Act was passed, many firms which used low-cost labour and primitive techniques of labour management devised techniques to evade it. Some firms transferred their workers from wage contracts to piece-work or casual contracts in order to evade the provisions of the act relating to holidays, sick pay, overtime rates, dismissal pay, and other benefits. In some cases, firms fired large numbers of existing workers and hired others on a casual or contract basis. Many of these were textile or

garment companies. In 1975, a group of employers formed a Personnel Management Club, which exchanged information on techniques for avoiding the law and blocking unionization. The club maintained a blacklist of troublesome workers.

In January 1981, the government restored the right to strike withdrawn in October 1976. As in the early 1970s, the revival of labour politics took place against a background of inflation, business slowdown, and export difficulties brought on by an oil crisis. Again as in the early 1970s, the textile industry was engaged in cutting costs and shedding workers to overcome a short-term drop in export demand. Union membership and activity increased rapidly in the private sector, particularly in the textile industries. Between 1980 and 1983, the number of registered unions increased from 255 to 413. In 1981, there were 54 strikes involving 22,000 workers.

During the recession, many private sector employers resisted the growth of unionism. Some firms dismissed workers they believed to be forming a union. Until the union was officially registered, the law provided no protection against victimization of union leaders. Other firms found that the labour disputes machinery rarely protected workers against arbitrary dismissal. Some firms reassigned all their politically active employees to one department, and then closed the department down. Others dismissed individuals. A 1988 survey of three Bangkok industrial suburbs found that 110 sample firms had dismissed 232 union leaders and a total of 1,531 employees. Altogether, some 26,000 factory workers were dismissed in 1984, and about the same again in early 1985. While some dismissals were simple retrenchment, others were designed to weed out labour leaders.

Some well-publicized strike failures at the depth of the recession served to discourage unionization. In 1985, York Tyre and Rubber closed its factory and dismissed the work-force. The union leader was physically attacked. In 1983, Thai Melon Polyester, part of the Sukree textile group, dismissed 101 union leaders and members. The work-force struck to protect the dismissals and demand wage increases. The company responded with a lock-out. The workers appealed to the Department of Labour, which professed to see a 'third hand' behind the strike and refused assistance. The management closed the company, dismissed the entire work-force with paid compensation, and hired a new work-force on short-term contracts and with no unionization. In 1984, the Sura Maharas distillery workers struck for pay and benefits, carefully following the strike procedure laid down by the labour law. The management closed the factory. Military policemen guarded the plant. The Ministry of the Interior intervened to end the strike and order the workers back to work on grounds that the strike was a 'nuisance' (Vichote, 1991: 218–23).

After the tussles of the 1981–5 recession, union activity diminished. By the mid-1980s, few of the private sector unions were still active. By the end of the decade, total membership in unions in the private sector was around 150,000, still less than the 180,000 state enterprise workers unionized, and a small proportion of the total of 3 million workers in manufacturing. 'Guerrilla' styles

of labour organization evolved to evade the aggression of employer and government. Workers from different factories co-operated informally. The workers in the main industrial suburbs of Bangkok formed informal 'labour clubs' which had no registration, no legal presence. They co-ordinated activity, organized co-operation, shared information, and evolved strategies.

The private sector unions were relatively powerless against employers who evaded the labour laws in order to drive down labour costs. Many firms ignored the minimum wage regulations. A 1990 survey reckoned that as many as 44 per cent of workers were paid below the official minimum wage (Sungsidh and Kanchada, 1994: 238). Firms used various strategies to evade the labour law. They hired workers on probation and kept renewing the probation contract in order to evade the legal responsibility to provide proper benefits and the statutory minimum wage. In other cases, firms hired workers on short-term contracts or on a temporary basis. A 1988 survey found that in Oomnoi-Oomyai, an industrial suburb of Bangkok with a high concentration of textile and garment factories, as many as 61 per cent of all workers were hired on a temporary basis. Many firms shifted to temporary hiring after workers attempted to unionize or petitioned for enforcement of the labour law. The Srikao Textile Factory raised its proportion of temporary workers from 10 to 90 per cent in these circumstances.

In the garment industry, many firms subcontracted work to agents, who in turn hired seamstresses on a piece-work or putting-out basis. In 1987, it was reckoned that the garment industry employed only 17,000 people in a factory environment, and another 780,000 as subcontract piece-workers. Other firms used subcontractors as the legal employers of their factory work-force in order to evade the labour law. Again, such devices were a response to labour pressure. After workers at Sahachai Steel had gained concessions through a strike, the employer reclassified his employees as under subcontract, and fired the group which had promoted the strike. A survey of food industry firms in 1988 found that 27 per cent of the work-force was technically classified as casual or subcontract labour, and that this percentage had increased from 15 per cent in the previous year. Even in large factories, such practices prevailed. In 1993 a survey of workers in large textile, engineering, electrical, and chemical factories found 63 per cent paid on a daily, piece-work, or casual basis.¹⁵

Other incidents revealed more dangerous evasion of the law. In May 1993, the Kader Industries toy factory burned down with the loss of 118 lives. Investigations showed that the construction of the factory seriously breached safety regulations, that simple safety precautions were ignored, and that no improvements had been effected despite two earlier fires and several inspections by government officials. Other incidents arising from fires in sweatshops revealed a high usage of child labour. By some estimates, over a million child workers were employed in the service sector and in the labour-intensive end of manufacturing industry.

The assault on labour organization extended also to the public sector. Here the union leaders responded by calling on their patronage links with the military.

From the early 1980s, business politicians in the government advocated privatization of many segments of state enterprise. In 1983, the government adopted a policy to privatize by selling off certain industries, and placing some public utilities under private control. The policy presented a direct threat to the privileged position which the state enterprise workers had achieved over many decades. The informal federation of state enterprise unions was revived to mount opposition. One group based in the railway union mobilized their established links with military leaders. In 1982, the two leaders of this group, Ahmed Khamthedthong and Sawat Lukdot, successfully ran for the leadership of the LCT. They displaced Paisan, who opposed an overtly political stand and who, shortly after, left LCT to form a rival federation.

Ahmed and Sawat were already closely linked with ISOC, the military's agency for internal security. They worked with General Arthit, the army commander-in-chief who was patently ambitious to displace General Prem as Prime Minister. In early 1983, ISOC and Arthit proposed a constitutional amendment which would help the military to continue dominating the Cabinet, and would also assist Arthit in his ambition to replace Prem. Elected politicians and various political groups opposed the amendment. Ahmed and Sawat gave it open support and threatened to raise a rally of 100,000 labourers. LCT unions created some background noise. Strikes broke out in the tobacco monopoly and communications authority. Transport workers held a demonstration.

The amendment failed, but the co-operation between LCT and Arthit continued. In late 1983, Ahmed and Sawat worked with military figures to form a Democratic Labour Party to contest the parliamentary election. The effort was rather unimpressive and resulted in the election of a single lieutenant-colonel. In 1984, Arthit opposed the devaluation of the baht and threatened a coup if it was not reversed. Again Ahmed and Sawat gave support to Arthit in the name of the LCT workers. They involved Arthit as an arbitrator in labour disputes. Ahmed explained their relationship with Arthit as a 'friendship' and argued: 'Workers must expand their role and not be confined to a unionist mentality' (Vichote, 1991: 287).

In September 1985, Ahmed and Sawat co-operated in an unsuccessful coup to overthrow the Prem government. The fourth announcement read out on the day of the coup listed seven labour demands, including enactment of a social security law, better legal protection for union officials, and a role for workers in the management of state enterprises. After the coup collapsed, Sawat, Ahmed, and four other labour leaders were arrested and jailed for two years.

In 1988, business politicians achieved a dominant role in the cabinet of Prime Minister Chatichai, and renewed the pressure for privatization. In the development of new infrastructure for the Eastern Seaboard Scheme, the government planned to involve private sector management, and to exclude the public sector unions. The government also drew up plans for privatizing some existing state enterprises, including the port. The unions reacted with public meetings and a go-slow at the port, which was already overloaded by

the economic boom. The port disruption forced the government to back down. When the military overthrew the government by coup in February 1991, the state enterprise union leaders, including Ahmed and Sawat, gave open support to the coup group and expressed confidence that the military leaders would honour their long-standing relationship with the state enterprise unions, and hence abandon the trend to privatization.

But the 1991 coup group was different from the old allies of Ahmed and Sawat. They attempted to win friends among business leaders in order to consolidate their coup. Rather than assisting the state enterprise unions to oppose privatization, the post-coup government removed the state enterprise unions from the ambit of the labour relations law. State enterprise workers were still allowed to form labour associations, but these associations were restricted to welfare issues, had no role in wage or dispute negotiation, were debarred from striking, and were removed from the umbrella labour federations. Thanong Po-an, a state enterprise workers' leader prominent in protests against the ban on the state enterprise unions, disappeared without trace.

With the acceleration of the urban economy, the big business lobby had increased its political influence. While some of the business politicians endorsed the employers' attempts to suppress all labour activity, others were prepared to allow labour politics at the workplace, but were intent on excluding labour from the politics of the parliament or the street. They advocated strong legal controls to contain labour activity, tempered by welfare provisions to mitigate worker dissidence. Sopon Wichirakorn, president of the Employers Confederation of Thailand argued:

The employers' associations ... should ... make their members aware that resistance to organized labour is a futile effort. Employers must recognize that the right to organize is a universal right of the workers which is guaranteed by law. Rather than fighting against it, employers should take a more positive, enlightened approach to turn the adversaries into advocates, transforming negative energy into constructive one.... Employers have been constantly persuaded that good labour relations are conducive to better productivity and higher profit (Hewison and Brown, 1992: 25–6).

The big business lobby supported the government's gradual elaboration of a tripartite structure for setting the national minimum wage, arbitrating disputes, and discussing government labour policy. In the late 1980s, they supported the passage of a social security law.

This law had first been proposed in 1954, and been regularly debated but never enacted. It set up a social security fund with contributions from employers and employees; the range of benefits covered medical care, injury, and life insurance. After Paisan split from the LCT, he strongly advocated such a bill as part of his continuing commitment to a 'labourist' strategy. At the 1988 election, Paisan's federation (TTUC) announced it would support any candidate who supported the bill. After Chatichai was installed as Prime Minister, the TTUC, with the help of academics and activists, pressed for the government to adopt the measure. The bill passed the Assembly in 1989. The

military opposed the bill, and blocked its passage through the Senate. It was enacted in 1990, after it passed the Assembly a second time with a unanimous vote. The modern business element in Chatichai's civilian government supported the bill as a rational approach to labour management.

For many reasons, big business supported the move to undermine the state enterprise unions in 1991. First, they supported privatization because they wanted access to the business opportunities it would create, and because they wanted to upgrade infrastructure and public utilities in line with the rapid growth of the economy. They believed that the inefficiency of many public enterprises stemmed from the strength of organized labour. They resented the state enterprise unions' success in blocking the privatization policy by disrupting the port. Second, the public sector unions' success in building a privileged position had distorted the market for skilled labour. Third, they wished to undermine the corporatist relationship with the military. Finally, they distrusted the state enterprise union leadership of the labour movement, and they especially opposed their growing political involvement. The actions of Ahmed, Sawat, and LCT from 1983 onwards indicated a growing readiness of labour leaders to take an active role in politics. Business wanted labour organizations to help organize labour, but it emphatically wanted to exclude labour organizations from politics.

Conclusion

In the last quarter of the nineteenth century, the expansion of the rice economy drew Siam's labour resources off to the agrarian frontier. The expansion of urban labour was supplied by immigration from China. The immigrant's interest in labour issues was as short term as his labour contract. His alien status made him vulnerable to domination and exclusion by employers and government. Labour disputes could be forceful and violent, but they built no movement in the longer term. From the 1920s onwards, the profile of the urban work-force changed. More workers were second or third generation inhabitants of the city. More of the new immigrants settled down and stayed. Gradually, peasant migrants leavened the Chinese mass. Gradually, the distinction between alien Chinese and native Thai was erased by acculturation, co-operation, and common experience. With these changes, urban labour developed its potential for organization, self-expression, and political involvement.

Yet the role of labour was still framed against the broad backdrop of the countryside. The overall buoyancy of the agricultural economy and the continued expansion of the agrarian frontier meant that there was no sudden or large-scale movement of people from village shack to city pavement and slum. Rather, the countryside leaked people into the urban work-force at a modest rate. Thailand's dominant regime of one-crop, rain-fed agriculture harboured large reserves of underutilized labour. The growing urban economy borrowed from these reserves. The capacity of labour to develop organizational strength and bargaining power was constrained by the existence of this reserve, and by

the constant renewal of the labour force with fresh rural migrants. In the 1980s, agricultural growth declined. The agrarian frontier was closed down. Industry boomed. Over the decade, 2 million people were added to the urban work-force, boosting it from 3 million to 5 million. Much of this increase was pulled out of the villages. More rural migrants moved than ever before. More moved more permanently. More joined the ranks of factory labour.

Labour organization emerged in the 1920s, contributed to the politics of anti-dynastic nationalism in the 1930s, and grew in strength and political influence in the late 1940s. But labour in a late-developer country suffered from the problem that the state was forewarned of its potential to act as a radical force. Governments pre-empted labour organization and labour politics with techniques learned from the outside world. Following the rise of the military in the late 1940s, the government deployed three strategies to diminish labour's political potential. These three strategies remained in force over the next forty years. First, the government resisted attempts to codify labour rights. Until the mid-1970s there was no effective factory act, trade disputes act, or union law. Even after laws were passed, implementation was poor, evasion easy. Second, the government tried to fragment the labour movement, through legislation to debar or discourage broad-based unions, and through direct intervention to found counter-organizations and to split potentially powerful movements. Third, the government endeavoured to exclude labour organizations from influencing mainstream politics. At first, this was achieved by branding attempts to move labour issues into politics as 'communist' and seditious. Later, legislation was passed to debar political involvement, while individual labour politicians were neutralized or silenced by law or violence.

Under these conditions, the momentum of the labour movement dispersed into three different paths from the 1950s.

First, in the new industries of the 1960s and 1970s and in the export-led factories of the 1980s, many employers were able to exploit the labour reserve. They could ignore labour law, inhibit labour organization, and practice labour management at the level the market would bear. At the point where the labour-market cleared were the sweatshops using child labour in appalling conditions. In these circumstances, labour organization struggled to become established and, if successful, struggled to win basic rights such as the definition of the working day. Labour politics in this sector were intermittently violent.

Second, in the state enterprises the military set out to co-opt both labour and capital under a corporatist vision of an industrial sector managed by military-dominated government. Even after Sarit spurred the expansion of private enterprise, the military retained their corporatist control over the state enterprises. The unions in the public utilities had already developed a tradition of labour politics based on their strategic ability to cause public disruption and government embarrassment. From the 1950s, they exploited their relationship with the military to build a privileged position in the labour-market. From this vantage point, they extended their privileges, but also provided leadership for the labour movement as a whole.

Third, an élite of large firms developed a paternalistic style of labour management. These firms were mainly multinationals or joint ventures. They had a high proportion of skilled labour. They reaped advantages from a stable, peaceable, and productive work-force. These firms cultivated enterprise unions and provided above-market levels of wages and benefits. With the rapid development of industry in the 1980s, such firms became a larger proportion of the industrial sector. More importantly, the owners of such firms became a more important force in national politics. In the 1980s, they launched an attack on the corporatist structure erected by the military. They pushed for the privatization of state enterprises. They sought ways to undermine the privileged position of the state enterprise unions. They supported legislation on dispute settlement, minimum wages, and social security in order to build a more rationalized structure of labour management. They reached for an ideal of institutionalized labour management policed by the government with continued exclusion of labour from the political process.

From the 1940s, labour had come to play a curious but critical role in Thailand's economic and political development. Urban labour had become a significant factor in society, and a major contributor to economic growth. Yet labour was denied an active political role. Individual labour leaders occasionally figured in national affairs, but labour organizations made no contribution to the establishment of political parties or other political institutions. Any mobilization of labour for political goals was summarily crushed. However, the size, economic importance, and potential power of labour still influenced political development. Outbreaks of labour protest in the 1940s, in the 1970s, and over privatization in the 1980s induced businessmen and generals to co-operate in repression. Labour had become a political ghost whose terrible apparitions haunted dictators and their friends.

1. The Makasan workshops, however, had a mainly Siamese work-force by the mid-1920s (information from *Bangkok Times Weekly Review*, 15 December 1924, provided by Kevin Hewison).

2. Interview with Dr Utis Kaothien, whose ancestor was in charge of the operation.

3. Cushman (1991: 39–41) suggests this was probably more than a simple labour dispute, and involved negotiations between mine owners and the government.

4. The Act was updated in 1914 to combat the import of mainland Chinese political ideas and rivalries.

5. Estimates of the city population vary a great deal. See Phorphan (1991).

6. Calculated from Goldstein (1972) and NSO (1970). Goldstein estimated the urban population in 1947 was 1.4 million, while the 1970 census figure was 4.6 million. The other figures have been estimated.

7. By 1989, Thailand had 22 per cent of its population in urban areas, compared to 26 per cent in Malaysia and 32 per cent in the Philippines (figures from the World Bank, *World Development Report*).

8. Figures are from the NSO, *Population and Housing Census*, 1960 and NSO, *Report of the Labour Force Survey*, August 1985.

9. The average income per head in agriculture in 1982 was 2,041 baht per year, compared to the average for non-agriculture of 15,422 baht per year.

10. See the discussion on village and city in Chapter 2.

11. This analysis is based on a survey carried out in 1984, at the height of the urban recession, and hence probably underestimates the off-season outflow to the city in this period. See Chalongphob (1993).

12. Individual workers from state enterprises, however, participated in the textile and Dusit Thani strikes. For a broad interpretation of the differing strategies within the labour movement at this time, see Sungsidh (1989: 173–91).

13. From 8.4 million in 1980 to 12.2 million in 1989 (see World Bank, *World Development Report*, various years). According to the census, between 1980 and 1990 the Bangkok population increased from 4.6 to 5.9 million, but this figure is distorted by boundary definitions. The population of the Bangkok *region* (including the four surrounding provinces where most of the urban expansion overflowed in the 1980s) alone increased by 4 million (from 4.7 to 8.9) during the 1980s.

14. Comparing the February and August rounds of the *Labour Force Survey* for 1991, employment in agriculture dropped by 4.5 million in the dry season, while employment in manufacturing increased by 0.4 million, and in construction by 0.5 million.

15. The survey covered 910 workers in textile, metals, electrical, chemical, and petroleum factories, with 57 per cent of the sample drawn from establishments with over 300 workers. Half of the total sample had secondary education. See Sungsidh and Kitti (1994).

Bibliographical Note

The main story from the 1920s to the 1970s is based on the works of Kanchada (1989) and Sungsidh (1986, 1989). *On the early history of Chinese labour*, see Skinner (1957), Terwiel (1989), and Battye (1974). *On the pre-1950 period*, see A. Brown (1990). *On post-1950 migration*, see Ammar (1991), ILO-ARTEP (1985), Chalongphob (1993), NSO (1988), Apichat (1994), and the studies of rural migration cited under Chapter 1 above. *On labour issues and politics from the 1970s onwards*, see also Sungsidh (1992, 1994), Kittipak (1991), Morell and Chai-Anan (1981), Vichote (1991), Lae (1985), Brown and Frenkel (1993), Sungsidh and Kanchada (1994), Voravidh (1992, 1993), Somsak S. (1988), Sungsidh and Kitti (1994), Banthit (1991), Hewison and A. Brown (1992), and Sumalee (1985).

PART III

POLITICS

The Absolutist State

IN the early nineteenth century, Siam was a small kingdom exercising loose control over a large hinterland. The ruling élite contained descendants of Mon and Chinese warlords, Indian brahmins, and Iranian and Chinese traders. Half the population of the capital was Chinese, and the remainder a cosmopolitan mix. The peasant settlements along the river banks outside the city included Mon, Burmese, Vietnamese, Khmer, Lao, and Chinese scattered among those identifiable as 'Thai'. The forest settlements of the hinterland included many groups who preserved their own special identity as Khmu, Thai Lue, Kula, Lua, Ai Lao, Thai Dam, Phu Thai, Chao Bon, and many more. The dynasty managed the core kingdom by negotiation with a small group of hereditary noble families. Together, they controlled the hinterland through warfare and negotiation with a patchwork of hereditary local rulers. These tributary states, petty princedoms, and local warlords in the interior juggled their allegiances between Bangkok and competing political centres in Burma, China, Vietnam, and the Malay world.

A century later, the transformation was striking. The tributary state princes and local lords were in enforced retirement. A new central bureaucracy taxed, policed, and administered throughout the hinterland. The Bangkok government had begun to encourage the belief that all the people in the hinterland were in some way 'Thai', and were bound together as a single social and political unit under the king.

This transformation combined two processes: first, a project of royal aggrandizement to sweep away the hereditary nobles in both core kingdom and hinterland, and replace them with a centralized administration extending out from the authority of an absolute king; second, the replacement of the old networks of political authority by the concept of a territorially-defined state.

The absolutist state was made locally. Yet its construction had parallels in earlier European history. In Europe, absolutist states had emerged from declining feudalism, as peasantries fought free from feudal dues and ties, weakening the land-owning feudal nobility, and creating the opportunity for royal aggrandizement. In nineteenth-century Siam, the new peasantry escaped the old bonds of labour indenture by commutation and evasion, weakening the *sakdina* nobility, and creating the opportunity for the king to construct a new centralized and absolutist rule.

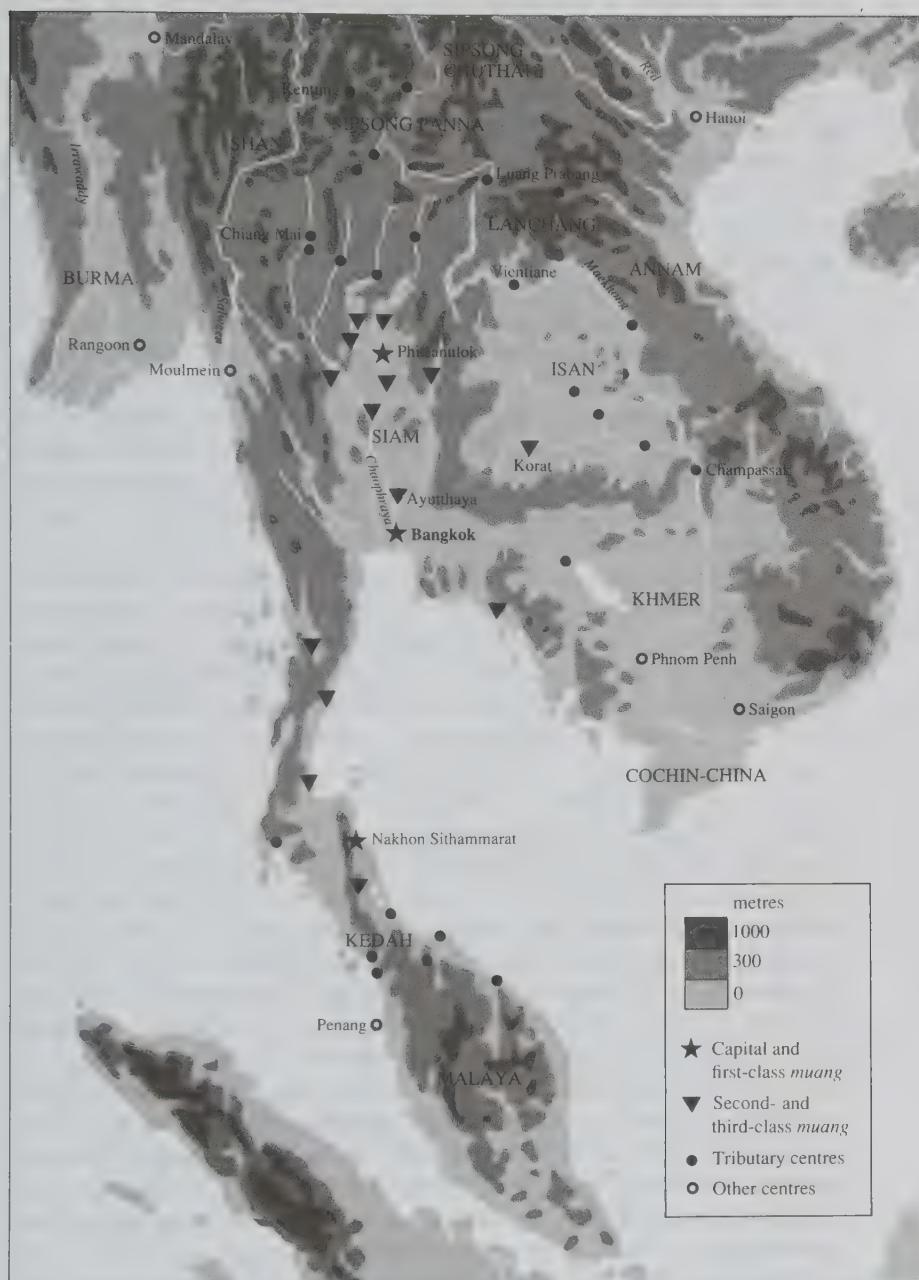
Production, Trade, and Rule in Early Bangkok

In the early and mid-nineteenth century, the area directly ruled from Bangkok was confined to the rice basin stretching about 100 kilometres north-south through the Chaophraya Delta, with outlying spurs on the neck of the peninsula and the border outposts to the west (Kanchanaburi and Tak) and east (Korat and Prachin). The royal government focused on the management of the port and trade; the recruitment of the army required to control the hinterland; and the requisition of rice supplies for the capital and the army. The central administration was run by an aristocracy drawn from four family groups: the Chakri lineage of the dynasty; the Bunnag, descendants of Iranian traders settled at Ayutthaya since the seventeenth century; a cluster of Chinese trading families; and a group of families of Indian brahmin origin who had originally supervised Ayutthaya court ritual.¹ All four groups had dense marriage connections from the Ayutthaya period. All four had also been involved since then in administering the Phra Khlang (Treasury) and Krom Tha (Port Authority), which handled the export trade. The king bound this ruling class together by bargaining shares in the surplus of labour services and trade revenues in return for contributions to the central administration and the army.

Beyond this core domain, Bangkok managed the hinterland through negotiation with local rulers. Immediately beyond the core, there was a ring of outer provinces stretching along the water-borne routes northwards from the delta up the upper reaches of the Chaophraya system (the modern 'lower north'), and southwards along the coasts of the peninsula (see second- and third-class *muang* on Map 3). The local dynasties in these provinces had been founded by generals in the Siamese armies or by warlords who joined forces with the Siamese during the establishment of the new kingdom. With only few exceptions, these provincial lords had established hereditary control which Bangkok denied in principle, but accepted in fact. Bangkok granted these rulers only moderate respect, and required them to deliver relatively large and regular payments of cash and trade goods into the central treasury. In these provinces, Bangkok stationed a single *yokkrabat* (legate) who oversaw the delivery of taxes to Bangkok, and who organized the raising of troops and supplies when Bangkok demanded assistance with military campaigns.

Further out, usually beyond the reach of water-borne travel, ranged a number of tributary states—the southern Malay sultanates grouped around Kedah and Pattani; the northern Lanna kingdoms around Chiang Mai; the Lao states of Vientiane and Luang Prabang; and the Khmer princedoms.² Here, Bangkok usually did not station a permanent legate, and extracted a tribute which had more symbolic than economic value. Indeed, the value of tribute received was usually less than the value of the gifts of weapons, regalia, and religious items which Bangkok presented to the tributary rulers to build up their usefulness as friendly border states. Political ties maintained these peripheral areas within the economic orbit of Siam, and channelled their external trade towards Bangkok. Many of these states owed such light

MAP 3
Siam and Its Hinterland in the Early Nineteenth Century



allegiance simultaneously to Siam and to competing regional centres in Burma, Annam, China, or the Malay world. Generally, Bangkok left them alone. Occasionally, it would demand from them troops and supplies for military campaigns. If the states denied allegiance, hindered trade, or sided too tactlessly with a regional rival, Bangkok would send a punitive military expedition, sack the capital, rearrange the dynasty, and haul away an indemnity of gold, elephants, and war slaves. Beyond these tributary states, a further layer of small hill principalities stretched in an arc from the north to the east (the *sipsong panna* and *sipsong chuthai*). Here again, ambitious Bangkok monarchs occasionally conducted raids to seize resources and extend the frontiers of the economic hinterland. But these principalities were small, impermanent, and owed remote allegiance to many different masters.

The government of these subordinate centres, whether province or tributary state, replicated the systems of the capital. They were situated on trade routes. Some were coastal ports, others straddled the caravan routes of the interior. They were generally located in rice basins which supported supplies of food and people. Their rulers raised their main surplus by trading or managing trade in the valuable products of the forest and hill hinterland. They shared out control over trade goods and people to command a ruling élite which aided them to extract the surplus.

In their first half-century, the Bangkok rulers improved and embellished this Ayutthaya pattern. They increased the population with new immigrants and war captives. They re-established a strong position in the long-distance maritime trade of the region. They secured military control over the hinterland. The main change to this geopolitical pattern came in the Lao north-east, in the modern Isan. Until this period, this upland plain was very empty of people. From the late eighteenth century, settlers trickled across the Maekhong to exploit the rich resources of the tract's forests. In the early nineteenth century, the Bangkok rulers started to harness this new economic frontier. They blockaded the westward trade routes across the Maekhong to force the trade flow down to Bangkok. They raided the settler communities for corvée recruits and slaves. In the 1820s, Vientiane resisted these attempts. Bangkok crushed the resistance, sacked Vientiane, and moved large numbers of Vientiane's subjects across the Maekhong to start populating and exploiting the region in earnest. Bangkok organized the area under a series of garrison-marts ruled by a mixture of local chiefs and retired Bangkok generals. As elsewhere, these local rulers rapidly developed hereditary control. In the mid-nineteenth century, the flow of forest goods as *suai* from the new settlements in the north-east provided a major source of expanding revenue for Bangkok. From the local rulers of Isan and also from the Khmer states beyond, Bangkok demanded tribute in the form of tradable forest goods rather than ritual items.

During the nineteenth century, this ruling system erected in late Ayutthaya and revived in early Bangkok was gradually undermined by changes in production and trade.

Over the long term, the significance of the economy of hunting and gathering in the forests and hills of the hinterland declined. The final market for much of the produce of this economy was in China. From the 1840s, the China market declined dramatically. Trade in forest goods still flowed to other markets in Asia and, to a small extent, to Europe. But from the 1840s, the trade in forest goods declined in absolute terms and, more spectacularly, as a proportion of total trade flows.³ During the 1850s and 1860s, the revenue from forest goods, whether delivered in kind or commuted to money payments, petered away.

In parallel, settled agriculture expanded. This trend began in the late Ayutthaya period with the increase in rice and other agricultural exports from Ayutthaya to China and the archipelago. Following the disruption of Ayutthaya's fall, it resumed in the 1820s. Under the influence of the *pax Chakri*, increase in population, import of new agricultural techniques by Chinese settlers, falling freight rates, and growing demand for agricultural goods in Asian markets, settled agriculture expanded steadily during the remainder of the century.⁴

This shift in the productive base undermined the foundations of rule. First, it upset the systems of extracting the surplus of trade goods and labour power, which were the basis of the power of the rulers. The reduction in surplus extraction weakened both king and aristocracy, and intensified competition between them over the reduced yield. Second, it created new social classes which stood outside traditional social and political controls. The new peasantry escaped from the old indenture bonds. The expansion of private trade created a much larger group of urban merchants and labourers who were rather inefficiently governed through traditional techniques of patronage and intimidation. As they grew more significant, these new classes challenged the weakening authority of the old order.

The King, the Aristocracy, and Tax Farmers

As the agrarian frontier expanded from the 1820s, the ability of the rulers to extract forced labour declined sharply. By the 1850s, the King had been forced to drop the corvée requirement for *phrai luang* from six months to one. Many peasants were prepared to pay a high commutation tax in order to avoid even this single month. Many more simply evaded the corvée altogether by subterfuge, flight, or collusion with officialdom. The King sent out registration parties, imposed high penalties for evasion, commissioned contractors to hunt down runaways, but all to little avail. For public works, the King had to pay wage labour. For military service, he had to hire mercenaries and press-gang war prisoners, slaves, and sundry riff-raff. The impact on the aristocratic households, which imposed slightly less onerous and dangerous demands on their *phrai som*, came more slowly but came all the same. By mid-century, the King and nobles were regularly engaged in competition over the diminishing supplies of forced labour. The King tried to enforce reversionary control over the *phrai* of nobles who died. The noble households evaded by subversion or

by converting their *phrai* to the legal status of *that* slaves. The King attempted to legislate against such conversion, and then from the 1870s began outlawing *that* slavery completely.⁵

From the 1820s, the King and Bangkok nobles shifted their attentions away from labour control towards extraction of cash revenues from the growing agrarian and artisan economy. They extended their reach more into the hinterland along the networks of the commercial economy. The techniques differed from region to region. In the south, where big commercial magnates grew on tin-mining and the local maritime trade, Bangkok converted them into provincial governors. In the sparsely populated north-east, Bangkok sent out military commanders to found new fort-and-mart towns to guard the trade routes and serve as collection points for trade goods. In the north, where local noble families were entrenched, Bangkok sent out tax farmers, and urged the local nobles and tax farmers to co-operate in administration and commerce. In the new settler tracts on the east and west fringes of the delta, Bangkok instructed governors to take an active role in promoting agricultural production for trade. In the established port towns around the fringes of the Gulf from Phetchaburi to Chanthaburi, Bangkok appointed rising members of Bangkok's trader-aristocracy to manage both the tax farming and administration. Bangkok developed the administration of nineteenth-century Siam through a patchwork of trading baronies.

The King competed with the aristocrat-merchants in the central ministries, and with the tax-farming barons in the provinces to command the surplus extracted from the growing commercial economy. Over time, he competed less and less successfully. In the 1860s, Bangkok sent out a senior official to survey the taxation systems in the hinterland and discover why the yield was so poor. He reported that the local commercial economies were flourishing; that the tax farmers and local officials were active in promoting and taxing the commercial economy; but that too little was being remitted to Bangkok. Most stuck to the hands of the tax farmers and local nobility.

In Bangkok, the great aristocrats developed the central ministries into territorial sub-states which engrossed the flow of tax-farm revenue which did reach Bangkok. The two major ministries of Mahatthai (civil affairs) and Kalahom (military affairs) came to control the provinces of the north and the south, respectively. The leading administrator-nobles of the two ministries developed their own networks of tax farms and their own trading interests working in conjunction with Chinese junk traders. In a smaller way, the Krom Na (Land Department) developed a territorial sub-state around the capital. More importantly, through its primary control over the port, the royal warehouse, and the royal trading monopolies, the Phra Khlang (Treasury) developed a territorial sub-state spreading out from Bangkok around the coastal provinces of the Gulf of Siam. Through its control on the port and the tax farms for this area, and on the poll-tax levied on the growing numbers of immigrant Chinese, Phra Khlang became more powerful even than Kalahom and Mahatthai.⁶

These territorial ministries kept more of the revenue flow for themselves, and passed less to the royal treasury. The Bunnag were especially successful at diverting the flow. They controlled Kalahom continuously from 1782 to 1888, and Phra Klang for all but four years from 1822 to 1855. In the transitions to the fourth and fifth reigns, the leader of the Bunnag family orchestrated the succession. At the accession of Mongkut, the Bunnag helped set up the opium tax farm, which became the largest revenue head by late century. The proceeds were funnelled into Kalahom, which the Bunnag controlled. During 1868–73 while the young King Chulalongkorn remained a minor, Chuang Bunnag transferred the liquor farms and other revenues from offices under royal control to the ministries under the Bunnag. During Chuang's regency, royal revenues declined from 4.8 million to 1.6 million baht per annum. According to the future King, 'there was barely enough to use from month to month' (Tej, 1977: 12). By 1871, the King had been forced to borrow 8 million baht from the Bunnag and leading tax farmers.

The Bunnag were doing very well, but the Bunnag were the exception. For many of the old nobles, just as for the King, the decline of old systems of extraction undermined their material base. This was true both for the other Bangkok noble families, and for the hereditary rulers of the hinterland. Among the Bangkok ministries, there was constant competition over the control of tax farms, and over the partitioning of revenues between the ministries and the palace. Up-country, the competition over revenue was equally acute. In the northern state of Lanna, for instance, the rulers (*jao*) had been supported by revenues extracted from the caravan traders passing between China, Burma, Siam, and the Lao states. With the collapse of the China market and the Burma wars, these revenues declined. From the 1860s, the *jao* replaced these revenues, to some extent, by leasing out the northern forests to colonial timber companies. But the lease revenues were small and inelastic. In the 1880s, the *jao* attempted to improve the flow by leasing the same tract to several companies, and by demanding various extra dues. The British companies finally sued the *jao* for commercial fraud in the Bangkok courts, and won a compensation award of half a million baht. The *jao* were forced to borrow from the King. To pay off the debt, the *jao* copied the Bangkok practice of tax farming, and became highly dependent on a small group of prominent tax farmers.⁷

In sum, the decline in the extraction of labour dues and traditional trade goods undermined both the King and many of the noble families in both Bangkok and the hinterland. Among the nobles, the Bunnag prospered spectacularly. But the Bunnag were the exception. They had a leading role in overseas trade. They commanded the two most lucrative ministries. They had a key role in the massive opium tax farm. They developed the Phetchaburi region, a pioneer area of the new commercial agriculture, as a family fief. No other noble families could match their wealth and authority. For the most part, the transition in the nineteenth-century economy weakened both King and nobility.⁸

Bandits, *Angyi*, and Colonialists

The expansion of commerce and agriculture created two major new social groups which were not integrated at all into existing systems of social and political control. The peasantry developing on the agrarian frontier, and the trading and labouring groups of urban Chinese, had grown up outside the systems of *sakdina*. During the late nineteenth century, the consequences of this became clear. Both the peasants and the Chinese proved difficult for the rulers to control. They developed internal organizations which fought against government control. Moreover in the same period, growing commerce drew Siam into closer contact with the European colonial presence in Asia. The combination of internal disorder and external pressure posed a threat to the dynasty, the social order, and the existence of Siam.

The peasant villages emerging on the agrarian frontier developed their own internal systems of government. The elders of the founder or major families provided the ritual and moral leadership, while the younger *nakleng* (tough guys) defended the village against predators of all kinds. The *nakleng* were known for their 'manly bearing and courage, readiness to fight in single combat or in riot, fidelity to friends'. They guarded village property, particularly the valuable buffaloes and other work animals. They occasionally raided buffaloes from other villages, partly in sport, partly to raise a fee for the animals' safe return. Some *nakleng* exercised control over several villages and were locally acknowledged as the *jao khong thin* (local overlord). In the paddy tracts spreading across the Chaophraya Delta in the later decades of the century, these powerful local figures were a formidable force. In 1893, a Bangkok journalist wrote:

Two years ago, it was not by any means very uncommon to see bands of forty or fifty brigands, some of them carrying red flags, driving before them two hundred head of cattle.... This year ... everybody able to carry a gun, to use a knife or a lance, or to throw a harpoon, has taken to the field—I mean the jungle, whence they start by bands, attacking boats and houses and killing men and women to their hearts content—until they are themselves attacked by other bands and killed in their turn. *Vive la liberté!* (Bangkok Times, 22 February 1893, quoted in Johnston, 1975: 169).

To the rulers venturing to control the expanding peasantry, these men were 'bandits'. In return, the *nakleng* treated the officials and noble landlords venturing into the countryside as predators similar to the rival buffalo thief. Officials in the new tracts sometimes found it too dangerous to remit tax collections to the Treasury because of the threat of highway robbery. After a series of raids and mob assaults, the office of the company developing the Rangsit tract had to install gun emplacements.

In the early 1890s, a famous bandit, Aisua Thuam, held sway over much of Suphanburi, and for many years was protected from authority by the villagers. Aisua Dokrak enjoyed similar notoriety and shelter from the local community in the Ayutthaya region for over a decade. Ai Pia eluded the police from 1902 to 1913. When captured, he explained that he had been successful for so long

because: 'The common people of the country ... have been in no humour to assist the Police, for it is said that Ai Pia was a kind of Robin Hood, robbing only the rich and often helping the poor' (*Bangkok Times*, 25 April 1913, quoted in Johnston, 1975: 156 n. 45). Thuam, Dokrak, and Pia all passed into folklore, portrayed as romantic local rebels against the authority of government.

From the 1870s, regular campaigns against these 'bandits' were one of the major occupations of the army. The head of Kalahom led anti-bandit campaigns in Suphanburi in the early 1880s, and in the east and north-east in the early 1890s. The head of Mahatthai directed a campaign in the central region in 1891. The scale of the threat was illustrated by the numbers involved. The Suphanburi campaign of the 1880s netted 300 bandits. The campaign around Chonburi in 1891 set out after a prepared lists of 1,600 identified bandits. The sweep through the central districts in 1891 resulted in 115 arrests. Prince Damrong, the leading figure in the government of the period, took a special personal interest in the suppression of these bandits.

The independence and disorderliness of the urban Chinese became a growing concern for the rulers by the middle of the century. Moreover, the relations between the rulers and the urban Chinese were much more complex. The government was highly dependent on them for commercial growth, and utterly dependent on them for its own revenue. Most of the tax farmers were Chinese by origin. From the 1860s, a growing proportion of all tax revenue came from taxes raised from the Chinese. By the last decade of the century, the tax farms on opium, liquor, lotteries, and gambling—the solace of the single exile—provided three-quarters of all tax revenue.

The rulers exercised some control over the Chinese by patronizing the most successful, helping them get rich by tax farming, and lavishing them with appointments, titles, and a share in the prestige and power of the kingdom. But few could be bound to the rulers in this way. By the end of the century, the total Chinese community was several hundred thousand.⁹ The government had to negotiate with the community's own internal organizations, the *angyi*. The translation of this term as *samakhom lap* (secret societies)—full of overtones of criminality, conspiracy, and cabal—illustrated the prevailing fear that the numbers, turbulence, and internal organization of the Chinese posed a threat to the government. From the 1820s, the military were regularly involved in violent clashes with the urban Chinese. Sometimes, these began with internal disputes among the Chinese themselves. In Chanthaburi in 1824, the Hokkien and Teochiu fought street battles and involved local officials up to the provincial governor in their local civil war. Often, these incidents began with attempts to control the opium trade. Riots in Sakhonburi and Chachoengsao in 1848 began with attempts to seize opium, and ended in full-scale battles between the military and the Chinese.¹⁰

The government was aware that some of the most troublesome Chinese were its own creations. To enforce collections, tax farmers worked with the *angyi* or organized their own gangs of roughs. These gangs figured in the background

of disorder. After the town of Ranong was almost 'lost to the government' in the tin-mining riots of the 1870s, the government suspected the whole incident had been provoked by a tax farmer in dispute with the local governor. To restore order, officials had to negotiate a treaty with the Chinese clan chiefs.¹¹ The government looked at declining receipts from many of the Chinese-run tax farms in the later nineteenth century, and concluded that many of the bids were being rigged by powerful syndicates. In 1905, vituperative rivalry between big Chinese syndicates over the control of the opium monopoly threatened to undermine the government's single largest source of revenue.

In the last quarter of the century, Bangkok was often gripped by the fear that the Chinese could riot and take the city. Half the population of the capital was Chinese. The *angyi* had become rich and powerful on the proceeds of the liquor, gambling, and opium farms. They employed powerful gangs. They organized the floating labour of the city and orchestrated the strikes and disputes which became a regular part of urban life. Nobles who invested in new urban enterprises suspected that the *angyi* controlled their labour force and disrupted their business.¹² The Chinese were mysteriously divided by their own internal ethnic divisions and the imported politics of China in dynastic decline. Occasionally, these disputes erupted on the streets. In 1899, bands from Amoy and Swatow set on one another in Bangkok armed with shotguns, blunderbusses, and sharpened bamboo poles. During the crisis in 1893 when French gunboats threatened the capital, the French commanding officer claimed, and many of the city residents feared, that the Chinese residents of Bangkok would side with the French and sack the city. After the gunboats left, the city's cynics joked that the French would have made short work of the Siamese military but gave up because they despaired of controlling the Chinese. A royalist historian, Prince Chulachakrabongse, later concluded that 'internal defence had become as important as external because of the Chinese secret societies' (Battye, 1974: 24).

From the mid-nineteenth century, the Crown was uneasily aware that the Chinese were the key to the government's revenue base, the continuing commercial growth of the kingdom, and the peace of the capital. Yet at the same time, the governance of the Chinese community worked through an inefficient mixture of lavish patronage and riot control.

The growing problems of governing the new classes of the peasantry and the urban Chinese, and the growing financial and military weakness of the central government, provided the background against which the rulers confronted the increased pressure from the colonial powers.

From the 1820s, the Siamese court welcomed Western traders to Bangkok because they contributed to the growth of trade. From mid-century, however, the court grew afraid that commercial inroads and the informal protectorate status imposed by the trade treaties were merely a prelude to full colonial rule. The British were expanding north from Singapore through the Malay states, and also through Burma. The French were developing interests in Indo-China. In the 1860s, the French seized control of Cambodia, which Bangkok con-

sidered a tributary state, and extended their influence into the Lao regions.

The Siamese government responded with diplomacy in London and Paris. From their grandstand view of colonial intrusion into the surrounding states, however, the Siamese rulers could appreciate how much colonial conquest was driven by local events and by the ambitions of colonial adventurers: a Chinese riot or peasant rebellion, a French official or British teak merchant killed, a display of hubris by the men on the spot, an ultimatum, a gunboat, a take-over. The government tried to restrict Western traders to export-import activity at the Bangkok port and to prevent them forging off into areas where 'incidents' could happen remote from Bangkok's careful control. These efforts became more complex. By the 1870s, Europeans were pressing forward into the tin-mining areas of the south, and by the 1880s, into the teak forests of the north. Both of these areas were remote from Bangkok. They mainly fell in tributary states which Bangkok controlled only at second hand. Looking at the fearful alchemy of internal and external threats, in 1896 Chulalongkorn concluded:

If we do not put our administration in order, we will not have enough income, which is the source of power needed to defend the country. The expansion of power depends on the administration's taxation of the earnings which result from the facilitations of the people's methods of earning their livelihood and making a living out of the produce of the soil. The strengthening and rationalization of the administration and the development of the economy are therefore the ultimate aims of this Kingdom (Tej, 1977: 92).

The King's analysis implicitly recognized that Siam's expansive commercial economy had the potential to support a rich and powerful government which could stem the rising trend of internal disorder and blunt the ambitions of the colonial powers. The first task was to take control of the revenue which that economy generated.

Foundations of Absolutism

During the reign of Chulalongkorn (1868–1910), Siam underwent a revolution in government. The changes began with the defensive attempts of the young King to assert his authority against the powerful Bunnag, and to rescue himself from bankruptcy. It ended with the foundation of the powerful institutions of an absolutist state—standing army, police force, centralized bureaucracy, centralized religious establishment, centrally controlled education, and an authoritarian national ideology. The foundations for the new system of government had been laid by the changes in economy and society over the previous half-century. The old ruling élite had been weakened by the flight of their reserves of forced labour, and by the decline of their grip on the trading surplus. They offered little resistance to the introduction of new governing systems which annulled or transformed their authority. The surplus generated by the growing peasant economy offered the material foundations for the new institutions of central domination.

The new King first set out to wrest control over the existing revenues from the Bunnag. He demanded that tax revenues be relocated from the ministries to a new finance office under the control of the palace. He prosecuted a minor Bunnag for leaching the massive sum of over half a million baht from the Krom Na into his private pocket. The offender was stripped of his titles and sentenced to twelve years in jail. But the senior Bunnag mounted strong opposition to the new finance office. For the next decade, while the ranks of the old Bunnag and their allies were gradually thinned by retirement and death, Chulalongkorn concentrated on building up a party of support and experimenting within the palace. The King had been educated in English, and had travelled abroad. He sent his younger brothers and half-brothers abroad for education. He won over the foreign-educated sons of the old aristocrat families of Bunnag and Saeng-Xuto. This small group of royal kin and closely related families formed 'Young Siam'. They learnt the ways of the West in order to use them against the Bunnag, the tax farmers, the peasants, the *angyi*, and the Westerners themselves.

In the 1870s, Chulalongkorn reorganized the administration of the palace, which directly governed only the small core domain (*rachathanī*), roughly equivalent to modern Greater Bangkok. He used a European bureaucratic model with separate departments for finance, defence, interior, and justice. He appointed his brothers, half-brothers, and a few close associates as the heads of these departments. This became the training ground and experimental laboratory for the new administration. In the 1880s, as the leading Bunnag and other powerful aristocrats in charge of the key ministries of the central government either died or retired, Chulalongkorn gradually transposed this core of relative-administrators into the heads of the ministries of the central government.

His first concern was still to establish control over the revenue flow, and to augment it. In the 1870s and 1880s, several measures were taken to improve the delivery from traditional sources of revenue. Tributary states were urged to send their tribute as gold and silver rather than ritual items or luxurious presents. Many tax farms were amalgamated into large consolidated farms (*phonprayot*) administered by powerful local notables and financial syndicates. In these two decades, the total revenue delivery from tax farming into the Treasury increased rapidly, from an estimated 2–3 million baht a year in the early 1870s to around 8 million baht in the late 1880s.

Chuang Bunnag died in 1883, and his brother, who controlled Phra Khlang, in 1885. Chulalongkorn immediately placed his own brother, Narathip, in charge of the finance office of the palace. Over the next four years, Narathip took over control of the profitable liquor, opium, and gambling farms which had been dispersed among other ministries. The royal revenues increased from 6 million to over 13 million baht. In 1890, Chulalongkorn took over direct control of Phra Khlang. In the 1890s and early 1900s, he appointed a series of royal princes to run it.¹³ Phra Khlang seized control over revenues dispersed through other ministries and provincial offices. It improved collections. It

added new revenue heads such as the land tax, which delivered 8.6 million baht by 1906–7. During the 1890s, more of the revenue collected in the provinces and tributary states was diverted to the Treasury. In thirty years, the total revenue flow under royal command increased over 35 times, from 1.6 million to 57.0 million baht.

The financial reforms were designed to weaken both the aristocracy and the Chinese. Provincial nobles lost their command over both men and tax farms. In the provinces and states, Chulalongkorn's commissioners encouraged *phrai* to commute their labour service to a tax, and enforced the regulations abolishing slavery. By these simple devices, the nobles lost their men and the Crown gained more money. At the same time, the reforms reduced the dependence on the Chinese as revenue intermediaries. In the 1890s, most of the tax farms were transferred to direct bureaucratic collection, except liquor, opium, and gambling, which were left until the new administration felt strong enough to challenge the *angyi*. In 1898, Phra Khlang tentatively began to close down the gambling farms, at first up-country and then in the capital. The last licensed gambling den closed in 1917. In 1907, the government abolished the opium farm, but flinched from the prospect of abolishing totally a tax which still contributed one-fifth of total tax revenue. The government continued to sell opium through a concessionaire system. The proceeds continued to be a major revenue contributor until the 1920s, after which they declined.

Gradually, the government shifted the tax base away from labour dues and the recreational vices of the Chinese, and more directly to the production and profits of the agrarian frontier. The old systems of corvée and commutation taxes were replaced by a single capitation tax. The separate system of taxing the Chinese through a triennial poll-tax was abolished, and the Chinese were brought under the standard capitation tax. Specifically to offset the abolition of the gambling tax farm, in 1906–7 Phra Khlang introduced a new and higher structure of land tax. By the 1910s, the land and capitation taxes delivered 20 per cent of the government revenue. The colonial treaties limited the government's ability to manipulate trade taxes, but better administration helped raise their contribution to the Treasury. Revenue from tin and teak licences increased. Between the 1890s and 1920s, the old tax farms were wound down and replaced by taxes imposed on the people of the towns, on the agrarian frontier, on trade, and on colonial extraction industries (Table 7.1).

Equipped with this rising revenue, the Bangkok court's first thoughts turned to territorial expansion. Since the 1820s, and more pressingly since the 1840s, the British had urged the King to define exact borders between Siam and the British colonial territories in Burma and Malaya. From the 1850s, the French demanded similar demarcation on the eastern frontier. At first, Bangkok reacted to these requests with puzzlement. The western frontier was a mass of mountain and jungle which worked well as a border without any further definition. To the north, east, and south there was no exact point where Siamese influence ended. The petty chiefs and princes in the northern hills owed allegiance to many overlords. Since many of these petty states lived off

TABLE 7.1
Government Revenue, 1892–1938 (million baht)

	1892	1905	1917	1927	1938
Opium	2.48	10.26	21.18	18.18	10.39
Spirits	2.30	4.16	8.62	12.15	6.98
Gambling	4.28	8.64	0.33	—	—
Land tax	1.02	3.86	8.68	12.83	7.42
Capitation tax	0.45	4.14	8.34	10.05	7.74
Trade and transit	2.02	7.04	9.97	21.91	36.04
Forests and mines	0.68	3.26	7.59	8.56	9.05
Other	2.15	9.10	17.75	33.76	40.61
Total	15.38	50.46	82.46	117.44	118.23

Source: Ingram (1971: 185).

trade, they looked on frontiers not as barriers but as ‘golden, silver paths, free for traders’ (Thongchai, 1994: 73). As the century progressed, however, the Siamese rulers came to understand that the borders which the colonial powers wished to draw would act as impediments to trade, and would shrink the hinterland on which Bangkok’s material power and magnificence were based. By the 1880s, Bangkok was ready to copy the colonialists’ enthusiasm for drawing borders in order to protect their trading hinterland, and to extend tighter control over the areas enclosed.

As a first move, in the mid-1870s Bangkok appointed commissioners in the frontier areas in the north, north-east, and south.¹⁴ These were essentially military appointments. Most were Chulalongkorn’s military-trained relatives. They arrived at their new posts at the head of troop columns. They represented a novel and permanent military presence in areas which had hitherto been tied only loosely to Bangkok. Chulalongkorn designed these new appointments after studying colonial systems of provincial control in Malaya, India, Java, and Singapore.¹⁵ He endowed the commissioners with wide-ranging formal powers. Their first task was to secure (and extend) the outer reaches of the hinterland in competition with the British and French. Chulalongkorn called this new initiative *thesaphiban* ('protection over territory').

Over the next three decades, Siam engaged with France and Britain in a ‘scramble’ to enclose the outer regions of the hinterland. Bangkok competed with the Europeans to draw borders around areas which hitherto owed multiple allegiances, areas which were empty of people, and areas which, only recently, Bangkok had protested ‘belonged to no-one’. On the west and south, the scramble with the British proceeded mostly by negotiation. The King was intent on keeping Britain as a diplomatic friend, was increasingly reliant on British advisers, and found advantages in allying with British commerce and diplomacy in order to secure Bangkok’s control over the state of Chiang Mai.

Between 1892 and 1909, the borders with British Malaya and Burma were drawn up by treaty. To the east, the scramble was less sedate. The French sent soldiers up the Maekhong. Bangkok dispatched its columns into the hill states up to the Annamite cordillera on the pretext of subduing bands of remnant Taiping marauders, but more precisely ‘to settle the frontier’ (Thongchai, 1994: 104, quoting Surasakmontri ‘*chatkan anakhet*’). In 1893, these manoeuvres finally resulted in a direct clash between French and Siamese troops over a deserted sandbank in the middle of the Maekhong. The ensuing treaty, with adjustments made up to 1907, fixed the Maekhong as the main line of border between Siam and French Indo-China.

As the borders were defined, Bangkok extended new forms of direct rule over the local rulers and chiefs of the tributary states and provinces. In the tributary states from the late 1870s, the presence of the Bangkok’s commissioners had gradually undermined the local rulers. The commissioners began by seizing control over local revenues in order to support their garrison duty. They then reorganized the systems of local government in order to maintain peace on the frontier. The local rulers were gradually reduced to decorative roles. In 1892–4, Chulalongkorn gained control of the two great territorial ministries of Kalahom and Mahatthai which managed the systems of indirect control over the inner provinces of the south and north respectively. He reorganized Mahatthai as the Ministry of Interior under his half-brother, Prince Damrong. After an initial tour through the inner provinces, Damrong concluded that the techniques used to impose direct rule in the outer tributary states could just as well be applied to the provinces. Over the next few years, commissioners were appointed to all corners of the new territory of Siam.

In both tributary states and provinces, the commissioners supplanted the hereditary rulers and nobles. They wrested away the remnants of the provincial nobles’ control over forced labour or commutation dues. Then they brought in new administrators from Bangkok, who worked alongside the local rulers and gradually sapped their powers. They persuaded the old ruling nobles to acquiesce in these changes with a mixture of threats and money. In Chiang Mai, which was in many ways the pilot case for the reforms, Bangkok made repeated attempts to impose administrative control after 1883, but was rebuffed each time by the local ruling *jao*. By 1898, however, the senior *jao* were weakened by their declining trade revenues and the massive debt to Chulalongkorn resulting from the legal dispute with the timber companies. When the Bangkok commissioner offered to pay them large salaries, pass on to them a proportion of the capitation tax, and guarantee their continued control over the teak royalties, they acquiesced. They continued to hold their official titles and appointments, but the real administration was taken over by Siamese officials inserted from Bangkok.

Similarly in the provinces, Bangkok appointed commissioners over the heads of the governors, and bought the old governors’ acquiescence by a blend of intimidation (guns) and rewards (high salaries and amnesties for revenue arrears). When the old guard of provincial rulers and nobles died or retired,

they were replaced by appointments from the centre. Most of these were royal relatives, senior military officers, or other members of the Bangkok aristocracy bound to the Crown. Over a generation, the hereditary ruling families of the hinterland were replaced by central appointees. Then in both the states and the provinces, Bangkok won over the next generation of the hereditary families by bringing them to Bangkok, processing them through new schools and central ministries, and absorbing them into a new central bureaucracy. In 1899, the Ministry of Interior started a school to train civil servants for the new administration. By the early years of the century, graduates were being sent out to staff key roles in the provincial administration. Members of the provincial nobility were starting to be circulated through this schooling and integrated into the new-style administration. By 1914, 3,127 provincial officials had been centrally appointed:

This new administrative structure developed slowly and unevenly across the country, hindered by lack of resources and by opposition from local powers. Ultimately, it amounted to a considerable centralization of control. Mahatthai gradually expanded and absorbed new government functions. By 1923, it had swallowed up the departments of police, public health, forestry, public works, the judiciary, and the port authority. The provincial administrators established a pyramid of control which reached down to the individual village. They set up local police forces, surveyed lands, took control of irrigation works, ran schools, and took over local courts. They demanded that every citizen be recorded in the rolls of the new house registration (Tej, 1977: 136–201).¹⁶ Mahatthai became a new governmental system which registered, taxed, and above all policed people throughout Siam. Through Mahatthai the Crown built a system of governmental control to replace *sakdina*.

Resistance to Bangkok's Expansion

Bangkok's programme of expansion and centralization faced resistance. Tax farmers protested against abolition of the opium farm. In 1910, the city's Chinese organized a general strike against the imposition of the higher capitation tax. The government fielded these protests with practised techniques. It compromised with the opium tax farmers. It broke up the general strike with troops, and put its leaders on the boat back to China. More significant were the reactions up-country. In many places, the provincial nobility reacted against supersession by central bureaucrats. In a handful of incidents which tested Bangkok's military resources, peasants opposed the imposition of tax and government.

In 1895, some villages in Khon Kaen in the north-east revolted, and successfully prevented any form of official intervention for three years. In 1889–90, there was a major uprising in the Chiang Mai valley, which involved up to 3,000 people in an armed clash with troops. In 1902, there was a widespread millenarian revolt in the north-east. At its height, a force of around 2,500 rebels sacked a provincial town. Also in 1902, there was a rising in the southern border states, and a major outbreak in the northern state of Phrae. In

the early 1900s, some villages in the north killed the first officials who arrived and demanded tax payments. In 1910, an ex-monk led a revolt in Lampang. In many instances, these revolts were a direct response to the imposition of central control. They were sparked by the attempts of the new administration to impose new taxes, particularly the poll-tax. They were led or supported by members of the displaced provincial nobility. In some instances, the rebels directly focused their revolt against 'Siamese' or central intrusion.

In remote areas with little or no involvement in a money economy, the imposition of a cash tax was a major disruption. The Sambok revolt in Khon Kaen in 1895 was a direct reaction to the poll-tax. The millenarian revolt in the north-east in 1902 followed on from imposition of the poll-tax in 1899. The Phaya Phap revolt in Chiang Mai began after the central government took over control of tax farming in the region and put their weight behind a Chinese tax farmer, who refused to allow peasants to pay dues in kind and deployed violent methods to ensure collection. The Phrae revolt began after officials had tried to collect the commutation tax on top of levying the corvée service it was supposed to replace. In Loei in 1924, villages revolted against the poll-tax.

Displaced local nobility played a major or minor role in several outbreaks. Phaya Phap and other leaders of the Chiang Mai revolt of 1889 were all local-level officials. Village headmen helped organize support for the revolt. Bangkok believed that the ruler of Chiang Mai gave it tacit support. The revolt in the ethnic-Malay southern border states in 1902 was led by petty officials who felt they were being displaced by the centre, and was covertly supported by some of the state princes. Some of the *phu mi bun* (people with merit) who led the millenarian north-eastern revolt of 1902 were originally petty officials who had been pushed aside. In Phrae, Shan labourers persuaded the *jao* and some of his nobility to lend their support for the attempt to drive the Siamese administrators out. Bangkok suspected the *jao* had planned the revolt from the start.

In several of the outbreaks, the rebel force was focused directly against the intrusion from Bangkok. In the Phaya Phap revolt, the rebels planned to march on Chiang Mai 'to wipe out the Siamese and Chinese', that is the Bangkok officials and their Chinese tax farmers.¹⁷ The rebels sent messages to the Chiang Mai court explaining that they were not revolting against the princely state, but against Bangkok. In the Phrae revolt, the Shan attacked the police, raided the house of the Siamese commissioner, killed twenty minor Siamese officials, and set off to seize Lampang and drive the Siamese out of the north. Leaders of the *phu mi bun* revolt in the north-east claimed their aim was 'to establish a kingdom which was not under either the Siamese or the French' (Keyes, 1977: 298). A recurring theme of the north-eastern revolts was a desire to revert to rule by Vientiane, the capital of the Lao state subdued by Bangkok in the early part of the century.

The revolts revealed a fundamental clash between the rural world and intruding central authority. The two most threatening revolts of this period—the Phaya Phap outbreak in Chiang Mai in 1889, and the *phu mi bun* uprising

in the north-east in 1902—both revolved around local leaders who used magico-religious authority to challenge Bangkok's overlordship. Phaya Phap was a disgruntled local official who was transformed into a local moral leader in the face of external oppression. He drank sacred water, and shared it with his close colleagues in an oath of resistance. He later made a great pot of sacred water so all his followers could bathe before going out to do battle with government troops. The 1902 troubles in the north-east began with reports about *phu wiset* (people with extraordinary powers) distributing sacred water to the peasants. *Mo lam* (Lao musicians) spread messages about the imminence of catastrophic events followed by a radical transformation of the world as it was then known. Nature would be transformed, *phu mi bun* would appear as saviours, old rulers would fall, believers would prosper, and enemies be destroyed. Several of those who were acclaimed as *phu mi bun* in early 1902 were monks or ex-monks who already had a local reputation for spirituality and supernatural abilities. They attracted enthusiastic local support. The biggest group overran the town of Khemmarat on the Maekhong River, and set out to attack the provincial headquarters of Ubon. In most other incidents, the rebels eschewed violence. They drank sacred water, engaged in other ceremonies, and were waiting for the millennium to happen.

These movements expressed resentment against the intrusions of a superior state, articulated in the language and symbols of local belief. They posed local conceptions of moral leadership (men with merit) against the arrogance of tax-collector and soldier. They deployed millenarianism to reverse history, and to regain control over the locality. The central government's fear of these challenges to its authority was measured by the violence exerted in their suppression. Usually, the rebels were unarmed; at most, they carried a few hunting muskets. They believed that the sacred water conferred inviolability and made no attempt to present resistance. The government sent out 5,000 troops with Gatling guns to crush the Phaya Phap rebels. The thirteen leaders captured were first flogged, then pilloried for three days, and finally executed. In the north-east in 1902, the government used 2,000 troops with repeating rifles and cannons, and claimed to kill over 200 rebels without incurring a single casualty. Eight captured leaders were taken back and executed publicly in their home villages. At an incident in Sakon Nakhon in the same year, the troops attacked the rebels while they chanted at a monastery and shot 48 of the 100 present.

Army, Police, Sangha, School, and Nation

All these revolts were brought under control. But they provided the essential background for the next stage of the revolution in government—the creation of a standing army, the expansion of the police, the establishment of a central judiciary, and the project to create a unified nation through a standardized education, religion, and core ideology.

The armies of conquest headed by the early Chakri kings had numbered up

to 70,000 men. By mid-century, military activity had diminished, the prestige of the army had dropped, and corvée was in disarray. Fewer than 2,000 men were in military service, and most were riff-raff. The project to reform the military followed the same pattern as the Treasury and Mahathai. During the regency, Chulalongkorn formed a royal bodyguard inside the palace which learned some of the basic disciplines of a European army. In 1880, the same principles and many of the same people were used to form a Bangkok garrison force recruited through volunteering rather than corvée. Most of the 5,000 men were Lao, Khmer, and Mon 'white wrists' who had escaped registration for the corvée. This force was used with moderate success to assert military control over the Lao border regions in 1885–6. In 1887 (after another Bunnag fatality), Chulalongkorn took control of Kalahom. He installed a clutch of his brothers, half-brothers, and close associates in control of the armed forces, and issued an edict promising to reform the military on European lines. For the immediate future, these plans were qualified by a lack of hard cash, and by lingering opposition from the aristocracy. Yet the small modernized force run by the royal princes was used to chase down the bandits on the agrarian frontier, to quell the occasional Chinese riot, and to scramble with the French on the eastern and northern borders.

In 1893, the King attempted to use corvée to raise a force of 180,000 to fight the French over the Lao border territories. The attempt failed catastrophically. Only a few thousand were recruited. Most were 'taken straight from the paddy fields without knowing a rifle from a right-about-face' (Battye, 1974: 340). They panicked and fled at the sound of gunfire. The French sailed two gunboats up the Chaophraya to the heart of Bangkok, and threatened to shell the city. The King capitulated, and was obliged to accept a humiliating treaty. The conservative faction seized the opportunity to oppose any project of military reform. They argued that Siam had no chance of developing an army to match the Europeans. The technological gap was too wide. Modern arms were too expensive. The only people selling them were the foreigners whom they wanted to use them against.

These criticisms missed the point. Chulalongkorn held few illusions about fighting wars with the Europeans. He was concerned more about the army's role in internal affairs. During the 1880s and 1890s, Chulalongkorn's small military élite spent their time chasing down rural bandits, intervening between landlord and mob in the canal tracts, suppressing millenarian rural revolts, quelling Chinese street gangs, and breaking labour strikes. It was for these functions that they wanted more fire-power. Chulalongkorn set out to create a *kong thap phai nai prathet*, an 'internal' army to protect the state from internal threats (Chalermkiet, 1990: 17).

The revolts of 1902 in the north and north-east prompted the final decision. The revolts were quelled using the small permanent force from the Bangkok garrison, some rapidly recruited irregulars, and the few military commanders with experience in banditry suppression in the central plain. The government forces suffered initial defeats and took far longer than expected to impose

order. In the aftermath, the commanders insisted that permanent garrisons be posted near the rebel areas to handle a possible recurrence. A year later the prince overseeing military affairs argued: 'Disorders have not yet been thoroughly stamped out. Who can we use to relieve the garrisons?... Conscription is a necessity. If we fail to introduce it, that would be tantamount to throwing Payap away.'¹⁸

Against this background of growing rural resistance to central control, the government created a standing army. With the rapid increases in revenues in the late 1890s, the cash was available. Military expenditures grew from 2.9 million baht in 1898 to 13.8 million baht in 1905. Conscription was introduced hurriedly in some of the northern provinces in 1902–3 to man the garrisons for the turbulent north. Then in 1905, the government announced a conscription edict which abolished corvée and created a standing army. By 1910, Siam had an army of 20,000 on active service with 30,000–40,000 in reserves, and a navy of 5,000 with 20,000 in the reserves.

The government also developed a centrally controlled police force. The capital already had a force, but it was reportedly manned by 'crooks, slaves evading work, opium addicts, alcoholics and junkies' (Battye, 1974: 302). The government always preferred to use the troops in cases of serious disorder. In the provinces, the governors and tax farmers kept gangs of followers whom they used to collect dues and enforce order. With the disestablishment of the provincial nobility, many of these lapsed into banditry. Others were transferred to the supervision of Mahatthai's new provincial administration. But the raw material was not good. Early proposals to reorganize these local forces as provincial police were opposed on the grounds that the members were thugs and bandits. Instead, many of the commissioners sent out from Bangkok to establish the new provincial administration recruited their own men. These forces grew in numbers and importance from 1897 when Phra Khlang needed police to help close down the provincial gambling dens. In 1897, the government established the Krom Tamruat (Police Department) to oversee the growth of provincial forces. From the turn of the century, efforts were made to improve the capital's police forces, and again these were used for suppressing the gambling dens. In the 1900s also, the commissioner of Nakhon Chaisi created a plain-clothes police force which was successful in detecting robberies and recovering stolen cattle. In 1913, the government founded the Criminal Investigation Department with the task of extending the same system to other provinces.

Along with the new police came a new centralized judicial system. Under *sakdina*, most judicial functions were entrusted to *nai* and local officials. Chulalongkorn set out to withdraw these powers and bring all citizens into one juridical relationship with the new state. Beginning in 1892, the various courts within different ministries were reorganized under a single Ministry of Justice. Between 1897 and 1908, a commission revised the penal code. In 1909 a law school was founded, and in 1915 a bar association formed.

Besides the army, judiciary, and police, the reformers turned their attention

to systems for managing people and keeping the peace over the longer term. The new Siam was a very diverse society. The large hinterland, which at the start of the nineteenth century had been loosely controlled by tributary princes, warlords, and local nobles, was now more closely associated with the centre through ties of commerce. The collisions with the colonial powers had defined the outer borders with relative precision. In theory, Mahatthai's administrative pyramid reached down from the centre to every town and village. The population within this new political entity was enormously varied in ethnic background and in historical experience. The revolts of 1902 had emphasized this fact. They had mostly occurred in areas which had been under tributary states (Chiang Mai) or which had a history of allegiance to other political centres (Vientiane and the Malay kingdoms). Many of the participants were 'Shan', 'Lao', or some other peripheral identity. Bangkok set out to impose some degree of cultural integration. Its main tools were religion, language, education, and a new concept of 'nation'.

At the turn of the century, the central government began to create a centrally controlled Buddhist establishment. Since the foundation of Bangkok, the new dynasty had assiduously promoted and patronized Buddhism as one of the key foundations of kingship. In the mid-nineteenth century, Mongkut initiated a movement to reform doctrine and practice. Before he ascended the throne, Mongkut spent twenty-seven years as a monk studying Buddhist texts, and concluded that Siamese Buddhism had become suffused by improper and superstitious practices. He imported a set of unadulterated Buddhist scriptures from Sri Lanka, adopted purer monastic practices which had survived in Mon religious establishments, and promoted better education in Buddhist teachings among both the monks and laity. Mongkut's reform movement spread through important royal-patronized monasteries in the capital. After he ascended the throne, the movement gained further adherents in the north-east and south. In the 1870s, the reform movement was distinguished as a specific sect (*nikai*) under the title of Thammayut ('those adhering to the law'). In 1893, Chulalongkorn appointed another of his brothers, Wachirayan, as head of the Thammayut sect, and entrusted him with imposing a degree of central control over the Buddhist establishment.

Central religious administration extended little further than the élite royal *wat*, mainly in Bangkok. Local religious practice was very varied. In the north and north-east, there were several local sects, Buddhist texts were written in local languages, and monastic practice varied widely. Local religious authority often rested with popular abbots. After the millenarian revolts, Bangkok was especially sensitive to the possibility of heterodox religion forming the basis for political opposition of the periphery against the centre.

Wachirayan oversaw the drafting of a Sangha Act, which was passed in 1902. The Act arrayed all monastic institutions in a pyramidal hierarchy starting from the King and the Supreme Patriarch, and extending through ecclesiastical governors at the provincial and local levels down to the individual *wat*. The form of the hierarchy exactly matched the civilian

administration extending down from Mahatthai. The Act established the framework for imposing a uniform Buddhist practice throughout the country. All important appointments in the new hierarchy were made or approved by the King. Only officially designated abbots could practise ordination. To succeed in the new hierarchy, monks had to study and pass examinations on a syllabus of texts selected by the Sangha hierarchy. Dissident monks faced the possibility of discipline.

Over the following decades, the 1902 Act was used to impose central control on key monastic appointments, to side-track the careers of dissident monks, to disperse regional movements within the monkhood, and to promote the careers of monks who acquiesced to central authority. Wachirayan became the Supreme Patriarch, and played a key role in spreading uniform practice. He wrote that the Buddhist order had to provide 'a tight binding between the government and the people' (Reynolds, 1979: 37). Between 1912 and 1917, he travelled to the provinces to persuade monks and abbots to 'see the ways of Bangkok monks' and adhere to the new orthodoxy (Reynolds, 1979: xlvii–xlviii). He paid special attention to the sensitive task of bringing the northern monks of the old Chiang Mai kingdom within the new framework. In the north-east, Wachirayan had earlier begun to draft some of the most popular local monks within the Thammayut sect. He persuaded these monks that they shared with the Thammayut order a common interest in combating the superstitious local practices muddled into Buddhism. Several of these monks were brought to Bangkok for study, and then appointed to positions within the Thammayut order. After 1902, they were also appointed to key roles in the new Sangha bureaucracy. Simultaneously, they extended both the new administrative framework and the Thammayut sect into the north-eastern provinces. With royal patronage, they were able to build impressive monasteries in their home area, and went on to build a wide network of followers through the north-east.

The control and standardization of religious practice was closely linked with issues of education and language. Schooling in the provinces was conducted at the *wat* in a variety of local languages, scripts, and styles. In the early years of the century, for instance, it was reckoned that only 1–2 per cent of north-easterners could read or write Thai, and the *wat* schools taught in Lao, Khmer, Khmu, and other local dialects (Paitoon, 1988). In 1898, Chulalongkorn commissioned Wachirayan to carry out a 'Plan for the Organization of Provincial Education' which aimed to extend throughout the country a uniform educational system using a standard syllabus, standard textbooks, and a standardized version of the Thai language. Wachirayan implemented the plan using the Thammayut sect as his headquarters, and the existing network of local *wat* as the schools. He compiled a new syllabus, which at the primary level focused on Buddhism, arithmetic, and the Thai language. At the Thammayut centre in Wat Boworniwet in Bangkok, Wachirayan trained teacher-monks, published textbooks, and established a hierarchy of provincial education directors to oversee schools. In the first three years, 330 schools

were established and over 12,000 students enrolled. In order to concentrate on the Sangha reform, in 1910 Wachirayan transferred the responsibility of developing education to Damrong and Mahatthai. The project proceeded slowly. The military and the provincial administration had first call on funds. Only in 1921 did the government commit to the principle of providing elementary education for all. Only a generation later did it provide the investments to make it possible. By the mid-1920s, around 40 per cent of children aged 7–14 were at school, and the numbers expanded steadily after the 1932 revolution. Yet those who did enter education after the turn of the century entered into the acculturation scheme which Chulalongkorn and Wachirayan had devised. They all learned from the same syllabus and the same set of textbooks. Most importantly, they all learnt in the language of Central Thai (or a close approximation) rather than the many variants and dialects found in the periphery. From the start, Wachirayan's assistants stressed that the spread of the Thai language was the core role of the new education.

Along with one language, one syllabus, and one Buddhism, the reformers developed the idea of one nation under one king. Beginning in the mid-nineteenth century, the rulers devoted considerable attention to establishing the deep historical roots of the dynasty. Mongkut collected Ayutthaya chronicles, transcribed Sukhothai inscriptions, and wrote a *Brief History of Siam* which began with the founding of Ayutthaya in the fourteenth century. In several scholarly studies, Damrong extended the lineage by adding a pre-history of migrations from southern China, and fixing eleventh-century Sukhothai as the historical beginning of Siam. In these works, the rulers evolved the concept of a specific 'Thai' or 'Siamese' people who had dominated the Chaophraya Plain for centuries and who had a tradition of kingship extending back to the beginnings of their history.¹⁹ These concepts neatly glossed over the ethnic muddle of Lao, Khmer, Mon, Vietnamese, Malay, and Chinese in Siam's cosmopolitan society, and elegantly submerged the Sino-Mon origins of the dynasty.²⁰ In the historiography of Siam which Wachirayan and Damrong enshrined in the new school textbooks, Siamese society emerged in the Chaophraya Basin at Sukhothai with kingship already established as its central institution, and descended from Sukhothai through Ayutthaya to Bangkok in a single linear tradition.

In the confrontations with the Western powers, this notion of 'Thai-ness' was both defined and broadened. In relation to a border dispute with the British in 1885, Chulalongkorn proclaimed: 'The Thai, the Lao, and the Shan all consider themselves peoples of the same race. They all respect me as their supreme sovereign, the protector of their well-being' (Thongchai, 1994: 101–2). In 1888, the King urged his officials to wean the rulers of Luang Prabang away from attachment to the French 'by describing the fact that the Thai and Lao belong to the same soil' (Thongchai, 1994: 102). As the borders of Siam were defined in treaties with the Western powers, and as all inhabitants of the border-defined territory were drawn into the ambit of the centralizing state, this notion of 'Thai-ness' became matched with a geographical and political

reality. In part, this process was disarmingly deliberate. Until the 1890s, the provinces on the periphery of Siam were named according to their non-Thai ethnic definition—the ‘eastern Lao’, ‘north-western Lao’, ‘Khmer’, and ‘Malay’ or ‘Khaek’ states. In the reorganizations commencing in 1899, these names were expunged. In explaining the change in the north-east, Damrong stated that the people in these areas ‘were really of the Thai race’, but Bangkok had previously used the name ‘Lao provinces’ because it fitted the old idea of Bangkok as an imperial ruler over a network of dependent states. The new model was ‘a unified Thai kingdom’, and the names had been changed to suit this ‘true’ social reality. In 1902, the Bangkok commissioner in Lampang told a public dinner: ‘The distinction between Siamese and Lao no longer exists—we are all subjects of His Majesty’ (Chaiyan, 1994: 96).

In the last decade of the nineteenth century, the word *chat*, which had previously conveyed the idea of birth, race, or ethnic identity, was transmuted to express the idea of a ‘nation’, a population enclosed within a given territory and owing political allegiance to a common authority. This semantic shift reflected a change in the relationship of King and people. Under *sakdina*, the Crown dealt directly only with the *nai*, and only indirectly through the *nai* with the rest of the population. The Crown’s ritual relationships had reflected that pattern. The King was distanced from the people by layers of Indic terminology and ritual practice. Mongkut developed more direct ritual and ideological linkages between the Crown, the Sangha, and the people. He revoked ordinances which forbade the populace to gaze at the King. He stripped away some of the more foreign, Indic elements in royal ritual, and replaced them with local, folksy, Buddhist elements appealing to the local population. During Chulalongkorn’s reign, many Buddhist texts were translated from Khmer to Siamese script to make them more accessible to student monks. The King involved the institution of monarchy more in customary and religious activities of the common people, particularly the peasantry. In the 1880s, Chulalongkorn composed a text on the ceremonies of the twelve months, in which he codified the various rituals and rites of the yearly agrarian cycle.²¹ Mongkut and Chulalongkorn brought the monarchy closer to the people, so that ultimately the people (*chat*) could be defined as a single community through their shared relationship with the King. Once the new borders of Siam had been defined around the turn of the century, the notion of *chat* was combined together with *prathet* (territory, country) to form the concept of *prathetchat*, a people living together within a defined geographical space, a nation. In 1911, the government passed a Nationality Act which classified anyone born within the national boundaries as a ‘Thai’.

In the 1910s, Chulalongkorn’s son and successor, Vajiravudh, brought Mongkut’s version of Buddhist kingship and the new concept of *chat* together in a powerful conceptualization of the new absolutist state. Vajiravudh contended that modern man could function as a political being only through allegiance to a nation. The Thai nation was defined by unique characteristics, of which the most important were the Thai language, the Buddhist religion,

and the institution of kingship. The king was the embodiment of the Thai nation: 'The king is the one who possesses the power of the group and he uses this power for the benefit and happiness of everyone. Therefore respecting or admiring the king is respecting and admiring the power of the group.... One who insults the king is insulting the power which the king holds for him.... Being loyal to the king is the same as loving oneself because the king has the duty of protecting the nation' (Barmé, 1993: 27). Moreover, the king was the protector of Buddhism, which represented the moral core of the nation and the foundation of its success and stability. Citizenship in the Thai nation hence required absolute loyalty to the two key institutions of religion and monarchy. When Vajiravudh formed a new paramilitary force known as the Wild Tigers (*Su'a Pa*), he explained: 'The aim of this national institution is to instil in the minds of the people our own race love and loyalty towards the High Authority that controls and maintains with justice and equity the political independence of the nation, devotion to Fatherland, Nation and our Holy Religion, and, not the least of all, the preservation of national unity, and the cultivation of mutual friendship' (Wyatt, 1984: 225).

Nation, religion, and king were three descriptions of the same thing, the same unity, the same 'Thai-ness'. Disloyalty to any one amounted to disloyalty to all three. Vajiravudh yoked *nation, religion, and king* together in a single phrase, elevating the Thai state as a 'trinitarian mystery' which demanded complete obedience.²² This simple and immensely powerful notion became the guiding ideology of the new absolutist state in early twentieth-century Siam.²³

The Bureaucracy

The centrepiece of the new absolutist state was the civilian bureaucracy. It ran the provinces, kept the peace, collected the taxes, and educated the children. It did all these 'in the service of the king'. The bureaucracy was the embodiment of the centralization of power. At the head of the bureaucracy was a new aristocracy defined largely by royal blood. They set the tone of the new bureaucracy, and established its authority. With no competition from an independent judiciary, legislature, or landed nobility, the bureaucracy became exceptionally powerful.

The royal core of the bureaucracy had been under development for several generations. As part of building the new dynasty, all the early Chakri kings fathered prodigious numbers of children. Rama I had forty-two children of twenty-eight mothers, Rama II seventy-three children of forty mothers, Rama III fifty-one children of thirty-seven mothers, Rama IV (Mongkut) eighty-two children of thirty-five mothers, and Rama V (Chulalongkorn) seventy-six children of thirty-six mothers. This rapidly expanding family tree was bound together by marriage between the various lines and with the select group of aristocrat families whose connections with the Chakri dated back to Ayutthaya.²⁴ All of the important ministries established in the reforms were headed by Chulalongkorn's brothers and half-brothers. Other close royal

relatives were sprinkled generously over the upper ranks of the central bureaucracy and the provincial government. In 1906, members of the royal family occupied nine of the twelve cabinet posts, including all of the important ministries. Within the army, this royal domination ran especially deep. Chulalongkorn sent all three of his senior sons (Vajiravudh, Boriphat, and Chakrabongse) for military training in Europe, and endowed military scholarships which were mainly used to support lesser royalty. In 1910, nine of the sixteen most senior posts in the army were occupied by members of the royal family, while the remainder came from high-ranking noble lineages. All the generals, all the lieutenant-generals, and six of the thirteen major-generals were royalty. Many of them were still in their twenties.

The rapid expansion of the bureaucracy's lower ranks brought in a wider social segment. Between 1890 and 1919, the numbers of salaried officials grew from 12,000 to 80,000. The two most important segments of this new government machine were the army and the Ministry of Interior. By the 1920s, the Ministry of Interior employed over 20,000.

The principal route into this new bureaucracy, particularly its higher levels, was through 'modern' education. Until the 1900s, such education was available only through a handful of mission schools, which were not wholly trusted, or by overseas travel, which was, in effect, limited to royalty and a few other major families. Chulalongkorn and Damrong started the Royal Pages School inside the palace in the 1890s to train mainly royal family members for administrative careers. In the 1900s, it became the Civil Service School and widened its intake to include more of the sons of noble families. In 1916, it was transformed into the Chulalongkorn University, which continued to be the main training ground for entrants to the civil administration. The Chulachomklao Military Academy was founded in 1887 on the model of the German military school. By 1909, it had over 1,000 cadets. These institutes of higher education were fed from a growing base of modern schools. The total number in Bangkok grew from 19 with 1,504 students in 1885, to around 200 with 16,000 students in 1910. These included 12 secondary schools and 11 higher institutions with a combined total of over 2,600 pupils.²⁵

The core of the intake for the élite institutions came from the sprawling royal clan and the related aristocrat families. Chulalongkorn and Damrong encouraged the royal and aristocratic families to put their children through the new education. Until 1898, the military academy was confined to very high-born families. Thereafter, the doors were opened slightly wider, but birth remained a critical entrance requirement. Entrance to Chulalongkorn University was also closely controlled. In the 1920s, the total student body numbered around 160.

Recruitment to the upper ranks of the bureaucracy was carefully limited to 'those who are high-born (*phu di*) or who are acceptable because of wealth' (Nakarin, 1992: 64, quoting Damrong). Beyond the royal and aristocratic clans, there were two main sources for the new student intake. First were the leading Chinese families, particularly those which had made fortunes as

royal-patronized traders and tax farmers or as *compradors* for European trading houses. As bureaucratic tax collection replaced tax-farming, the more far-sighted of the great Chinese commercial families used the new education to ascend into the new mandarinate. Second were the provincial nobility.

Among the provincial nobility, those from the inner provinces most easily made the transition to the new bureaucracy. They were already equipped with Thai language, and many had established links with Bangkok. For those from the periphery, the experience was uneven, determined by new conjunctures of culture and politics in the new nation. In the north, Bangkok made special efforts to absorb the ruling élite into the central machinery. Junior members of the ruling families were accommodated immediately in bureaucratic posts. The King urged the ruling families and their allied families of merchants and tax farmers to send their children to the new schools, and thence into the administration.²⁶ In the upper south, the court made efforts to incorporate the old merchant barons and newer tax farmers. Members of the well-established na Nakhon family and the more recent na Ranong were immediately appointed to senior posts in the new administration. The next generations worked their way up the new ladders of official success.

In the north-east and far south, the absorption was more problematic. Language was an immediate problem, as most of the noble families from these regions spoke Thai as a second language, if at all. Moreover, in the north-east, Bangkok seemed bent on a policy of exclusion. No local rulers were taken into the higher levels of the administration. In places such as Korat, the Bangkok commissioner pursued a policy of intimidation rather than absorption, and had several local officials flogged or imprisoned. Bangkok chose new locations for several provincial headquarters and downgraded the old rulers to the heads of mere subdistricts. Bangkok made no special efforts to pull the old ruling families and local notables into the new schools. Bangkok's exclusionist policy in the north-east had many possible foundations: the government preferred to directly control the area bordering the aggressive French; the local rulers rarely had the wealth, lineage, or splendour of rulers elsewhere; the 1902 revolts created fears of rebellion or secession; Bangkok still tended to view the Lao regions as conquered provinces, and treated them accordingly. In the far south, absorption was complicated by religion and culture. The Muslim Malay populations of the old tributary states reacted strongly against the intrusion of Bangkok administrators, and against the policies of cultural homogenization based on the Thai language and Buddhist religion. Bangkok tried to fragment local opposition by dividing the area into substates, and sent in hosts of hired British 'advisers' rather than Thai officials. Eventually, Bangkok abandoned the assimilation policies, ceded the states around Kedah to the British in 1909, allowed the local rulers in the remaining states around Pattani to remain in control, and imposed only a loose suzerainty through a single overseeing commissioner. For the moment, the centralized administration was not forced fully into the Muslim Malay area. Equally, no attempt was made to draw the local rulers and notables into the new bureaucratic élite.

As recruitment to the bureaucracy expanded, more and more of the recruits came from these slightly less gilded families. Yet the core of royal and aristocratic recruits helped shape the ethos and culture of the new bureaucracy. These new bureaucrats were the *kharatchakan*, the servants of the (royal) state, the king's men, the instruments of the absolutist state, and the wielders of its power.

From the outset, there was some tension between the role of professional bureaucrat and the role of King's servant. In the 1900s, senior members of the government debated whether the bureaucrats should be seen as 'subjects of the realm deployed by the king' or as 'employees on a regular salary'. The court favoured the former. In the 1910s, some bureaucrats argued that their duty was to follow *lakwicha*, the principle of abiding by texts or rules. The King countered that their obligation was to follow *lakratchakan*, the principle of serving the king. Vajiravudh lectured new bureaucrats that *lakratchakan* was the route to success in the bureaucracy, while *lakwicha* was a mere technical skill.²⁷

In the army, the government set out to create something like a military caste. Successful military officers were encouraged to send their sons to the college. Within two generations, distinctive 'military families' had emerged. Phin Choonhavan, who commanded the Kengtung army in the Second World War, put his son (Chatichai) in the army, and married his three daughters to rising officers (Pramarn Adireksarn, Siri Siriyothin, and Lamai Utthayanon). In the civilian bureaucracy also, families developed a hereditary interest. Even in 1974 after a generation of rapid bureaucratic expansion, 41 per cent of all special grade officials and 33 per cent of a sample of first grade were the children of officials. Around 35 per cent of the top 12,000 civilian officials were children of bureaucrat parents.²⁸

While the Chulalongkorn reforms imposed new salary systems, reporting procedures, and functional divisions of labour in the bureaucracy, they did not altogether override old practices. In the nineteenth century, local officials had been remunerated by taking a commission from the revenues which passed through their hands, by extracting unofficial fees for services rendered, and by applying 'squeeze' to those within their power. The provincial governor and his subordinate officials (*krommakan*), for instance, were expected to divert up to one-third of the revenue they collected to cover their own stipends. Such habits, known as *kin muang* or 'eating the state', died hard (Damrong, 1952). In the initial years of the reforms when the centralized command of revenue was still incomplete, the government continued to pay low or non-existent salaries to many officials. A senior officer's salary was up to 200 times that of a junior official. The lower rungs were still expected to live off the land and the people. A full salary structure was not implemented until 1928. Even after this, the government's reliance on the loyalty of the bureaucracy meant that it continued to turn a blind eye to official self-remuneration. This was especially true in the case of provincial posts and the police service, where the work was

unpleasant, dangerous, or otherwise unattractive and the government had difficulty in attracting recruits. The availability of *kin muang* revenue meant bureaucratic jobs were attractive even at low official salary levels, which tempted the government to economize on its salary budget and hence institutionalize the whole practice of self-remuneration.

In the nineteenth-century administration, power, position and status had been intimately linked to control over numbers of people. In the *sakdina* system of official ranks and titles, status was expressed in terms of the number of people commanded. In the politics of the old central ministries, men built careers by amassing followers in order to be of effective service to their superiors. Again, such practices lingered in the modern bureaucracy. In the early years, promotions depended largely on nepotism. Subordinate officials sought senior patrons, provided services for the patron, and relied on the patron to pull them up through the ranks. Senior officials gathered followers and deployed their popularity and their command over people to vie for plum jobs and promotions. Internally, the bureaucracy fragmented into a mass of *phak phuak* (clientages).²⁹

The bureaucracy developed a whole specialist vocabulary for describing the means for giving service and gaining favours, ranging from *rin namcha* (pouring tea for the boss) to *law khai daeng* ('eating the egg-yolk', meaning marrying the boss's daughter). In an article in a bureaucrats' journal in 1964, a writer advised: 'To be able to succeed in a bureaucracy, you must be pulled by your superiors, pushed by your subordinates and supported by your equals' (Likhit, 1978: 150). The prevalence of *phak phuak* and the practice of *kin muang* interlocked. Junior officials raised unofficial revenues and passed some portion up the line to their bosses along with a range of petty gifts and services. Senior officials spent on welfare and festivities to expand their clientages and to maintain their subordinates' loyalty. In a 1977 survey, 95 per cent of a sample of bureaucrats reckoned that advancement in the bureaucracy depended on patron-client relations.

In the early twentieth century, the new bureaucrats of Mahatthai became known as *nak pokkhrong*, the professionals who govern. As Chai-Anan (1992: 5) has analysed, the new bureaucracy which developed was not a simple officialdom: 'When the state depends on a small group of bureaucrats for the survival of the political system, it creates the situation of "a state within the state". This is because state building entails building up a group of bureaucrats without promoting the development of countervailing forces from outside, namely from the society.' The bureaucracy created by the Chulalongkorn reforms grew extraordinarily powerful. It handled an increasing flow of revenue. It was held together internally by strong bonds of clientage and exchange. It enjoyed huge prestige from its royal patronage and its aristocratic core. Most of all, it was the executive arm of the absolutist state, largely unchecked by countervailing powers of legislature or judiciary, and largely unchallenged by powerful outside forces.

Conclusion

During the nineteenth century, the society of Siam was fundamentally transformed. The expansion of agricultural production for the export market created new classes which stood outside the old social model—a new class of free, frontier peasants escaped from the bonds of labour control and personal servitude, and a new urban society of merchants and workers staffed by immigrants from the south China coast. The old ruling systems were poorly equipped to manage these new elements. The increase of colonialist pressure in the second half of the century raised fears that internal disorder would react with external aggression to deliver Siam into the arms of colonial rule.

In the last quarter of the century, the royal family, led by Chulalongkorn, recognized that the new social forces represented not only a threat to the kingdom and the dynasty, but also an opportunity to strengthen the state and to strengthen the role of the monarchy within it. The shift of the economic base had weakened the monarchy, but at the same time had reduced the capacity of the hereditary nobility to resist a project of royalist aggrandizement and centralization. Surplus from the expanding peasant economy had the potential to provide the material base for a centralized administration and a more glorious monarchy. Over the last quarter of the nineteenth century and the opening years of the twentieth, the royal leaders constructed a new, centralized, and powerful absolutist state. First, they increased the rate of revenue extraction from the expanding peasant economy, and brought the revenue stream under direct royal control. Second, they established a new centralized administration which by-passed the old nobility. Third, they formed a standing army and police force which improved the centre's ability to police society in the capital, in the tumultuous areas of the new rice economy, and on the distant territorial frontier. Fourth, they established central control over the Buddhist religious establishment and promoted a consistent religious practice across the kingdom. Fifth, they started to impose a common language and culture through education under centralized control. Sixth, they 'scrambled' with the European colonial powers to impose this new form of rule over as much as possible of the loosely-controlled hinterland. Finally, they created the material foundations for the continued pre-eminence of the royal family within this new polity. They assembled a new royal demesne among lands in the canal projects and in the environs of the capital.³⁰ They established a major royal presence in the urban capitalism, which expanded in the early years of the new century.³¹ Members of the royal clan were distributed thickly through the upper reaches of this new, centralized system. They ran all the important ministries, controlled the key points in the armed forces, headed the Buddhist Sangha, and directed the new education system. Bound together in admiration for Chulalongkorn, who had so spectacularly rescued them from bankruptcy,

the old Bunnag, and the French, they formed a singularly coherent political élite. By the early twentieth century, the Crown had established a virtual monopoly of wealth and power. The years around the turn of the century saw a flurry of royal projects—a new palace, a ‘royal avenue’ (Rachadamnoen) for parades, a throne hall, a new system of royal decorations, a new law of succession, a cataloguing of royal rituals, and a new ‘Chakri Day’. The absolute monarchy had established absolutism.

The absolutist state was mounted firmly on the back of the new peasantry. The material foundations of the state rose from the surplus of the rice economy. The allegiance or acquiescence of the peasantry was the chief responsibility of the new bureaucracy and standing army. The distinctions of Mon, Lao, Malay, Khmer, and other more local identities were submerged within the ideology of a seamless ‘Thai’ people. The King constructed the mythology of Siam as a ‘nation’ of ‘Thai’ peasants owing allegiance to a king from time immemorial.

The rulers had withdrawn their patronage from the great Chinese mercantile families, abolished their tax farms, and shifted the tax base away from the Chinese vices. Where earlier monarchs had praised their enterprise, gilded their status, and even let their cousins marry their daughters, Vajiravudh portrayed the Chinese as nasty money-grubbers:

There is absolutely nothing the Chinese will not do for the sake of money. No labour is too mean or too degrading for them to perform provided they get money for it. Where money is concerned, the Chinese are utterly without morals, without conscience, without mercy, without pity. They will cheat with a smile at their own cleverness, and rob and murder with utter callousness for the sake of getting a few dollars. In the pursuit of money, the Chinese are fiendishly clever at devising schemes, be it of fraud, robbery or piracy (Asvabahu, 1985: 80).

The absolutist state still needed the Chinese merchants to run the paddy trade, to drive the economy, and to generate the wealth required to keep the peace and glorify the state. But the rulers were determined to maintain them in a subordinate role and to reduce their opportunities to translate wealth into political weight.³² The absolute monarchy wished to control the Chinese merchants not so much because they were Chinese, but because they were merchants. The rulers understood the potential of mercantile wealth to grow and to form the foundations for challenging the structure of the absolutist state. The merchants’ Chinese-ness provided the rulers with the weapons of suppression. The mythology of peasant–bureaucrat–king implicitly excluded the Chinese. The new concept of a ‘Thai’ nation and its associated legal structures created tools for both inclusion and exclusion. These tools were wielded with some subtlety and care. They were not used bluntly or permanently. But they would be brought out of the box from time to time to defend the absolutist state from challenge.

1. Singhaseni, Siriwatthanakun, Chantarotrong, Buranasiri, Sucharitkun, Phumirat, and Chatchakun.
2. In 1861, Mongkut described the kingdom as consisting of 'Siam proper both Southern and Northern and adjacent tributary states almost around in every direction Viz: Laos of Shiangs, Lao Khaus, Khahs, Kariangs, Cambodia & several provinces of Malay peninsula' (quoted in Somkiat, 1986: 116).
3. See Chapter 3.
4. See Chapter 1.
5. On the decline of servitude, see Chapter 1.
6. The territorial subdivision was formalized in the Three Seals Law of 1804.
7. The most prominent tax farmer was Akorn Teng, who used the profits to create the rice-milling empire of Kim Seng Lee company.
8. Some analysts argue that the nobility rose in power in the mid-nineteenth century. They reach this conclusion by equating 'the nobility' with 'Chuang Bunnag'. If the nobility really were powerful, they would surely have resisted the royal reforms more effectively, and been more impressive in imposing their authority over the peasantry.
9. Skinner (1957: 79) estimated 608,000 Chinese in 1900.
10. See Chapter 6 for details.
11. See Chapter 6.
12. On the *angyi*, see Chapter 6.
13. The only exception was a Bunnag, and he had problems. See I. Brown (1992: 114–15).
14. Chiang Mai in 1874, Phuket and Luang Prabang in 1875, the Khmer region in 1876, Isan in 1891, and Prachinburi in 1894.
15. Chulalongkorn himself had earlier travelled to colonial territories in India, Singapore, and Java 'with a view of selecting what may be safe models for the future prosperity of this country' (Chulalongkorn in 1874, quoted in Battye, 1974: 118).
16. For a fascinating view of the process of centralization from the angle of the periphery, see Renard (1993).
17. Government report quoted in Tanabe (1984: 98).
18. Prince Chira on 17 August 1903, quoted in Battye (1974: 428). 'Payap' here referred to the north.
19. The full implications of this historiography were revealed when its authenticity was challenged. See Chamberlain (1991).
20. Rama I was born of a Mon father and possibly of a Chinese mother. See Skinner (1957: 26–7) and Nidhi (1993: 458).
21. As Craig Reynolds (1990: 13) has suggested, this composition was an effort through which 'the aristocracy gathers up the rites of the sudra class, mixes it together with its own royal rites, and gives it back to the subaltern classes as something unique to itself'.
22. Wyatt's phrase; see Wyatt (1984: 229).
23. Somboon Suksamran's scholarly 1982 study opens with the following assertion of fact: 'In Thai thinking the foundation of Thai society is based on three related pillars. They are the nation (*chart*), religion (*satsana*), and the monarchy (*phra mahakasat*)' (Somboon, 1982: 12).
24. These were the Bunnag and Bang Chang, the Singhasevi clans, the Krairiksh group of Chinese families, the Xuto, Saeng-Xuto, and related clans descended from the Mon generals.
25. These figures do not include monastery schools.
26. See the biographies in Prani (1964, 1980).
27. Vajiravudh cited the ten commandments of *lak ratchakan* as capability, diligence, cleverness, proper behaviour, honesty in work, honesty towards people, knowing others, flexibility, solidarity, and loyalty. See Nakarin (1992: 77).
28. The total number of special grade officials was 2,160 and the 20 per cent sample of first grade numbered 2,394. See Likhit (1978: 61).
29. The classic descriptions are D. Wilson (1962), Siffin (1966), Riggs (1966), and Girling (1981b).
30. See Chapter 1.
31. See Chapter 3.
32. Vajiravudh's outburst was stimulated by the 1910 strike against the poll-tax and by support for Sun Yat Sen's republican movement in China.

Bibliographical Note

On the application of the idea of an absolutist state in Thailand, see B. Anderson (1978), Somkiat (1986), and Kasian (1993). The analysis of nineteenth-century government is based on Akin (1969), Hong (1984), Wyatt (1994), Vickery (1970), Nidhi (1982, 1993), C. Wilson (1987, 1993a, 1993b), and Koizumi (1992). Additional material on the north-east comes from Mayoury and Pheuiphanh (1989, 1994), Keyes (1967), and on the north from Anan (1984) and Prani (1964, 1980). On bandits, see Johnston (1975, 1980); on the Chinese problems, see the references cited for Chapter 3 above; and on peasant resistance, see the references under Chapter 2 above. On the Chulalongkorn reformation, Tej (1977) is the classic work but has been extended and superseded in many respects by works on the army from Battye (1974) and Chalermkiet (1990); on the police from Viwanna (1984); on finance from I. Brown (1992, 1993b); on the pioneering administrative changes in Lanna from Ramsay (1971); on Bangkok expansionism from Thongchai (1994), Somrudee (1991), and Chaiyan (1994); on Buddhism, language, and education from Taylor (1993), Wyatt (1969), Keyes (1971), Somboon (1982), Jackson (1989), O'Connor (1993), Reynolds (1979), Paitoon (1988), Tambiah (1976), and Diller (1991). On the bureaucracy, besides Tej and Battye, see Chai-Anan (1992), Nakarin (1992), Likhit (1978), Damrong (1952), and the classic 'bureaucratic polity' studies by D. Wilson (1962), Siffin (1966), Riggs (1966), and Girling (1981b).

8

Revolution and Dictatorship

ROYAL absolutism did not last. The changes in the economy driven by the expanding rice frontier created new social groups which resented both the idea and the practice of the royal monopoly of power. Within two decades of the death of Chulalongkorn, the absolute monarchy was overthrown by a plot hatched within the ranks of the new bureaucracy and supported by a wide spectrum of urban Siam.

The succession to royal absolutism was far from straightforward. After 1932, three forces competed to control the future of Siam. The first resided within the bureaucracy and the remains of the old nobility, which still constituted the bureaucracy's core. Whether as old nobles or new bureaucrats, they believed in their right to rule. Most of them still accepted the absolutist premise that the authority of the bureaucracy stemmed from the authority of the king. Some supported projects to roll back the revolution and restore the king. Others simply defended the authority of the bureaucracy against the intrusions of new, representative institutions, and resisted projects of social engineering designed to undermine the old order.

The second emerged from the military faction in the 1932 coup group. In the mid-1930s, they developed a conception of the army as the natural leaders of the new society, the embodiment of the popular will, with the duty to impose social change and economic reform by executive order. They borrowed techniques from Fascist movements in Europe and Japan which they saw as carrying out a parallel historic mission to build new societies on the rubble of the old order. Like the absolutist regime, they imagined that their base of support lay among the peasantry, which they glorified as a 'martial race' and whose manifest destiny they pursued by projects to construct a powerful 'Thai nation'.

The third force was a coalition of civilian elements in the 1932 coup group and various supportive groups in the new urban society. They advocated a more open society and participant political system. They recognized the dominant social role of the peasantry, but they also wished to bring into play the new urban classes of business and labour. They supported constitutionalism, representative institutions, and economic progress through government support for private enterprise. They drew support sporadically from groups of idealist bureaucrats, emergent organized labour, new business politicians, provincial notables, intellectuals, and some renegade military. These groups

differed in their views on the role and development of the state, but they shared a concern to diminish authoritarian power, to increase representation, and to widen the catchment of the political community.

These three forces clashed openly in the fluid and turbulent period after the end of the Second World War. Out of this violent and prolonged battle came a new alignment which dominated the Thai polity from the 1940s to the 1970s.

Towards 1932: Absolutism and Its Opponents

In the early twentieth century, the royal clan and their close associates continued to monopolize the major offices of state. Among the fifteen who served as Prajadhipok's ministers between 1926 and 1932, nine were royal princes who controlled the important Ministries of War, Interior, and Foreign Affairs. The remaining six were drawn from the top families of the metropolitan and provincial aristocracy.¹ On his accession in 1925, Prajadhipok established for the first time a Supreme Council of State in a move intended 'to do something at once to gain the confidence of the people' (Batson, 1984: 30). The Council consisted of five of the most senior members of the royal family, two sons of Mongkut and three of Chulalongkorn. Up to the very eve of the coup of 1932, Prajadhipok was debating with his relatives and advisers other innovations, including the appointment of a Privy Council and Prime Minister. In none of these discussions was it envisaged that appointees should come from anywhere except the inner royal circle. For many of the circle, even such moves were excessively revolutionary. Damrong, by now the senior royal adviser, felt that 'the authority and prestige of the King would suffer in the eyes of the People' if he appointed a Prime Minister (Batson, 1974: 38). When the Privy Council was formed in 1927, it consisted of forty appointees, all members of the royal family or the official nobility. The Bangkok press responded: 'I think these people will draft laws to benefit the upper classes because all the members of the Council come from the upper classes' (Nakarin, 1992: 104, quoting *Thai Num*, 2 December 1928).

The two major changes of the period—the expansion of the trading economy and the growth and centralization of the bureaucracy—totally changed the nature of governance. The head of state became involved in two major new activities: adjusting taxation and public expenditure in order to balance the budget; and structuring the financial relationship between the Siamese economy and the rest of the world. By the close of the first quarter of the twentieth century, neither of these tasks was simple.

At first, the centralization of bureaucratic control had a spectacular effect on government finances. The royal government had never been richer. Vajiravudh, who succeeded Chulalongkorn on the throne in 1910, spent this inheritance enthusiastically. He diverted at least 10 per cent of the government budget for royal expenses, and another 20 per cent to the army. In 1911, he staged a second coronation as a 'great national event', overspent the budget allocation ten times, and used up almost 8 per cent of government revenue.

Other royal expenses were ‘tucked away’ in the budget or disguised as ‘loans’ and ‘advances’ (Batson, 1984: 17–18). By 1925, even other princes were complaining of this profligacy. A financial adviser was hired from the British India services. He pronounced the country virtually bankrupt. Under Prajadhipok, royal expenses were reduced from 11 million baht in 1924–5 to 6 million baht by 1931–2. Military spending was restrained slightly. With these small adjustments, the budget was held in balance for a couple of years, but then crumbled in the depression. Tariffs and other trade dues accounted for over a quarter of all revenues. From 1929, they slid downwards with the declining value of trade.

The absolutist monarchy was initially successful in managing the relations between Siam’s growing economy and the rest of the world. A succession of British financial advisers built up a substantial currency reserve in gold and cash held abroad, and established a tradition of keeping external debt at a minimal level. As long as rising rice exports delivered a trade surplus, fiscal management was not a serious problem. With help from the US, which wanted to break down French and British colonial trade privileges across the world, the Siamese government was able to start renegotiating its trade treaties, and start using tariffs as a fiscal tool. But economic management was disrupted by the depression. The government and the advisers were utterly unsure what to do—stay with gold or stay with sterling. From 1929, the King found he was under scrutiny by the political nation as the manager of the national budget and the external account. And he was admittedly fumbling.

The financial adviser argued that departure from the gold standard would lead through inflation to revolution. He proposed tax rises and spending cuts to maintain a budget balance in the face of declining economic activity. These measures had a direct impact on the bureaucracy and the urban élite. In early 1931, the government raised duties on luxury imports. In early 1932, it introduced a tax on salaries which fell only on bureaucrats and the few salaried employees of private firms. The new tax ignored the profits of trade and, more particularly, of land. Newspapers pointed out that the government was ‘frightened of laying its hands on the Siamese nobility (as usual)’, and raised the issue of ‘taxation without representation’ (Batson, 1984: 221). In early 1931, there were sweeping cuts in official salaries. In the 1931–2 budget, the military allocation was reduced by one-third. The Minister of War fought a rearguard action over officers’ salaries, lost, and resigned. Panyakhun Punyawangso, a senior military officer, later noted: ‘The government at the time did not have the capability to administer the country. They did not know how to plan the budget. They used the simple way out, that was by sacking people to make the budget balance’ (Nakarin, 1992: 80). The link to gold over-inflated the baht, reduced exports, and intensified the impact of the depression on the rice economy. In 1931, petitions from the countryside flooded in at such a rate that the government cut the tax on paddy land. The government continued to resist devaluing the baht and restoring its link to sterling, but conceded in May 1932.

The depression exposed the King in a new role as manager of the national economy, author of taxes and retrenchments imposed on military and bureaucracy, and arbitrator as to whether the impact of depression would fall on nobility or commoner, landlord or merchant. This new role was a consequence of the changed nature, greater external exposure, and increased complexity of Siam's economy. Prajadhipok appeared in public to justify his government's actions. In February 1932, he spoke to military officers:

The financial war is a very hard one indeed. Even experts contradict one another until they become hoarse. Each offers a different suggestion. I myself do not profess to know much about the matter and all I can do is to listen to the opinions of others and choose the best. I have never experienced such a hardship; therefore if I have made a mistake I really deserve to be excused by the officials and people of Siam (Batson, 1984: 205).

This was hardly the tone of voice of absolute rule.

During the first quarter of the twentieth century, two main lines of thought in opposition to royal absolutism developed within Bangkok's growing urban society of bureaucrats and businessmen.

The first emerged among the small but important group of businessmen who were attempting to launch manufacturing and service businesses to meet growing urban demand. They faced competition from colonial companies. They resented the colonial companies' better access to capital and technology. They found sometimes that the government's tax and tariff regimes favoured imported against locally produced products. They appealed to the government to overcome these disadvantages, without success. They blamed the royal regime for concluding the 'unequal treaties' which restricted the government's ability to assist local business against the colonial companies. They criticized the monarchy for failing to renegotiate these treaties, and contended that the monarchy promoted the colonial cause. The royal family were all educated abroad. They cultivated and popularized a taste for foreign goods. They surrounded themselves with foreign economic advisers who had a vested interest in maintaining the unequal treaties. The businessmen argued that the royal regime was a subcolonial force, locking Siam into the colonial systems of the West.²

When the world depression affected Siam's economy from 1929, they also criticized the regime for its lack of expertise in economic management. The failure to abandon the gold standard in 1930–1, they suggested, showed Siam's subservience to colonial economic policies. The government should help local entrepreneurs to set up industries which could replace imports, provide more local employment, and increase the wealth of the nation: 'I wish that Siam would have more established industries so that Thai and Chinese labourers would have employment. With more industries, Thailand can produce for self consumption and will not have to rely on imports' (Nakarin, 1992: 94, quoting *Krungtheep Daily Mail*, 26 November 1929).

The second line of opposition arose in the middle levels of the new and expanding bureaucracy. Some new bureaucrats found a fundamental

dissonance between the values of merit, service, and achievement implicit in a 'modern' administration, and the subordination of the bureaucracy to the will of an absolute monarch. This view grew in strength during the first three decades of the century. It appealed to those of commoner or minor noble stock who were drawn into the bureaucracy in increasing numbers through the education system. It found particular favour among those who had gone abroad for professional and scientific training—lawyers, accountants, scientists, and doctors—and had a chance to absorb new political ideologies and to view other political systems.

In their education, the new bureaucrats were taught the importance of principles, rules, and laws. In their jobs, they found that social power overrode legal principle. They expected to be rewarded for professional capability and efficiency. They found that appointments, promotions, and salaries depended more on birth, on connections, and on loyalty to the throne. They pressed for recruitment by competitive examinations, standardized salaries, and promotion by seniority and merit. They promoted the idea of *lakwicha*, the principle of administration based on law and rationality, in opposition to *lakratchakan*, the principle of royal service. They connected their personal difficulties with wider political ideas of humanism and nationalism in opposition to the principles of absolutist rule.

They argued that a system in which aristocratic domination resulted in a failure to exploit the talents and education of the new recruits would result in a decline of Siam in competition with other nations. The journalist Kulap Saipradit (Siburapha) summed up this sentiment: 'How can we make the public administration less monopolized by a few *jao nai* and *senabodi phu yai*. If we leave things like this, these *phu yai* will always make blunders, and *phu noi* who have the right wisdom and capability will not have a say. In the end this may lead the country to ruin. Or at the very least, we will not progress in line with neighbouring countries' (Nakarin, 1992: 80).³

It was a short leap from here to criticism of birth as a principle of political organization and royal absolutism as a structure of political control. The novels and journalism of Kulap, M. L. Bubpha (Dokmaisot), and M. J. Akatdamkoeng developed these themes into criticism of the old aristocracy as a class. They portrayed aristocratic characters as dissolute, worthless, and in decline, providing a stark contrast to the positive, creative forces of the rising new commoners who valued education, personal achievement, personal freedom, and humanist values. The privileges accorded to family, birth, and lineage were portrayed as the root of Siam's social problems because they prevented talent, skill, and education achieving their full potential. '*Jao nai* are like a weight, dragging down progress' commented one paper (*Rasadorn*) in 1928 (Nakarin, 1992: 104). Kulap Saipradit wrote: 'There are both clever men and stupid men among the royalty. Some are both stupid and arrogant. That is why the absolutist state of the king has disappointed people. People have become more conscious of the fact that birth does not indicate human goodness' (Nakarin, 1992: 83).⁴ The system was not only unjust, but

inefficient. Phra Prasas Pittiyayudh, a middle-ranking military official argued: 'The national income was used to feed many people who actually did not work. In addition, the national decay and the inefficiency in the administration was due to the fact that there were many incompetent men in high positions. Hence, the absolute monarchy was the cause of this injustice. Nothing could be done to solve these problems, so long as the King had absolute power' (Chaiyan, 1994: 156).

The ideas of the economic nationalist businessmen and of the dissident bureaucrats were widely disseminated through Bangkok's growing educated élite. The number of daily newspapers grew from seventeen in the 1890s to thirty-five in the 1920s. Some foreign-owned papers, sheltering behind extraterritoriality, offered outspoken comments on the affairs of the day. The business group financed newspapers to air their own views. The government reacted by founding their own newspapers, and favouring other pro-government journals through subsidies, advertisements, and news releases. Vajiravudh used the press to publicize the royal view on social issues and political development. By the 1920s, the world of the Bangkok press had become very lively indeed. Beyond the press, the new ideas found their way into novels, pamphlets, and treatises on social change.

The economic nationalism of the businessmen and the rationalist humanism of the dissident bureaucrats reinforced one another. They converged on a basic nationalist premise that the royalist regime was somehow bad for Siam. It manifestly failed to provide Siam with the economic and political strength required to survive and prosper in a competitive world. The book *Lak Thai* [Essence of the Thai], written in 1928 by a middle-ranking bureaucrat, Khun Wichitmatra, gained huge popularity for its portrayal of the Thai as potentially one of the world's major nations. Spurred by this nationalist vision, reformers in the bureaucracy argued that only modernization of the government would allow the Thai to assume their rightful place among the nations of the world. The absolutist regime upheld the extraterritoriality and the dominating foreign role in Siam's trade which underlay Siam's weakness.

Since Chulalongkorn, royalist nationalism had contended that a strong monarchy alone could build a strong Siamese nation. In the 1920s, the new nationalist ideologues turned this argument on its head.

The 1932 Revolution

During the early years of the century, these emerging ideas surfaced as political movements. In 1912, ninety-one people, mostly military officers, were arrested for allegedly plotting to overthrow the absolute monarchy. Twenty-three military officers were found guilty, cashiered, and jailed for twenty years. All but two came from commoner backgrounds. Most were well educated. The core were junior army officers who had graduated from the military academy in 1910. The two most senior were both medically trained. The conspiracy was formulated in reaction to some specific examples of royal

authoritarianism—public flogging of military officers at royal command, and Vajiravudh's creation of a private paramilitary force, the Su'a Pa (Wild Tiger Corps). These military officers resented the royal monopoly of high office and complained that 'individuals who are determined to work hard tend to have no chance to show their capability, because *phu yai* do not support them' (Rien and Net, 1979; Chalermkiet, 1990: 20). The officers were also motivated by the growing sense of nationalism. They believed Siam's progress required a change of government, comparable to the Meiji period in Japan. Their own duty was 'to serve the nation, not the government or the ruler'. They proposed to change the formula of 'nation, religion, and king' into 'nation, religion, and people' (*chat satsana ban muang*) (Chalermkiet, 1990: 21). They related their nationalist views to humanist values, which they believed were fundamentally opposed to royal absolutism: 'It is the duty of the state to improve the living of the people, and not be so bent on licensing gambling dens and opium dens ... because when people who are the valuable resources of the country lack quality, it is not possible to develop the country in other areas' (Atcharapon, 1980: 92). There was a second coup attempt in 1917 led by officers educated in Germany.

The military plots of 1912 and 1917 were limited by their small military base. The movement which emerged in the late 1920s and succeeded in overthrowing the absolute monarchy in 1932 was much broader. It started among a small group of dissident young bureaucrats. It drew in more established members of the civil and military bureaucracy, economic-nationalist businessmen, intellectuals, and organized labour. It attracted the support of a wide swathe of Siam's new urban society which felt excluded by the old structure of royal rule.

The core group was formed among young civilian and military officials studying in Paris in the mid-1920s. The first formal meeting of the Khana Ratsadorn (People's Party) was held in Paris on 5 February 1927. The seven present, and the ten or so others recruited soon after, included military officers attending élite European military academies, and young civilian officers sent abroad to acquire specific professional and technical skills. Some came from established families of the nineteenth-century administrative nobility. The two most prominent soldiers were both second-generation members of the new military officer 'caste'. But others, such as the army lieutenant Phibun Songkhram, came from commoner backgrounds and had risen through education. The background of Pridi Bhanomyong, who became the driving force of the group, exemplified the interlocking histories of a society in rapid transition. His family had Chinese origins, but had successfully climbed into the administrative bureaucracy and become one of the leading families of Ayutthaya. Pridi's father was a farmer and merchant from a minor branch of the family. Pridi rose through his success in education, and through the patronage of the illustrious head of his clan. He attended the prestigious law school, was called to the Bar, and won a government scholarship for further study in France. Pridi's background was a mix of Chinese and Thai, bureaucracy and trade, patronage and personal achievement.

The programme which the Khana Ratsadorn adopted at its first meeting, and retained as its manifesto, reflected the converging strains of nationalism, economic nationalism, and humanism. The group aimed to change the absolute monarchy into a constitutional monarchy 'with a view to acquiring absolute national independence', implying that absolutism was a barrier to the realization of the aims of nationalism and economic nationalism. The group aimed to 'guarantee equality for all' and 'provide the people with education', reflecting the resentment against the privileges of birth. Finally the group undertook 'to promote economic well-being', implying criticism of the absolutist government's economic failure (Vichitvong, 1979: 54).

The Khana Ratsadorn had the ideas, but no fire-power. In late 1931, they made connections with a group of senior army officers who provided the organization, the strategic strength, and the command of men to make the coup work. This senior military group had also studied abroad, mainly at military academies in Germany in the early years of the century. During twenty years in service, they had come to resent the limitations imposed on official careers under royal absolutism. Phraya Phahon, who was the leader of the senior group, later explained that he joined the coup because of 'the birth of the feeling that in the government at that time high officials and princes acted according to their whim and were not willing to pay heed to smaller people' (D. Wilson, 1962: 173). This resentment was brought to a head in early 1932 by the King's attempts to combat the problems of the depression by retrenchment and pay and budget cuts on the military.

One final result of the centralization of government and the restriction of power within a small royal group was the ease with which it could be overthrown. In the space of three hours in the morning of 24 June 1932, a small group of roughly a hundred conspirators captured the commander of the First Cavalry Regiment of the Royal Guards, arrested about forty members of the royal family and their aides, and announced that the absolute monarchy had been overthrown. There was only one minor shooting incident, and no deaths. Pridi circulated a leaflet justifying the revolution on the grounds of nationalism, economic nationalism, and a new concept of social justice and the rule of law:

The king is still exercising his power above the law. He has appointed members of his family as unqualified persons to important government positions contrary to popular wishes ... granting members of his family privileges ... and arbitrarily administering the nation's affairs. It is proven that absolute monarchy as a form of government has failed to restore the country's economy. It is so because the regime has never treated the people as human beings.⁵

Following the coup, the new leaders conducted a limited purge of the royalist forces. The senior royal princes, who dominated so much of the government machinery, either fled, withdrew into obscurity, or were eased into lives of enforced leisure or exile. Other senior aristocrats and high-ranking royal associates were removed from key positions in the bureaucracy and the army.

Fourteen generals, twenty-two colonels, and five navy captains were either dismissed or put out to grass. The provisional constitution promulgated three days after the coup imposed specific limits on the power of the king. He had no veto over legislation, ceded control over the royal succession to the Assembly, and was liable to trial by the Assembly. The 'permanent' constitution drafted over the next six months barred all core members of the royal family (King's grandsons upwards) from membership of the Assembly or the government.

Other social groups took no direct part in the revolt, but openly lent it support. Nai Mangkorn Samsen, the leader of the business community, was in contact with Pridi and helped him convert the manifesto into an economic plan. The business associations publicly welcomed the coup. The Khana Kammakorn group of labour organizers welcomed the coup, and mobilized their followers on the side of the coup-makers in the rivalries which followed. The coup group rulers received a flood of letters welcoming the change of government and suggesting the reforms they should implement: impose property taxes in order to undermine the aristocracy, abolish all aristocratic titles, intervene more in the economy, promote the usage of local manufactures, found industries to substitute imports and generate employment, provide credit for farmers, and limit merchant exploitation in the paddy trade. These suggestions mapped the frustrations and aspirations of peasants and businessmen in a changing economy.

The Strength of the Old Order

The dissident officials in the coup group were intent on destroying the royalist monopoly of senior positions in the bureaucracy, but were equally intent on maintaining the power of the bureaucracy to which they belonged. This strategy forced them to compromise with the King. Most of the senior members of the bureaucracy had been recruited from noble families and trained through the royal-dominated network of education. While they might share some of the coup group's resentment against the royal monopolization of power, they retained loyalty to the monarchy as an institution. They valued the role of the monarchy as the ideological cornerstone of the bureaucracy's power. In the aftermath of the coup, the leaders attempted to win the acquiescence of the King, and sought the co-operation of the bureaucracy.

From the day of the coup, the promoters devoted major efforts to retaining the institution of monarchy. This was not simple as the King felt inclined to follow his relatives into exile. Within two days of the coup, the King was brought back to Bangkok so that the Khana Ratsadorn could demonstrate their respect and formally dismiss the anti-royalist statements of the coup day as meaningless demagoguery. At every step of constitutional innovation, they involved the King, even to the point of allowing him to write final changes on the draft of the first interim constitution. The 'permanent' constitution compiled later in 1932 appeared to grant the King extensive powers. As a drafter explained to the baffled Assembly, these clauses had been included

only 'for the sake of rhetoric and as an honour to the King' (Thawatt, 1972: 124). The inauguration of the constitution was stage-managed as a grant from the throne.

The Khana Ratsadorn invited senior non-royal figures from the previous administration to take leading positions in the new government. Twenty-five of the seventy members of the appointive Assembly formed in July 1932 were senior civil and military officials. The president of the Assembly was Chaophraya Thammasakmontri, a former Minister of Education under the absolutist regime. The head of the provisional government was Phraya Manopakorn (Mano), who had been one of the few non-royal members of the Privy Council, and whose wife had been a lady-in-waiting to the Queen. Phraya Sri Wisarn Waja, who was appointed to take care of foreign affairs, had been a personal adviser to the King. All the eight ministers were senior officials.

These attempts to accommodate the King and bureaucracy opened up opportunities for royalists and conservative bureaucrats to mount attempts to reverse the revolution, or at least to prevent political change leading to more substantial changes in society and administration.

Soon after their appointment, Mano and the other senior bureaucrats fell into alliance with some of the senior generals who had supported the coup more because of short-term discontent than deep-seated ideology. These senior officials and generals had enjoyed successful careers in the old royal bureaucracy and accepted its underlying ethos. They distrusted the younger members of the Khana Ratsadorn, who saw the coup as the prologue to a programme of social and administrative engineering. The King discovered this distrust and played upon it. He urged Mano to take greater control and push the younger ideologues on to the sidelines.

Members of the royal family instigated some conservative Bangkok newspapers to portray the Khana Ratsadorn as 'communist', to raise the spectre of an imminent transition to a Stalinist dictatorship, and to print stories about the destruction of religion and the horrors of life in Russia. Leaflets which appeared from the 'Communist Party of Siam' urged the people to 'follow the footsteps of our brethren in Russia' and 'set up the Soviet Government of Siam'. The leaflets were possibly created by the pre-revolution chief of police, and were certainly given space in the royalists' newspapers. The old police chief also funded rickshaw drivers to strike and create disorder in the capital. Other royal princes gave foreign interviews raising the possibility of an imminent civil war.

In January 1933, a group of senior military officers and royalist officials petitioned to be allowed to form the Khana Chat (National Party) to operate as a political party. The King advised Mano's government to refuse permission, but at the same time to disallow all political parties and to demand the disbanding of the Khana Ratsadorn. When Pridi completed his Economic Plan in March, Mano and the King engineered a political crisis to rally conservative forces. Mano's group condemned the plan as 'communist', suppressed

publication, and sent troops to first intimidate, and then prorogue, the Assembly before it could approve the Plan. Pridi and his civilian allies were pushed out of the Cabinet, and Pridi was hustled into exile. Newspapers which commented on the plan and the associated events were closed down. The King published a comment equating Pridi with Stalin. Mano's government passed an anti-communist law which defined 'communism' widely enough to cover most projects in social engineering, particularly those which affected property: 'Communism means the economic system or theory which rests upon the total or partial abolition of the right of private property, actual ownership being ascribed to the community as a whole or to the State. Communistic doctrine means any doctrine which implies the advocacy of nationalization of land, or nationalization of industry, or nationalization of capital, or nationalization of labour' (Thawatt, 1972: 159). The King told Mano that the suppression of Pridi and his Economic Plan was only 'a strike at the snake's tail', and he urged Mano to complete the counter-revolution. In May 1933, Mano brought two royalist generals back into key military posts, and passed orders to disperse the military units under command of the young Khana Ratsadorn officers away from Bangkok.

In June 1933, Phahon and Phibun carried out a second coup to stem the counter-revolutionary trend and regain control. They dispensed with the Mano group. After a short delay, they recalled Pridi from exile. Again, they sought to win the support of the bureaucracy by drafting in senior officials to serve in the executive council and to run the major ministries. But this time they chose more carefully, and excluded those with royalist sympathies. The King continued his attempts at sabotage. He urged the foreign advisers to resign their posts in the hope of undermining foreign confidence in the new government. He floated the possibility of the King returning to power by an armed counter-revolution. On the news of Pridi's imminent return, the conservative press again muttered about a 'communist' take-over.

In October, Prince Boworadet, the King's cousin and former Minister of War, raised an armed revolt. Over the previous month, his aides had circulated round the up-country garrisons seeking support. Boworadet led the Korat garrison to march on Bangkok. Six other up-country garrisons indicated support, but three of them waited on the sidelines to gauge the result before making any commitment. The city garrisons held firm to the Khana Ratsadorn. After an artillery battle on the northern outskirts of the city, Boworadet's forces were defeated and fled in disarray into the north-east. Boworadet and his senior officers escaped to Indo-China. Three hundred people were arrested in Bangkok for collusion. Two retired senior military officers were tried and executed. A royal prince was sentenced to life imprisonment. The King gave no open support to the armed rising, but was rumoured to have helped in both planning and financing. He fled to the south as the rising dispersed in defeat.

After long negotiations, the King agreed to return to Bangkok, but left within three months on the pretext of seeking medical treatment in Europe. While abroad, he refused to sign legislation passed by the government,

including a bill which imposed death duties on royal property, and a new penal code which reduced the royal prerogative. In response to entreaties for his return, he demanded large changes in the constitution to enhance the power of the throne. In March 1935, while still in Europe, he announced his abdication. The government chose as successor Prince Ananda Mahidol, who was then at school in Switzerland. For the next fifteen years, Thailand had no resident, reigning monarch.

The departure of the King did not mean the end of royalist opposition to the new regime. Shortly after the abdication, two suspected plots were uncovered among royalist sympathizers in the army. In 1938, two army officers died while reportedly resisting arrest for plotting a royalist coup. Between 1935 and 1939, Phibun was the subject of at least three assassination attempts, which may have been mounted by the conservatives. In 1939, the government formally upbraided the ex-King for fomenting opposition to the Khana Ratsadorn among students in Europe.

The defeat of the Boworadet revolt left the younger members of Khana Ratsadorn (Pridi and Phibun) and a handful of their more senior military allies (Phahon) in a commanding position. The way was now open for the development of a new political structure and ruling ideology to replace royal absolutism.

Over the next decade, two different groupings emerged. These groupings became identified with their two foremost protagonists, Phibun and Pridi, and with the respective military and civilian elements within the Khana Ratsadorn. But this was not simply a contest of personalities or of bureaucratic sub-categories. The two groups worked from different conceptions of social change and political authority. Moreover, the lingering threat of royalist counter-revolution and the enormous entrenched power of the absolutist bureaucracy encouraged the two sides to co-operate and compromise. Only under the impact of the war did they start to pull apart. Only in the fluid, chaotic conditions at the close of the war did their opposition result in open battle.

The Rise of Military Nationalism

The events of 1932–3 revealed the critical importance of the Bangkok garrisons in the new politics. The initial coup was achieved by mobilizing a handful of units to isolate the royal guard. The second coup against the conservative reaction was effected by rolling a handful of tanks through the centre of the city, and occupying five public buildings conveniently located along a single street. The suppression of the Boworadet rebellion required the mobilization of Bangkok units to prevent up-country garrisons from penetrating through to the centre of the city. He who controlled the Bangkok garrisons, controlled the Siamese state.

The military used its new-found position to consolidate and extend its power. Despite the persistence of budget problems, the military demanded and

secured a large rise in the military allocation. From 1933 to 1937, the military consumed 26 per cent of the total national budget. In the three years following the 1932 coup, the total number of military personnel almost doubled. The military grasped the importance of the new mass medium of radio. It set up its own stations in Bangkok and, later, in the nearby garrison towns. It used these stations to broadcast a political ideology that positioned the military as the central institution of the new Siamese state: 'Your country is your house, the army is its fence' (Barmé, 1993: 136 n. 89).

The political institutions introduced by the 1933 constitutions provided little brake on the growth of military power. From the start, the promoters imagined that the Khana Ratsadorn would continue as the guiding force of the post-absolutist government. The provisional constitution implemented immediately after the 1932 coup made this explicit by allocating the key role to a People's Committee working with an appointive Assembly. Under the 'permanent' constitution enacted in late 1933, the People's Committee was replaced by a British-inspired system of a Cabinet responsible to a partially elected Assembly. However, various provisions limited the effectiveness of the Assembly. Only half of its members were elected, the election process was indirect, election candidates had to be vetted by the appointive members, and political parties were forbidden. The government could control this Assembly through the appointive portion, and was never seriously inconvenienced by its strictures or deliberations. In late 1937, the constitution was modified and the elective half was newly selected by a direct electorate of all aged twenty and above. When this Assembly proved more truculent, the government promptly dissolved the Assembly and held new elections. In 1940, when the Assembly was due to become wholly elective, the government rammed through a resolution to prolong the existence of the appointive portion until 1952. With such limited restraint from the Parliament, political power resided within the Khana Ratsadorn. On the eve of the 1932 coup, the promoters swore an oath of solidarity and, despite the strains of intense internal factionalism, the group evolved each of the nine changes of leadership between then and 1941 by internal debate behind closed doors.

Groups which had supported the 1932 coup in the hope that the fall of absolutism would pave the way to a more open political system and more radical social changes were gradually swept aside. A handful of business leaders were appointed to the new Assembly, and the businessmen were allowed to form a chamber of commerce. But the chamber failed to become an instrument through which business could influence policy.⁶ The labour leaders were allowed to form the first labour associations. But when they lent support to a strike in the rice mills, the leaders were arrested and the associations suppressed. The dissident journalists who had helped to nurture the political atmosphere in which the coup took place fared little better. Between June and December 1932, ten newspapers were closed down by government order, and more closures followed in 1933 and 1934. A movement among dissident monks to reduce royal and aristocratic control of the Buddhist Sangha was

similarly suppressed. In 1933, 2,000 monks from 12 provinces supported a petition for Sangha reform. Leaders of the movement were accused of rebellion and forcibly disrobed.

Within the military, Phibun emerged as the political leader. He had been part of the core group which had originally met in Europe in the mid-1920s. In each of the three military actions of 1932–3, he had played a leading role. After the suppression of the Boworadet revolt, he forced the group to reward him with the post of Minister of Defence. In his first major speech as Minister, he developed further the ideology of the military's role in the new Siamese state. He argued that Siam possessed four basic political institutions—monarchy, Assembly, bureaucracy, and military—of which only the military was 'abiding and permanent' (Stowe, 1991: 84). The Assembly, by contrast, could be 'abolished through various events and causes'. In the following year, Phibun's ministry produced a propaganda film *Lu'ad Thahan Thai* [The Blood of the Thai Military] to popularize the idea of the military's central role in the state.

Phibun consolidated his personal command over the army. After the Boworadet revolt, he reduced the size and power of the up-country garrisons, and concentrated resources on the Bangkok troops. In one of his first acts as Minister of Defence, he defied the Assembly's claim to monitor the military budget, and insisted that the military allocation be approved as a lump sum with no revelation of detail. In 1938, he reorganized the military command structure to ensure all key positions were occupied by his allies. In December 1938, he pushed aside the senior military officers and took over as Prime Minister. A month later, following a claimed assassination attempt, he carried out a purge against some of the remaining members of the senior military group and royalists. After a lengthy 'investigation', eighteen were executed. Phibun took over not only the prime ministership, but also the key Ministries of Defence and the Interior, and the headship of the army. He brought in twenty members of his junior military coup group to hold posts in the Cabinet. In the next six years while Phibun remained as Prime Minister, three-quarters of all Cabinet posts were held by military men. The proportion of the national budget channelled to the military rose to 33 per cent. The Assembly still existed, but Phibun governed by executive decree. In August 1941, he reshuffled the Cabinet and, for the first time since 1932, disregarded the convention that such reshuffles be debated within the coup group. Phibun alone announced the changes without prior discussion. Phibun also appointed himself commander-in-chief of all three branches of the military.

With the rise of the military group came the elaboration of a distinctive ideology of military nationalism. From the 1920s, bureaucratic nationalists had argued that the removal of the royal clique would pave the way for rational management of the state and economy by a meritocratic bureaucracy. They saw bureaucrats as 'servants of the people' rather than 'servants of the king'. They derived the authority of the bureaucracy, not from the absolute power of the king, but from its ability to achieve the social, material, and

national progress which the people required. Phibun's military adopted and adapted these ideas to guide their social and economic policies, and to build intellectual foundations for military-bureaucratic rule in the aftermath of absolutism.

Wichit Wathakan was not a member of the original coup group, but became the chief ideologist for the group by the mid-1930s. Phibun and Wichit argued that the military was the expression of the popular will by virtue of its unique ability to build a stronger nation. In developing this view, Phibun and Wichit borrowed ideas from the Fascist movements in Europe and Japan, which they saw as parallel attempts both to build new societies on the rubble of a discredited old order, and to achieve national strength in the competitive context of world politics.

Prayoon Pamornmontri, one of the core members of the young military coup group, had been born in Germany of a German mother, and was sent to Germany by Phibun to observe and report on the rise of Nazism. Others of the coup group had been classmates of members of the Nazi inner circle at German military academies. Wichit had included Mussolini in a book on *Mahaburut* [Great Men] he published in 1928, and he published a second book on Mussolini shortly after the coup in October 1932. In the mid-1930s, he also became a leading member of the Japan-Siam Association, an advocate of the *bushido* warrior code popularized by the Japanese militarists, and an enthusiastic supporter of Japan's militant leaders.

In the 1930s, the military movement took on many aspects of overseas Fascism—youth movements, military parades, attacks on minorities, and irredentism. In 1934, Phibun inaugurated Yuwachon, a militarized youth movement modelled on the officer training corps found in the UK and US. After his visits to Germany, Prayoon took over control of Yuwachon and made it more like the Hitler Youth. After the outbreak of the Sino-Japanese war in 1937, Wichit Wathakan described the Chinese in Thailand as 'worse than the Jews', and suggested it was time for the nation to 'deal with' this problem.

Wichit Wathakan adopted many of the elements of absolutist ideology developed in the late nineteenth and early twentieth century—the mystique of a 'Thai nation', the need for strong leadership to oppose foreign threats—and blended them with elements of the populist nationalism of the 1920s and 1930s to create the ideological justification of military dictatorship. He argued that the Thais were fundamentally a militaristic people. In his plays, he portrayed Thais as warrior heroes. He argued that the dangerous state of both internal and external politics dictated the need for strong leadership and absolute subjection:

The waters are treacherous; submerged rocks and whirlpools abound, deadly sharks swim freely. To reach our goal we must be sure that the boat in which we travel has an adept helmsman who knows the way. What is more, to reach the crystal island of joy it is essential that we help each other and paddle as one. The helmsman calls on us to 'come together' and board the craft. Those who don't wish to make the voyage will go their own way or remain where they are (Barmé, 1993: 146).

He contended that Siam would only survive as an independent nation if it cultivated its military strength and developed its economy. He supported government intervention in the economy on the grounds that it would lead to both prosperity and self-reliance. He promoted the reconquest of 'lost' territories under French and British colonial domination both as mystical self-realization of the goals of the 'Thai nation', and as practical international politics. In 1940, he argued: 'When the present war was over, there would be no small nations in the world; all would be merged into big ones. So there are only two ways left for us to choose, either become a Power or be swallowed up by some other Power. If we got back our lost territories then we could have the hope of becoming a Power' (Barmé, 1993: 167).

From 1938, under the slogan of 'A Thai economy for the Thai people', the Phibun government attempted to take the urban economy under state management. The policy was directed not against colonial domination, but against the overwhelming role of 'Chinese' as both capital and labour. The government set out to control the rice trade, manage internal distribution, control public utilities, and invest in new manufacturing opportunities. The government also set out to manage the urban labour market by reserving several jobs and businesses for Thais, and by drafting organized labour under government patronage. Phibun argued that government control was necessary to achieve the economic progress required for national strength. Alien Chinese business exploited the 'Thai' people and exported the profits. The bureaucracy, by contrast, would run the urban economy as trustees for the Thai nation.

Beginning in June 1939, Phibun issued a series of decrees and *rathaniyom* ('cultural mandates' or 'state conventions') designed to redefine Thailand as a modern nation. Several of the pronouncements exhorted people to contribute to the strength of the nation by working hard, buying Thai goods, and respecting the national flag and anthem. Others laid down codes of social behaviour deemed to be proper for the new 'Thai' in the modern world. These included adopting some Western standards of dress, and discouraging local habits such as chewing betel. The eleventh announcement in the series stated: 'the government feels that the Thai should have the highest esteem for the nation above all else' (Somkiat, 1986: 295).

The new military leaders developed ideas of territorial expansionism from the early part of the decade. In 1935–6, the Ministry of Defence under Phibun created a map for use in schools and military training centres. It showed the alleged extent of the Thai kingdom at the start of the Bangkok period and the subsequent 'losses' to the colonial powers. In 1937–8, Wichit Wathakan made irredentism a key theme of popular dramas he wrote and produced at the national theatre as part of a campaign to bolster support for the military. One play portrayed the Khmer as lost younger brothers of the Thai. Others did much the same for the Mon and Shan. 'In fact', one character in *Ratchamnu* said, 'all of us in this Golden Peninsula are of the same stock' (Somkiat, 1986: 293). In May 1939, Wichit visited Indo-China and saw a historical map which

showed large areas of Indo-China, Burma, Assam, and southern China populated by the 'Thai race'. In 1940, he propagandized against the misrule of the French and their oppression of 'Thai brothers and sisters on the other side [of the Maekhong] whose suffering would only come to an end with the return of the [lost] territory' (Barmé, 1993: 166). For a time, the government toyed with the idea of simplifying the Thai script and spelling so it would be easier for Shan, Mon, Khmer, and other 'lost' Thai to learn.

The German Anschluss into Austria in April 1938 spurred these irredentist notions. Army radio advocated building a *maha anachak thai* (great Thai empire) on Hitler's model. Wichit estimated that the 'Thai' population in the area shown on the French map was around 60 million, which would make 'the Thai ... among the big races of the world'. He argued that the name of the country should be changed from Siam to something which reflected the country's racial core. On National Day in 1939, Phibun announced that Siam was renamed as Prathet Thai or Thailand. The government pressed France for revision of the Maekhong border treaties. In 1940, Phibun spoke on the radio: 'The people of Cambodia and Laos are people of Thai descent who were deprived of their independence when they fell under French jurisdiction' (Somkiat, 1986: 294).

The campaign to recover 'lost territories' gained substantial support. Led by Wichit, the press embroidered an image of the past greatness of the Thai nation and the wickedness and misrule of the colonialist land-grabbers. Demonstrations and marches in Bangkok whipped up anti-French sentiments. A secretive group called 'Thai Blood', named after an irredentist Wichit song, campaigned for seizure of Cambodia. Funds were collected to buy arms and help refugees from Indo-China. With France weakened by war in Europe, Phibun increased diplomatic pressure on France, then started military attacks on the French in Indo-China in December 1940. In 1942, Phibun continued the policy by invading north-east Burma and southern China to 'reclaim' the Shan territories.

The popular support for irredentism provided the background for Phibun's move in August 1941 to abolish the Assembly and monopolize senior posts. Phibun awarded himself the rank of Field Marshal, which had previously been held only by the monarch. Early in 1942, Phibun started to have himself referred to publicly as 'The Leader' (*phu nam*), and to plaster the daily press with slogans such as 'Our Nation's Security Depends on Believing in Our Leader' (Chalermkiet, 1990: 31). He commanded that his picture should be displayed in every home. He passed a series of authoritarian laws, including a press act and an emergency decree which allowed almost unlimited arrest. Critics suggested that Phibun's model was Mussolini, and that he was elevating himself into a presidential or even royal role.

As Phibun developed his role as the agent of a popular will, he also set out to publicly undermine the remnants of royalism and the old order. The 'assassination plot' purge in January 1939 was directed against royalist forces. Among those found guilty were Prince Rangsit, a son of Chulalongkorn and

uncle of Prajadhipok; a young royalist who had recently been elected to the Assembly; remnants of the senior military coup group who had protected the King after 1932; and other suspected royalist sympathizers in the army. Phibun published the 300-page judgement of the special tribunal on the case to publicize his claim that royalists had been plotting to undermine the government and restore absolutism since 1932. Eighteen of the accused were executed, twenty-two imprisoned, twelve soldiers cashiered, and two exiled. Phibun removed pictures of Prajadhipok from government buildings, had the government sue the exiled King for illegally exporting 6 million baht of assets in 1933, and seized a palace and jewellery in lieu. After this purge, royal family members and other royalists either fled the country or laid low.

Phibun dismantled other aspects of royalist influence. In 1941, he abolished the use of royalist titles. In 1942, his government passed a new act regulating the Buddhist Sangha. It reversed the imposition of centralized royal control in the previous act of 1902, and removed the royal-founded Thammayut sect from a position of special privilege within the Sangha. The new rules of dress, conduct, and social behaviour laid down in Phibun's *ratthaniyom* were designed to supplant the ideal standards of Siamese dress and behaviour based on the conventions of the royal court. Many royalists and aristocrats were scandalized. Phibun promoted 'national' events in place of many of the royal-focused festivities. In 1939, the government announced that the anniversary of the 1932 coup would henceforward be celebrated as National Day, and organized the main event of the day as a military parade through Bangkok. The following year, the event was extended to a three-day holiday with more elaborate displays of khaki and fire-power.

The rise of the military and their campaign for territorial expansion were brought to an end by the Japanese. In December 1941, on the same day as the attack on Pearl Harbor, Japanese troops landed on the east coast of the peninsula. For the next four years, Thailand was under military occupation. Phibun continued as Prime Minister, but the Japanese suppressed his campaign of military aggrandizement.⁷ His power dwindled. In mid-1944, six days after the fall of Tojo's militarist Cabinet in Japan, other members of the 1932 coup group manoeuvred Phibun out of the prime ministership and formed a new government. Phibun retained the Supreme Command of the Armed Forces, retired to the military centre at Lopburi, and was believed to be plotting a coup. The new government demoted him from the Supreme Command and forestalled a coup by spreading the idea that it would impel the Japanese to take over direct control.

From Political Revolution to Social Revolution

The rise of military power did not go unchallenged. Within Siam's rapidly changing society were many groups and individuals who had helped to generate the pressure for change before 1932, and who after 1932 hoped that the removal of royal absolutism would lead to changes in political

participation, economic management, and social hierarchy. These groups included businessmen, labour leaders, urban intellectuals, provincial notables, and others who stood outside the bureaucracy and felt excluded from the political stage. The views and expectations of these various groups did not all coincide. But as the military's hold over the state strengthened, so the imperative for alliance in opposition to military domination increased. By the early 1940s, Pridi had emerged as their key figure.

From the start, Pridi saw 1932 as more than the elimination of a small royalist élite. In the manifesto which he distributed on the day of the coup, Pridi imagined that the overthrow of absolutism would open the door for wider participation in economic progress and in politics. He developed several of the arguments which had been used by opponents of absolutism since the mid-1920s—pitting egalitarianism and social justice against royal privilege, and active economic development against economic exploitation. He argued that the absolute monarchy had exploited people through excessive taxation, denied them access to education in order to maintain their subservience, and treated them ‘as slaves, even as animals, not as human beings’. The royal family had ‘accumulated properties worth several million baht ... by the royal method of farming on the backs of human beings’. He went on to assert that ‘this country belongs to the people, not to the king as we have been deceived into believing’. By contrast, he claimed, the Khana Ratsadorn intended to grant freedom, equality, and security to all, to promote economic development, and to provide ‘the greatest education possible’. As a result, ‘the country will have complete independence; the people will be safe from danger; everyone will have work and therefore will not starve; everyone will have equal rights; and none will be servants or slaves of the royalty’.⁸ Two days after the coup, Pridi apologized to the King for this piece of demagoguery, and he never again attacked the institution of monarchy. But the royalists never forgot or forgave him.

In his Economic Plan, Pridi showed that he believed the destruction of absolutism would require more than the imposition of a constitution and an Assembly. Fully half of the plan was devoted to one topic—the socialization of agricultural land. Pridi understood the extent to which the power of royalty and aristocracy could be sustained by the foundations they had built on large-scale landholdings in the canal tracts. The plan envisaged a semi-voluntary expropriation of all agricultural land. It also proposed an inheritance tax, and talked about the elimination of ‘social parasites’, ‘dependent upon other people for support’. Prince Sakol Varavarn, a member of the committee appointed to discuss the plan, remarked, ‘of course, there are very few great landowners in Siam’ (Landon, 1939: 306). By implication, the proposed socialization was an attack on these few.

In place of landlordism, Pridi proposed a bureaucratization of the economy very much in the spirit of Chulalongkorn’s bureaucratization of the army, civil administration, Sangha, and education. The government would assume ownership of land and capital, bureaucrats would manage these assets, and all

peasants and workers would become minor civil servants remunerated through regular salaries and social security. Owing to the depression, landowners would consent to alienate their land voluntarily to the government in return for bonds. Only through such government ownership and control could all labour be mobilized and new technology applied to achieve higher output and better welfare for all.⁹ Pridi pointed out that the plan envisaged only *voluntary* sale of land to the state, but Pridi's strategy was well understood and fiercely opposed by the royalty and senior aristocracy.

Pridi believed that, besides land, the other base of aristocratic power was their domination of the educational system, which controlled entry into the bureaucracy. The royal-founded and aristocrat-dominated Chulalongkorn University specialized in training bureaucrats imbued with the spirit of service to the Crown. In 1934–5, Pridi founded a new university, Thammasat, which provided an alternative to Chulalongkorn with a very different mission. Thammasat was designated as a university of 'moral and political sciences'. It was dedicated to teaching modern disciplines of economics and social science alongside law and administrative skills. Pridi created Thammasat to turn out a new type of administrator appropriate for post-absolutist society. When Pridi and his ally Thamrong controlled the Ministry of Interior in the late 1930s, they recruited the first Thammasat graduates into middle-level posts.

Besides attacking the foundations of the old order, Pridi aligned himself with the dynamic forces in Siam's changing economy and society. In his Economic Plan, Pridi passed over the businessmen's calls for government assistance to urban commerce and industry. But during the 1930s, Pridi moved closer to the business lobby which had supported 1932 but had been disappointed by its consequences. As Minister of Foreign Affairs and then of Finance, Pridi implemented many of the measures which the economic-nationalist businessmen desired. He renegotiated the unequal treaties with the Western powers, regained fiscal autonomy, raised tariffs to protect local manufacture, revised the taxation system, laid the foundations of a managed monetary system, and used the Finance Ministry's capital to support joint government–private business ventures. In the face of the military's tightening grip over the machinery of state, Pridi started to bring into play the power of capital. His group of close allies came to rely on business enterprises to generate funds for their political activities.¹⁰

Pridi drew close to a group of north-eastern politicians who articulated provincial resentment against Phibun's centralized authority. In the new Assembly formed in 1933, the north-eastern MPs emerged as a distinct and active political force. The members of this group were drawn from the upper levels of north-eastern provincial society. Some of their families had been part of the provincial administrative nobility until the centralizing reforms a generation earlier. Now they were small landowners, local businessmen, and provincial lawyers. Thongin Buriphat came from a wealthy landed and trading family. He had started his career in the local bureaucracy and had married into

the leading noble family of Champassak. Liang Chaiyakan was descended from the leading family of Ubon. Tieng Sirikhan came from a major local administrative family in Sakon Nakhon, and his father was a large local trader.¹¹

The north-eastern group used the Assembly to protest against the centralization of power and wealth in Bangkok in general, and to protest against the inferior treatment of the north-east in particular. In the nineteenth century, the Bangkok rulers had treated the north-east as conquered provinces, and looked down on the Lao as inferior peoples whose political leaders and capitals they had obliterated in the 1820s. In forming the new provincial administration, the local nobility of the north-east had been treated with less care and respect than the ruling families of Lanna or the south. Some had been accommodated with minor positions. Most had simply been displaced. The region had become the poorest part of Siam. In the old forest-based economy, the north-east was a valuable resource. In the new rice economy, it was peripheral. The leaders of the north-east felt their region received inferior treatment. In the Assembly in 1936, Thongin said: 'The people of the north-east are like the children of a minor wife. If we look at the south and the north, these two regions receive budget for roads and infrastructure.... In fact all the provincial areas receive much less development funds as compared to Bangkok. The inhabitants of the regional towns have asked for more attention for a long time, but in vain' (Peeraya, 1990: 36).

The north-eastern group took on the role of spokesman for the mass of people in the provinces who resented Bangkok's domination. Thongin told the Assembly: 'I am an up-country representative, so I must tell you the plight of the people for the government to hear' (Peeraya, 1990: 63). In a press article, Tieng wrote: 'All the people of Siam have the same freedom, the same right to form political parties, and the same right to publish.... 'I am a Thai. I am an independent person. I am a Thai citizen, a citizen of Siam. And I want every Thai who lives in Siam to be equal as citizens without discrimination' (Peeraya, 1990: 130, quoting *Saereerat*, July 1936).

The north-eastern group spearheaded attempts to contest the centralization of political authority, and to divert government funds into the provinces. They opposed Phibun's Printing Act, which placed judicial controls on the press, his Special Courts Act, which gave the Prime Minister dictatorial powers, and his ten-year extension of the tenure of appointed members in the Assembly. They insisted that the government publish a more detailed budget statement. They criticized the increasing allocation of funds to the military, and demanded a larger percentage be devoted to education and provincial development. In 1938, they protested against misuse of government funds. They challenged the need for secrecy over the military estimates. They revealed a scandal in which senior military figures in the government had profited from illicit sale of lands held by the Crown Property Bureau. They managed to defeat the government over the budget. When Phibun reacted by sacking the Assembly, the north-easterners launched a grass-roots resistance movement.

Under the special conditions of war and Japanese occupation, disparate strands of political dissension came together. After Phibun aligned Thailand with Japan in January 1942, a network of clandestine opposition emerged under the name of Seri Thai (Free Thai). The two key figures in the network were Seni Pramoj, the Thai ambassador in Washington, and Pridi, who had removed himself from the government after the Japanese invasion and now served as Regent for the adolescent King.¹² Within Thailand, Seri Thai's main support came from Pridi's civilian group, some naval officers, the north-easterners, and some groups among the Bangkok Chinese. The reasons for supporting Seri Thai and, by implication, opposing the Axis powers were very varied. Many of Pridi's civilian group in the Khana Ratsadorn were instinctively pro-Allies. They had been educated in Britain or France. They had been pushed out of politics by the rise of Phibun, the military, and their pro-Japanese form of nationalism. The naval officers resented the growing domination of the army. The Bangkok Chinese groups were happy to engage in small-scale sabotage acts on behalf of Seri Thai as an extension of the anti-Japanese activity they had been involved with since 1937.

For the north-easterners and for their Lao colleagues to the east of the Maekhong, the war raised the possibility that the national borders drawn by the colonial powers could be dissolved, and that the entire geopolitics inherited from the colonial period could be changed. The Lao Issara (Free Lao) and other groups of Indo-Chinese nationalists operated against the French from bases on the Siamese side of the Maekhong, particularly in Ubon and Sakon Nakhon. In the closing stages of the war and immediately after, the north-easterners and Lao nationalists proposed many different plans for redrawing the political map of the Lao world. At one end, Fong Sithithan, an Ubon teacher, agitated for complete autonomy for the north-east. At the other, Thongin and Liang for some time supported Phibun's drive to extend Siam's control over more Lao territory, in the belief that an enlarged Lao region in Siam would have greater bargaining power against Bangkok. In similar vein, during the peace negotiations in 1946, Pridi offered to buy Laos from the French for US\$50 million. Between these extremes, other north-easterners proposed schemes for greater autonomy for the north-east within Siam or for a complete federal structure. The north-eastern leaders also co-operated closely with the Lao nationalists preparing to resist the reimposition of French rule. Tieng raised a guerrilla army of some 5,000 men, built an airstrip, set up a training camp for Lao resistance fighters in the Phuphan hills, and provided funds for the Lao groups. Tieng also helped Pridi's Seri Thai, made the airstrip available for Allied air-drops, and in late 1944 had to be restrained from mobilizing his army to attack the Japanese.

Pridi became the focus for those who opposed the centralized state and its new military dominators. These included naval officers who resented the rise of the army, provincial opponents to centralized control, intellectual opponents to military nationalism, and representatives of the new urban groups who had not been accommodated by the post-1932 regime—the small but increasingly

important group of economic-nationalist businessmen, and the small but potentially disruptive forces of urban labour.¹³ Until 1942, these forces were scattered. In the circumstances of war and Japanese occupation, they were thrown together in Seri Thai. From 1944, they contested for control of the state.

Battle: The Rise of the First Army

At the end of the war, the spectrum of political debate and conflict suddenly broadened. At one end, Pridi's alliance of provincial dissidents, labour activists, and radical intellectuals entered the political contest. At the other, royalist conservatives resurfaced for the first time since 1933. The rivalry between Pridi's civilian group and Phibun's military group was now absorbed within a much broader contest. The issues debated within the Khana Ratsadorn were now superseded by the much larger issue of whether Thailand would move along the road to socialism or along the road to a royalist restoration. The groupings around Pridi and Phibun were absorbed within these more elemental political forces. Pridi was pulled along by his own radical alliance. The army aligned to the royalist cause, and dragged Phibun along in its wake. The contest between these forces set off a battle for control of the Thai state, which made the period 1944–51 one of the most violent and critical in modern Thai history. The military fought with all the weapons at its disposal.

With the collapse of Japanese military power in 1945, Pridi's Seri Thai grouping was propelled into power to negotiate a favourable peace with the Allies. They set about destroying the basis of the military's political influence. They demobilized a large number of soldiers. They inserted some Seri Thai supporters in key positions in the military hierarchy. They wrote a new constitution which banned bureaucrats and soldiers from sitting in Parliament or in Cabinet. At the same time, they attempted to open up the political system to new players. Their new constitution made the Assembly completely elective, introduced a Senate elected by members of the Assembly, and made political parties legal for the first time. After elections in August 1946, Pridi's allies dominated both houses of Parliament.

With some prodding from Russia at the peace talks, Pridi's government repealed the anti-communist law. At the 1946 elections, a CPT candidate was elected in a Bangkok constituency. In 1947–8, the CPT worked openly among student and labour organizations, and published a weekly newspaper. Several journalists, including Supha Sirimanond, Kulap Saipradit, and Samak Burawat, ran left-wing journals, wrote articles, and translated some parts of the Marxist canon into Thai. Udom Srisuwan returned from China, where he had spent time with the Maoist forces, and in 1950 published a Marxist analysis of Thailand. Labour activists who had worked with Pridi during the war helped form the first labour federation. They co-operated with labour leaders and north-eastern radicals to form the Sahachip (Co-operative) Party, which contested the elections in August 1946 on a platform of Owenite socialism.

Radical leadership combined with economic stress. The disruption of shipping, disorder in the rice trade, and consequences of Japanese forced 'loans' to support the occupation led to shortages and inflation in the urban economy. Labour unions organized strikes to raise wages in line with rice prices. By 1947, the Central Labour Union claimed to have 60 member organizations and 75,000 members. Mass labour rallies became established as a new element in the political landscape.

Pridi's north-eastern allies worked closely with Indo-Chinese nationalist groups who opposed the reimposition of colonial rule. Pridi allowed these groups to operate from bases in Bangkok and along the Maekhong, assisted them to buy arms, and supported a short-lived plan for a 'League of Southeast Asia' linking Pridi's alliance and the Indo-Chinese nationalists in a common front against colonialism and dictatorship.

In parallel with this growing radicalism, royalist conservatism reappeared. After the fall of Phibun in 1944, the royalists and Pridi initially co-operated. Pridi agreed to release royalists imprisoned by Phibun, and to remove from the new constitution the clauses which restricted members of the royal family from political activity and bureaucratic service. In September 1945, Pridi invited Seni Pramoj, a member of the royal clan, to return to Thailand because his role in Seri Thai and his experience as ambassador in Washington made him the ideal candidate to lead negotiations with the Allies over the peace. In December, the young King was invited to return to celebrate his twentieth birthday. Other royalist exiles, including Boworadet, were allowed to return for the royal home-coming.

Prince Dhani, Prajadhipok's Education Minister, who had not been exiled in 1933 but had spent the intervening years in reclusive study, gave lectures in 1946 in which he stated that 'our national prosperity and independence in the first 150 years of the Bangkok era (1782–1932) was the result of the wisdom and statecraft of our kings. And I cannot see how we can maintain such a state of affairs without good kings' (Somkiat, 1986: 325). Dhani argued that ever since Sukhothai, the Thai king had been 'elected' by the people on account of his righteousness. Phraya Srivisarnvacha, another returned royalist asserted that 'representatives of the people are elected individually by certain groups of people and they do not, in fact, represent the whole people' as only the king could. In 1948, another wrote: 'In order to survive the nation needs unity [*samakkhitham*]. . . . For the Thai, there can be no other person but the king who can perform this function of holding national unity . . . the king is above partisanship' (Somkiat, 1986: 326).

A distinct royalist group formed in the Assembly. The leader was Khuang Aphaiwong, who was son of a provincial governor and a remote relative of the royal family. Two other prominent members were Seni and his younger brother, Kukrit, who was a rising intellectual and journalist. After the January 1946 election, this group succeeded in elevating Khuang briefly as Prime Minister. By the time of elections under the new constitution in August, they had crystallized as the Democrat Party.

The co-operation between Pridi and the royalists quickly foundered. The royalists still distrusted Pridi for his ideological stand in 1932–3. More importantly, they opposed his alliance of organized labour, dissident provincials, and social radicals, and their programmes of social change. The royalists split with Pridi over the issue of the Senate. The royalists wanted an appointed body, while Pridi's group succeeded in pressing for an elected body. After Pridi's supporters packed the Senate, the royalists called it a 'House of Buffaloes' (Sorasak, 1991: 31–3).

In 1946 and 1947, the royalists aligned with discontented groups in the army, particularly from the northern armies which Phibun had sent out in 1941–2 to fulfil Thailand's destiny by expanding the national boundaries. They had occupied a large portion of the Shan states, and fought their way into occupation of Kengtung. Under the peace terms, all of these territorial gains were given back. The northern army was left to find its own way home. The commander, Phin Choonhavan, retired in disgust. Mass demobilizations, failure to provide welfare for veterans, and the appointment of Pridi's Seri Thai favourites compounded the displeasure of the military old guard. They felt the army had come down a long way from 1941, when it was feted as the nation's pride driving back the colonialist French and carving out a larger Thai nation. The army dissenters and the royalists combined in common opposition to social radicalism, both inside the country and beyond the borders. They were alarmed by the spread of the communist revolution in China, and by the growing radicalism of the Indo-Chinese anti-colonial groups befriended by Pridi. They saw the growing urban disorder as a prelude to the rise of communism, and suspected Pridi was either the mastermind or fellow traveller. In June 1946, the young King Ananda Mahidol died mysteriously from a gunshot. Rumours circulated that Pridi was responsible and, by implication, was involved in some republican or communist plot. According to a Pridi follower, members of Kukrit's party 'mounted a massive campaign depicting Pridi as a murderer. Even in cinema halls they began to shout that Pridi had murdered the King' (Somkiat, 1986: 329). Rumours also played on the fact that the civilian government had repealed the anti-communist law, and that the Chinese in Bangkok were potential supporters of a Maoist revolution. Pridi was forced to resign and flee into exile.

In early 1947, following Truman's speech announcing US support for governments which opposed communism, Phibun returned to the political arena. Khuang gave him support. On 8 November 1947, a military coup overthrew the pro-Pridi government. The key promoters of the coup were Phin Choonhavan, who had been the commander of the northern army, Phao Siriyanond, who was Phin's son-in-law and Phibun's aide-de-camp during the northern campaign, and Kat Katsongkhram, who had been a member of the 1932 coup group and had subsequently served as a general in the northern campaign. Their fire-power came from Colonel Sarit Thanarat, who had served in the Shan states and was now commander of the crucial First Regiment of the First Army Division stationed in Bangkok. The promoters of

the 1947 coup explained that they seized power to ‘uphold the honour of the army which has been unjustly treated’, to resolve the question of the royal ‘assassination plot’, ‘to rid the country once and for all of vestiges of communism’, to restore efficient administration, and to install a government ‘which will respect the principles of Nation, Religion and King’ (Thak, 1979: 31).

The statement reflected the importance of the royalists in the alliance behind the coup. Kat’s daughter was married to a member of the royal family. Kat’s son-in-law was sent as emissary to report to the royal family in Switzerland. Members of the royal entourage were consulted about drafting a new constitution. While Phibun was a factor in the background of the coup (and would shortly reassume power), the coup statement implicitly rejected Phibun’s anti-royalism of the early 1940s. It reached back to the pre-1932 period and Vajiravudh’s mystical trinity of ‘nation, religion, and king’ as the foundation of political legitimacy. With the coup statement, the military announced a new theoretical basis of the military’s claim to rule. The military was the sole defender of ‘nation, religion, and king’ in the face of communism, corruption, and destabilizations such as the ‘assassination plot’.

The military–aristocrat alliance threw away Pridi’s constitution and wrote another designed to limit the power of the elected Assembly. It reintroduced a nominated Senate, allowed military and civilian officers to sit in Parliament and the Cabinet, and increased the constitutional powers of the King. Elections held in January 1948 returned a Democrat victory and retained Khuang in the prime ministership. But as the American editor of the *Bangkok Post* wrote after the 1947 coup: ‘From now on, the man with the key to the arsenal would be the man in charge, regardless of politics, Parliaments or constitutions’ (Darling, 1965: 61). In April 1948, the military ordered Khuang out and reinstalled Phibun as Prime Minister.

Over the next four years, the military leaders used their fire-power and their control over the machinery of government to destroy all opposition. First, they rooted out the men Pridi had appointed to senior military positions in the army. They claimed to uncover a coup plot hatched by general staff officers with connections to Seri Thai. Nineteen were arrested and nine jailed. Others who escaped this sweep contacted Pridi and mooted a joint revolt. In early 1949, Pridi returned to Bangkok and mounted a counter-attack with support in the navy and among some of the up-country organizers of Seri Thai. They seized parts of the royal palace, and announced a new government. The army counter-attacked, and there were tank battles in the centre of the city. This ‘Palace Coup’ failed. Pridi was forced to flee. After six months in hiding, he departed for exile in China and never returned.

Eighteen months later, junior naval offices seized Phibun on board the navy’s flagship moored in the Chao Phraya river. The army reacted by shelling naval ships from the river-bank while the air force strafed naval installations and dive-bombed the flagship out of the water. Phibun swam ashore. Official figures counted 128 deaths and over 500 wounded. In the aftermath of this failed ‘Manhattan Coup’, the military leadership destroyed the power of the

navy in politics. They moved the naval headquarters and all naval units out of Bangkok. They relieved the navy of its military control of several coastal provinces. They disbanded eighteen departments and battalions. Men and weapons were transferred to the army, and aircraft to the air force.

Soon after the 1947 coup, the army leaders arrested several of the north-eastern MPs and other north-eastern figures and accused them of planning to organize a separatist state. They were held in jail until 1950, when most were released.¹⁴ Following Pridi's 'Palace Coup', four north-eastern leaders were arrested and were killed by police 'while attempting to escape'. Three, including Thongin, had been involved in Seri Thai and had served as ministers in the Pridi Cabinets. The fourth had been Pridi's secretary and also a minister.

The north-eastern group continued to offer opposition. In 1949, north-eastern MPs organized demonstrations demanding better economic treatment for their region. In December, six north-eastern MPs proposed Thailand should be divided into six autonomous regions. In 1950, all the MPs from the region banded together, petitioned Phibun to provide 20 million baht of development funds for the region, and pressed for two north-eastern MPs to be included in the Cabinet. Phibun appeared to compromise, but then reacted by disposing with the inconvenience of an elected Assembly. On 29 November 1951, the Phibun group announced over the radio that it had sacked the civilian Cabinet, abrogated the constitution, dissolved the Parliament, banned political parties, and outlawed political meetings. They explained that this coup was necessary to defend nation, religion, king, and constitution from the threat of communism, which was infiltrating even the Parliament and Cabinet. They 'restored' the 1932 constitution, which allowed the military junta to occupy Cabinet posts and to appoint the members of the Assembly. The new Cabinet contained sixteen military officers and one retired officer. The remnants of Pridi's group were packed off to jail.

In October 1952, the north-eastern leader Tieng Sirikhan disappeared. The police stated that he had been a communist, produced a doctored photograph showing him in the company of Ho Chi Minh, and reported he had fled to Burma. It emerged later that he and two other Seri Thai associates of Pridi had been strangled on the orders of the police chief. In the supposedly tame Assembly instituted in 1952, the few north-easterners continued to criticize the constitution, oppose the growing alignment with the US, and demand more development funding. The police accused the north-easterners of being connected to the Viet Minh. Two who travelled to China in 1956 were arrested on their return.

Phibun also crushed dissent in the far south. Since integration into Siam at the turn of the century, the Malay Muslims of the old Pattani sultanate on the southern border had resisted assimilation into the Thai, Buddhist nation. Until the 1930s, Bangkok managed this dissidence by leaving them alone. As part of his nationalist upsurge, Phibun in the late 1930s and early 1940s started to enforce assimilation by banning Islamic dress and Islamic law, and by attempting to force attendance at Thai-language schools. The community

rallied in defence of religion and threw up a new cadre of religious leaders, many of them educated at Islamic schools in India and the Middle East. During the peace negotiations at the end of the war, some of these leaders angled for the region to be assigned to British Malaya. Others, led by Haji Sulong Tomina, demanded the formation of a semi-independent state within Siam. Pridi opened negotiations with this group. The return of Phibun in 1947, however, led to fears of further attempts at absorption. Riots occurred. Phibun had to send gunboats and three regiments to put down the protests, and some 2,000–6,000 Muslims fled across the border to Malaya. Phibun then attempted to split the movement. On the one hand, he invited a southern Muslim into the Cabinet, guaranteed freedom of worship, and permitted the use of Malay alongside Thai in schools. On the other, he arrested Haji Sulong, tried him for treason, and threw him into jail for three years. Soon after his release in 1952, both Haji Sulong and his son disappeared. Pridi believed they had been drowned by the police. Several other new Islamic leaders fled to Malaya.

The military next suppressed the labour politics and intellectual radicalism which had emerged in 1944–6. In June 1948, Phibun conducted a sweep through the Bangkok Chinese community and arrested several on grounds of political activities related to mainland politics. In June 1951, a group of students who organized a 'Peace League' and protested against the government's high expenditure on the armed forces were harassed by the police and suspended from the university. In November, the government closed down a Chinese newspaper on communist charges. In 1952, the government re-enacted the anti-communist law and used its summary provisions to carry out a final purge of its potential enemies. After six Thai delegates travelled to Peking for a peace congress opposing nuclear weapons, the government branded them as traitors, and claimed that the peace movement was plotting to overthrow the monarchy. In November 1952, over 100 writers, editors, labour organizers, Chinese community leaders, intellectuals, young military officers, and other dissidents (including Pridi's wife and son) were arrested on grounds of suspected communism. Several had just returned from a mission to deliver blankets and medicine to victims of floods in the north-east. Some, including the writer Kulap Saipradit, remained in jail for four to five years. The Cabinet set up a political affairs bureau to monitor sedition, and a committee to investigate communist infiltration in the civil service. Both were headed by General Phao Siriyanond, the chief of police and one of the three leaders of Phibun's junta. In the early 1950s, remaining opponents of military power were mopped up. A police colonel suspected of sympathy with Pridi was shot dead while 'resisting arrest'.¹⁵ An MP who was suspected of complicity in Pridi's rebellion, and who continued to oppose the military leaders in Parliament, was found strangled and dumped in the river tied to a concrete post. Three monks who travelled to China in 1956 were arrested on return, accused of communism, forcibly disrobed, and packed off to jail until 1964.

As the military leaders consolidated their power on the urban battlefield and

back-alley, they dispensed with the need for a political alliance with the pro-royalist Democrat Party. Elections were held in 1949, 1952, and twice in 1957. The Democrats won 40 seats in 1949, 29 in February 1957, and 39 in December 1957. Their main base of support was in the capital. But from 1952, the ruling military clique formed its own party on the eve of each election, and this party attracted a majority of successful candidates. The pro-Phibun Prachachon and Thammathiphat parties captured 43 of the 99 seats in 1949, the Manangkhasila ('government house') Party won 85 of 160 in February 1957, and the Sahaphum Party won 44 in December 1957. Political power now rested on military force. The final contest took place between the two main military institutions, the army and the police.

After 1947, Phibun built up the police as a counterweight to the army. He placed the police under Phao, one of the leading northern army generals involved in the 1947 coup. Phao increased the police's armed capability within Bangkok, and created a mounted police force, mechanized unit, tank division, speedboat division, and air division. The US provided Phao's police with tanks, armoured cars, planes, helicopters, boats, and modern weapons. The US also helped to train the police in paramilitary operations. During the Palace and Manhattan coups, these new forces played a large role. By 1955–6, the total police force had grown to some 48,000 men, approximately equal to the 45,000 in the regular army. Around 10,000 of these were stationed in Bangkok. Within the police, Phao created an élite corps of *asawin waen phet* (knights of the diamond ring) who were tied to Phao by personal obligations, and could be used for political operations.

In 1951, Sarit reorganized the army with generous assistance from the US. The reorganization gave him the opportunity to place his supporters in key positions. He brought all the army units in Bangkok under the single command of his old unit, the First Division within the First Army. Sarit himself retained the command of the First Army, and he staffed the First Division with his close subordinates, Thanom Kittikachorn, Praphat Charusathien, and Krit Sivara. In 1954, Sarit travelled to the US and became the key figure in negotiating with the US over military aid.

Political power now rested on Phao's armed police units in Bangkok, and Sarit's First Division. In 1957, Phibun attempted to strengthen his personal position against his over-powerful subordinates by holding an election and projecting himself as a Peronist popular leader. Phao helped him by organizing the government party, and by using thugs to break up opposition rallies, intimidate voters, and stuff the ballot boxes. Phibun nominally won at the polls, but then lost on the city battlefield. On 14 September, in an operation which took just one hour, Sarit's army units surrounded the police headquarters and other strategic points. Phibun fled to Cambodia, Phao to Switzerland. Sarit himself took over as director of the police and set about reducing the potential of the police to influence the political battle. He purged all Phao's men, and cut off the flow of US money and materials. Political power now rested with the First Division of the First Army.

Sarit conducted purges in the air force and navy, dissolved the Parliament, and once again restored the 1932 constitution with minor modifications. He installed a civilian as Premier, and later replaced him with his military subordinate, Thanom. In October 1958, Sarit returned from an overseas trip for medical treatment and took over as Prime Minister. This time, there was no fiddling with constitutions. The Assembly was abolished, martial law declared, and all political parties and gatherings outlawed. Around fifty people were arrested, including three MPs, newspaper editors, and several Chinese accused of communist sympathies. Sarit himself assumed the posts of Prime Minister, Supreme Commander, Commander-in-Chief of the Army, Director of the Police, and later also Minister for Development. Below him, he arrayed his command structure from the First Army. Thanom became Minister of Defence. Praphat became Minister of Interior. A tame Assembly was established by appointment. For over a decade from the second Sarit coup, the army governed without the benefit of an elected Assembly. A new constitution-drafting committee was appointed, with 170 of its 220 members from the military. It took over nine years to report back. On Sarit's death in 1963, the succession passed smoothly to his military subordinates. Thanom became Premier, while Praphat became Commander-in-Chief of the Army.

The far south and the north-east continued to offer resistance. The Malay Muslim movement continued to resist the spread of the centralized educational system, and by 1960 was operating 500 *pondok* schools which taught Islam and Malay language rather than Buddhism and Thai. Sarit forced them to include the Thai language and other selected parts of the central curriculum. In 1957, Amin Tomina, the son of Haji Sulong who had allegedly been liquidated under Phibun, became an MP and raised Malay Muslim demands in Parliament. In 1961, Sarit accused Amin and a fellow Muslim MP of plotting a separatist revolt. They were jailed and, after release, fled to Malaysia.

In 1959, in a distinct echo of the revolts of 1902, a *phu mi bun* raised a messianic revolt against government authority in Korat. Sila Wongsin had studied Buddhism and supernatural arts before becoming a famous healer in Ubon. He then led a troop of some 150–200 followers to set up a new village in Korat, where they refused to register their presence with officialdom and drove government officials out of the 'realm'. Sila induced his followers to believe that they would be protected from government weapons by magical immunity, but when government forces attacked 12 were killed and 44 arrested. Sarit had Sila publicly executed in Korat and threw several others into jail.

In Parliament, the north-easterners resisted the soldiers. Khrong Chandawong came from a middle-farming background in Sakon Nakhon. He had risen to be headmaster of several schools, and later started a poultry farm. He was elected to the Assembly in 1957. He advocated abolishing the anti-communist law. He proposed elections for village headmen and *kamnan*. Thep Chotinuchit was a teacher in Sisaket who started several schools in his region. In 1957, he led a Socialist United Front Party which was suspected of links with organized communism. In 1958, Khrong, Thep, and other north-eastern MPs again

demanded that the government invest in development projects in the north-east. They laid plans to form a North-eastern Party, and advocated that 'only through socialism can conditions in the north-east be improved' (Keyes, 1967: 48–9). After Sarit's second coup in 1958, Thep and Khrong were arrested along with Klaew Norapati, another north-eastern MP from Khon Kaen. All were later released. In 1959, the government arrested 47 suspected communists, most of whom were teachers in Thep's Sisaket schools. In 1961, Khrong Chandawong and over 100 associates from Sakon Nakhon and Udon were arrested and accused of communism and planning to raise a north-eastern revolt in alliance with the Pathet Lao. Sarit had Khrong and one of his colleagues publicly executed in their home area.

The north-east also protested Sarit's attempts to impose authoritarian control within the Sangha. Phra Phimontham was a native of Khon Kaen who rose to become abbot of Wat Mahathat, the administrative centre of the Mahanikai sect. On doctrinal grounds, he opposed attempts initiated first by Phibun and later by Sarit to conduct anti-communist witch-hunts within the Sangha. He promoted meditation centres which encouraged more widespread popular participation in religious practice. In 1960, Sarit suspected he was behind a movement of protest against the government-contrived Thammayut domination of the Sangha. Sarit had him arrested by police, charged with homosexuality, convicted on the evidence of two young monks, and stripped of his ecclesiastical titles. Later hearings revealed that the evidence had been fabricated, and Phra Phimontham was cleared of the charges. He remained at Wat Mahathat and continued to be a focus for movements protesting against government manipulation of the Sangha. In 1962, he was arrested again, accused of professing communism, calling the Buddha a 'great liar', slandering Sarit as a dictator, sending monks for guerrilla training in India, and calling the monarchy a 'useless institution and a waste of money'. Sarit visited the police stations to watch him forcibly disrobed. He was held in jail until three years after Sarit's death, when he was cleared of the charges by a military court. The Sangha heads of all provinces in the north-east unanimously supported a campaign to reinstate him in the Sangha hierarchy.

In 1944–6, Pridi's alliance of business, organized labour, intellectuals, up-country politicians, and remnants of the 1932 civilian group attempted to put the military back in the barracks and open up the political system. The prospect of radical changes in political systems and the social order cemented a new alliance between the army and royalists inside and outside the bureaucracy. This alliance branded any attempt to enfranchise new social groups and to qualify the power of the bureaucracy as radical and 'communist'. The army rose to assume leadership of this aggressive alliance. Between 1946 and 1959, a military clique based in the First Army captured the state by systematically eliminating all rivals for its power. They cashiered their enemies within the army, blew the navy out of the water, ran Pridi out of town, assassinated the north-eastern leaders, outlawed labour organizations, harassed students, locked up radicals, intimidated Chinese leaders as 'communists', closed down

bookshops and newspapers, destroyed the Parliament, banned party politics, ejected civilians from the Cabinet, and threw away the constitution. Their authority rested on their fire-power in Bangkok and their readiness to use it. But there were other important factors which contributed to their rise, and which were fundamental to their ability to consolidate a dominating role for the army for another generation. These factors were the US alliance with the Thai military, the growing accommodation between the generals and business, and the re-emergence of the monarchy.

The American Period

Between 1945 and 1950, South-East Asia emerged as one of the key arenas of the cold war. At first, the US hoped to stabilize the area by providing backing for the old colonial powers to reoccupy the region, and by using the non-colonial states of Thailand and the Philippines as conduits for American influence. In March 1947, President Truman proclaimed the US intention to 'block communism' at all cost, and to support any nation resisting 'attempted subjugation by armed minorities or by outside pressure' (Surachart, 1988: 40). The Thai military pressed the US for military aid. The US refused. At this stage, the US was not prepared to support an army which had recently been aligned with the Japanese against them. Within a year, that reluctance evaporated. The Red Army gained the upper hand in China. The Malayan communists declared open revolt. Communist forces grew powerful in North Korea and North Vietnam. In early 1949, the US concluded that a communist victory in China would directly affect Thailand. In June 1949, the 'domino theory' made its first appearance in US policy papers. In January 1950, Ho Chi Minh seized power in Hanoi and was supported by both Peking and Moscow. In February, the US concluded that it was necessary to fight in Vietnam in order to prevent the dominoes falling. From this point onwards, Thailand was a front-line state in US strategic thinking.

In January 1950, the US opened negotiations with the Thai military leaders. On the outbreak of the Korean war in June, the Thai government promptly approved sending 4,000 troops and 40,000 tons of rice to aid the US effort. This brilliantly opportunistic show of support (matched only by Taiwan) removed any remaining US reluctance. Eight days after the Thai move, the US announced it would supply arms to the Thai forces. Beginning in January 1951, the US sent 28 shipments with enough equipment for 9 battalions. It established a military advisory headquarters in Bangkok, and began training Thai troops. Within the next two years, US military aid to Thailand rose from nothing to a figure equivalent to 2.5 times the Thai military budget.

The CIA became involved in supplying, arming, and training the Thai police. In 1949, units of the Kuomintang army fled into the hill areas around the intersection of the Thai, Burmese, Laotian, and Chinese borders. The CIA supported the refugee Kuomintang units inside Thailand for a possible counter-move against the new Chinese communist regime. It assisted the Thai

police to provide better security along the borders in the north and north-east. The CIA helped to train paramilitary police units, and to create an armed Border Patrol Police force of some 4,000 men.

In 1952, Eisenhower became President, and announced his intention to increase the flow of resources to pro-US, anti-communist governments. Following the defeat of the French at Dien Bien Phu in May 1954, the US became directly involved in the Indo-Chinese war, and began to build up Thailand as a base for military operations. The US funded a network of roads between Bangkok and the strategically important north-east, and provided the Thai army with more sophisticated weapons, more training, and more support funds.¹⁶

The level of US involvement rose again in the early 1960s, when civil war began in Laos. Thai troops were deployed inside Laos under US strategic planning. In March 1962, the US announced it would give full support to Thailand in case of armed communist attack. It stationed part of the Seventh Fleet in the Gulf, flew squadrons of bombers into bases in the north-east, and landed around 10,000 troops in Thailand. Most of these troops were removed some months later, but a major build-up started in 1964 when both Laos and Cambodia fell under the influence of Hanoi. The Thai government secretly opened the door for the US to station troops. Thailand became the major base for the US air war in Indo-China. The US built seven airfields, constructed a deep-water port for supply ships at Sattahip, and established a sophisticated military intelligence and communications system. The escalation of US personnel and hardware in Thailand from 1964 was dramatic (Table 8.1). Between 1965 and 1968, three-quarters of all the bomb tonnage dropped on North Vietnam and Laos was flown out of the Thai bases. In 1967, 11,000 Thai troops were drafted in to serve alongside the US forces inside South Vietnam.

The US increased support to the police to counter the spread of communist insurgency into Thailand. From 1962, the US provided arms, ammunition, vehicles, and aircraft to the Border Patrol Police, to specialized paramilitary units, and to provincial units being trained to combat insurgency. From mid-

TABLE 8.1
US Military Presence, 1964–1969

Year	US Army Personnel	USAF Personnel	USAF Aircraft
1964	3,300	3,000	75
1965	4,700	9,000	200
1966	8,000	25,000	400
1967	10,300	33,369	527
1968	11,500	33,500	589
1969	11,500	33,500	600

Source: Surachart (1988: 121).

1965, communist forces appeared in remote forested areas in the north, south, and especially the north-east. The US military took over direct responsibility for training Thai police in counter-insurgency work. The CIA was brought back to organize the Thai police for specialized operations. USAID was brought under US military control, and deployed to build roads into villages in sensitive regions. The US helped the Thai government organize a centre to oversee counter-insurgency operations, and provided funds for recruiting anti-communist village volunteer forces. Between 1965 and 1968, the police force increased from 51,000 to 80,000 men. By one estimate, half of all US economic aid in the period 1965–9 was channelled to the police.

The US also built up the Thai air force. In the early 1950s, the air force consisted of around 4,000 men and very little equipment. By the 1970s, it had increased in manpower and acquired modern squadrons of planes including fighter-bombers and reconnaissance aircraft. Only the navy missed out on this largess. The US had little interest in a Thai naval capability, and after the intra-military conflicts in the 1950s the Thai army manoeuvred to keep the navy small.

For over two decades, the flow of resources from the US to the Thai military and Thai police was immense. Each time the US involvement in Indo-China increased, the US dependence on Thailand as a support base also increased, and the Thai military bargained for more training, more hardware, and more direct military aid. The amounts were small in relation to the total cost of the Indo-China war. They helped to maintain the internal stability and military dominance which were the prerequisites for using Thailand as an operational base. From 1951 to 1972, total US military assistance amounted to US\$1,147 million, an average of around US\$52 million a year, and equivalent to 54 per cent of the total Thai defence budget. Another US\$92 million were provided in aid to the police, mostly from 1962. In addition, US\$530 million were provided in grants through USAID with much of this, after 1965, being funnelled into the military effort. Moreover, with US backing the Thai military was able to increase the domestic defence budget from around US\$20 million a year in the early 1950s, to around US\$250 million a year in the early 1970s. Over two decades, the total military budget from both US and local sources increased 17 times.

Businessmen and Generals

During the 1930s and 1940s, the businessmen and generals were on opposing sides. The military leaders advocated the expansion of state capitalism. They set up state enterprises, and refused to use state power to assist private business. They stigmatized business leaders as 'Chinese' and alien. Business leaders supported Pridi's attempts to remove the colonial restrictions on the economy and to open up the political system to new social forces.

In the 1950s, the business leaders and the generals reached a new accommodation. The generals abandoned state capitalism. The businessmen shared

some of the profits of private enterprise with the generals. This new alignment paved the way for a major reorientation of economic policy after Sarit assumed power in 1958. The generals swung the power of the state behind private enterprise. The US helped to oversee the change. But the driving force was the rapid growth in domestic capital from the wartime years onwards, and the military leaders' strategy to make an alliance with this powerful new economic and political force.¹⁷

As the generals increased their grip on the government, they deployed state power to amass private fortunes and to fill political war chests. They began within the state enterprises which the military promoted from the mid-1930s. Generals sat on the boards of these enterprises and made money from director's fees, patronage contracts, and various illicit techniques. After the military seized power in 1947, they increased the numbers of state enterprises by taking over several utilities and manufacturing plants begun as private companies. The 1947 coup group agreed among themselves to limit the number of directorships in state enterprises to two per head. But the agreement was soon bypassed. The World Bank mission in 1959 noted that the boards of the state enterprises were packed with 'high-ranking military or naval officers and influential politicians'. It also concluded that 'all of the state industries, except the monopolies, have proved unprofitable by commercial standards' and had been saved from bankruptcy by transfers from the government budget.

The military group squeezed private profit out of governmental expenditure flows by taking a cut from contracts, concessions, supply agreements, and a variety of other forms of government expenditure. In the early 1950s, Sarit took control of the government Lottery Bureau, and deployed the vast funds circulating through this bureau as a political fund and as a source of personal enrichment. In 1950, Phao along with six senior police officers and the army veterans' organization established a company which sold arms to the police, supplied construction materials to the Highways Department, and handled import of goods for the police co-operative stores. The same group formed another company to handle import of police uniforms.

Sarit set up Bangkok International Trading, which handled a large variety of government work. It supplied materials required by the Lottery Bureau, and also imported rolling stock for the railways, tugs for the port authority, banknote printing machines for the central bank, helicopters for the Forestry Department, and various items required by the government tobacco monopoly. To initiate the company, Sarit and his co-shareholders put up no capital themselves, but simply borrowed working capital from the banks they controlled. Sarit used a similar technique to start Dhipaya Insurance, whose major business was to insure government property.

Perhaps the best of all the honey-pots was government construction contracting. Both the Phao and Sarit groups had construction concerns. The Phao group started Samakkhi Construction, which received commissions from the military. The Sarit group ran Vichitra Construction, which serviced the Lottery Bureau and the army. These companies did not build anything. They

secured government commissions, and then subcontracted the work to others. Perhaps to minimize conflict over this lucrative area, the two factions formed the Construction Syndicate which bid for government work, and then allocated the contracts among its members. In the 1950s, the syndicate handled the contracts for three provincial airports, several highways, and buildings for state enterprises.

Another profitable source was government concessions for mining and mineral exploration. A group headed by Queen Rambhai Bharni, Prajadhiphok's widow, started two companies in which Sarit and his associates became partners. Thailand Steel bid and secured concessions for mining and smelting iron ore in certain provinces. Thai Shale and Oil bid for oil exploration rights. These concessions were then subcontracted to third parties, usually foreign companies.

Other opportunities were provided by the disbursement of the huge military budget.¹⁸ The military was a major source of contracts for construction and for supply of materials. While a large portion of new armaments came from the US, the military also had its own budget for purchase of hardware. Purchases of arms were conventionally believed to involve a commission of up to 10 per cent of value. Military leaders defended control over such expenditures. When USAID attempted to take over direct control of the allocation of contracts for village help programmes associated with counter-insurgency, the military resisted and insisted on issuing contracts themselves.

Between 1965 and 1972, US soldiers spent an estimated US\$111 million in Thailand under the R&R (rest and recreation) programme for personnel serving in Vietnam. The negotiations to establish the R&R programme in Thailand were conducted by Air Vice-Marshal Srisakdi, who set up his own travel agency to handle the arrangements for transport, lodging, and money-changing. Almost three-quarters of all internal transport for US military cargo was handled by the Express Transport Organization, whose chairman was Air Force General Thawee, one of Sarit's close subordinates.

The military leaders also entered into businesses which were highly profitable because they were illegal. In the 1950s, both Phao and Sarit developed interests in the opium trade. Thailand still maintained a legal government opium monopoly. In the late 1940s, with world opium supplies disrupted by war, the hill areas of Burma, Laos, and northern Thailand emerged as a new opium-producing area, promoted largely by the Kuomintang remnant armies. Bangkok became the point of export. With their connections in the northern region from the Shan states campaign, and with their unique systems of protection and enforcement, the military leaders dominated the traffic from hill to port. Sarit and Phao became competitors in the business, and occasionally their respective army and police teams clashed. Later, as Phao became involved with the CIA he gained the upper hand. Police protection and police infrastructure conveyed the goods all the way from the foothills to freighters in the Gulf. After Phao's eclipse in the 1957 coup, Sarit outlawed opium, though reputedly not before acquiring a monopoly on the previous year's crop in

order to finance rewards for supporters of the coup (McCoy, 1972: 140–4).

Timber was another area which the military élite identified as available for robber-baron style profiteering. The large hydroelectric dam projects begun in the 1950s involved tree-felling on large areas of forest land due to be flooded. The rapid colonization of upland areas for cash-cropping involved the clearing of massive areas. From the mid-1960s, under the counter-insurgency campaign the army oversaw the destruction of vast areas of forest to deny bases to the insurgents. The military were uniquely placed to operate this business, either under direct control or in partnership with private business. Phin attempted to use political pressure to gain monopoly control over the entire timber trade, but was blocked by Sarit.

The military were well placed to gain access to land. The political torque the generals possessed was critical in the process of establishing ownership rights in land. The penetration of roads was a major factor in inflating land values, and throughout this period the military oversaw most of the road-building programme. The lands alongside the Mitraphap, the US-financed highway from Bangkok to the north-east, were shared out among the military leaders. When Sarit died, his estate contained over 22,000 *rai* of land.

Running opium, squeezing lottery profits, taking a cut on government contracts, grabbing land, and fleecing the GIs were little more than simple buccaneering. In the 1950s, the generals progressed from such primitive accumulation to more sophisticated forms of capitalism. Pridi's group had shown the way in the 1940s, when it used government funds to invest in joint ventures with businessmen in rice, banking, distribution, and related businesses. After the 1947 coup, the generals took over many of the businesses begun by the Pridi group and started to use the same techniques.

The 1947 coup leaders took over the two banks established by the Pridi group and allotted them to the Sarit and Phin–Phao factions respectively. They dismantled the Thai Rice Company and distributed the rice trade by quota among Phin's veterans' organization, companies controlled by Sarit and Phao, and an associated royalist group. The internal distribution trades were taken over by Phin's veterans' organization. Whereas the Pridi group had worked in joint ventures with the big rice traders, the generals worked with the bankers who had risen during the war. The military leaders found their way on to the boards of all the major domestic banks. The Phin–Phao or Rachakhru group developed close relations with Chin Sophonphanich, the Bangkok Bank, and the associated group of entrepreneurs. These businessmen helped to run various of the generals' enterprises and also invited the generals on to the boards of directors of their own. The generals used government funds to accelerate the capital growth of their joint ventures. The Bangkok Bank was boosted by 30 million baht of capital from the Ministry of Commerce. Several of the Rachakhru enterprises were financed from loans of some US\$30 million to the government by the World Bank and the French.

By the mid-1950s, the military junta was deeply enmeshed in Thailand's expanding domestic capitalism. Phao sat on twenty-six boards, which included

banks, film companies, hotels, sugar, trading, and engineering businesses. Sarit sat on twenty-two. In the 1960s, the trend accelerated and Sarit's successors extended their interests very widely indeed. In 1969, Praphat sat on forty-four boards, Krit on fifty, and the director of police, Prasert, on thirty-three.¹⁹

In the late 1950s, the cold war economics of the US interlocked with the growing business orientation of the Thai military. Since the beginning of the decade, the US had encouraged Thailand to maintain an open economy, allow foreign investment, and develop within a capitalist framework. After Sarit seized power in 1957, the government began to promote economic development through private enterprise. The US played midwife to this reorientation of economic policy. But the result was productive because the businessmen and military were already locked in a passionate embrace.

The Restoration

From 1935, when Prajadhipok abdicated, until 1950, when Bhumibol Adulyadej ascended the throne, Thailand had no resident, reigning monarch. Within the bureaucracy, there remained a strong royalist element, headed by members of the old aristocratic families and supported by many others who saw the throne as the coping stone of bureaucratic power. From the late 1940s, royalist bureaucrats and authoritarian generals allied in the face of challenges from new social forces and new ideas.

Forging this alliance was not simple. Within the military, there was a strong anti-monarchical strain symbolized by Phibun. He had been a member of the original plot to overthrow absolutism. In the early 1940s, he appeared to be founding a military dictatorship to supplant the monarchy. In the 1950s, he espoused a Peronist populism which was implicitly republican. With the re-emergence of Phibun as the head of the military group in 1947, the budding alliance of army and Crown faltered. The army discarded the support of the pro-royalist Democrat Party. The defence of the throne was again invoked in the justification of the 'Silent Coup' of 1951, but in the more complex form of 'Nation, Religion, the House of Chakri and Constitutionalism'—a compromise between the original trinity and the celebration of the constitution promoted by the leaders of the 1932 coup. On several occasions over the next decade, Phibun attempted to draw the King into open support of military rule, but the King resisted.

While Phibun returned as the figurehead of military rule after 1947, the soldiers who carried out the 1947 coup, and who were the core of the post-coup regime, were very different in their attitude to the monarchy. They consulted with members of the royal family during the coup. They talked of defending 'nation, religion, and king', the first appearance of this royalist trinity in military ideology since 1932. They increased the formal powers of the king in the new constitution introduced after the coup. They handed back to the monarch control over the royal property which had been managed by the

Finance Ministry since the abdication in 1935. This was an impressive present. The land and investments accumulated mostly around the turn of the century made the Crown Property Bureau the nation's largest asset-holder. The lands included almost one-third of pre-war Bangkok, and estates in twenty-two provinces. Corporate investments included the Siam Cement group, three banks, and an assortment of companies in timber, construction, and insurance. During the economic expansion of coming decades, the bureau invested both its funds and its landholdings in many new ventures, including hotels and retail developments. By 1971, the bureau maintained a staff of 500 to manage its portfolio.²⁰

After the 1947 coup, Sarit was adopted by the palace and appointed to honorary positions within the Royal Guard. After the 1957 coup, Sarit visited the King, who provided him with a document appointing him as 'Defender of the Capital'. Sarit publicly displayed it to legitimize his actions. On the day of the 1958 coup, Sarit again visited the palace. In the ninth post-coup announcement, Sarit confirmed his group's loyalty to the throne. The King formally replied to this announcement, showing open support for Sarit's coup.

As Prime Minister, Sarit proceeded to build up the role of the monarch as the symbolic head of the nation. He proclaimed the royal birthdays as national holidays and switched national day from the 1932 anniversary to the King's birthday. He reintroduced royal ceremonies, including the First Ploughing, a Sukhothai-era royal rite which the monarchy had revived in the late nineteenth century but which had been dormant since 1932. Early in the reign, the King and Queen made a tour to the troublesome north-eastern region, and gradually developed a tradition of touring the regions to show the royal presence. Sarit also arranged for the King and Queen to tour overseas. In five years, they made state visits to twenty-three countries. The government helped orchestrate large displays of popular enthusiasm on each occasion they returned to the kingdom.

The royal family increased its visibility inside the country. The number of functions, ceremonies, and audiences attended by the King rose from around 100 a year in the mid-1950s to around 400 a year during the Sarit regime. With these appearances, the monarchy established ceremonial relationships with several key groups in Thailand's rapidly changing society—the emerging business community, the professional middle class, and the army. With the business community, the royal family became involved in fund-raising projects, projecting the monarchy as an agent for redistributing wealth from the prospering city to the less fortunate in the countryside. They also started to provide royal sponsorship for marriages among the top business families. For the wider, urban middle-class constituency, the royal family offered a model of a modern nuclear family unit. The King regularly appeared in the dress of the modern urban dweller. The royal children were models of the importance of education—the crown prince within the military, and the three royal princesses within social and scientific disciplines. The King or his representative presided over the distribution of degrees to every university graduate.

The royal family entered into a close public relationship with the military itself. One regiment was transferred to royal duties, and the Queen became its honorary commanding colonel. Sarit asked the King to become honorary commander of the army academy and of five other regiments. The ceremony of the King conferring royal flags on regiments was built up as a major event. Sarit talked of 'the army of the king' (Surachart, 1988: 80).

Along with the restoration of the importance of the monarchy came adjustment in the role of the Buddhist establishment. This had two parts. First, the ritual relationship between the monarch and the Buddhist establishment was strengthened and publicized. The Sarit period saw the revival of the royal *kathin* ceremonies, in which the monarch went out in procession to offer monk's robes and donations to monasteries. The King made public processions by royal barge to make donations to temples in the capital traditionally sponsored by royalty. He performed *kathin* at up-country monasteries, and presided at ceremonies for the construction of new temples throughout the country.

Second, Sarit's government legislated to reverse Phibun's Sangha Act of 1941, which had reduced the royal role in the Buddhist establishment. Before the 1941 Act, Sangha administration was centralized under the Supreme Patriarch and a Council of Elders dominated by monks of the minority, royal-dominated Thammayut sect. The 1941 Act replaced this with a structure which mimicked the post-1932 political structure. The Supreme Patriarch became a titular head. Policy was made by a wider Sangha Council in which the majority Mahanikai sect had the largest representation. Leading monks of the royal-founded Thammayut sect had resisted this reformed structure from the start, and the Council had been rendered ineffective because of conflict between the orders.

In the early 1960s, Sarit intervened to restore the importance of the Thammayut sect and to restore authoritarian control within the Sangha. When the Mahanikai Supreme Patriarch died in the late 1950s, Sarit ensured the selection of a Thammayut monk and packed the new ecclesiastical council with Thammayut representatives. Then in 1962, Sarit introduced an act to reform the Sangha administration and return it to the situation before 1941. The Supreme Patriarch again became the authoritarian head of the Sangha, assisted by a Council of Elders who were mainly government appointees. The act separated the administration of the Mahanikai and Thammayut orders in order to reduce the sectarian bickering. Sarit and other military leaders became publicly associated with the royalist Thammayut sect and patronized leading Thammayut temples.

Sarit also endorsed the Sangha's *thammathut* and *thammajarik* campaigns to send monks out into the rural and hill areas to proselytize for Buddhism, to promote the government's ideas on rural development, and to prevent the spread of communist ideas. These campaigns were organized by Pin Mutukan, who was successively an army officer, Thammayut monk, and Sarit's appointee as head of the Religious Affairs Department. Sarit also encouraged

the Sangha to conduct internal campaigns to prevent ‘communist infiltration’, and assisted the persecution of senior monks who resisted the political centralization of the Sangha.

Under Sarit’s new alignment of palace and army, the ideology of military dictatorship was transformed. The role of chief ideologist still belonged to Wichit Wathakan. During the military in-fighting of the 1950s, Wichit had been sent off to embassy posts. Sarit brought him back with him from England in 1958 to help script his second coup. Sarit relied on him heavily over the next four years and on Wichit’s death in 1962, Sarit mourned the passing of his *tu thong* (‘golden cabinet’) (Barmé, 1993: 4). The content of the ideologies spun by Wichit and other military associates in this period changed significantly from the Phibun period. In the 1930s, Wichit had projected the army as the mythic embodiment of the will of an expansive martial nation. From there, it was a short step for the military leader to claim to rule on the basis of popular will alone. In his Napoleonic phase in the early 1940s and in his Peronist ambitions in the mid-1950s, Phibun embodied these ideas.

Sarit and Wichit returned to a view of the army as the ‘army of the king’, deriving its power from above, not below. They also returned to a concept of the Thai state which was similar to the absolutist ideology of Vajiravudh. The nation was unified around the mystical concept of Thai-ness, *khwam pen thai*, and around the king, who instilled the people with ‘one national spirit’ (Somkiat, 1986: 338–48). The state consisted of three clear strata—government, bureaucracy, and people. The government made policy, the bureaucracy implemented it, and the people accepted it. This formulation differed from that of Vajiravudh in that the summit of the structure consisted not simply of ‘the king’ but ‘the government headed by the king’. Within the government, the army awarded itself a privileged place with special responsibility for controlling the politics and governance of the nation. Sarit asserted that *amnat ku’ tham*, that the army’s moral right to rule stemmed from its monopoly of physical power (Chalermkiet, 1990: 34). A colonel writing in 1970 portrayed the military as a kind of political caste distinguished by a special, semi-religious form of merit: ‘Barring any prejudices, we can see that the soldiers are citizens (*prachakorn*) with clean hearts (*jit jai sa-ad*), brave, and worthy of honouring … soldiers have pure hearts almost comparable to monks. . . . Therefore it is no surprise that only the best soldiers could become kings in ancient times. As a corollary, it should not be a source of wonder today that the Prime Minister is forever a soldier’ (Thak, 1979: 296).

This formulation left no room for civilian politicians, whose entire role was by implication illegitimate. A police captain wrote in a military journal: ‘Because of this strong love for the nation, some military officers have come to realise that on certain occasions they should have the duty of protecting the nation’s future. In this instance the officer is transformed into a *ratthaburut* (statesman) and not a *nak kanmuang* (politician).... Politicians think of coming elections, but the statesman is concerned with the future of the nation’ (Thak, 1979: 295–6).

Sarit developed the theme that bureaucrats and soldiers were more suited to rule on account of intrinsic merit and the lack of personal interests which characterized politicians. In justifying the formation of a constituent Assembly packed with military appointees, Sarit said: 'We work with honesty, scholastic competence, and just decision-making which is not under the influence of any private party and does not have to demonstrate personal heroism for purposes of future elections' (Thak, 1979: 157). Sarit insisted that this structure was 'democracy' but was a 'Thai' form of democracy. It differed from the *farang* form, based on representative institutions, which had been misguidedly promoted since 1932.

Sarit had no intention of usurping the ideological role of the king. Rather, he divided up the traditional role of the Buddhist king, allotting to the Crown the passive role of spiritual and moral headship, and allotting to himself the active role of governing the polity according to right principles.

Whereas in the 1930s and 1940s, the military had justified its political role in terms of the defence against external threats, in the post-war period the focus shifted towards internal threats: 'In countries where there is the need for internal security ... it is imperative that the military should be relied upon as an institution to suppress unstable forces. In order to achieve that goal, it is necessary to strengthen the military by including it in politics' (Thak, 1979: 297). 'Communism' became shorthand for any kind of dissent against the military and its view of the Thai polity. In the revised versions of the anti-communist law enacted in 1952 and 1969, this became explicit. The 1952 law defined communism as any act designed to overthrow the government headed by the king, any attempt to nationalize property, and any act which created instability and disunity. The 1969 law defined communism to include 'persuading others to lose faith in religion or engaging in activities that would destroy Thai customs' (Thak, 1979: 217 n. 111).²¹

Conclusion

The years around the beginning of the twentieth century saw the birth of new social groups whose relations and struggles shaped the politics of the years ahead—a new bureaucracy, independent domestic businessmen, and urban labour. Among these, the bureaucrats played the dominant role.

This bureaucracy was much more than a job category or collection of government officials. It had some of the features and functions of a class. Certainly it was viewed by other sections of society as a distinct social group—the *jao nai* and *khun nang*. It evolved from the administrative nobility of the nineteenth century—the great families of the Bangkok ministries and the local barons of the provinces. This was not a landed nobility which also served the state. It was an administrative nobility whose status and power was based on official recognition, and whose wealth derived from the resource flows managed by the state.

In the transition to the modern bureaucracy, this group underwent many

changes. Some of the great royal and royal-related lines were exiled or demoted in status. Some of the provincial *khun nang* families failed to make the passage through education on to the new ladder of success. Many new families entered the modern bureaucracy, particularly some of the great Chinese tax-farming and comprador families.²² The distinction between *jao nai* and *khun nang* diminished in importance. The wider term *phu yai* came to replace them. The new bureaucracy became more focused around the key central institutions of the army, Mahatthai, the Finance Ministry, the police.

Despite these changes, there were many continuities. The core of noble (and ennobled Chinese) families saw public service as their fiefdom. They sent their sons to the Chulachomklao Military Academy or Chulalongkorn University, and thence into the bureaucracy. They built dynastic connections with particular units of the bureaucracy. They intermarried with their peers. They formed a new administrative nobility which dominated state and society. The increasing numbers of commoner recruits were absorbed into the aristocratic subculture of the bureaucracy by education at the élite schools and by experience in the ministries.

The revolution of 1932 was many-layered. It was plotted within the ranks of younger, mid-level bureaucrats. It was executed by senior generals, and sustained by senior civilian officials. It was supported by a broad swathe of new urban Siam—businessmen, organized labour, and intellectuals. In the aftermath, the divisions between these groups emerged. The administrative nobility wanted to qualify the power of the king, but in other respects wished to maintain the structure of the absolutist state on which their status and power were founded. The businessmen, workers, and intellectuals of new urban Siam hoped the revolution was the prelude to a wider social change. But at this stage they were the weaker party. In the mid-1930s, they were pushed out of the revolutionary alliance. In the confused conditions of the end of the Second World War, they made a new bid for power. In the late 1940s and 1950s, they were blasted out of contention, first by the gun, later by the weapons of institutionalized violence enshrined in the state.

The contest for power increased the importance of the army within the administrative nobility. This was apparent by late 1932. It was confirmed in 1938, disrupted by the war, and reconfirmed in 1947. Within the army, two distinct political tendencies emerged. The first grew out of the ‘younger military’ participants in 1932, and was identified with Phibun. These soldiers shared the belief that 1932 was the start of a social revolution. They projected the military as the representatives of the popular will. They drummed up populist support in the 1940s by irredentist nationalism, and in the 1950s by Peronist leadership of urban labour. To the conservatives in the administrative nobility, they represented an incipient republicanism potentially as dangerous as Pridi’s social radicalism. The second military group consisted of soldiers who took no part in 1932, and who rejected Phibun’s populist proto-republicanism. They came to the defence of the administrative nobility and the absolutist state in the face of internal challenges. Under the leadership of Sarit,

they rebuilt the alliance between the army and the royalist groups at the core of the administrative nobility. They restored the importance of the monarchy as the cornerstone of this alliance. They saw themselves as the ‘army of the king’. They justified the pre-eminence of the military through its role in defending ‘nation, religion, and king’. They argued that any challenge to the military state was ‘communist’, treasonous, illegal, and un-Thai.

In the 1950s, this axis allied with domestic capital. The business leaders had supported the 1932 revolution, but had been disappointed by its outcome. During the next decade, they sided with the dissidents who wanted to break down the administrative nobility’s grip over the state. From the mid-1940s, domestic capital accumulated rapidly. With its new strength, it was able to cajole the administrative nobility into a new alliance. Businessmen and bureaucrats shared an interest in controlling the growth of organized labour, external insurgency, and other sources of social disruption. As Pridi’s group demonstrated, the alliance of state power and business capital was a powerful engine for generating wealth. By the 1950s, the leading bankers and entrepreneurs and the leading military politicians were locked together in a host of joint ventures.

The new alignment signified the continued power of the bureaucracy, and the rapid growth from the 1940s of domestic capital. The alignment was blessed and boosted by the US. But the alliance was made locally rather than by the machinations of neo-colonialism. It was created in common opposition to the social and political radicalism which, in different ways, threatened the interests of bureaucracy, royalism, and business. In one sense, it was a defeat for the forces released by 1932, as first Pridi and then Phibun were pushed to one side. But in another sense, it was a triumph for the *ideas* which drove the 1932 revolution. The economic nationalism of the businessmen was realized in government programmes to ‘develop’ through private enterprise. The bureaucratic nationalism of the middle-rank officials was realized in the consolidation and extension of the bureaucratic state.

The alliance of business and bureaucracy under the leadership of the First Army junta profited all the participants. Business grew rapidly. With US assistance, economic policy was revised to promote the growth of private capital. The small group of bankers and related entrepreneurs who emerged in the 1940s and went into joint ventures with the generals in the 1950s led a spectacular expansion of domestic capital.

The military grew powerful and rich. On his death, Sarit was found to have assets of 2.8 billion baht. Virtually all of this had been acquired after he became Prime Minister. After investigation, the government seized assets worth 604 million baht which they judged had been looted directly from the government, while the rest had presumably arisen from business profits and squeeze.²³ After the fall of Thanom and Praphat in 1973, the government seized assets worth 600 million baht which it reckoned had been looted from the state.

The civilian bureaucracy grew in size and power. In 1944, there were

around 75,000 'ordinary officials'. By 1965, this had expanded to 250,000. The number of government departments increased from 49 in 1941 to 113 in 1969, and the number of divisions from 317 to 827 over the same period. More than ever before, this new Leviathan extended out into the countryside along the new highway and road network, bringing central government authority into the village—in the guise of the teacher, the policeman, and the *nai amphoe*.

With expansion came centralization. The Ministry of Interior extended its role as the core of the provincial administration. Political authority was extremely centralized within the military leadership. The Sangha was recentralized under an authoritarian structure. The spreading mass media of radio and television radiated out from Bangkok under central control. Bangkok swelled to include over one-tenth of the total population, and over two-thirds of the total urban population. All roads led from there. All authority stemmed from there. All serious business was conducted there. Almost all tertiary education was located there. It was the seat of the King, the dominant First Army, the Prime Minister, the Ministry of Interior, the Supreme Patriarch, the US military headquarters, and the Bangkok Bank.

1. The families of Bunnag, Krairiksh, na Songkhla, Issarasena, na Ayutthaya, na Nakhon.

2. See Chapter 4.

3. *Phu yai* (big people) refers to people in authority, and *phu noi* (little people) to the rest.

4. Quote from *Sikrung*, 12 July 1932. The final sentence amounted to a direct attack on the Buddhist theory of kingship, which derived the legitimacy of the king from the fact that he possessed more merit than any other.

5. The story of the coup is told in stirring style in Vichitvong (1979: Ch. 1). The statement is on p. 9.

6. See Chapter 4.

7. The Japanese settlement confirmed the gains in Kengtung, parts of Laos and Cambodia, and assigned to Thailand the four northern Malay states ceded to Britain in 1909. This was rather less than Phibun had hoped to gain from his Japanese alliance.

8. All quotes from the manifesto are taken from the translation in Thawatt (1972: 250–4).

9. Landon (1939: Appendix III) contains a translation of the plan.

10. See Chapter 4.

11. Keyes' suggestion that the radical north-easterners came from non-administrative origins appears to be incorrect (Keyes, 1967: 27).

12. Overseas, the Seri Thai attracted many exiled royalists who opposed both Phibun and the Japanese.

13. On labour and Pridi, see Chapter 6.

14. It is possible that this group had been planning opposition to the army as part of the movement that resulted in the Palace Coup a few months later (Thak, 1979: 46, 48 and Keyes, 1967: 33–4).

15. The victim had also not co-operated with the police chief's opium smuggling operations (Thak, 1979: 86–7).

16. Also at this time, the US built its new, large, and decidedly 'imperial' embassy complex on Wireless Road in the heart of Bangkok.

17. See Chapter 4.

18. The military allocation was around 20 per cent of the government budget; US assistance swelled the total military expenditure to the equivalent of one-third of the total budget (Surachart, 1988: 193–6).

19. This survey found 143 officials, mainly military, and their family members occupying positions in 347 different firms. See Morell (1976).

20. *Investor*, February 1971: 124–5 and *Business in Thailand*, February 1973: 20–2, with thanks to Kevin Hewison for these references.

21. The law was modelled on the US Un-American Activities Act.

22. But this was not new. The administrative nobility had never been a closed category.

23. 394 million baht were reckoned to have been taken from the Prime Minister's secret funds, and 340 million baht from the Lottery Bureau (Thak, 1979: 335–8).

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9

Revolt and Repression

BETWEEN the mid-1950s and the mid-1970s, the alliance of bureaucracy and business under the flag of Sarit's *phatthana* transformed Thailand's political economy. The uplands frontier raced ahead, levelling forests and moving thousands of settlers into new areas of uncertain ecology. The penetration of agribusiness changed cropping patterns, social relations, and the distribution of wealth and power throughout agrarian society.¹ The expansion of import-substituting industries pulled thousands of people out of the villages and into the factories and service businesses of the city.²

The power of the state, coupled with the growing power of capital, increased not only the rate of economic growth, but also the rate of exploitation. Differential tariffs and the rice premium transferred the rural surplus into the urban economy for consumption and capital accumulation. Settlers on the uplands frontier were denied security of land tenure, branded as illegal squatters by the government, and often controlled by the agents of agribusiness. In the paddy tracts, many smaller peasants lost out in the transition to new high-capital modes of farming and became dependent on wage labour. The income gap between city and country became wider. In the new factories, labour was defended neither by law nor by organization. Employers relied on the growing reserve army of rural migrants to provide a constant supply of new labour recruits. Wages were low, labour rights almost non-existent.

In the early 1970s, the reaction came. Peasants protested. Workers went on strike. These reactions were complicated by Thailand's role in the front line of the US-Indo-China war. Communist insurgency spread through the hills and forests.

The expansion of the economy and the growth of social protest weakened the alliance between business and bureaucracy. Domestic capital had accumulated rapidly. In twenty years, the assets of the banks had multiplied almost forty times. The self-confidence, independence, and political assertiveness of business had multiplied in parallel. Businessmen grew less dependent on their bureaucrat allies. They sought more freedom to structure the economy to meet their own needs. They resented the 'taxes' which the military leaders imposed on their profits. In the 1970s, many business leaders came to doubt that dictatorship and repression were the best methods to manage the strains of a society undergoing such rapid change. They wanted to separate Thailand's internal affairs from the external complications implied by the US presence.

The wave of social protest and the weakening of the dominant alliance of the military and business created a historic role for students. In the 1960s, tertiary education expanded to provide the manpower for the growing urban economy. The resulting student generation was not only larger, but different. Most of them came from outside the old catchment area of the administrative nobility. Most of them were not destined for jobs in the bureaucracy. They constituted a new platform from which to mount an intellectual challenge and a physical attack on bureaucratic absolutism and military dictatorship.

Insurgency

The early history of communist activity in Siam was centred on the immigrant Chinese in Bangkok. The Chinese Communist Party sent a small handful of organizers to Bangkok in 1923. In the late 1920s, the police seized communist propaganda leaflets, mostly in Chinese, and arrested a few immigrant Chinese suspected activists. In 1942, the Communist Party of Thailand (CPT) was founded secretly in Bangkok, but was overshadowed by a separately founded branch of the Chinese party, which grew to around 4,000 members. After the Chinese revolution, the two organizations merged. The resulting CPT was dominated by members of the Chinese branch, some of whom travelled to China in the early 1950s.

From the beginning, the Thai communist movement was riven with debate over revolutionary strategy. Until the late 1940s, the movement followed the Comintern line seeking an urban revolution based on the working class. Yet the first major communist analysis of Siam written in 1930 was basically a Mao Tse Tung pamphlet on China with the name of the country changed.³ In the late 1940s, Udom Srisuwan, who had spent time with the Maoist forces in China before the revolution, returned to Bangkok and compiled a more complex analysis of Thailand which still clung to the Maoist line. Both the 1930s pamphlet and Udom's analysis described Thailand as a 'semi-feudal, semi-colonial' country. Despite the fact that this Maoist analysis indicated a strategy of rural-based revolution, during the 1950s the CPT based itself among the largely immigrant Chinese in Bangkok. But in the repression following the rise of Sarit in 1957–8, much of the CPT's organization and infrastructure in Bangkok was destroyed. At the third party congress in 1961, the CPT adopted a strategy of rural-based revolution ('encircling the cities from the rural areas') and moved its headquarters out of the city. Over the next few years, some of its members (such as Udom) and supporters among the Bangkok intellectuals (such as Jit Poumisak) quit the city to build a party base in the north-east. Others who supported the urban line were either purged or left the party of their own accord.

As the US began to use Thailand as its base for operations in Indo-China, the Vietnamese and their Chinese allies started to encourage the insurgency across the Maekhong. In the late 1950s, a handful of CPT members was invited to China, Laos, and Vietnam for training. In 1962, the 'Voice of the

'People of Thailand' began broadcasting from southern China. In January 1965, the Chinese Foreign Minister announced that a guerrilla war would shortly be launched in Thailand. On 7 August 1965, in Nakhon Phanom a police patrol stumbled into a communist propaganda meeting. In the following skirmish, one guerrilla was killed and a policeman injured. The insurgency had begun.

The government and the army interpreted the insurgency as 'essentially an external creation'—nurtured by a Chinese-dominated CPT, exported across the Maekhong by Indo-Chinese guerrillas, supported by foreign finance, and supplied by routes through Laos. They believed it should be countered by sealing off the border, and then rounding up the local guerrilla organization. Praphat, the army head, reckoned this could be completed in six months. The army launched search and destroy missions in the north-east, increased the manpower stationed along the eastern borders, and began a programme of raids and arrests in Bangkok.⁴ The strategy failed. The growing strength of the insurgency in the late 1960s and 1970s indicated a considerable base of support in the rural areas.

The centre of the CPT's rural organization work from 1961 was in the far north-east around the Phuphan hills. Since the early 1930s, the political leaders of this subregion had led the protest against the centralization of power in Bangkok, the domination of the bureaucracy, and the power of the army. In the late 1930s, Ho Chi Minh had resided in the far north-east for a year while organizing communist support among Vietnamese refugees, and had made contact with some of the north-eastern leaders. In the 1940s, the north-easterners worked alongside some of the left-wing Bangkok organizers in Seri Thai, and wanted to raise a rural revolt against the Japanese. In the late 1940s, the north-eastern leaders established links with the Viet Minh and other nationalist groups in Indo-China. In the 1950s, several north-easterners were imprisoned or assassinated by the military. In 1961, the government arrested Khrong Chandawong, who had organized and propagandized against centralized authoritarianism for over a decade. Sarit had him publicly executed in his home area of Sakon Nakhon. This area became the first centre of insurgent activity. Khrong's widow remarried a top CPT cadre, and his daughter became a guerrilla leader.

The other major area of anti-central protest made common cause with the insurgency. After Phibun, and then Sarit, had crushed the moderate leadership of the Malay Muslims in the southern border region, a new and more radical leadership rose to prominence. The Pattani United Liberation Organization (PULO) was founded in 1968 by an old local aristocrat who had been educated in Islamic institutions in India and had strong contacts with resurgent Islamic movements in the Middle East. The Barisan Revolusi Nasional and several other groups espoused Islamic socialism, and worked in partnership with the Malaysian Communist Party across the border. These groups used guerrilla tactics to harass the police and local government. By the late 1960s, they linked up with the CPT, and helped the CPT build a second base of

support in the hills extending up from the Malaysian border through the southern region.

On a broader scale, the spread of the insurgency was bound up with the huge and rapid cash crop expansion in the uplands from the 1950s. The uplands frontier raced away into forests and remote areas beyond the reach of the government. The ethos of this frontier was free-wheeling and fiercely independent. Government officials chased after the peasant pioneers, ordered them to pay taxes, but refused to allot them land deeds. In several places, the resulting disputes led to insurgency. In Korat, a group of villages which were refused land rights became a major centre of insurgency. In Surat Thani, a whole village defected *en masse* to the insurgency after forestry officials declared they were illegally squatting on reserve land.⁵ In 1967, the refusal of the government to issue land titles in some areas of pioneer settlement in Chiang Rai led to a string of protests, and made the frontier areas of the far north the third major base of the CPT.

On an even broader scale, the CPT leveraged the peasant belief that the countryside was the realm of *ban*, and that state and capital were unwanted intrusions from *muang*. A CPT rural pamphlet ran: 'It was our ancestors, the peasants, who grew the first coconut tree, planted the first rice field and cultivated the first fruit farm. But the oppressive system has trampled all over us and our ancestors.'⁶ In parts of the uplands frontier tract, the insurgency recruited the *nakleng*, the local toughs whose job was to defend the village against threats and intrusions. In the face of police patrols, military sweeps, and the occasional official atrocity, the role of the *nakleng* as defender of the village made them identify with the guerrillas. In an area of the south where by the early 1970s insurgency had spread among the *nakleng* in this way, 'the government itself added to the communists' reputation by its intensive propaganda against them, from which people gathered that the movement was greatly feared by the authorities and that it acted in the name of the common folk against the officials' (McVey, 1984: 130). Army leaders only slowly came to realize that in much of the countryside, the government figured as a new and unwelcome intruder:

We subsequently discovered that many remote villages had never really been contacted by the government. This provided the insurgents with an excellent opportunity to make the first approach, build a popular base for their armed forces and later arm the villagers themselves. Later, when the government belatedly attempted to intervene, a visible insurgency was sparked off. The government had thus surrendered the initiative to the insurgents (Saiyud, 1986: 77).

The expansion of the uplands frontier disturbed the relationship between lowlanders and hill peoples, which helped to create another area of support for the insurgency. Peasant expansion into the forests led to disputes between settlers and hill swidden farmers, and sometimes impelled the hill peoples to relocate into more remote regions. The expansion brought government officials into these areas for the first time, and led to protest against taxation

and governance. Forestry officials tended to think of swidden farmers as destroyers of the forest. They launched schemes to resettle hill communities, restrict swiddening, and deny access to land. After the outlawing of the opium trade in 1958, the government began projects to stop opium cultivation. Restrictions on swiddening and opium cultivation wrecked the economy of some hill villages and pushed them into opposing the government. Indo-Chinese communist organizers, who had witnessed similar developments in Laos and Vietnam, started organizing among the related groups in northern Thailand in the early 1960s. In 1967–8, the CPT extended its organization among Meo/Hmong and Yao groups in the north, and among the Karen settlements in the west along the Burmese border.

The army's early campaigns hardly presented the army as the friend of the peasant. In 1966, a search-and-destroy team in the north-east tortured suspects, raped women, and carried out summary executions of supposed communists. In 1967–8, several villages in the north were bombed with explosives and napalm. In the early 1970s, army units in the south were accused of burning suspected communists alive in oil drums, and throwing them out of helicopters. In 1974, the Border Patrol Police burned a north-east village to the ground. These acts of aggression propelled many villages to start defending themselves against the army. The guerrilla propagandists approached the villagers, offering to defend the locality against clumsy and unwanted intrusions by police and soldiers. They contrasted the poverty of the villages with the corrupt, profligate examples of state power. They offered friendship in place of force. The movement spread. By 1969, the government defined parts of 35 of the nation's 71 provinces as 'communist-infested sensitive areas'.

The number of 'violent incidents' involving clashes between the government and insurgents rose from the 'first shot' of August 1965 to almost 200 a year in 1972. In January 1969, the CPT indicated its growing armed strength by forming the People's Liberation Army of Thailand. In 1972, the military's estimates of the number of active guerrillas passed 5,000, and in 1974 almost reached 8,000. In 1975, the military reckoned that 412 villages were totally under insurgent control, and another 6,000 housing almost 4 million people were subject to some degree of insurgent influence. The focus was still in the Phuphan range and the surrounding districts of Nakhon Phanom, Kalasin, and Sakon Nakhon, which was now the site of several 'liberated villages'. The insurgency spread throughout the hill areas adjacent to Laos in the north, where it found many recruits among the Meo/Hmong groups, in the hills adjacent to Cambodia, and in areas where the Burmese hills thrust into Thailand on the western frontier. In the south, it spread from the Thai-Malaysia frontier up through the hilly outcrops in the centre of the peninsula. By the mid-1970s, the CPT had a refuge in northern Laos which included a hospital, offices, schools, storehouses, and a training centre. In 1977, the CPT started on a strategy to isolate the north-east from Bangkok by building a string of bases in the hills dividing the north-east from the central plain.

The attempts to control the insurgency threw the army into confusion. Many

of the military operations were unsuccessful. In 1972, the army launched its largest assaults to date on base areas in Phu Hin Rongkla in Phitsanulok, and Thoeng in Chiang Rai. Both were disasters. Apart from the skirmishes with the French in 1941 and the US-commanded task forces in Korea and Laos, the army's only field operations since the Boworadet revolt in 1933 had been on the streets of Bangkok. Despite having assumed the mantle of defending Thailand against communism for over a generation, the army had a very limited understanding of communism, and no appreciation of the strategies of communist insurgency. The army was blinded by its use of the term 'communism' to describe any attempt at social and political change, and by its analysis of the insurgency as an 'infiltration' of Thailand from China and Indo-China.

In 1965, the US encouraged the establishment of the Communist Suppression Operations Command (CSOC, later ISOC) to direct counter-insurgency. The US also set up a counterpart unit inside the US Bangkok embassy. In 1967, the CSOC and their US advisers advocated the strategy first formed in British Malaya, and later adapted by the US in Vietnam, of attempting to isolate villages from the guerrillas. Under the Village Security Programme launched in January 1967, the army began intensive policing and propaganda work in villages in the CPT base areas. It conducted village patrols, stationed police in the villages, imposed curfews, and occasionally moved whole groups of villagers. Within a few months, however, the line generals objected to the transfer of control over counter-insurgency operations to CSOC. The government conceded. The generals returned to military sweeps. In 1968, the government launched a programme of trying to smother the insurgency with kindness, underwritten by USAID. The Accelerated Rural Development Programme provided funds for building roads, wells, and other basic infrastructure. For many villages, the message was clear: if you joined the insurgency, you received government help for the first time ever. CSOC experimented with organizing villagers into local militia to act as guards, intelligence agents, and additional fighting manpower. Within a short time, however, it found that arms and radios supplied to these militia units passed directly to the guerrilla groups.

The early attempts at military and political suppression had been mounted on the assumption that Thai villagers were fundamentally 'loyal' to the government but had been led astray by force or deception. The steady growth of the insurgency challenged this assumption. In mid-1967, the police arrested twenty CPT or ex-CPT members in Bangkok and persuaded some of them (notably Prasoot Sapsunthorn, who had opposed the CPT's commitment to a rural strategy) to co-operate with CSOC in the development of counter-insurgency. With this assistance, CSOC gained an understanding of the methods of Maoist guerrilla warfare and developed counter-strategies which began from the same assumption as Maoist methods—that the villages were basically independent, and that political organization of the countryside must be based on foundations inside the villages themselves. In the early 1970s, CSOC organized experiments with village security teams in parts of the south

and north-east, and proposed a full-scale Self Defence Volunteer Programme (Or Por Por) based on the principles of 'rallying the rural population and persuading people to become involved with the development and security of their own village' and 'organizing the administration of the village to assume responsibility for its own development and security' (Saiyud, 1986: 82–6).

The military government fell in 1973 before Or Por Por was fully adopted.⁷ In the mid-1970s, the steady growth of the insurgency led to a fierce and often acrimonious debate over strategy in the military journals and the popular press. By the middle of the decade, General Saiyud Kerdphol, the head of ISOC, complained that ISOC had become 'more and more an obsolescent and ailing "think tank" at the best, and a natural scapegoat for the failures brought about by massive bureaucratic infighting and inertia, principally within and between the Ministry of Interior, the Ministry of Defence and ISOC' (Saiyud, 1986: 229).

In 1971, as student protests against the military regime began, the CPT restarted organization work in the city. After the fall of the military government in 1973, the CPT worked alongside student leaders. The bloody suppression of student protest in October 1976 prompted some 2,000–3,000 students, intellectuals, and activists to flee from the city to the CPT areas. The influx swelled the government's estimates of the number of active insurgents to around 11,000. For many observers, the combination of students and peasants raised the possibility of an insurgent victory. This impression was encouraged by the failure and in-fighting in the army, the guerrilla victories in Indo-China, and the withdrawal of US support. In April 1975, Laos and Vietnam fell. In 1976, the US began winding down its military aid to Thailand. By the mid-1970s, one of the army's counter-insurgency experts concluded: 'The inescapable reality is the insurgents and communist revolutionaries ... have grown steadily, virtually untouched, for as much as ten years.... Whether in the northern, north-eastern, central or southern regions they are largely secure in their jungle and forest base areas where the government forces, police or military, rarely care to venture' (Saiyud, 1986: 226). A senior CIA official predicted an insurgent victory in five years. Dr Puey Ungphakorn, the rector of Thammasat forced to flee after the October 1976 massacre, thought it would require only three.

The Peasants' Movement

While the insurgency was concentrated in the peripheral areas of rural Thailand, the early 1970s also saw outbreaks of protest in the rural heartland. These protests focused on two areas: the rich valleys of the north around the city of Chiang Mai, and the uplands fringe to the north of the central plains. Participation spread much wider than this. At the height, 41 of the country's 71 provinces were involved.

In the northern fringe of the central plains, the protests focused on indebtedness and land loss. Over the past generation, this area had been transformed by

the movement of uplands colonization. The population had swelled with new in-migrants. Large areas of forest and scrub had been cleared for cultivation. Early settlers had been economically undermined by ecological crisis or by the rapid swings in international crop pricing. Many had lost land to traders, moneylenders, and local officials.

In the valleys of the northern region around Chiang Mai, the protests related to tenancy. Until the turn of the century, this area had been a tributary state with a powerful local nobility. As Chulalongkorn and Damrong integrated the state into Siam in the early 1900s, they treated this nobility with extreme care and allowed them to grab large tracts of land. In 1975, the proportions of land under tenancy in Chiang Mai and Lampang were 39 and 31 per cent respectively. Moreover, with the growth of population and gradual concentration of land-holding, some 20–30 per cent of households were landless. Fierce competition for tenancies resulted in rents around 50 per cent higher than rates in the central region, and double those in the north-east. In addition, tenants often had to pay premiums upfront to secure tenant land, were charged additional rents for a second crop, and had to compete for tenancies on an annual basis. Interest rates on local moneylending were also higher in the north than in other areas.

Students helped to bring these local protests out of the villages and on to the national stage. In 1972–3, over 3,000 students travelled to remote villages under a programme to teach the Thai language to tribal and other peripheral peoples. After October 1973, the interim government funded a Propagation of Democracy Programme under which 3,000 students went to the countryside to educate villagers about democracy and popular participation. Many of the students were themselves rapidly educated about the problems of rural Thailand, and reported back on the gap between the bureaucracy and the village, heavy-handed role of the police, influence of local élites, high indebtedness, poor infrastructure, and overwhelming poverty. Some of the students began organizing.

In March 1974, a Phitsanulok peasant, Chai Wangtaku, led a protest demanding higher paddy prices. Over the next three months, peasants in the surrounding districts and their student supporters campaigned against excessive interest rates and land-grabbing. Some peasants reoccupied lands that they had lost because of foreclosure on loans. Six peasants were arrested for trespassing. In June, 700 peasants from Nakhon Sawan travelled to Bangkok with a petition demanding allocation of land to the landless, rent control, and better machinery for settling disputes over indebtedness and land title. Another 2,000 peasants, mostly from provinces in and around the central region, joined the protest. The government responded by earmarking money for a price-support scheme, establishing a committee to hear petitions on land problems, undertaking to provide land for peasants, and promising to stop illegal exactions by landlords and moneylenders.

By September, the committee had been flooded with 53,650 petitions detailing cases in which peasants had been cheated out of land by money-lenders. The committee could process only 1,635 cases. The ability of the

government to provide land and constrain the rural élite required an administrative structure that it did not possess. The current bureaucracy, as the students and peasants leaders pointed out, was too enmeshed with the rural élite to enforce such a policy. The Deputy Prime Minister concluded that 'even Indra could not help' (Morell and Chai-Anan, 1981: 219). The movement announced that over 7,000 peasants were ready to burn their identity cards and set up liberated areas in the countryside. Chai Wangtaku and 500 peasants went to Bangkok and demanded that the government pass effective legislation, form a committee of peasants and students to process the petitions, and begin a programme of land distribution. Officials called these demands 'unrealistic, too far-reaching'.

Protests had begun in the northern region. The leader was Intha Sri-bunruang, a peasant and village headman. In November 1974, he led an 18-day protest at the Chiang Mai district office demanding government action on high rents. Representatives were sent to join the protests in Bangkok, which called for the government to pass a rent control bill, and to guarantee land for the tiller. On 6 December, the Rent Control Act was passed.⁸ On the same day, the peasants' leaders founded the Sahaphan Chaona Chaorai Haeng Prathet Thai, the Peasants Federation of Thailand (PFT). The two streams of protest merged. Chai was elected president, with Intha as vice-president.

The PFT achieved a level of organization unprecedented in rural Thailand. Branches were formed in 41 provinces. A journal was started. Membership grew, by some estimates as large as 1.5 million. Most were poor peasants and tenants. According to Andrew Turton (1987: 38): 'Several of the leaders had worked as wage labourers in mines and towns, or had engaged in petty trading and thus had experience of local conditions outside their own areas.'

After a rally in Bangkok on May Day 1975 brought no government response, the PFT concentrated on work in the villages. In the north, Intha led a campaign to enforce the Rent Control Act. His group travelled around the villages publicizing the act's provisions, and organizing peasants to refuse to pay rents above the stipulated maximum. They denounced corrupt local officials and agitated against other examples of local repression. Local officials refused to publicize the act and failed to set up the machinery for implementation. PFT activists were harassed, accused of being communists, and arrested. The PFT was criticized for 'mobilizing the masses', and officials of the Ministry of Interior branded it as illegal on the grounds that it was not registered with the government. In August 1975, eight peasants and a student were arrested in Lamphun, sparking off a nation-wide campaign of demonstrations demanding their release.

In a very short time, the peasant movement had dramatized the problems of debt, land loss, and rent exactions on a national scale. With student help, it had achieved a level of organization and articulateness which would have seemed impossible only months earlier. The movement had revealed the degree of conflict which existed just below the surface of rural society. While the activities of the movement concentrated on implementation of the Rent Control Act

and carefully avoided violence, in the eyes of the government it was a frightening phenomenon. Peasants were not supposed to defy officialdom and local hierarchy. Their student allies were moving rapidly leftwards. The appearance of monks at the peasants' demonstrations threatened to add a new element of moral force.

The growth of popular protest had been reflected within the Sangha. In the early 1970s, the congregation of Wat Mahathat raised an agitation for full rehabilitation of Phra Phimontham, the former abbot who had been persecuted by Sarit. Monks from the north-east, Phimontham's home region, supported the call with petitions. After the fall of the military junta, protesting monks formed a number of new organizations, including the Young Monks Group. In January 1974, these groups organized a demonstration at Wat Mahathat which swelled to over 20,000 people, including large numbers of north-eastern monks. Several senior monks threatened to return their insignia of ecclesiastical office. The head of the Sangha bowed to the protest, and restored to Phra Phimontham the full rank and status he had enjoyed before the persecution.

The new organizations among the monkhood did not disperse, but turned their attention to other topics. They criticized the military-inspired schemes to use monks as part of the counter-insurgency strategy. They demanded reform of Sarit's 1962 Sangha Act. They discussed whether monks should assume an active role in the political life of the nation. Many of the young activist monks came from rural origins. As the rural protests grew in 1974, they felt compelled to take part. In the PFT's march through Bangkok in November 1974, fifty monks occupied the front rank. Jud Kongsook, a young monk from a Surat peasant family, explained: 'We take pity on the farmers who are the backbone of the country.... We must help them because, firstly, they feed us and are our benefactors ... secondly, monks and farmers are related as kin by religious and by social ties. Being the children of farmers, we cannot turn our backs on them when they need help' (Somboon, 1982: 105–7).

The Sangha authorities accused the young monks of disobedience and 'ill intentions towards the Sangha and Buddhism'. Jud was expelled from his monastery. The army head, Krit, said the involvement of monks in the peasant protest was 'the end of everything ... there is nothing more serious than this' (Somboon, 1982: 108–12).

The Fall of the Junta

The business community had grown richer and stronger under the regime inaugurated by Sarit. When economic growth decelerated in the late 1960s, it also became politically more assertive. Some businessmen criticized the political structures which encouraged monopolies and limited free business expansion. Many resented the informal taxes which they were obliged to pay to military and civil officials. Some objected to the military's monopoly on the political system. Reports of violent incidents in the forests, statistics of rising

numbers of insurgents, and open bickering among generals raised doubts on the capacity of the military to handle the growing dissent in rural Thailand.

In the mid-1960s, the King became concerned over the prospect of a continuing military dictatorship. He encouraged the military junta to restore Parliament, prorogued since 1958. In 1968, the committee appointed a decade earlier managed to complete a new constitution. The draft reflected the military's strategy to limit parliamentary responsibility. It retained a nominated Senate, which the military clique packed with 128 military men among 164 members. It made the head of the Senate the head of Parliament as a whole, with a key role in the process of selecting the prime minister. It divorced the executive from the legislature, by banning members of the Assembly from becoming ministers. It retained Sarit's Article 17, which gave the prime minister very wide summary powers in the event of a self-declared emergency. It legalized political parties, but subjected them to a complex registration procedure. The constitution ensured that the military would continue to dominate Senate and Cabinet, and thus also the Assembly since many of those seeking election would be intent on showing their alignment with this institutionalized power base. As in most of the elections held under similar constitutions since 1932, the military junta formed its own party, which comfortably won the largest number of seats at the 1969 elections, and converted this into a majority after the polls by absorbing 35 members elected as independents.

Yet the Assembly was not totally tame. Its composition reflected the changing nature of urban society. Businessmen won 46 per cent of the total seats, more than ever before. Another 20 per cent consisted of professionals—doctors, lawyers, journalists, and educationists. Only 21 per cent were civil or military bureaucrats. Some elected MPs used the Assembly to criticize authoritarian rule, to press for reforms on the businessmen's agenda, and to demand more control over government policy. They threw out the judicial and press bills on the grounds that they increased the power of the executive. They produced evidence of large-scale corruption in contracts under the Highways and Irrigation Departments, including the alleged embezzlement of US\$1 million from cement contracts for dam construction. They blocked the budget bill for a year, opposed military demands for increased arms spending, and demanded more funds for provincial development programmes. Some of the government's own party members demanded the government distribute a 2 million baht development grant to each of their constituencies. For the military leaders unused to parliamentary scrutiny, this was a new experience. The Prime Minister, Thanom, expostulated: 'Never, in my long political career, have MPs caused such trouble to government administration as in these recent times. Some of them even attacked me over my private affairs' (Morell, 1972: 157). As the budget debate loomed in November 1971, MPs threatened to vote down the military's demand for extra funds, and even to defeat the whole budget bill. Rather than suffer such a loss of face, Thanom carried out a coup, revoked the constitution, and dissolved the Parliament.

The King became openly critical of the Thamom–Prapht regime. Since Sarit's restoration of the monarchy's role in 1958, the King had carved out a public role, using public occasions such as the National Day address to comment on public issues. In the late 1960s, the royal addresses touched on issues which were obliquely critical of Thamom–Prapht and of the military. He showed concern about the counter-productive use of violence in the counter-insurgency operations. Speaking at Chulalongkorn University, he 'asked the students to stick to their stand on corruption so that in the next 20 years there would be no corruption in Thailand' (Morell and Chai-Anan, 1981: 67). After the constitution had been reintroduced and elections held, he expressed his view that a coup was no longer necessary. In early 1973, the royalist journalist Kukrit Pramoj told a seminar that the King believed military–bureaucratic power should be balanced by extra-bureaucratic forces (Prudhisan, 1992: 63).

The junta also faced mounting opposition within the army. With their absorption into political roles, Thamom and Prapht had become more remote from direct control of the army. Thamom's son Narong, who had married Prapht's daughter in the 1950s, received rapid promotion through the army and seemed destined as heir apparent. After the 1971 coup, he was appointed head of new anti-corruption bodies which were used to harass competing factions within the army and to ensure that contracts and other favours passed to members of the Thamom–Prapht following. By mid-1973, opponents of this clique urged the army head, General Krit Sivara, to perform a coup against Thamom–Prapht.

The coalition of bureaucracy, military, royalism, and business which had first asserted itself in 1947, and which had consolidated its power in 1957–8, was falling apart. Student protests revealed its fragility.

Between 1961 and 1972, the number of universities expanded from 5 to 17, and the student enrolment from 15,000 to 100,000. In 1961, tertiary education was still very much a preparation for a bureaucratic job. By 1972, the expansion in bureaucratic recruitment had tailed off. Tertiary education now led to a wider range of careers, including management, executive, and professional roles in the expanding private sector, and more opportunities in private enterprise. Moreover, the catchment for higher education had changed, and more students now 'came from a small-town lower-middle class that, in their generation, for the first time in Thai history gained access to higher education' (B. Anderson and Mendiones, 1985: 41–2). The culture of the university started to change. Academics contributed to the growing debates over policy. While martial law still outlawed left-wing literature and banned political organization, small groups of students met to discuss social and political issues.

In 1968, students demonstrated against the arrest of speakers who defied the continued martial law ban on political meetings, and against a rise in the bus fare. Before the 1969 elections, students held seminars on political topics, and formed a volunteer group to observe the elections. In November 1972, the

National Student Centre of Thailand (NSCT) organized a protest against Japanese goods.⁹ In June 1973, Ramkhamhaeng University expelled nine students for writing an article which contained a thinly veiled attack on the self-perpetuation of the military leaders. Ten thousand students attended the demonstration which protested against the expulsion, and which also demanded the reintroduction of constitutional rule. In early October, another thirteen students were arrested for distributing leaflets calling for a constitution. They were charged with treason and attempting to overthrow the government. Protests against the arrests lasted over a week, and pulled in a wide spectrum of urban support. At the height, over 400,000 were involved. The issues broadened from release of the arrested students, to demand for a constitution and replacement of the current regime. On 14 October 1973, riot police and students clashed. Over 100 students were killed. Several government buildings were burnt.

The military government resigned, but prepared to reassert control by force. Thanom announced that the mob had been infiltrated by communists and insurgents. But Krit refused to allow Thanom and Praphat to use the army to suppress the demonstrations. The King ordered Thanom, Praphat, and Narong to leave the country. In an intervention unprecedented since 1932, the King personally selected the new prime minister—Sanya Thammasak, a royalist law professor. Krit had achieved his coup by default. He purged the upper ranks of the army of Thanom supporters, and placed his own men in critical positions in the army and police.

While the student demonstrations brought about the junta's fall, a coalition of other, more conventional political forces created the environment in which such an unprecedented event could take place. The new business politicians provoked the junta into sacking Parliament. The King appeared to tacitly encourage student protest, and took the decisive step of sending the junta into exile. Krit held back the army. Similarly after 14 October, the students ruled the streets and the headlines—for at least a year, student demonstrations were virtually a daily event—but the palace, royalist allies in the bureaucracy and politics, and businessmen took the main roles in shaping the formal political process.

The King appointed a National Convention of 2,436 people, which in turn elected a National Assembly of 299 of its members to debate a new constitution. Civilian bureaucrats, professionals, and businessmen dominated the Assembly. A largely academic committee drafted a new constitution designed to exclude the military from the political process, strengthen the power of the legislature, and bring a wider spectrum of society into the Parliament. The Assembly substantially modified this draft. The final version was broadly similar to Pridi's constitution of 1946. It provided for two chambers, with the Senate appointed by the King. It excluded serving civil or military officials from sitting in either house. It required at least half of the Cabinet to be chosen from among MPs.

Elections in January 1975 returned an Assembly with 35 per cent

businessmen, 30 per cent professionals, and only 12 per cent ex-bureaucrats and soldiers. The Democrat Party won the largest number of seats, but failed to put together a majority government. Kukrit Pramoj formed a cabinet.

Kukrit's government was an alliance of royalists, businessmen, and military groups opposed to the Thanom–Prapht junta—the same alliance which had engineered the junta's fall in 1973. Kukrit was a minor royal family member and a committed royalist.¹⁰ Coming to political maturity in the age of Phibun, he feared that military dictatorship could lead to republicanism. He played a prominent role in the royalist politics of 1944–6, but withdrew after the rise of the military politicians. He became a journalist, novelist, actor, and practitioner of some of the fine arts of the court. His Social Action Party attracted leading Bangkok businessmen including Boonchu Rojanastien, one of the leading executives of the Bangkok Bank. The other main parties in the coalition were Chat Thai and Social Justice. Chat Thai was led by the ex-military businessmen who had formed the Rachakhru group opposed to Sarit. Social Justice contained a mix of businessmen, retired air force officers, and friends of General Krit.

Kukrit's government focused its attention on two main issues: first, reorienting Thailand's foreign policy away from the rigid pro-US, anti-communist stance of the military junta; and second, pacifying the countryside. In his initial policy statement, Kukrit vowed to get the US troops off Thai soil within a year, abolish the anti-communist law, and reopen diplomatic relations with China and Indo-China. In June 1975, Kukrit travelled to Beijing, had a public audience with Mao, and held talks with Chinese officials. Kukrit opened negotiations with the US and started the process which led to troop withdrawal in 1976.

The post-1973 alliance wanted not simply to pacify the countryside, but also to bring the countryside into the political arena as an ally against the powerful trends towards military dictatorship. In 1974, the Sanya government gave the universities bureau 15 million baht to send students out into the villages to educate peasants on their rights and duties in a democratic system. Under pressure from the PFT agitation in mid-1975, the Sanya government responded positively with the Rent Control Act, and a promise to take on the whole question of land reform. In 1975, Kukrit's government introduced a price support scheme for rice growers, and launched the *tambon* scheme which for the first time distributed development funds to local-level organizations rather than spreading them out through the central bureaucracy. The scheme was devised by Boonchu's advisers in the research department of the Bangkok Bank. In 1975, 2,500 million baht were distributed to 5,023 *tambon* councils for spending on local infrastructure such as roads, reservoirs, public buildings, and electricity supply. The government followed up with proposals to introduce elections for the office of the *kamnan*, who headed the *tambon* council and who was currently a life appointee.

Kukrit had spent his early working life as the manager of an up-country bank branch. He believed 'I can understand more what they [peasants] really

want, what they would be really satisfied with and what should be done for them in the future'. He contended that 'the Bangkok experts' and 'the real Thai people' should 'meet and discuss and build up a new life of sufficiency, of peace, of happiness' (Kukrit, 1983: 118). Kukrit had written a Thai adaptation of the Don Camillo stories, which not only pitted Buddhism against communism but romanticized the Thai village as a haven of paternal self-government. Kukrit and his alliance of royalists, businessmen, and bureaucrats attempted to mobilize peasant support for a parliamentary system in the face of military dictatorship on one side and communist insurgency on the other.

Students and Radicalism

After the suppression of 1958 and the *yuk thamin* (dark ages) which followed, radical thinking surfaced again in the late 1960s. In 1963, Sulak Sivaraksa used a new journal, *Sankhomsat Parithat*, to protest against the American influence over Thailand and the destructive effects of foreign-induced economic and social change on Thai culture. In the late 1960s, the journal published reports sent by Thai students at US universities. They detailed the extent of the American anti-war movement among students and intellectuals, and relayed revelations about the US exploitation of Thailand as a military base. In 1971, Thammasat students published a pamphlet *Phai Khao* (White Peril) attacking US imperialism in South-East Asia, and denouncing 'American neo-colonialism' on economic, intellectual, and moral grounds.

By the late 1960s, the overseas students were bringing back new left ideologies. At first, these were romantic revolutionism celebrating Ho, Ché, Mao, and Fidel. But during 1970–2, a number of Thai intellectuals became interested in the new left Marxism popular among students and intellectuals in the West. Bangkok journals carried political economy analyses of the Thai peasantry and the Thai working class. A group of young lecturers published the first attempts to analyse Thailand in the style of the new left's political economy. Sulak's desire to halt the transformation of Thailand had been overtaken by a desire to play an active role in shaping this transformation and guiding it to radical ends.

As the student movement gathered momentum in late 1973, only a few of the participants had any direct knowledge of Marxist ideas. After 14 October, the barriers to political education and experimentation were removed. The student demonstrations confronted a wide range of social and political issues. Some of the more politically sophisticated students guided the movement leftwards. Intellectuals translated and published works that had been banned, including Marxist texts. Thai radical works from the late 1940s and 1950s were unearthed and republished. Students became involved in organizing peasant and worker protests. The CPT expected that the student movement would be summarily crushed, and at first kept well clear. But from late 1973, it encouraged party cadres to work inside the student organizations. By 1975, the CPT 'exerted considerable influence in the shaping of the student movement's

policy and direction of its political activities' (Ponpirom, 1987: 14–15; Gawin, 1990: 21–2, 25).

On the streets, the demonstrations first focused on *symptoms*—bureaucratic malpractice, labour problems, educational administration, and high prices—but changed to focus on *causes*—the US presence, the role of the military, and the power of capitalism. In the meeting rooms, the debates first dealt with basic Marxist concepts and simple adaptations of imported ideas, but progressed to subtle and detailed debates on the nature and historical development of Thai society. The new organizations first concentrated on building support among students, but branched out to build alliances with worker and peasant groups at odds with the state. By mid-1974, student leaders were involved with rural protests and with the wave of labour unrest in the city.¹¹ The more radical student leaders attempted to knit together the different protests into a broad attack on the government.

Demonstrations focused on the foreign presence in the Thai economy. Japan was accused of attempting to dominate the Thai economy in an echo of wartime aggression. Students criticized the cultural, economic, and political impact of the US presence, and called for an immediate withdrawal of US troops and hardware. In both 1975 and 1976, 4 July was converted into a massive street demonstration against the US. During the textile strike, which involved many mills owned jointly or fully by Taiwanese, the platform speakers referred to 'blood-sucking Japanese, Americans and Taiwanese industrialist-capitalists' (Hewison, 1989a: 108).

Among all the works created, translated, or rediscovered in this period, none had the same power as Jit Poumisak's *Chomna sakdina thai* [The Face of Thai Feudalism]. Jit had been imprisoned in the sweep after Sarit's 1958 coup, and was killed by the police after joining the insurgents in Sakon Nakhon in 1964. Before that, he had been a rebellious student, teacher, linguist, tour guide, journalist, and poet. For a new radical generation, he was a hugely appealing hero and martyr.

Chomna sakdina thai had been published in 1957 in the Thammasat University Faculty of Law Yearbook. In 1979, it was rediscovered, republished several times, and became the focus of political debate. The book was a study of the nature of Thai society from the Sukhothai period up till the early years of the twentieth century. In scope and subject, the book was similar to the historical works composed by the royalist scholars such as Prince Damrong, and indeed Jit used these works as sources. But whereas the royalist scholars strung together the history from Sukhothai to Bangkok to dramatize the monarchy as the centrepiece of Thai state and society, Jit used the same technique to dramatize the monarchy as the centrepiece of Thailand's social and political *problems*. This simple inversion had massive appeal to a generation involved in turning the world upside down.

Jit argued that *sakdina* was the same as European feudalism, thus aligning Thailand with classic Marxist theories of history. The exploitation of peasant by landlord was the dominating theme of Thai history right up to the present

day. The King was simply the 'big Land-Lord'. It presented a fundamental challenge to the whole panoply of the political establishment (Reynolds, 1987).

In 1974–6, the rediscovery of Jit sparked a fierce debate over Thailand's mode of production. Jit's insistence that Thailand could be classified as feudal differed from the 'semi-feudal, semi-colonial' description which remained the Maoist-inspired doctrine of the CPT. But the two analyses agreed on the dominant importance of the countryside, and both led towards a strategy for revolution based in the villages.¹² While the student movement had started out protesting against bus fares, Japanese capital, and the constitution, four years later it had become focused on the nature of Thai 'feudalism' and, by implication, on the means to overthrow it. In early 1975, radical groups debated whether the urban uprising of 1973 had been strategically correct, or whether a rural movement was more appropriate for Thailand. The rural line dominated. By 1976, the movement had been well prepared to follow the CPT out of the city and into the jungle.

Repression

In early 1975, the right regrouped in opposition to the rising tide of radicalism.

The CPT had by now realized the potential of the urban-based student movement, and had become active in the city. CPT literature was openly available. The dominant voice of student protest now spoke of the need to overthrow US imperialism, capitalism, and *sakdina*.

At the elections in January 1975, among the 22 parties which contested the poll were Socialist, New Force, Socialist Front, People's Justice, Populist, and Free People. Never before had so many left-aligned parties campaigned openly. The three major left-wing parties attracted 14 per cent of the votes and won 37 seats. In March, Kukrit announced to the Assembly that his government would get the US troops out within twelve months, abolish the anti-communist law, raise the minimum wage, build public housing, provide free bussing for the poor, and create a special fund for village development. Never before had a government announced such a radical programme.

In April, Indo-China fell. The newspapers carried pictures of the US fleeing from Vietnam, and of sullen youths with AK-47s taking over the cities of Saigon and Phnom Penh. For some, the prospect now arose of a linkage forming between the student-peasant-worker activism, the CPT's insurgency, and the new armed communist regimes of the Indo-Chinese neighbours. Kukrit's government seemed to be assisting the protesters by hurrying the US out, favouring peasant and worker demands, and vowing to legalize communism.

Business was jittery. 'If the anti-Japanese movement of students represents the opinion of the government of Thailand,' stated the chairman of Mitsui, 'we will have to consider cutting down our investment.' The US ambassador commented that the 'unsettled political climate' had discouraged investment (Hewison, 1989a: 108–9). Foreign and domestic capital leaked out of the country.

Repression came in two stages. The first surfaced around April 1975, apparently as a reaction to the fall of Indo-China and the policy announcement of the Kukrit government. The base appeared to be in the army, with collaboration from the civilian bureaucracy, particularly the Ministry of Interior.

In early 1975, articles appeared in military journals arguing that the CPT organization had now spread from the hills to the city, that the military must reassert a political role, and that Thai democracy could not survive without the assistance of the army to protect national security.

Yet old techniques of military repression hardly seemed adequate. The numbers of people involved in the demonstrations, strikes, and movements of 1973–6 were quite different from the political opposition faced in earlier decades. The army was still internally disorganized after the fall of Thanom-Praphat and subsequent purges. Krit was angling to move from the army to a political career after retirement in 1976, and was concentrating on building his political links. The First Division of the First Army could not be mobilized to disperse the forces of disorder in the style of the 1940s and 1950s.

Instead, the military worked through ISOC. Established in the mid-1960s under US auspices to co-ordinate counter-insurgency, the Communist Suppression Operation Command (CSOC) had originally been placed directly under the Prime Minister. In 1969, the unit was transferred to direct control by the military. After October 1973, it was renamed as *Internal Security Operation Command* (ISOC) to denote a wider role.

In 1974, Wattana Kiewvimol returned from study in the US, where he had been head of the Thai Students Association. He claimed to have forged links with the CIA. He induced ISOC to fund and support a new organization called Nawaphon, variously translatable as 'New Force' or perhaps 'Ninth Power' in reference to the ninth reign. Nawaphon stood for the defence of nation, religion, and king in the face of the communist threat. Nawaphon was assisted, at least on an individual and non-official basis, by senior military officers and by members of the civilian bureaucracy, particularly from the Ministry of Interior. Nawaphon convened public meetings in provincial towns, usually in front of the local government office. In the spirit of a revivalist meeting, Wattana urged the crowd: 'Do you love your King? Do you love Thailand? Do you hate communism?' The main target for recruitment was local businessmen and officials. Wattana publicly claimed that he had been granted an audience by the King, who encouraged Nawaphon. By late 1975, the organization claimed a million members.¹³

In April 1975, some organization began systematically culling the leaders of the PFT. Three members of the PFT movement had already been murdered between March 1974 and February 1975. But these may have been local events which suggested the final solution. From early April until August 1975, leaders of the PFT were murdered at a rate of roughly one per week. The sudden start, sudden end, and regularity of the murders suggested a precise plan. Eighteen were assassinated in this period, including Intha Sribunruang,

five others in Chiang Mai, and leaders from seven other provinces. After the assassination campaign stopped, remaining PFT leaders continued to be harassed by Nawaphon organizers accusing them of being communist and anti-Buddhist. The campaign worked. The PFT crumbled.

Many believed Nawaphon was behind the PFT murders. ISOC launched an organization to counter strikes and student protest in the city. The Red Gaurs (*Krathing Daeng*) were created by two ISOC officers. They took the counter-insurgency strategy of setting villager against villager and adapted it to an urban environment. They formed a core from among the mercenaries who had fought in Laos and in Vietnam. They then recruited among the unemployed and disaffected of the city, especially vocational school students who faced an uncertain future in the economic downturn. The Red Gaurs were used to disrupt urban demonstrations. During the second Dusit Thani hotel strike in April 1975, Red Gaurs harassed the strikers on the streets. After the strike was broken, the leader of the union was shot but survived with minor injuries. In the same month, a propaganda campaign was launched. Newspapers attacked the students. Leaflets attacked the left-wing political parties. A television programme fronted by a conservative psychology lecturer and an anti-communist judge attacked the 'inseparable trio of communism, student activism and progressive politics' (Morell and Chai-Anan, 1981: 236). Army-controlled radio stations poured out a torrent of invective against the communist threat.

The articles in the military magazines, the culling of PFT leaders, the crushing of the Dusit Thani strike, the launch of propaganda across press, radio, and up-country leafleting—all began in April–May 1975, immediately after the Indo-China débâcle and the announcement of Kukrit's government programme. The rightist reaction identified even the stuttering politics of a parliamentary coalition of businessmen and enlightened royalists with the forces of disorder. Army propaganda suggested that Kukrit's attempts to normalize relations with China was fellow-travelling. Army officers who advocated 'psychological' or 'political' methods to control insurgency were accused of being misguided, soft on communism, and fellow-travellers. Han Pongsithanonda, the general who headed ISOC's intelligence section for nine years, was branded a communist and forced to resign.

The second stage of reaction began in early 1976. On 2 December 1975, the Laotian monarchy was abolished. This has been cited as the reason for a critical change of strategy in the palace (B. Anderson, 1977: 23–4; Morell and Chai-Anan, 1981: 272; Surachart, 1988: 177). In January, Kukrit's government crumbled and for a time it seemed possible that Krit would come forward with a conventional coup. But he was not prepared to pit the army against mass protest. Other methods had to be found. Over the next few months, the anti-communist propaganda increased in intensity. Another mass mobilization effort, the Village Scouts movement, became involved. Violence increased.

The Border Patrol Police founded the Village Scouts movement in 1971

as one of many attempts to build up rural organizations to counter-insurgency in the critical area of the far north-east. The main function of the movement was to organize villagers in ritual displays of loyalty to nation and king. Recruits attended camps where they trained in scouting activities, listened to nationalist lectures, played team games, and sang patriotic songs. At the end, they received ritual insignia, a neckscarf and pin, usually presented by the King himself. After 1973, the Ministry of Interior became involved in helping to spread the movement. Local officials were allotted recruitment quotas.

By early 1976, the Village Scout movement had changed. It was no longer a 'village' movement, but was expanding in the urban areas. The first training programme in Bangkok was held in January 1976. By September, 36 groups with almost 20,000 members had been recruited in the city. In up-country towns, the movement attracted local officials, merchants, and other well-to-do persons. In Bangkok, wives of generals, business leaders, bankers, and members of the royal family took part. The tone of scout camp activity changed, with more emphasis on political lectures, oaths of allegiance, visits to military installations, and para-military parades. For the local businessmen, middle-rank official, or society wife attending such events, joining the Village Scouts became a way to rub shoulders with power, receive the patronage of the King, and so acquire a special kind of influence.

Conservative monks lent their weight to the rightist reaction. Phra Kittivuttho had built his monastic career by involvement in conservative politics within the Sangha. He preached a conservative interpretation of Buddhism which justified centralized authoritarian rule. In the 1960s, he organized opposition to the reformist monks (led by Phra Phimontham) in the leading Mahanikai centre of Wat Mahathat. Praphat and Thanom both became sponsors of the foundation he set up inside Wat Mahathat. In the late 1960s, he established a Buddhist training centre, Jittaphawan College, in Chonburi. The King conferred the college's name, the Queen laid the foundation stone, and Thanom was among the founding presidents. The college organized training programmes for monks and laity. Kittivuttho preached that the existing social hierarchy was based on relative merit and thus immutable. He promoted paternalistic social welfare activity to palliate social tension and prevent the spread of communism. In 1972, his early patron at Wat Mahathat rose to the position of Supreme Patriarch.

In 1975, Kittivuttho became active within Nawaphon. He hosted Nawaphon meetings at his college, urged people to support Nawaphon in his sermons broadcast over army-owned radio stations, helped collect funds for the movement, and collaborated with Nawaphon on a programme of propaganda courses for village leaders. In January 1976, Kittivuttho and Nawaphon held a meeting of 15,000 village heads which passed resolutions demanding the suppression of communism, and the expulsion of liberals and socialists from the Cabinet. In mid-June, he gave a published interview in which he argued that it was correct for Buddhists to kill communists.

I think we must do this, even though we are Buddhists. But such killing is not the killing of persons (*khon*). Because whoever destroys the nation, religion and monarchy is not a complete person but *mara* (evil). Our intention must be not to kill people but to kill the Devil. It is the duty of all Thai. . . . It is like when we kill a fish to make curry to place in the alms bowl for a monk. There is certainly demerit in killing the fish, but when we place it in the alms bowl of a monk we gain much greater merit.¹⁴

In the face of widespread protests, Kittivuttho reiterated the view several times over coming weeks. On occasions, he claimed that he advocated killing communism rather than communists, but at others he stated that it was legitimate 'to kill some 50,000 people to secure and ensure the happiness of 42 million Thais'. He urged: 'The Thai must kill communists. Anyone who wants to gain merit must kill communists.' The Supreme Patriarch resisted all calls to intervene. The council of the Sangha pronounced that there was not enough evidence to investigate charges against Kittivuttho (Somboon, 1982: 151–5).

In 1976, rightist propaganda pitched 'communism' and 'nation, religion, and king' in absolute two-way opposition with no possibility for a middle ground. Any form of opposition to the trinity, any sign of concession to student, worker, or peasant, any compromise with liberal ideas which wanted to temper extreme authoritarianism—all were labelled as 'communist', and thus by definition treasonous. The patriotic songs boomed out by army radio took on a violent tone.

In February, Dr Boonsanong Punyadhyoyana was murdered. He was a US-trained academic sociologist who had lectured at Thammasat and Hawaii. He was secretary-general of the Socialist Party, and advocated a peaceful European-style progression to socialism. In the election campaign of February–April, over thirty people were killed. Grenades were lobbed into rallies of the leftist parties. A New Force MP from Lopburi was shot, and the party's headquarters in Bangkok was fire-bombed. Leaflets were distributed all over the country asserting that all progressive candidates were communists. The leader of the Chat Thai party campaigned on the slogan 'Right Kill Left'. The Village Scouts campaigned in favour of rightist candidates in many constituencies, and disrupted leftist meetings.

In March in Bangkok, the Red Gaurs threw two bombs and a grenade into a student demonstration against the US presence. On the next day, they lobbed another bomb which killed four and wounded many more. In August, the police attacked the home of the Prime Minister, Kukrit. In August, Praphat returned to Thailand, ostensibly for medical treatment, had an audience with the King, and left. Student demonstrations against Praphat were attacked by the Red Gaurs, leaving two dead.

On 19 September 1976, Thanom returned and was taken to Wat Boworniwet, the centre of the royalist Thammayut sect, where he was ordained as a monk. A minister informed Parliament that the King had approved his return. The King paid a public visit to the *wat*. The Crown Prince returned from abroad on 2 October, and went immediately to the *wat* (Puey,

1977). Units of Nawaphon and Village Scouts mounted guard. Student demonstrations called for Thammasat to leave. Two activists arrested for putting up anti-Thammasat posters were hanged by the police. The *Thai Rath* office, which revealed the story, was bombed. Thammasat students staged a mock hanging to dramatize the incident. A rightist newspaper published a photo of the event, claiming one of the 'hanged' actors was made up to look like the Crown Prince. Encouraged by army radio, members of Nawaphon, the Red Gours, and the Village Scouts gathered outside Thammasat University along with units of the Border Patrol Police. On the morning of 6 October 1976, they attacked the university, killing over 100 students and arresting 1,300. That evening, members of Krit's army faction (Krit had died suddenly in April) carried out a coup.

During the end-game, the polarization was complete. Those accused of being communists included the previous civilian Prime Minister, Kukrit, the next two civilian prime ministers (Anand Panyarachun and Chuan Leekpai), an ex-governor of the central bank (Puey), and some senior soldiers. Members of the royal family appeared publicly with leaders of the army, and with the Border Patrol Police and Village Scouts who had been responsible for the suppression at Thammasat. An anti-communist supreme court judge who had run the television programme castigating communism was appointed as Prime Minister.

The coup leaders introduced a new constitution which set up a totally appointive Parliament, and imposed a timetable of twelve years before the restoration of an elected Assembly. A government order allowed authorities to detain 'elements dangerous to society' for six months without trial and then to try them before a military tribunal. Over 3,000 were arrested. Books were banned and burned, journals closed, libraries raided, publishers harassed, political meetings outlawed, and union activity suppressed. University teachers and bureaucrats were forced to attend courses on the evils of communism. Some 8,000 people were arrested on the charge of being a 'threat to society' (Mallet, 1978: 91; Prudhisarn, 1992: 83–5).

The End of the Insurgency

From mid-1976, a few CPT-recruited students and activists slipped away to the jungle. After 6 October, some 2,000–3,000 left the city to join the CPT insurgents. They included many student and labour leaders, some from the PFT, and even a handful of sympathetic bureaucrats. Some saw the move to the jungle as the next stage of revolution. Others saw the CPT as refuge from rightist terror. In the jungle, these new recruits worked largely on propaganda. In 1979, the CPT had an estimated 10,000 armed members.¹⁵

But this was the peak. The student leaders expected to take a prominent role in the movement, but the old guard of CPT leaders showed little trust in them. In the southern bases, the two groups were at odds almost immediately. Student leaders complained they 'had to fight for democracy all over again in the jungle' (Gawin, 1990: 31).¹⁶ They criticized the CPT cadres for following

the Chinese line blindly. They pointed out that the CPT's description of Thailand as 'semi-feudal, semi-colonial' had been borrowed wholesale from Mao's works on China, was a poor analysis of Thai society, and had led the CPT into a misguided revolutionary strategy. Compared to 1930s China, 1970s Thailand was more urbanized. The urban-based government forces were much stronger. The Maoist analysis dictated a strategy of 'village surround city', of building a guerrilla army with rural support to engulf the city. While it might have worked in China, the student leaders argued, it had little chance in Thailand. Rather, it condemned the CPT to a peripheral existence among hill peoples and remote rural communities. Student leaders such as Thirayuth Boonmee argued that to achieve any hope of success the CPT needed to ally with progressives in political parties, professional groups, the monkhood, radical groups, and even the armed forces. By mid-1978, some students had returned to the city, and the ideological disputes surfaced in the radical press.¹⁷

At the end of the decade, the shifts in international politics which began with the US–China *rapprochement* of the late 1960s undermined the CPT. In December 1978, Vietnam invaded Cambodia. In February 1979, China responded by invading Vietnam. Expecting that the CPT would side with the Chinese, the Vietnamese expelled the CPT from bases in Laos and cut off supply lines. The Thai government negotiated with Peking to withdraw support from the CPT in return for Thai assistance to China's policy in Cambodia. The Chinese Vice-Premier appealed to the CPT to work with the Thai government against the Vietnamese. The radio transmitting from Yunnan went off the air in July 1979. Chinese aid to the CPT diminished. The internal disputes of Asia's communist regimes had turned the CPT into an orphan. The party split into pro-Chinese and pro-Vietnamese sections.

Recognizing the opportunity to undermine the insurgency, the Thai government announced an amnesty for insurgents who surrendered. In late 1980, members of the 1976 influx started coming out of the jungle complaining of disease, boredom, the intractability of the pro-Chinese CPT leadership, and the difficulties encountered after the Chinese withdrew support. In 1982, the CPT fourth party congress admitted that 'the tactics that had been used at certain times were mistaken, inflexible and out-of-date'. The congress modified the description of Thai society to 'semi-colonial, semi-capitalist with remnants of *sakdina* influence', and incorporated two former student leaders on the party central committee (Gawin, 1990: 43, 75–6).

From the early 1970s, Saiyud's ISOC advocated a 'political' strategy of killing communism against the patently unsuccessful military strategy of trying to kill communists. In mid-decade, when counter-insurgency policy was made by the army commanders working on the spot, General Prem Tinsulanond and his assistant Han Leenanond applied these methods in the north-east. Han continued the strategy when he became commander in the south.

Prem combined military and political methods. First, he built roads into the CPT base area and cleared away large tracts of forest to deny sanctuary to

the guerrillas. Next, he launched heavy military attacks to put them on the defensive. Finally, he moved into the surrounding villages with propaganda teams, development services, village-level organization, and offers of amnesty in return for complete surrender. The plan was modelled on Maoist guerrilla methods, and was appropriately summarized as ‘villages surrounding jungle’ in contrast to the ‘jungle surrounding villages’ of the CPT. Following his success in the north-east, Prem was promoted to head of the army and Defence Minister in 1979. In March 1980, he became Prime Minister. As army head, he formed a small group which included a signals officer, Chavalit Yongchaiyudh, to draft a counter-insurgency policy based on his north-eastern experience. This policy was published as Order 66/2523 within a month of Prem becoming Prime Minister.

Prem’s north-eastern methods were now developed into a nation-wide counter-insurgency campaign. In early 1981, the army overran the CPT’s major remaining base on Khao Khor in Phetchabun.¹⁸ This was followed by similar campaigns against bases in Surat, Nan, and Loei in 1982. The army orchestrated mass defections by ex-guerrillas who emerged out of the jungles in file formation and symbolically laid their weapons at the feet of the presiding army commander. These parades continued in 1983, and were widely publicized. In the middle of 1983, ISOC claimed ‘total victory’ over the CPT. Some military strategists believed that the surrenders and defections were a tactic for merging the CPT back into the city and the rural mainstream. In the core areas of the north-east in particular, General Saiyud believed that the surrenders were ‘aimed at preserving the party’s civil and military organization, while retaining a hold over the areas and their populations’ (Saiyud, 1986: 168). In July 1984, the police arrested 22 communist suspects including 3 members of the CPT central committee. In 1987, the police arrested 18 others, including several of the remaining leaders of the CPT, when they attempted to hold a party congress. In 1987, the army estimated that only 400–500 insurgents remained. By 1990, the police claimed that only 3 of the CPT politburo members were still alive, and only 1 in Thailand.

Stopping armed insurgency was only one part of the continuing campaign to overcome the prospect of rural revolt. Action against the remnants of the PFT still continued sporadically, and a handful more of its original leaders were assassinated in 1977 and 1979. Moreover, building on the rural organizations established for combating insurgency, the army developed a complex network of paramilitary units and propaganda outfits to serve as a rural base for the military’s continued role in politics. This network included the Village Scouts, the Red Gaurs, the National Defence Volunteers, the rangers, and a large number of other units set up by individual army officers.

After 1976, the Village Scouts expanded in importance and activity. Local officials were encouraged to help organize Village Scout units. Local notables were prompted to take part as a show of loyalty to ‘nation, religion, and king’. By 1977, every major newspaper devoted a special page to their activities. By the mid-1980s, the organization was estimated to have three million members.

The National Defence Volunteers (NDV) (Thai Samak Pongkan Chat) were established in 1978 by ISOC and the Ministry of Interior as part of Prem's counter-insurgency policy. The NDV units were conceived as the pro-military parallel of the insurgents' village cells. They received some military training, but also became involved in local development work, political education, and intelligence gathering. Officials made it clear to villagers that failure to join these organizations might indicate disloyalty or communist tendencies. Army, police, and local officials were involved in arranging NDV-paramilitary-style training programmes. Graduates received insignia and, sometimes, weapons.

In 1981, Prem formed the Military Reservists for National Security, and encouraged its members to become involved in politics at the village and district level. By 1985, the organization had half a million members. For propaganda work in the north-east, Prem had developed Santinimit units which conducted political education through lectures and entertainment. After Prem became Prime Minister, the programme was broadened: 'The entertainment programs often emphasize the evils of communism, the heroism of Thai ancestors, Thai national identity, and the democratic process which includes how to properly elect parliamentarians' (Chai-Anan, Kusuma, and Suchit, 1990: 107–9).

While these organizations were involved in propaganda, organizing support for the army, and surveillance, there were other organizations set up primarily for coercion. The Thahan Pa or rangers (literally 'forest soldiers') were groups organized by the army for paramilitary work in the forest areas. They were also available for enforcement duties elsewhere. In some areas, the provincial police formed 'hunter killer units' to pursue criminals and dissidents without due process of law. In 1980, the Red Gaurs were estimated to number around 25,000.

In January 1982, the army established a Directorate for Civil Affairs to manage many of these programmes, and to act as the co-ordinating focus for the army's propaganda efforts. Saiyud, as Supreme Commander, established the Internal Peacekeeping Command (Kong Amnuaikan Raksa Khwam Sangop Riaproy Phainai Prathet) to manage all matters of internal security.

King, Religion, and Nation

In response to the radical challenges of the 1970s, members of the overlapping circles of the bureaucracy and old aristocracy explored various ways to strengthen and activate the ideology of nation, religion, and king.

Against the background of rising discontent and insurgency in the countryside, the nature of kingship had undergone a significant change. During the time of Sarit, the King had given active support to the concept of *phatthana*, and had travelled overseas as the ambassador of an emergent Thailand. After Sarit's death, he did not travel overseas again until 1994. He turned his attention to the countryside. For eight months of the year, the royal family circulated around palaces in the four regions, and visited remote and rural areas.

The King and Queen started many 'royal projects' in the countryside. The King concentrated mainly on irrigation works, but also took an interest in other aspects of agriculture. The Queen concentrated on off-farm work, including weaving and handicrafts. They paid special attention to the hill peoples and to other areas which lay at the geographic and cultural fringes of the nation.

In the grounds of the Chitlada Palace in Bangkok, the King started several agricultural experiments, including a dairy farm, powdered milk plant, inexpensive rice mill, organic fertilizer plant, aquaculture, and hydroponics. In his public appearances, the King took the opportunity to talk on rural topics. He drew attention to the importance of the forests and the frightening rate of forest destruction. He commented on the confusion in defining forest areas which resulted in several million farmers being designated as illegal squatters. He talked about the growing gap in income and culture between the city and the countryside.

On the occasion of the King's fifth cycle in 1987, the Office of His Majesty's Principal Private Secretary published *A Memoir of His Majesty King Bhumibol Adulyadej*. The prologue stated that since the time of Sukhothai, the Thai monarch ruled 'not out of any divine right, but by the consent of his fellow peers', and hence 'a Thai King is judged by the sole criterion of how much benefit and happiness he could bring to the country' (Office of His Majesty's Principal Private Secretary, 1987: 7). The Memoir stressed the importance of the King's role in education, health, religion, the armed forces, and culture. Fully half of the book was devoted to the King's interest in agriculture, the peasantry, and the countryside. It detailed the King's agricultural experiments, the various royal projects among peasants and hill peoples, the revival of the annual ploughing ceremony which was 'symbolic of the supreme importance given by the Government to agricultural production', the King's interest in land reclamation, artificial rain-making, forest policy, and co-operative agriculture.

After 1976, elements in the military and bureaucracy projected an enlarged role for the King and the royal family in the national culture.¹⁹ In 1982, Bangkok celebrated the 200th anniversary of the city and the Chakri kings. The old royal palace complex and several other royal monuments were lavishly restored. The royal barge parade, a major royal ceremony from the Ayutthaya period, was re-enacted on the Chaophraya River. In 1983, seven centuries of the Thai language were celebrated with implicit acknowledgement of the royal heritage back to Sukhothai, and of the royal role in creating this centrepiece of Thai culture.

The television stations owned by the army and the government's Public Relations Department played a major part in increasing the royal family's public visibility. The army's Channel 7 transmitted to most parts of the nation by 1979. By the mid-1980s, television reached over 90 per cent of urban households and by the end of the 1980s, over 70 per cent of rural households. The national news, one of the most highly viewed programmes, offered a daily dramatization of

the political hierarchy. The programme opened with reports on the day's activities of the King and other members of the royal family, followed by those of the Prime Minister, head of the armed forces, and other leading political and military figures.

The news and other special programmes devoted to royal themes portrayed the royal family in four key roles: as head of state receiving ambassadors and dignitaries; as patron of education dispensing degrees; as patron of the armed forces receiving salutes and granting insignia; and as friend of the peasant. This latter role acquired more emphasis than in earlier periods. In the television news from the mid-1970s, the King appeared often as hydrological engineer, bringing water to the peasants. The Queen appeared as the promoter of off-farm work, encouraging weaving and handicrafts of all kinds.

In parallel with these moves to enlarge the concept of the monarchy in the life of the nation, groups within the bureaucracy and military supported several different movements to revive the importance of Buddhism as a conservative social and political force. Several of these movements began in the 1960s, but grew rapidly in the mid-1970s against the background of rising radicalism. These movements varied greatly. They included the rehabilitation of an ancient text, a devotional movement, and a millenarian cult.

The text was the *Traiphum Phra Ruang*. It laid out the cosmos as a gradation of thirty-one levels into which souls were reborn according to the accumulation of merit and demerit in previous lives. It described the role of the universal monarch to control the social consequences of evil in the terrestrial levels of the cosmos. Ever since Sukhothai, the *Traiphum* had been a key text in the theory of kingship, and had been regularly revived at times of critical importance for monarchical power. Mongkut, however, had played down the *Traiphum* as a rather primitive justification of ethical and social hierarchy. Yet in 1974, the Department of Fine Arts ordered the first recompilation in almost two centuries. In 1983, the Department hosted a conference at which conservative academics emphasized the continued relevance of the text's ethical teachings to contemporary life, government, and 'national security'.

The devotional movement focused on a school of forest monks from the north-east. In the early 1960s, some senior bureaucrats and some senior monks of the royalist Thammayut sect became interested in the intensive methods of meditation practised by Phra Acharn Mun, who had lived a life of ascetic rigour until his death in 1949. In the late 1960s, one of Mun's pupils published a biography claiming that Mun had achieved the status of an *arahan* or Buddhist saint. The growing fame of his spiritual achievements sparked a devotional movement focused on Acharn Mun and his disciples. Leading participants included senior bureaucrats, military officers, and the royal family. By patronizing Mun's monastic lineage, they aimed to tap the spiritual power of Mun's saintliness. They sought to gain spiritual benefit for themselves, and to add strength to Buddhism as a force in society.

In the early 1970s, urban devotees organized tours of the north-eastern sites

associated with Acharn Mun and his school. They presented gifts to the monasteries. They raised collections to build, extend, and beautify many of them. Some of the monks from the school established new monastic centres in the Bangkok region (Samut Prakan and Nakhon Pathom) to be more convenient for this growing urban patronage. The King invited some of Mun's surviving pupils to Bangkok, and built a monastic dwelling for them in the grounds of the palace. Wealthy patrons built similar shelters in the grounds of their Bangkok residences. In the mid-1970s, the royal family visited the Sakon Nakhon monastery where Acharn Mun had died. They also visited other *wat* associated with the school, and attended the funerary rites for three of Mun's close disciples.

When some of Acharn Mun's disciples died, urban patrons sponsored the construction of magnificent *jedi* to house their relics. According to tradition, one proof that a monk had attained the status of an *arahan* was that the remnants of bone would crystallize. Devotees retained fragments, and in some cases reported that crystallization had indeed occurred.

Devotees asked surviving disciples to bless amulets. The practice of collecting amulets and carrying them on the body was a traditional practice which expanded greatly as part of this wave of Buddhist revivalism. Most of the north-eastern disciples rejected the supernatural fetishism of amulets and refused to bless them. However, some agreed. Military patrons took a special interest in amulets. The air force were the first to sponsor the casting of amulets in a monastery of the north-eastern school. Many senior officers involved in the military campaigns against the insurgents took to carrying north-eastern amulets as a form of personal protection. Some officers distributed them in large quantities to their troops. As the insurgency grew, senior military officers figured prominently among the devotees and patrons of the north-eastern school. Some of the local military commanders in the north-east tried to involve the north-eastern monks in the campaigns to win the hearts and minds of villagers away from the communists. With a few exceptions, most of the monks resisted such direct involvement.

The movement of devotion to the north-eastern school grew to a peak in the late 1970s. During the peak, the biographies of Acharn Mun and various disciples were disseminated, amulets manufactured and sold, monasteries and *jedi* built, relics hoarded, temple tours organized. The core of devotees was in the court and the senior bureaucracy. A prominent figure was Chao na Sylvanta, a member of the King's Privy Council, and chairman of the electricity generating authority. Both in Bangkok and in the north-eastern towns, the movement drew in wealthy businessmen. With the slackening of political tensions from the early 1980s, and with the passing of many of the disciples, the movement receded from its peak.

The millenarian movement was Hupphasawan. It was begun by Suchart Kosonkittiwong, a lowly educated second-generation Chinese who claimed to be a spirit medium in communication with three renowned monks from the Buddhist, Ayutthaya, and early Bangkok periods respectively. In the mid-1960s,

he preached that Thailand was threatened by communism, and could only be defended by the spiritual power of these three Bodhisattvas working through his mediumship. In 1970, he began to build a religious centre named Anajak Hupphasawan Muang Sasana (the religious state of the kingdom of the vale of heaven) in Ratchaburi province, and founded the International Federation of Religions to organize pan-religious opposition to the spread of communism. At the centre, he built statues of the Buddha, Jesus, Mary, Shiva, Ganesh, and Guan Yin, and a conference hall intended for a massive pan-religious convocation. He toured overseas and publicized his meetings with the Pope, Secretary-General of the UN, and other religious and political figures. After 1973, Suchart preached that communism was attempting 'to destroy every institution, especially the institution of religion, which is one of the things which unites Siam and keeps it from disintegrating' (Jackson, 1988b: 143–4).

Suchart's movement attracted the support and sponsorship of several senior figures in the military and civilian bureaucracy. Most prominent were General Praphat, the Deputy Prime Minister until 1973, and General Serm na Nakhon, the army commander-in-chief in the late 1970s. When Suchart organized an exhibition on Christianity, Buddhism, and peace, the visitors included the Supreme Patriarch and senior members of the Catholic clergy.

In the late 1970s, when the insurgent movement reached its peak, Suchart's prophesies became more extreme. He predicted that Thailand would become the focus of the world's ideological rivalry, would be invaded simultaneously by the Vietnamese, the Chinese, and the US, and would be the flashpoint for a nuclear war. The catastrophe would occur in 1982 unless people supported his movement of spiritual opposition. Suchart announced that only he and the King could engineer the salvation of Thailand. The government was no more than a 'flock of sparrows', while he and the King were equivalent *phu mi bun* (men of merit) who had the sole responsibility to lead the spiritual crusade against communism. He advised the King to abdicate and join him in his crusade.

Despite such public views and mounting public criticism, Suchart continued to be protected by his high-ranking military and bureaucratic supporters. In December 1981, however, the police raided the Ratchaburi centre. Suchart fled, and was finally arrested six years later. The Hupphasawan centre was closed down. It was rumoured that the police raid had found stocks of weapons. The centre possessed large assets in the form of cash, buildings, land plots, motor vehicles, and company shares.

Hupphasawan, Kittivuttho, the north-eastern devotional movement, the revival of the *Traiphum Phra Ruang*, and several other Buddhist movements arose during the 1970s in reaction to the growth of political radicalism. Through the movement of devotion to Acharn Mun, senior conservative figures hoped to draw spiritual power from the saint who was said to be the most holy figure of the period. Suchart at Hupphasawan and Kittivuttho at Jittaphawan College both preached for militant Buddhist opposition to communism. The revival of *Traiphum* restated the conservative view of the

ethical and political order. These movements drew their support from senior figures in society, military, and bureaucracy. They attempted to mobilize Buddhism as a pillar of the social order in the face of communism.

Along with this reorientation of kingship and this revivalism within religion, the government undertook to redefine and restate the concept of nation and its links to religion and king. In the late 1970s, the government set up a National Identity Board entrusted with the task of defining what 'Thai' meant and promoting 'Thai-ness' as a counter to the social dissensions of the decade. The board's definition of Thai identity restated an old theme: 'The institutions of nation, religion, and king, which create unity within the nation and enable the nation to preserve its independence and sovereignty, are the essential elements of Thai identity.'²⁰ The board's definition of 'Thai' was a mixture of royal and rural, the palace and the peasant. The board published books and pamphlets on royal history, royal ceremonies, and Buddhist practice. It also included some publications on folk culture and peasant ways, and articles on 'The Peasant: Backbone of the Nation' (Reynolds, 1991: 16–17).

A survey of Thailand published by the National Identity Board in the early 1980s reasserted Vajiravudh's concept of the Thai nation as consisting of three elements—king, bureaucrat, and peasant: 'Ever since the founding of Sukhothai, Thailand has had a pyramidal government structure, uniting the three elements of nation, religion, and king. At the top of the pyramid was the king, who enjoyed absolute power.... As Thailand grew and her population increased, the king found it impossible to manage the nation's affairs single-handedly.' Hence, the bureaucracy was introduced. From then on:

Even the 1932 transition from absolute to constitutional monarchy brought only a few changes. Like the flag, the pyramidal structure, also the handiwork of an absolute monarch, survived.... Two major factors have ensured the pyramid's solidity over the centuries. For one, the monarchy and Buddhism now, as throughout Thai history, cement the nation together. Second villages form the pyramid's base. Despite increasing industrialization, some 40 million (1983) Thais still live in villages where democracy is practised in its purest form (National Identity Office, 1984: 136–7).

The survey described the axis which ran from peasant through *phuyaiban* and *kamnan* up to the Ministry of Interior, and thence to the monarch as the core structure of the nation. The stability of this structure, it suggested, depended on its base: 'The village is a peaceful place, its slow pace reflecting the serene, unassuming nature of the villagers themselves... most farmers are content to earn enough to support their families... wealth is not something most villagers actually crave.... The natural affection Thai villagers feel for their land minimizes population migrations. Moreover, villagers have little ambition to change their lifestyles' (National Identity Office, 1984: 69). This picture blocked out the insurgency, the growing turmoil in the forests, the movements of circular and permanent migration, the growing divisions within rural society, the looming gap between city and countryside, the city–country

conflict over natural resources, and the villagers' rush to buy television sets to eavesdrop on urban culture. In this establishment vision, Thailand remained a nation of assiduous and peaceable peasants owing allegiance to nation, religion, and king.

Conclusion

In the 1970s, two revolts coincided. The first was simply against the military junta's monopoly of power, intensity of corruption, and denial of political rights. The revolt began among the junta's own allies in the 1958 coalition—business and bureaucratic conservatives—and was carried ahead by the new generation of students, many of whom were climbing a new ladder of success up from provincial origins, and were overjoyed at the chance to strike a blow against centralized dictatorship.

The second revolt pitted the countryside against the city. It was sparked by the city's success in ripping the surplus out of the countryside for urban accumulation. The gap between rural and urban had widened. Problems of debt, land transfer, and insecurity had increased. The rapacity to exploit natural resources had disturbed local attachments to land, disrupted the independence of the hill peoples, and stripped the forests. The revolt began in the peripheral regions of the country. It spread, with the PFT, into some of the core areas. It was assisted from beyond the borders, sharpened by leftist ideology, given organizational power by cadres and students, intensified by the international context of a wider Asian revolt against the West, imperialism, and the colonial stage of capitalism.

After the dissolution of the Sarit alliance in 1973, a new coalition started to form. The main elements were royalist supporters in the bureaucracy and the professions, and leading Bangkok business. The coalition was symbolized by the alliance of Kukrit and Boonchu—the royalist intellectual who had worked as a banker, and the banking professional who was one of the first of the modern, immigrant Chinese to climb into the upper ranks of Bangkok political society. Their alliance was a handshake across cultures and political eras. Businessman and liberal royalist could find common ground on the need to reorient foreign policy away from the dangerous simplicities of the cold war, to pacify the new working class, and most of all to win over the countryside. For Kukrit, a peaceful countryside was the reflection of the successful paternalism of Crown and bureaucracy. For Boonchu, the peasantry needed to be won over as consumers, as allies against military dictatorship, and as friends rather than enemies of the rise of urban capital. Their objectives were different. But in the short term, their interests coincided.

Against this new coalition stood those elements in the civilian bureaucracy and the military which saw demands by students, peasants, and workers as an attack on the correct order of things, on the very principles of authoritarian rule. As the student rhetoric swung leftwards and, more particularly, as the US-sponsored regimes in neighbouring Indo-China crumbled, these groups

could imagine an alliance between local protest and foreign threat, an alliance subsumed under the single word 'communist'. By organization and propaganda, they increased their base—amongst capital, and later in the palace and Sangha. Kukrit, Boonchu, and like-thinkers were squeezed on to an ever-narrowing ground, and ultimately were harassed as 'communists' just like everyone else.

In 1976, the conservative alliance of 1958 was reunited, but a new political agenda was also established. First, the peasantry had asserted their importance and henceforth could not be ignored. After 1976, all the major urban political actors sought some kind of accommodation with the countryside. The army took the organizations they had built to combat insurgency and deployed them to build a rural base for continued military rule. The palace plunged into rural development. The business politicians advocated schemes for forced trickle-down of some of the benefits of development. The bureaucrats of the planning board promoted a plan for eliminating rural poverty. Second, to defeat radicalism, new meaning was breathed into the ideology of nation, religion, and king. The role of the monarchy in the nation expanded. Urban Buddhism acquired new vigour. Government agencies set out to actively propagate the establishment's definition of the nation.

The upsurge of 1973–6 loosened the grip of military dictatorship, and prepared the way for the ascent of business politics. But the reaction of 1976 also ensured that the growth of business would take place against the background of the bureaucratic state in an ascendant, triumphant phase.

1. See Chapters 1 and 2.

2. See Chapters 4 and 6.

3. 'Draft statement analysing the government and economy of Siam and the procedures for the associations', adopted by the committee of the Thailand branch of the Chinese Communist Party on 20 March 1930, was adapted from Mao's 'Analysis of Class in Chinese Society, 1926'. See Gawin (1990: 11).

4. Including Prasoet Sapsunthorn (Saiyud, 1986: 23–33, 48n.; Chai-Anan, Kusuma, and Suchit, 1990: 53–8).

5. McVey (1984: 134 n. 9), citing Claudia Ross's article, 'Yiem ban Khommunit' [Visiting a Communist Village] (1974), in *Sangkhomsat Parithat*, 12(6).

6. Quoted by Pravit Rojanaphruk in *Bangkok Post*, 19 August 1994.

7. Yet it was gradually extended by the military to almost 7,000 villages (Saiyud, 1986: 86–7).

8. The Act imposed a ceiling on rent levels calculated as half the net output less up to one-third deducted for costs provided by the landlord.

9. This was hardly radical. A little over a year earlier, thirty trade associations had mounted a campaign against the foreign, largely Japanese, presence in the Thai economy.

10. Kukrit was a great-great-grandson of Rama II. In a speech on 21 August 1974 he said: 'With the royal person of King Bhumipon on the throne, the Monarchy and the throne itself has become a strong dynamic force, ready to play any role whatever that will be of the most benefit to the country and the people. The monarchy as an institution is changing with the time ... it is subject to the will of the people, so that whatever changes that may take place in the future will be according to the will of the people' (Kukrit, 1983: 76).

11. For the history of labour protest through this period, see Chapter 6.
12. In *Chomna sakdina thai*, written before the CPT's switch to a rural strategy, Jit advocated a more conventional Marxist strategy led by the working class (Reynolds, 1987: 56).
13. Somboon (1982: 81–2) and Morell and Chai-Anan (1981: 238–40) also suggest ISOC subsequently broke the association with Wattana.
14. Somboon (1982: 150), based on interview in *Chaturat*, II: 51, 29 June 1976.
15. This was due not only to the urban influx, but also to a period of excessively clumsy counter-insurgency operations by the army (Saiyud, 1986: 118–20, 151 ff.).
16. The phrase came from Seksan Prasertkul.
17. See Gawin (1990: 47–54) who largely reports the critique by Tienchai Wongchaisuwan.
18. Anyone who visited the site in the late 1980s could guess the strategy. There was hardly a tree remaining.
19. 'In recent decades Thai military regimes and political parties aligned with or sympathetic to the military have found the manipulation of the symbolism which historically surrounded and supported the absolute monarchy to provide a convenient basis for the centralized and autocratic exercise of power' (Jackson, 1991: 205).
20. Channong Thongprasert in *Ekkalak Thai* [Thai Identity], 1: 8 (1977), quoted in Somkiat (1986: 626).

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On the 1970s as a whole, see especially Morell and Chai-Anan (1981). *On the insurgency*, see Gawin (1990), Ponpirom (1982), Turton, Fast, and Caldwell (1978), Hewison (1980), Saiyud (1986), Chai-Anan, Kusuma, and Suchit (1990), McVey (1984), Tapp (1989), Cholthira (1987), Kanok (1982), B. Anderson (1990), and Yuangrat (1983). *On the peasants' movement*, see Kanoksak (1985, 1986), Anan (1984), Turton (1987), and Karunan (1984). *On the students' movement*, see B. Anderson (1977), B. Anderson and Mendiones (1985), Reynolds and Hong (1983), Ponpirom (1987), Naphaporn (1988), Reynolds (1987), Puey (1977), and Prudhisan (1992). *For the religious aspects*, see Jackson (1988b, 1989, 1991), Somboon (1982), and Taylor (1990, 1993). *On national identity*, see Reynolds (1991), National Identity Office (1984), and Somkiat (1986).

10

The Military and Democracy

FROM the early 1970s, business pressed to translate its growing economic weight into political power. The big new corporate interests created during the Sarit era grew independent from their old military partners. They helped form political parties, and supported the growth of parliamentary democracy. With the boom from the mid-1980s, business grew yet more powerful, and yet more intent on controlling the polity in order to reorient economic policy, foreign relations, and labour management to its own ends.

The military did not cede its ground easily. Its prestige was damaged by the 1973–6 upsurge. Its US patron went home. Internally, it was in disarray owing to the over-production of generals and the politicization of middle-ranking officers. But in 1976, the army reasserted its grip on government. It was borne ahead by a strong conservative reaction against radicalism. In the late 1970s, it deployed techniques learnt from counter-insurgency ('jungle surrounding city') to control the polity ('army surrounding state'). The leading counter-insurgency general, Prem Tinsulanond, became the longest serving Prime Minister.

The business push for power was complicated by its own internal divisions. The big metropolitan corporations took a leading role in forming parties to acquire power through Parliament. But in the 1980s, new provincial business interests, buoyed up by the cash crop economy, learnt how to control the franchise. They invaded the Parliament, captured the political parties, and used parliamentary power for their own ends. The military exploited the rivalry between metropolitan and provincial business interests. First, it encouraged the rise of the provincial men to counterweight the city. Then, when the provincials grew too powerful and independent, in 1991 the military leaders tried to resurrect the Sarit formula of army and metropolitan business allied under the banner of nation, religion, and king.

The Military Transformed

Since 1950, the Thai military had been the willing ally of the US in the task of defending South-East Asia from communism. It had been rewarded with a generous flow of funds, weapons, training, and political support. In the 1970s, international politics shifted. First, the great powers abandoned South-East Asia as an arena for playing out international rivalries. Second, the relations

between the great powers changed. China and Russia fell out. The US moved closer to China. The Soviet empire collapsed.

These shifts had major consequences for the Thai military. In June 1969, Nixon announced the policy of 'Vietnamizing' the anti-communist war in Indo-China. Initially, this increased the importance of Thailand to the US. Nixon withdrew the US ground forces and attempted to bomb Indo-China into submission using Thailand as a base. In 1972, the US shifted its regional military headquarters from South Vietnam to Thailand. The existing seven air bases in Thailand were extended, and an eighth was opened to handle the B-52s which bombed Cambodia, Laos, the Ho Chi Minh trail, and North Vietnam. Thailand was host to 600 US aircraft and almost 50,000 servicemen. US military aid to Thailand reached its highest level, totalling over US\$100 million in each year from 1970 to 1972.¹

In 1972, Nixon made a pact with China, and in 1973 Kissinger negotiated with the North Vietnamese in Paris. In August 1973, the Congress forced Nixon to stop the bombing. The US started to withdraw. US military assistance was halved in 1973, and almost halved again in 1974. In 1975, Kukrit negotiated the timetable for US withdrawal from Thailand.

The Thai military did not release its patron so easily. They lobbied for the US to remain. They petitioned the US to hand over military hardware to the Thai army. In defiance of the civilian government, they allowed the US marines to use Thai facilities for an operation to recapture a US freighter (*SS Mayaguez*) seized by the Khmer Rouge in the Gulf. They contemplated mounting a coup against the civilian government in advance of the March 1976 deadline for US withdrawal.

Saigon fell in April 1975. Over the next eighteen months, most of the US military hardware and personnel left Thailand. In 1976, US military aid rose above US\$100 million. Over the next five years, it dropped to average around US\$40 million a year. Between 1977 and 1982, US aid was equivalent to less than 5 per cent of the Thai military budget. The Americans went home, leaving behind a Thai military which had been transformed by American money, American training, and American political strategy.

From 1932 to 1958, the expansion in the military's political role grew out of the ability of the First Division of the First Army to control the city of Bangkok. During the 1960s, the hierarchy of the First Army officer corps dominated the state. But under US patronage, the Thai military expanded in size and complexity. By the 1970s, the First Army had been reduced to one among many rival centres of power in the military.

For two decades, the US investment in Thailand's military potential went largely to the provincial armies confronting the insurgents. The generals who rose to prominence from the mid-1970s onwards came up through the Second, Third and Fourth Armies in the up-country areas rather than through the First Army based in the insurgent-free central region. Prem Tinsulanond, who became commander-in-chief in 1979 and Prime Minister in 1980, rose to prominence with the Second Army in the north-east. The First Army élite

dismissed him as an ‘up-country soldier’, but he became the most powerful military figure of the 1980s. Other generals who occupied top posts in the 1980s had a similar background. Sant Jitpatima had headed counter-insurgency operations in the south. Arthit Kamlang-ek, who became commander-in-chief in 1982, had built his career in the provincial armies. Han Leenanond had been Prem’s second in command, and later headed the southern army. Phichit Kullavanit led the action against the CPT stronghold in Khao Khor.

The US period inflated the staff functions of the army—planning, signals, logistics, intelligence, and training. Many of the officers who stepped forward to take power in October 1976 were from this group, including Kriangsak Chomanand, who became Prime Minister in 1977, and Chavalit Yongchaiyudh, who rose to the head of the armed forces in the mid-1980s. American patronage made the Thai Air Force a significant fighting unit, and a participant in military politics. In the late 1980s, Kaset Rojananin became the first Supreme Commander who had originated from the air force.

The proliferation of power centres and over-production of generals complicated the army’s reassertion of control after 1976. During the coup in October 1976, staff generals and the heads of the First Army vied for control. In March 1977, a military faction led by General Chalard Hiranyasiri tried to seize power. The staff officers blocked them. One staff general was shot dead. Chalard was executed for the murder. This spilling of 4-star blood was unique in Thailand’s coup history, and profoundly shocking for the officer élite. Still factionalism persisted. The First Army tried to block the rise of Prem. During the 1980s, political tensions were created by the competing ambitions of Prem, Serm, Sant, Arthit, Phichit, and Chavalit. The annual promotions list mapped the fortunes of the generals and their respective followers.

The turmoil inside the military was heightened by the politicization of the middle-ranking officer cadre. Field officers who controlled the fire-power at the battalion level, especially in and around the capital, were critically important for the political careers of the generals above them. Both Phibun and Sarit rose through their control over this fire-power.² In the mid-1970s when the army suffered a loss of prestige, the middle officers were able to exert strong pressures against their seniors to restore that prestige or step aside.

From the mid-1970s, discussion among middle officers in army journals focused on the future role of the army in light of its loss of prestige, the departure of its US patron, its victory over insurgency, and the problems of Thai society. Many officers had been affected by the social and political issues which exploded in 1973–6, and by their experience of the insurgency. Saiyud Kerdphol had been a key figure in counter-insurgency work since the early 1960s. He started out with the assumption that the insurgency was a foreign import, and that the peasantry was fundamentally loyal. By the mid-1970s, he had concluded that much of the peasantry was fundamentally disloyal as a result of urban exploitation. Any solution depended not on military technique, but on a programme of fundamental change in economy and politics. In 1975,

he compiled a manifesto ('A Blueprint for Reform') which called for a 'vision, on a scale comparable to King Chulalongkorn's'. He argued that 'dismantling the apparatus of central control is the only way to halt the process by which resources are stripped from the people'. Paddy prices should be levered upwards to increase farmers' incomes, administrative control should be devolved to the local level, and various other measures should be taken to improve farmers' incomes and their political influence. Saiyud railed against the blindness of the authoritarian state towards the rural problem (Saiyud, 1986: 237–53).

In the mid-1970s, several informal political groups emerged among middle-ranking officers in the army. Like Saiyud, these officers were politicized by the personal experience in confronting communism, insurgency, and rural protest.

The Young Military Officers Group (Khana Thahan Num) was formed secretly during the 1973–6 period among graduates from Class Seven (1960) of the military academy.³ The group became public around 1978, and by 1980 counted around ninety officers. The core members were mainly sons of soldiers or minor bureaucrats. They had gained distinctions in the military academy and earned quick promotions. They had served in Vietnam. They had been trained by the Americans, often through courses in the US. They became known as the 'Young Turks'. They came together as a group in the period when the army was discredited by the fall of Thanom–Praphat and the continued failure to defeat insurgency. They were affected by the social concerns and political debates in the 1973–6 period. But they were also disturbed by the departure of the Americans, by the declining political role of the army, and by the rise of civilian politicians.

The Young Turks viewed the peasantry as 'the producers and backbone of the country'. They believed it was politically imperative to better the condition of the peasantry. They resented the rise of capital, which they saw as exploitative and destabilizing: 'It is because the capitalists take too much advantage without consideration of the existing conditions. . . . The poor people are in great numbers . . . those capitalists are destroying the nations, the institutions . . . destroying everything, not only causing misery for the people. [We] should not give any concessions to these [capitalist] people, [we] must correct them, [we] must be serious.'⁴ They resented the increasing role of businessmen in politics. They distrusted Parliament and elections. They argued that the main priority was 'to minimize social and economic injustice first and then increase the degree of political justice later' (Chai-Anan, 1982: 58; see also Chalermkiet, 1990: 62 ff.).

The Young Turks drew a distinction between themselves and earlier generations of military leaders who had been compromised by capital. They believed that many of the military's problems of internal crisis and external image in the mid-1970s resulted from the corruption of leaders such as Thanom and Praphat by their association with businessmen. In a secret document circulated during disputes over the army headship in the late 1970s, the Young Turks asserted: 'The one thing we cannot allow to happen is to let some high-ranking

persons in the army who have no virtue, who cheat the Army, and are power-hungry to step in and be our top commander. If we accept this condition we would not have been united as we are now. Each will allow himself to be a slave of bribery and money, or positions for which the senior officers are struggling' (Chai-Anan, 1982: 50).

In the late 1970s, the Young Turk officers commanded much of the army's fire-power in Bangkok and the nearby garrisons. They were able to exercise considerable political influence within the army. In October 1976, they commanded the units in Bangkok which enforced the army's assumption of power, although they themselves stood back and let the paramilitary gangs deploy violence. In 1977, they were active behind the scenes of the coup which replaced the civilian government of Thanin with General Kriangsak. In February 1980, they supported the quiet coup which replaced Kriangsak with General Prem.

The Young Turks admired Prem as the most successful counter-insurgency general, and the most 'clean'. They appointed him as their group's unofficial father figure. After Prem became commander-in-chief of the army in 1979, he shuffled several of the Young Turks into powerful intermediate posts in the army to strengthen his own political position. After a year as Prime Minister with a Cabinet of mainly elected politicians, Prem faced a crisis arising out of squabbles between business politicians in the Cabinet. Prem reshuffled the Cabinet, and brought in two old military leaders. For the Young Turks, this incident symbolized the dangers of parliamentary politics. It showed that business politicians used political office to manoeuvre for business gain. It resulted in old-style military leaders, who were compromised by association with business, entering the Cabinet. The Young Turks urged Prem to conduct a coup against his own government. Prem prevaricated. On the morning of 1 April 1981, the Young Turks took military control of the capital and announced a coup.

Prem refused to co-operate. He escorted the royal family to Korat, his old garrison base, and publicized the royal opposition to the 'April Fools' Day' coup. The Young Turk group chose another counter-insurgency general, Sant Jitpatima, as their figure-head, solicited help from students and labour unions, and attempted to raise mass support. But against royal opposition, they had little hope. After three days they gave up.

Fifty-two of the Young Turks group were jailed. But in the complex factional politics within the military, the Young Turks still had a role to play. After five weeks, Prem released them and reinstated them in the army. In September 1985, they attempted another coup, which was a fiasco and collapsed after a short street battle. Some believed that the Young Turks were lured into the coup in order to be crushed. Others suspected that the coup was a botched attempt to replace Prem with another senior general. Prem exiled the main coup leaders, and threw the rest out of the army.

A second group which emerged in the same period was the Democratic Soldiers (*Thahan Prachathippatai*). Whereas the Young Turks originated

among the fighting soldiers in Vietnam and in counter-insurgency, the Democratic Soldiers came up through ISOC and the general staff. Their political education was formed against the background of the 1973–6 upsurge of politics, but more specifically was moulded by their experience in developing political strategy to combat the insurgency. In the mid-1960s, the ISOC group studied the Maoist strategy of people's war by debriefing apostate CPT leaders. They learned that this strategy's strength lay in the political organization of the villagers, and in the promise of increasing social justice and improving the peasant's well-being. The ISOC group developed a counter-strategy which emphasized the same two elements. They advocated that the army should decrease its emphasis on military suppression of armed communist insurgents, and spend more time developing village organizations, improving the villagers' material conditions, and propagandizing. These ideas were rejected by the army high command, but some were taken up and used by individual generals, particularly by Prem working in the north-east. When Prem rose to be commander-in-chief and then Prime Minister, these ideas came to dominate. The army became heavily involved in founding village-level organizations, carrying out small-scale local public works, and propagandizing on behalf of 'democracy' versus communism.

As the 1976 students and others quit the jungle, the army's counter-insurgent strategists became concerned that they would continue communist organization within the city. In April 1980, Prem's government issued Order 66/2523, which marked official adoption of the policy of combating communism by political as well as military means. It extended the battlefield from the jungle to the city, and from the limited terrain of 'counter-insurgency' to the broader world of 'politics' and 'national security'. Two years later, the government issued Order 65/2525, which set out the policy in more detail. Members of the Democratic Soldiers played a role in drafting these documents.

The two orders set out a 'political offensive', spearheaded by the army: 'Social injustice must be eliminated at every level, from local to national levels. Corruption and malfeasance in the bureaucracy must be decisively prevented and suppressed. And all exploitation must be done away with and the security of the people's life and property provided' (Chai-Anan, Kusuma, and Suchit, 1990: 198). Eliminating 'social injustice' largely meant defending the peasantry against exploitation. Chavalit Yongchaiyudh, who emerged as the leader of the Democratic Soldiers argued:

The conditions in rural society in Thailand are very distressing.... What is even worse are all the 'influences' which are deep rooted in the rural society ... if they are not happy with someone, that one may die, he may get killed. If someone has no money, then he may get it from them at an exorbitant interest rate and after three or four years he has lost all his land. This is the real condition of oppression and exploitation in the rural area (Suchit, 1987: 69).

As in the Young Turks thinking, the rise of capital and its increasing political role were seen as the key problems which had to be contained:

Because Thailand has a liberal economic system but its state mechanisms for mobilizing resources and distributing benefits are still weak, some economic groups have been able to take advantage and build up monopolistic power which inflicts social injustice and material hardship on the people, creating conditions for war. Moreover, some of these monopolist groups have been able to form great political bargaining which is an obstacle in the development of democracy (Chai-Anan, Kusuma, and Suchit, 1990: 211).

The 'political offensive' set out in the two orders had three major parts. First, the bureaucracy needed to be reformed so as to become well-paid, incorruptible, responsive to the society, and effective. Second, the army had to assume a major role in guiding political development to prevent the spread of communism. This would mean monitoring students, labour, mass media, and 'progressive groups'. Third, the army had to assume responsibility for 'cutting down the monopolistic power of the economic groups' through 'strict legal measures to guard against and destroy monopolistic power' and 'appropriate monetary, fiscal, legal and administrative measures on business, industry and commerce to bring about a distribution of economic benefits among the people at large' (Chai-Anan, Kusuma, and Suchit, 1990: 211).

Unlike the Young Turks, the Democratic Soldiers were not fundamentally opposed to Parliament. Order 66/2523 added a gloss to the usual defence of nation, religion, and king. It stated the determination 'to maintain strictly the Nation, Religion and Monarchy and the democratic form of government with the King at its head'. However, while Order 65/2525 asserted that 'sovereignty rests with the people', talked of encouraging 'popular participation in political activities', and mentioned 'democracy' in virtually every line, the Democratic Soldiers were not advocating power to the people and elective democracy. Indeed, they failed to define what 'democracy' meant to them, and used the term rather as a substitute for 'good government'. They argued that power belonged to the people, but that because of the internal and external threats of communism the people alienated this power to the military. This gave the military the *nathi an saksit* (sacred duty) to control the state and to use state power to right social wrongs. The army should take a prominent, guiding role in the parliamentary process. That would require constitutional measures to enshrine military power such as a powerful military-dominated upper house, and continuation of the 'custom' of a military prime minister.

The Democratic Soldiers used very different political tactics from the coup attempts of the Young Turks. They became involved in the establishment of village organizations. They worked inside the army's hierarchy. By mid-decade, Chavalit had risen to the post of commander-in-chief. They politicked to bring about the constitutional changes which they believed necessary to allow the army to guide the political process. In 1983, they promoted a constitutional amendment designed to ensure that the Prime Minister would continue to be an army man, and that the military would retain a dominant role in Parliament. In 1988, they proposed amendments to the electoral rules which would ensure that the military's favoured candidates would have a better chance of election.

The Democratic Soldiers rationalized the army's duty to oversee the Parliament on the grounds that: 'Facts, logic and studies have proven that the policies of the National Armed Forces have solved the problems of the nation. Foremost is their ability to halt the communist revolutionary war. The policies of political parties so far have not been able to solve anything' (Chai-Anan, Kusuma, and Suchit, 1990: 104–8, quoting a 1983 article in *Sayam Mai*). Chavalit characterized political parties as 'trading companies'. He talked of the need for 'peaceful revolution' and 'pure power' to solve national problems. As commander-in-chief, he promoted measures to involve the military in rural development work, often in competition with the government. These measures included a proposed reform of the rice trade, an attempt to revive a state-owned fertilizer factory project which the government had rejected, and the Isan Khieo (Green North-east) project to develop irrigation resources and local infrastructure.

The Young Turks and the Democratic Soldiers developed new rationalizations for the military to maintain a major role in government. The defence of nation, religion, and king, in the face of insurgency and underground urban communism, would require a reform of the bureaucracy, a better deal for the peasantry, controls on the rise of capital, and military supervision over Parliament. These ideologues aligned military and peasantry in opposition to capital.

A third military group was Class Five, composed of some of the 1968 graduates of the military academy. While some members of the group had served in the counter-insurgency campaigns, most had risen through the general staff or the First Army. They had much less exposure to the counter-insurgency than the Young Turks or the Democratic Soldiers. The leader of Class Five, Suchinda Kraprayoon, had won a scholarship to study at Fort Leavenworth, served as assistant military attaché in Washington, and then joined the intelligence division of the army staff. The members of Class Five saw themselves as heirs to the tradition of Sarit.

They emphasized their strong loyalty to the Crown. They projected themselves as torchbearers for the 'traditional' role of the army as the defenders of nation, religion, and king, with no pretensions to social engineering. They disagreed with the claims of the Young Turks and Democratic Soldiers that the military somehow represented the will of the people, and hence was duty-bound to pursue social change. Indeed, they saw this kind of thinking and grassroots political organizing as republican in implication. They believed that whatever authority the military possessed stemmed from the power of the king, and that the army's first duty was the defence of the throne: 'If the stability of the throne or the security of the nation were placed in serious jeopardy in the future we will intervene to save 40 million even if it means killing 100 or 200 thousand' (Chai-Anan, Kusuma, and Suchit, 1990: 149).⁵

Like Sarit's group, they associated themselves publicly with royalist institutions such as the Thammayut sect and Wat Boworniwet. Also like Sarit, they saw nothing wrong in soldiers becoming involved in business. By the early 1980s, the group had launched several business enterprises, notably in trading and construction (Owens, 1992).

They first became active as a political force in the late 1970s. They set out to be a counterweight to the Young Turks, who they saw as 'soldiers out of line' for attempting to manipulate the succession to army posts and the prime ministership. In the 1981 coup, members of the Class Five group played important roles in rallying army support behind Prem and the King against the Young Turk rebels. In 1985, Class Five spread word that some of the Young Turks had been involved in assassination attempts against Prem and the Queen. Two of the Young Turk group were arrested, and later released. After Chavalit became commander-in-chief in 1986, he moved several members of the Class Five group into key positions. Maintaining their age-grade camaraderie from the military academy, Class Five extended across all three branches of the military, and into the police and the bureaucracy.

The Military and Business

The close links which had built up between military leaders and businessmen in the post-war era declined in the 1970s. The personal wealth and political careers of the generals came to be financed less from business profits but more from *kin muang*, from leveraging their political power to divert state revenues, impose informal taxes, and collect rent from monopoly businesses.

With the experience and infrastructure built up in the counter-insurgency campaigns, military figures became deeply involved in logging and in related mining businesses. As logging was gradually outlawed by social pressure, the protection which military power could provide became critical for success. Senior military figures undertook cross-border logging operations, sometimes using their connections with their military counterparts in neighbouring countries. High-ranking officers were alleged to have interests in logging concessions inside Burma and Laos.

The purchase of arms and other military supplies continued to offer a large and growing opportunity for income. Between 1976 and 1982, the Thai defence budget increased from US\$484 million to US\$1.5 billion, and over the next decade almost doubled again to US\$2.7 billion. Much of this increase was devoted to the purchase of sophisticated hardware. It was widely believed that senior military figures earned generous commissions. In the early 1990s, the commission on major arms deals allegedly amounted to 2–5 per cent upfront, and a further 10 per cent after the deal was signed (Owens, 1992). In addition, the Thai military acted as the supply line for arms and other material from China to the armed factions in Cambodia.⁶

Some military officers were involved in private construction companies to which they could channel large projects emanating from the army, government departments, or state enterprises under their control. The Class Five group took a special interest in construction and arms trading. According to a military analyst, 'well before they were generals in the mid-1980s they were all millionaires' (Owens, 1992).

Military influence was important with provincial officialdom, and military protection could be vital for many of the more ambitious and adventurous projects in the provinces. Projects such as golf courses, tourism developments, and industrial estates depended on acquisition of large tracts of land, which was impossible without the co-operation of local officials. For an up-country golf or resort project, a couple of generals on the board was *de rigueur*.

Senior military figures retained their influence in state industries, and indeed developed proprietary claims on key board positions. The head of the air force occupied the chairmanship of the national airline, the airport authority, and the communications authority; the head of the navy claimed the chairmanship of the port authority; the army chiefs monopolized top posts in the railways, the electricity authority, and the telephone organization. In addition, the military continued to own one major bank, the Thai Military Bank, and play a major role in the electronic media. The army controlled several hundred radio stations, and two television channels. Besides the opportunities which these media vehicles presented for military propaganda, they involved substantial capital investment projects for construction and supply.

Yet while senior military officers had access to good revenues, the military were losing their close linkage with the leaders of domestic business. After 1973–6, most of the big firms dispensed with the military presence on their boards. Many of the new growth industries ignored the military hierarchy. A Japanese or Taiwanese joint venture, or a domestic firm in growth areas such as agri-processing, was more likely to adorn its board of directors with a senior banker, retired technocrat, or even a civilian politician. Many businessmen came to resent the military's large claim on the public purse. They preferred to use government funds for developing the infrastructure required for business. They resented the generals' diversion of public funds to build private fortunes and political war chests.

The military were well aware of their growing estrangement from business, and took steps to counter it. Since the 1950s, the military had used courses at the National Defence College to build networks between the military and the civilian bureaucracy. In the 1980s, this same principle was extended to building networks between the military and big business. A new extension of the National Defence College offered courses to groups of military men, civilian bureaucrats, and hand-picked businessmen.⁷ The courses were designed to propagate the military's view of its own important role in national security and politics. The experience of attending the courses was intended to build networks of friendship and interdependence between senior military officers, bureaucrats, and businessmen.

The Rise of the Provinces

In 1950, Bangkok dominated urban Thailand. The city contained 70 per cent of the urban population, and was the unchallenged seat of economic and political power. Up-country towns were small, their affairs parochial, their élites

insignificant in comparison to the great business houses and bureaucratic dynasties of the capital. From the 1970s, Bangkok's domination was qualified. The provincial economy accelerated. A new class of provincial businessmen arose. The politics of elections and Parliament transported them out of the provinces to the capital.

Until the 1950s, outside a handful of old political centres and coastal ports, up-country towns were little more than administrative centres and trading marts with a few thousand people. The people elected to local councils and to the provincial constituencies in the National Assembly reflected the character of up-country urban society. They were officials, retired officials, and lawyers, with a handful of merchants.

The pace of economic growth in the provinces changed dramatically in the 1960s as a result of the new US-funded roads and the boom in cash crops.⁸ Local entrepreneurs prospered on financing, trading, and processing the new crops. Some of these entrepreneurs had roots in the old provincial noble families. Narong Wongwan, who spearheaded the expansion of tobacco in the north, was descended from the *jao muang* (old ruling family) of Phrae. Many others emerged from the ranks of immigrant Chinese families who had been involved in petty trading in the provincial areas. Charoen Pattanadamrongjit (Sia Leng), a son of Chinese immigrant parents, began his working life as a grocer's delivery boy. He moved into crop trading around Khon Kaen on the crest of the cash crop boom, established a flour mill, cassava plant, and rice mill, and became a major local financier and crop exporter.

With the cash crop boom, some old towns grew and many new provincial centres rose rapidly from relative obscurity. This rapid urban growth in turn opened up opportunities in construction, real estate, urban development, services, and distribution. Again, the successful entrepreneurs included some old families and some very new. The Shinawatra family from Chiang Mai started out farming the gambling tax, later moved into the border trade with Burma, and then diversified into handicrafts, textiles, retailing, land development, and other local services. The Angkinan clan, who played a major role in the business expansion of Phetchaburi, were descended from a public prosecutor assigned to the province in the final years of the absolute monarchy. In the 1960s, the family expanded in crop trading, real estate, bus services, an ice factory, and a bottled water plant. Banharn Silpa-archa, who became the leading businessman of Suphanburi, came from a very ordinary immigrant family, and made his seed capital by supplying construction materials to the government. From there, he moved into construction, real estate, and an array of local service businesses. Wichai Cherdchai, who became the leading businessman of Korat, was a poorly educated second-generation immigrant who made his fortune manufacturing bus bodies to supply the booming provincial transport business. Somchai Khunpleum (Kamnan Pho) began life as a fisherman, and made his fortune in real estate, tourism, and entertainment businesses in the trading and resort area of Chonburi. Snoh Tienthong from Prachinburi built his business on the expansion of the agrarian frontier through

tractor hire and timber concessions before moving into transport, real estate, and local service industries.

This was very much a frontier style of economy with limited respect for law, and with high rewards for entrepreneurial flare. Often success in this new world of provincial business came from mixing legitimate business with less legal activities yielding high profits. Some of the expanding businesses of the period had both legal and illegal aspects, as in the case of timber and logging. Somchai Rerkvararak (Sia Yae) began in the construction business in Angthong, progressed from there to the timber trade, then to sawmill businesses across the central and north-east regions, and then into logging concessions in several provinces. Other highly profitable businesses were unequivocally illegal. Thailand's long coastline and long, often remote borders with Burma, Laos, and Cambodia provided many opportunities for smuggling. War and disorder in Indo-China generated several profitable trades. Kamnan Pho of Chonburi made his first fortune by fishing semi-legally in Cambodian waters and smuggling dollars into Cambodia. Chonburi, Phetchaburi, and many of the southern coastal towns became famous smuggling entrepôts. In towns close to the US bases, some businessmen became rich supplying narcotics to the US troops, and reportedly developed areas along the Maekhong as marijuana plantations. Thanong Siriprichapong of Nakhon Phanom was later accused of continuing into marijuana export after the troops had left. Other illegal opportunities were created within the new urban frontier society itself. Gambling, illegal lotteries, and various other popular vices provided ways for daring entrepreneurs to concentrate the capital accumulating in the booming new towns. Sia Leng of Khon Kaen moved from cash crop trading and logging to running extensive underground lotteries in the north-east. He later progressed to operating gambling dens in Bangkok. Sia Yae made his first fortune managing a gambling den in Angthong.

The combination of rapid growth in the provincial economy and the availability of profitable illegal business opportunities made it possible for entrepreneurs starting with limited resources to achieve spectacular fortunes in a short period. To take advantage of these opportunities, however, an entrepreneur needed to be sheltered from competitors and from the law. That required friends and connections.

Logging required the co-operation of the military. Smuggling, gambling, and other illegal businesses needed protection or immunity from the highest levels of civilian and military authority in the locality—the commander of the regional army unit, the provincial governor, the district officer, and the chief of police. Good connections with the Land Department, the *amphoe* (subdistrict) office, and the police could boost legitimate business through government contracts, prompt paperwork, and various petty favours. Official salaries remained low, making it moderately simple for an ambitious local businessman to offer even high officials very attractive inducements. The long-established practice of *kin muang* meant that such offers had a high chance of being well received.

Connections with the military and police were valuable. Sia Yae married into a family with local police and military connections, which helped him in the establishment of his logging business in the north-east. The Angkinan clan was known locally in Phetchaburi as *kok si kaki* (the khaki mob) in awe at their extensive military connections (*Daily News*, 19 May 1982 and 21 July 1986; *Than Setthakit*, 21 January 1991; *Krungthep Thurakit*, 18 April 1992). Some of the most prominent of this new generation of provincial businessmen pursued such official connections to the highest level. In the 1960s, some local notables made connections right up to the Thansom–Praphat junta. In the 1970s and early 1980s, military leaders recruited local businessmen to help build loyalist and pro-military organizations such as the Village Scouts. Sia Yae was a prominent Village Scouts organizer. Both General Chavalit and his successor General Sunthorn Kongsompong had close associations with Sia Leng. Local notables made sure to have their photos taken with such military brass, and to display them prominently in their homes as proof of their magnificent connections. ‘I was a poor man before and did not have much education’, explained Sia Leng, ‘thus whatever I do I have to rely on friends and connections in politics’ (*Naew Na*, 27 April 1990).

Local notables used money, friendship, and connections not only to neutralize the local bureaucracy but also to supplant it. They invested part of their business profits in local charities, public works, and public projects designed to demonstrate their munificence. Kamnan Pho of Chonburi liked to boast that his local prominence came about because ‘I only give’ (Viengrat, 1988). Many local notables provided basic social welfare services—handing out money to the poor, the sick, and the unfortunate, helping to find jobs for the unemployed, and sponsoring weddings and funerals. Some would dispense justice, helping to solve disputes and right wrongs. Under challenge about their arrogation of power, local notables would contrast their local ‘rule’ with the comparative ineffectiveness of the government administration:

People cannot rely on *kharatchakan* [bureaucrats]. *Kharatchakan* have only small salaries. But I have much and I can distribute much. Whenever I sit in the local *ran kafae* [coffee shop] people can come and consult with me. I am a man of the people already. I am more accessible than *kharatchakan*. On any matter where the *kharatchakan* cannot help, I can. And I do it willingly and quickly. It’s all very convenient for the people.... Most of what I do is about giving employment and improving the local facilities (Viengrat, 1988: 91).

Seri Temiyavedh, a policeman sent to impose order in a particularly unruly district, contrasted his own lack of resources with the patronage network of the local boss or *jao phor*: ‘Whenever these people have any problems they go to the *jao phor*. School opens, there is no money, they can get it from the *jao phor*.... A pregnant wife about to deliver, has to go to the hospital, no money, go to see the *jao phor*, he gives the money needed.... The extent of their patronage is incredible. People are indebted to their *bun khun* [patronage] up to their necks’ (Pasuk and Sungsidh, 1992: 147).⁹

In the provincial areas with a high degree of smuggling, logging, and other illegal businesses, disputes between local notables over business opportunities and political prominence verged into gangsterism. Towns such as Phetchaburi and Chonburi became famous for their legions of hired gunmen. In the 1960s, Chonburi's premier businessman was Long Ju Kiang, who made his fortune in mining, timber, and plantations. After he died in a car crash, two of his sons were gunned down, possibly in a take-over bid by Sia Jiew, one of Kiang's associates. Jiew then expanded from the business base in commodities into services (hotels and petrol stations) and distribution (particularly the whisky monopoly), and built connections with the military by supporting the Village Scouts. In 1981, he was killed when his car was attacked by rocket launchers and automatic gunfire on a major highway in broad daylight. Three years later, his son was also murdered. Kamnan Pho, who had been one of Sia Jiew's lieutenants, then rose to prominence. Overt violence diminished, yet Pho openly described himself as a 'semi-businessman semi-gangster' (*Matichon Sutsapda*, 4 March 1984, 12 October 1986; *Viengrat*, 1988).¹⁰

Such violence was not confined to Chonburi. Sia Leng of Khon Kaen survived two assassination attempts in the late 1980s. In Angthong in 1983, Sia Yae's car was sprayed with automatic gunfire. He survived, but the incident started a classic war of revenge. A rival businessman and MP was attacked and crippled. Another rival was gunned down in Bangkok. Sia Yae survived another assassination attempt. Another rival's son was shot dead. In 1989, Sia Yae was killed by a claymore mine as he emerged from a provincial court-house.

By the 1970s, the term *itthiphon* (influence) was used to describe the growing power of local notables. In the late 1970s, this was embroidered to *itthiphon meut* (dark influences), in allusion to the combination of local power and violence. In the early 1980s, the term *jao phor* became popular. The word originally referred to the shrine of a local 'spirit lord' believed to have magical powers. The transferral to local notables reflected their ability to act above the law and to impose their 'lordship' in the locality. The term was used to translate the title of the film *The Godfather*. The growing usage of the word in the late 1980s and early 1990s reflected Bangkok's apprehension about the rise of provincial magnates and its distaste for the cavalier predatorialness of pioneer provincial capitalism. One deputy police director summarized the nature of the typical *jao phor*'s influence over officials: 'The structure of *jao phor*'s power is like a pyramid. At the top is the *phu mi itthiphon*. At the left and right bases of the pyramid are hired gun men and *kharatchakan* who support the *jao phor*. If we pull the two bases of the pyramid away, namely the gun men and the *kharatchakan*, the top of the pyramid will tumble because there is no other support' (*Thai Rath*, 12 May 1990).

The local notables translated their local economic power and informal influence into the formal political institutions at the provincial and national levels. They invaded the provincial and town councils set up by the local government reforms of the mid-1950s. By 1990, 62 per cent of the 2,046 elected

to provincial councils and 1,842 elected to town (*thetsaban*) councils described their backgrounds as business or trading. These positions gave them status, access to important officials, and influence over the disposition of local development funds and infrastructure contracts.

From 1975, the National Assembly grew in importance. Elections were held in 1975, 1976, 1979, 1983, 1986, and 1988. Over 80 per cent of the Assembly seats were elected from the provincial areas. In this new electoral politics, the local notables acquired enormous significance. They had large numbers of associates who could form the framework of constituency organization. They had widespread networks of dependants who could serve as *hua khanaen* (vote banks) to marshal support on polling day. They commanded local respect because of their wealth and influence. They had the capacity to influence the officials who administered the election process. Kamnan Pho admitted that the high turn-out percentages in some Chonburi constituencies came about because his men were too enthusiastic in stuffing the ballot-boxes (*Matichon Sutsapda*, 25 May 1986).¹¹

Many local notables were barred from standing for elections by education and citizenship requirements. In the 1970s and early 1980s, many of the Bangkok-based politicians who needed a provincial constituency sought the local notables' support. Boonchu Rojanastien of Bangkok Bank returned to his native Chonburi to get elected. His campaign was orchestrated by Sia Jiew, who welcomed the opportunity to support such a dazzling representative of Chonburi's Chinese community and, at the same time, gain a powerful political connection in Bangkok. After Jiew's death, Boonchu was adopted by Kamnan Pho, who was a friend of Boonchu's uncle and who, in return, received some help from Boonchu in arranging business financing. Kamnan Pho explained: 'We go for friends and not for the party. That is the way in the provinces' (*Matichon Sutsapda*, 25 May 1986).

Some of the notables influenced the election of MPs in several constituencies. As a result of Sia Yae's influence across several provinces in the central and north-eastern regions, he was appointed to the executive board of the Chat Thai Party and allowed to nominate many of the party candidates. At the time of his death in 1989, at least ten and possibly twenty-five MPs were said to be in his debt. Sia Leng organized the election of five MPs in 1986 and, in a famous incident in 1987, decided the result of a no-confidence motion when he ordered this bloc to switch sides.

As Assembly politics grew in significance, many local notables preferred to put forward themselves, their relatives, or business associates. In the late 1970s, Kamnan Pho fell out with Boonchu, and in 1983, 1986, and 1988 Pho supported the campaigns of Nikom Saenchaeron, his brother-in-law, and Charun Ngampichet, another relative. By 1992, Pho's two sons had returned from acquiring expensive overseas education, and Pho supported their way into Parliament. At the 1986 election, only 22 provincial seats were won by Bangkok people. During the decade, more and more local notables came forward to claim parliamentary seats for themselves.

TABLE 10.1
Background of Members of the Assembly, 1933-1992

<i>Election</i>	<i>Business</i>	<i>Bureaucrat</i>	<i>Lawyer</i>	<i>Journalist</i>	<i>Doctor</i>	<i>Teacher</i>	<i>Farmer</i>	<i>Other</i>	<i>Total</i>
15 Nov. 1933	15	27	21	3	2	-	8	2	78
7 Nov. 1937	18	47	15	1	2	2	5	1	91
12 Nov. 1938	20	36	24	3	-	-	7	1	91
6 Jan. 1946	20	43	17	2	1	1	7	5	96
5 Aug. 1946	9	50	15	-	-	1	4	3	82
29 Jan. 1948	22	34	28	3	-	-	6	6	99
5 June 1949	7	4	6	-	-	1	1	2	21
26 Feb. 1952	25	34	44	1	3	5	4	7	123
25 Feb. 1957	42	46	44	2	-	5	11	10	160
15 Dec. 1957	44	42	37	8	3	5	13	8	160
10 Feb. 1969	100	45	35	3	4	3	12	17	219
26 Jan. 1975	93	33	47	10	6	20	23	37	269
4 April 1976	82	62	33	6	10	24	16	46	279
22 April 1979	112	55	41	2	5	22	26	38	301
18 April 1983	124	33	33	n.a.	6	n.a.	14	114	324
27 July 1986	186	48	44	2	8	28	7	24	347
24 July 1988	243	25	48	5	7	9	8	12	357
22 March 1992	165	40	37	-	26	12	80	360	360
13 Sept. 1992	151	21	40	-	22	10	116	360	

Sources: Adapted and extended from Krikkit by Pisan (1988: 36, 85); 1992 data from Ministry of Interior, Local Administration Department, *Luak tang* 2535 and *Phonkan luak tang* k.y. 2535.

Notes: In March 1992, 80 and in September 1992, 116 were classified as 'politician'. Here they have been added to 'Other'. Most were probably businessmen.

n.a. = Not available.

Prior to elections under the new constitution in 1969, lawyers and bureaucrats had occupied a majority of seats in the Assembly (except narrowly in 1957). In the elections of 1969, 1975, and 1976, they were reduced to one-third, while the ranks of businessmen expanded to around one-half of the seats. In the elections of the 1980s, businessmen dominated, and also came to dominate seats in the Cabinet (Tables 10.1 and 10.2).

Events in Korat showed how the wheels of local and national politics meshed in the 1980s. In 1985, local businessmen formed a grouping called Prasanmit (Alliance) to manage local elections. The two leaders were Wichai Cherdchai, a self-made man with only four years of education who had made his fortune assembling truck and bus bodies and running transport services, and Suwat Liptapanlop, whose family owned a construction company which had prospered from public works contracts and from army construction projects. They successfully organized local elections in 1985. In the 1988 Assembly elections, they managed the election of Suwat, other businessmen, and also General Chatichai, the leader of the Chat Thai Party. After Chatichai became Prime Minister, he included Suwat in the Cabinet, appointed Wichai to the Senate, and gave ministerships to four other MPs from the province.

TABLE 10.2
Businessmen in Cabinets, 1963–1991

Cabinet	From	To	Total	Businessmen	Per Cent
Sarit	2/63	12/63	14	0	0
Thanom I	12/63	3/68	18	1	6
Thanom II	3/69	11/71	25	1	4
Thanom III	12/72	10/73	28	3	11
Sanya I	10/73	5/74	28	4	13
Sanya II	5/74	1/75	31	3	10
Seni	2/75	3/75	30	8	27
Kukrit	3/75	4/76	27	16	59
Seni	4/76	10/76	31	11	36
Thanin	10/76	10/77	17	2	12
Kriangsak I	11/77	5/79	33	2	6
Kriangsak II	5/79	2/80	43	9	21
Kriangsak III	2/80	2/80	38	5	13
Prem I	3/80	1/81	37	17	46
Prem II	1/81	12/81	40	12	30
Prem III	12/81	4/83	41	17	42
Prem IV	5/83	8/86	44	21	48
Prem V	8/86	4/88	45	31	69
Chatichai	4/88	2/91	45	33	73
Chuan	2/91		47	n.a.	n.a.

Source: Adapted and extended from Krikkiat by Pisan (1988: 39, 86).

n.a. = Not available.

From these positions of power, the members of this group were able to channel central resources into their province in ways which benefited their constituency as a whole, and also their private businesses. They accelerated projects to build a new university and to widen the Mitraphap highway leading from Bangkok through Korat to the north-east. Suwat's company was awarded a contract for part of the highway project. One of the group developed a plot of land as a private industrial estate which attracted over twenty Japanese and Taiwanese investments in export-oriented manufacture. Members of the group invested in real estate, hotels, and department stores. In their election campaigns, they boasted of their success in bringing major development projects into the province.

Political Parties, Prem, and Provincial MPs

After 1973, Bangkok businessmen took a leading part in pressing for parliamentary democracy. They backed constitutional reform, financed political parties, and stood for election. In 1975–6, and again after Parliament was restored in 1979, they were the dominating force in the Assembly. Within a handful of years, they had lost this dominance. At each successive election, the provincial businessmen took a larger share of the seats. In mid-decade, they wrested control of the political parties. After 1988, they dominated the Cabinet.

In the mid-1970s, three major parties emerged and dominated Parliament for over a decade—the Democrats, Chat Thai, and Social Action. All three originated in Bangkok. All three represented a mixture of business and older aristocracy. Through these parties, metropolitan business started to translate the fortunes made in the Sarit era into political power.

Before the mid-1970s, most political parties were short-lived. In the typical pattern, a military group seized power by coup, wrote a constitution designed to ensure its dominance of the Parliament, then formed a party which attracted politicians who wanted to be part of the 'government party' and which consequently won the elections. Such parties often evaporated after the election, or at the next coup.¹² Parties formed in opposition to the military were even more ephemeral, and were generally dispersed by outright bans or other forms of repression.

The only exception was the Democrat Party. It was formed in 1945 by a group of royalists who joined with the military to oppose the growing social radicalism of the Pridi group. During the 1950s, the Democrat Party developed as a conservative opposition which was prepared to play Assembly politics within the limits imposed by the military junta, but which opposed the military claim to dictatorial power. In the elections of this period, the Democrat Party attracted the votes of the Bangkok businessmen and salariat who rejected the 'government party' candidates.

The Democrat Party withered during the period of military rule from 1958. It was revived after the restoration of party politics in 1968, won a landslide

victory in polls for the Bangkok municipality, and captured all the 21 Bangkok seats at the Assembly elections of 1969. Its candidates included some survivors of the original royalist group such as Seni Pramoj, and some new Bangkok businessmen such as the pharmaceutical manufacturer, Bhichai Rattakun. The Democrats won another 28 seats up-country, principally in the south where the long-established network of coastal trading towns had developed a small but politically sophisticated urban élite who resented the excessive centralism of the state and the overbearing role of the military. The successful southern candidates included a businessman and newspaper publisher, Surin Masdit, and a young lawyer, Chuan Leekpai. Some remnants of the party's original royalist core, led by Khuang Aphaiwong's widow, left to form a splinter party. At the elections in January 1975, the Democrat Party captured 23 of the 26 Bangkok seats, and 72 of the 269 seats nation-wide, making it the largest party.

Two other major parties, Chat Thai and Social Action, emerged after 1973. The Chat Thai (Thai Nation) Party was formed after the fall of Thamom-Praphat. The core of the party was the Phin-Phao faction or Rachakhrú clique prominent in the 1940s and 1950s. After Sarit's ascendancy in 1957, the Rachakhrú group were pushed out of prominent positions in the army and government, but retained their involvement in business. As Minister of Commerce in the 1950s, Phin's son-in-law Pramarn Adireksarn helped to build up the nascent textile industry, and went on to build a broad business empire. Two other sons-in-law, Siri Siriyothin and Lamai Utthayanan, also moved out of military roles into business enterprises. Phin's son, Chatichai, went into the diplomatic service and was appointed as ambassador to Argentina. After 1973, Pramarn, Siri, and Chatichai returned to politics and formed the Chat Thai Party. They still maintained important links with the army. Siri served as president of the appointed Assembly formed by Thamom after the 1971 coup. During 1974–6, Chat Thai provided a channel for the army to retain some discreet political influence over the Assembly. But their major base was in business. The party built its support among the metropolitan business community and among politically ambitious representatives of emerging provincial business. Chat Thai won 28 seats in the 1975 election, and doubled that to 56 seats in 1976. Most of these were won in the provinces of the north-east and the central region.

The Social Action Party (Kit Sangkhom) was an alliance between the royalist-aristocrat, Kukrit, and leaders of metropolitan capital. Kukrit represented the enlightened side of conservatism, which recognized the need to ally with the powerful forces of emerging capital in order to defend the remaining bases of aristocratic power and privilege. His business-based political allies included Boonchu Rojanastien of Bangkok Bank, Pong Sarasin, and Koson Krairiksh. Pong came from one of the country's leading business-cum-bureaucratic dynasties. Starting out as nineteenth-century Chinese immigrant businessmen, the Sarasin family had made the transition into the bureaucracy and professions. Pote Sarasin had been a lawyer, ambassador to the US,

Secretary-General of SEATO, and Prime Minister for a short time in 1957 under Sarit. Pote's sons had been distributed through careers in business and bureaucracy. Koson Krairiksh was descended from a Chinese family prominent at the Siamese court from the late Ayutthaya period. The family had specialized in managing the Crown Property Office, and had diversified into various financial and other businesses.

Chat Thai, the Democrats, and Social Action all represented a coalition of royalist, military, and bureaucratic elements on the one hand, and Bangkok business interests on the other.

After the 1975 election, the Democrats were offered the first chance to form a government, but Seni failed to assemble a coalition and gave up after eight days. The second opportunity was offered to Seni's brother, Kukrit. His Social Action Party had won only 18 seats, but Kukrit himself commanded immense personal popularity as a result of his journalism and his role in the caretaker National Assembly formed by the King after the 1973 revolt. Kukrit cobbled together a coalition with Chat Thai and several small parties which survived for a year. At the elections in April 1976, the Social Action Party expanded to 45 seats.

As conservative forces regrouped after the fall of Indo-China in April 1975, the middle ground on which these three major parties stood was rapidly eroded. Kukrit and his coalition attempted to solve the political conflicts unleashed by 1973 through compromise—negotiating with student, peasant, and worker protest; reducing the insurgency threat by urging the Americans to leave and by opening negotiations with China; pacifying the countryside by distributing development funds to local authorities. The military opposed these strategies. In early 1976, they brought down Kukrit's government and vetoed any attempt to construct an alternative Cabinet from the Democrats and left-wing parties. At the elections in April 1976, they engineered the personal defeat of Kukrit, the leader with the greatest potential for building a coalition to defend the interests of Parliament. The Democrats took all the seats in Bangkok and 114 in total, becoming the largest party. The military and their conservative allies then set out to weaken the Democrats by fomenting dissension inside the party. They encouraged a faction consisting of the royalists and the demagogue, Samak Sundaravej, to make a bid to control the party.

For two and a half years after the coup of October 1976, the government dispensed with Parliament. In 1978, the constitution was again rewritten with provisions designed to ensure a strong military role in Parliament and Cabinet, at least in the short term. 'Provisional clauses', supposed to expire after four years, allowed serving military and civilian bureaucrats to occupy the prime ministerships and other Cabinet posts, and gave major powers to the appointive Senate, packed with military and civilian bureaucrats.¹³

The April 1979 elections inaugurated the longest period of an undisrupted Parliament in Thailand's history. While the constitution still circumscribed the power of the institution, and while the military continued to play a major role in government, the sheer length of time the Parliament was able to function made the institution grow stronger.

The parties which had emerged in 1974–6 dominated the new Parliament. Chat Thai, Social Action, the Democrats, and Samak's Prachakorn Thai Party occupied 185 of the 301 seats in 1979, 257 of 324 in 1983, and 238 of 347 in 1986. Under Prem's premiership, these four became the 'parties of government' (Table 10.3).

At the start of the 1980s, the most dynamic element in the major political parties was metropolitan business interests. Some major business figures joined these parties and entered Parliament as MPs. Firms financed individual candidates or donated funds to one or more of the major parties. Many of these business interests had risen in the Sarit era through the protection of the import-substitution regime, or through the personal favours of powerful generals. They understood the value of political linkages. As the power of the generals waned, they sought to exert influence through Parliament. Agribusinesses sought political influence to help with negotiation of trade quotas.

TABLE 10.3
Election Results by Political Party, 1975–1992

	1975	1976	1979	1983	1986	1988	1992a	1992b
Social Action	18	45	83	92	51	54	31	22
Chat Thai	28	56	38	73	63	87	74	77
Democrat	72	114	32	56	100	48	44	79
Social Justice	45	28	—	—	—	—	—	—
Social Agrarian	19	9	—	—	—	—	—	—
Social Nationalist	16	8	—	—	—	—	—	—
New Force	12	3	8	—	—	—	—	—
Socialist	15	2	—	—	—	—	—	—
Socialist Front	10	1	—	—	—	—	—	—
Prachakorn Thai	—	—	32	36	24	31	7	3
Seritham	—	—	21	—	—	—	—	8
Chat Prachachon	—	—	13	—	—	—	—	—
National Democratic	—	—	—	15	—	—	—	—
Siam Democratic	—	—	—	18	—	—	—	—
United Democratic	—	—	—	—	38	5	—	—
Ruam Thai	—	—	—	—	19	35	—	—
Rassadorn	—	—	—	—	18	21	4	1
Community Action	—	—	—	—	15	9	—	—
Palang Dharma	—	—	—	—	—	14	41	47
Samakkhittham	—	—	—	—	—	—	79	—
Chat Pattana	—	—	—	—	—	—	—	60
New Aspiration	—	—	—	—	—	—	72	51
Other parties	34	13	11	10	19	53	8	12
Independent	—	—	63	24	—	—	—	—
Total	269	279	301	324	347	357	360	360

Sources: Morell and Chai-Anan (1981); Suchit (1987); Pisan (1988); and Surin (1992).

Firms sheltered by tariff protection and investment promotion sought means to prolong their privileges. Banks politicized to keep out foreign competition. Many manufacturers, importers, and construction companies sought access to government contracts. These interests looked for influence in the commerce, agriculture, industry, and communications ministries which, in Prem's coalitions, were allotted to elected ministers.

After the 1979 election, Social Action was the most powerful party. Its core was still the strategic alliance between metropolitan business (Boonchu) and liberal royalists (Kukrit). Boonchu wanted to use Parliament to swing the power of the state behind capital, to switch the economy to an export-oriented strategy, and to accelerate economic growth on an East Asian model. Boonchu understood that the major threat to such a strategy lay in the rural sector. By its sheer size and poverty, the countryside could act as a dead weight on attempts at growth (the India model), or could provide a political base for military opposition to the growing power of capital (the 1930s Japan model). Boonchu's solution, planned along with his colleagues in the Bangkok Bank and launched under the 1975 Kukrit government, was the *tambon* development fund which provided cash directly to the *tambon* councils for development projects.

The metropolitan businessmen's pre-eminence in the Assembly and the Cabinet was short-lived. The provincial notables invaded the Parliament. At each successive election in 1979, 1983, 1986, and 1988, they occupied more seats. They overwhelmed the Bangkok-focused mixture of business, royalists, and bureaucrats in the three major parties.

Social Action was the first to undergo transformation. In mid-1981, the party resigned from the government over a corruption scandal. Shortly after, Boonchu fell out with his colleagues, quit the party, and over the next few years joined various splinter parties. At the 1979 election, Social Action had already begun to attract some of the most powerful provincial notables entering Parliament, including Narong Wongwan, the tobacco magnate from Chiang Rai. In the 1983 elections, the party won the largest number of seats by attracting more provincial notables such as Thanong Siriprichapong, a leading north-east businessman. After the election, it absorbed several smaller parties and became the dominant factor in the government coalition. By early 1985, the party had 101 MPs divided into 9 major factions competing for places in the Cabinet. Unable to control the factional warfare, Kukrit resigned the leadership. Although he was later lured back on a temporary basis, he withdrew into the role of elder statesman and gadfly journalist. Factions which had failed to be rewarded with ministerships joined manoeuvres to bring the government down, forcing the general election of 1986. Roughly half of the Social Action MPs defected to other parties. Several provincial politicians then fought over the party leadership. The victor was Montri Pongpanich from Ayutthaya. He led a grouping of MPs from the central region. Most importantly, he was the party's major financier.

The Democrats underwent a similar transformation. In 1983, some of the

more established party members from the southern region complained of the influx of new politicians who were simply hunting for places in the Cabinet.¹⁴ At the 1986 election, the Democrats won the largest number of seats but, like Social Action in 1983, the party was then torn apart by competition over Cabinet places. The party leader, Bhichai Rattakun, accommodated many of the new provincial bosses in his Cabinet quota but ignored many of the Bangkok faction who had been part of the party core since the early 1970s. This Bangkok group and other dissidents, led by Chalermphand Srivikorn, challenged Bhichai for the party leadership in January 1987. They lost, and in 1988 quit the party with nearly one-third of the party MPs. Most contested the election under the new Prachachon (People's) Party.

Chat Thai, which had been the first of the central parties to welcome the provincial notables, increased its showing at the polls to the point where it became the dominant party at the 1988 elections. The Rachakhru group retained the party leadership, but had to share its dominance with some of the most powerful provincial MPs, particularly Banharn Silpa-archa, the acknowledged boss of Suphanburi. Banharn's influence, like that of Montri in Social Action, was based on his readiness to act as the party financier. He was nicknamed the party's mobile ATM (automatic teller machine).

Provincial notables sought election to the assembly in order to crown their local leadership, to build contacts in Bangkok, and to tap the government's central funds both for personal gain and for developing their constituencies. Their goal was a seat in the Cabinet or at least access to Cabinet authority. In choosing a party, they were placing bets on which party would become part of the governing coalition, and also on which party leaders were likely to offer them best access to the Cabinet. Some powerful local groupings hedged their bets and distributed their candidatures across several parties. Kamnan Pho, who orchestrated the elections in Chonburi, mainly supported Social Action, but also placed side bets by supporting a few candidates of other parties. In 1988, Sia Leng distributed his support across four parties (Chat Thai, Puang Chon Chao Thai, Kit Sangkhom, and Rassadorn). At the 1986 election, Pramuan Sabhavasu stood for Chat Thai, while his son stood for another party. In Phetchaburi, the Angkinan clan won all three of the district's seats in 1983 and 1988, and two in 1986. Each time, they spread their candidatures across two parties. In 1992, the three cousins stood for two different parties, but appeared on the same election posters.

After election, many MPs were prepared to switch parties in order to become part of the governing coalition and so gain access to the Cabinet. In the 1975 and 1976 elections, several candidates stood as independents and then bargained their support to the party leaders attempting to form a majority coalition. To prevent this, new electoral rules were introduced in 1979. MPs had to resign if they switched parties, and parties had to contest at least half the total available seats. From 1983, all candidates had to run under a party banner. This did not prevent hopping between parties after the elections. Kukrit had established the convention of distributing ministerships among the

coalition parties according to the parties' size in the house. With around 200 supporters needed for a secure coalition, and with over 30 ministerships available, an MP needed to command the support of around six or seven MPs in order to bargain for a ministership. Each of the parties was a shifting amalgam of several of these smaller factional groupings. Between 1979 and 1988, the Cabinet was reshuffled in order to renew the coalition majority on roughly an annual basis.

With the decline of the alliance of metropolitan capital and enlightened royalists represented by the Social Action Party, General Prem Tinsulanond became the keystone of a new dominant alliance between royalism, the military, and the provincial politicians. Prem was propelled into the prime ministership by the military. Yet he also received 'tacit' support from the palace (Prudhisan, 1992: 96). He defeated the 'April Fools' Day' coup in 1981 by displaying his royal support. After the 1983 election, the King again supported Prem's return as Prime Minister (Suchit, 1987: 34). During the devaluation crisis, the King showed his support for Prem against the challenge of the army chief, General Arthit (Pisan, 1988: 66–7). In 1986, the King again gave support to Prem against the challenges of Arthit and dissidents in the Social Action and Chat Thai parties (Ockey, 1992: Ch. 9). This royal support in turn elevated Prem above the factional struggles and power games in the military. Even so, Prem continued to cultivate his base of support in the military, and to identify himself as a military man. He regularly allotted the Defence Ministry to a retired soldier, and appointed a bureaucrat or soldier to the other two key ministries of Finance and Interior. In return, the army helped Prem against the politicians. As army chief, Arthit dissuaded opposition parties from mounting no-confidence motions. Arthit's successor, Chavalit, orchestrated the party coalition after the 1986 election, and his aides continued the role of protecting the government from defeat in Parliament. Several soldiers retired from the army, entered electoral politics, and provided ballast for Prem's storm-tossed coalitions. In 1984, Prem's old military aide, General Han Leenanond, joined the Democrat Party and contested at the polls in 1986. Another counter-insurgency general, Mana Rattanakoset, followed a similar path. Another Prem aide, General Thienchai, formed the Rassadorn Party, which won 18 seats in the 1986 election and became a partner in the government coalition. In public, Prem always appeared in either the *chut phratchathan*, the royal-inspired version of Thai formal dress, or his military regalia, never in the dark suit uniform of business.

Prem recognized the need to compromise with the rising forces of metropolitan and provincial business. Thus Prem refused the Young Turks' support to carry out a classic coup against his own government and revert to direct rule Sarit-style. But Prem manoeuvred to limit or control the growth of the power of business in Parliament. He welcomed the suggestion of the three business associations (banking, commerce, and industry) to form a joint committee outside Parliament to discuss issues of economic and administrative reform. This strategy removed these issues from the Parliament, and limited metro-

politan business's interest in taking a prominent role in political parties and the parliamentary process. Meanwhile, he distributed the minor ministries among provincial business politicians, and reshuffled the Cabinet regularly to allow different parties and different individuals to share in the fruits of power. He replaced the *tambon* development fund with the provincial development fund scheme which, instead of channelling money to the *tambon* councils, allocated it to the province and allowed the provincial MPs to control its use.

As Parliament grew in importance, several political soldiers shifted from the barracks to the Assembly. Some were luminous generals who had shot off the top of the army's ladder of success without securing the prime ministership which had once seemed to be the topmost rung. After Kriangsak was ousted from the headship of the army and prime ministership in 1979, he formed the Chat Prachatipatai (National Democratic) Party, which won 15 seats at the 1983 elections. After Arthit Kamlang-ek was relieved of the army headship, he entered politics as the head of the Puang Chon Chao Thai Party at the 1986 election. More importantly, the radical middle-officer groups transferred their attention to Parliament. In the latter part of the decade, they transformed the structure of political parties.

At first, these radical soldiers' moves into Parliament were tentative. At the 1979 and 1983 elections, the Democratic Soldiers group sponsored a political party, but abandoned the project after it performed miserably. Four of the Young Turks group contested at the 1986 polls. Three were elected.

Chamlong Srimuang had been one of the original Young Turk group in the mid-1970s, but had gone his separate way before the 1981 coup attempt. He served as political secretary to Kriangsak and Prem. He then quit the army and became a lay devotee of Santi Asoke, a Buddhist movement devoted to self-improvement and social reform. In 1987, he won election as mayor of Bangkok on an anti-corruption platform. In 1988, he formed a new party, Palang Dharma (Power of Truth). The core of the party was members of the Santi Asoke sect, and a handful of ex-Young Turks and other associates from Chamlong's military days.¹⁵

Chamlong conducted himself as a lay ascetic. Through his own self-image, the ideological import of the party name (power of truth), and a strong stance against corruption, Chamlong positioned his party as a crusade for political and social change. The direction of the crusade remained unclear. The party's political platform was unremarkable. But in Chamlong's personal style, in the party's deliberate distancing from the corrupt dealing of the business parties, Palang Dharma continued some of the populist themes of the Young Turk movement. In the city, it attracted supporters from the businessmen and salariat who had earlier supported the Democrats as the most transparent and independent of the political parties. At the 1988 elections, the party won only 14 seats. Yet the party's base in the city continued to strengthen. In 1990, Chamlong won re-election as city mayor by a landslide.

In 1989, General Chavalit retired early from the headship of the army and established a new party, Khwam Wang Mai (New Aspiration Party). As with

Palang Dharma, the party name reflected a continuation of the crusading spirit begun within the Democratic Soldiers. The party's core consisted of ex-soldiers and ex-officials who, like Chavalit, had been associated with Prem.¹⁶ While Chamlong built his base in the city, Chavalit targeted the north-east. He had built support in the area over the previous three years through the Isan Khieo project. As with Palang Dharma, the party's political stance was vague and unremarkable. Moreover, to build his party base Chavalit happily co-operated with many of the provincial notables of the region, and even with some leading lights from the metropolitan business community. To build the party, Chavalit had to depart from the anti-business rhetoric and glorification of the military which had been two key features of the Democratic Soldiers' ideology.

Politicians versus the Military

The Prem era saw a compromise between executive and Parliament, characterized at the time as *prachathippatai khru'ng bai* (half-democracy, semi-democracy, demi-democracy) or 'premocracy'. With support from palace and army, Prem held the prime ministership for eight years and appointed senior generals and bureaucrats to the key ministries of Defence, Finance, and Interior. The metropolitan and provincial businessmen dominated the Assembly and rotated through the remaining ministries. Yet ultimately, the interests of the military and the politicians were at odds with one another. The politicians wanted to increase the power of Parliament. The military wanted to restrain it. The politicians wanted to divert more government funds to developing their constituencies. The military wanted to defend their arms budget. This opposition emerged in fierce battles over the constitution, the budget, the division of power between minister and bureaucrat, and the military's spending on arms.

In Order 65/2525, the military claimed the right and duty to maintain a guiding role in Parliament and the executive. The elected politicians who wished to extend their own control over the executive challenged this claim. In the 1978 constitution, the military's supervisory role was enshrined through the temporary clauses which allowed permanent civilian and military officials to occupy the premiership and Cabinet posts, and enabled the military-packed Senate to dominate Parliament. In 1983, these clauses were due to expire. The military mounted a move to make them permanent. A general and a leading royalist businessman appeared on an army-controlled television programme to back the move. The army issued a White Paper and the Democratic Soldiers broadcast a 'people's message'. They claimed the military retained a manifest right and duty to control the polity in order to prevent the growth of communism. The Democratic Soldiers' message directly attacked the rising role of business politicians. The constitution, party, and electoral laws were instruments of robbery and exploitation which enslaved the people. An appointive Senate was 'more democratic' than the elected Assembly because the Senate contained a cross-section of occupations, while the Assembly was dominated

by businessmen. An army general threatened that the military might have to 'conduct exercises' if the constitutional amendment failed.

With the help of Chat Thai and other pro-military groups, the amendment passed through two of its required three readings in the Parliament. The Democrat and Social Action parties led opposition to the amendment in the Assembly. Outside the Parliament, the press, intellectuals, a prominent 'political' monk (Anan Senakhan), and academics raised an agitation which climaxed in street protests and hunger strikes. Kukrit turned the military ideologues' arguments back against themselves. He pointed out that the military's wish to dominate politics was no different from that of the communists. It had, in fact, been learnt from the apostate communists who had helped the military plan counter-insurgency, and would result in the same form of dictatorship. At the third reading, Chat Thai switched sides and the amendment was defeated.

Prem remained aloof and refused to take sides over the issue. But after the amendment's defeat, he soothed the army's sensibilities by dissolving Parliament just in time to allow new elections to be held under the old constitution. In 1985 and 1987, the military again attempted to raise the issue of amending the constitution, but each time it was killed by opposition both inside and outside the Parliament.

In July 1988, Prem again called a general election to forestall a parliamentary defeat caused by the internal decay of the government coalition. At the polls, two-thirds of all the candidates returned were businessmen, a higher proportion than in any previous election. Chat Thai emerged as the largest party by attracting many of the provincial politicians. The elected MPs, orchestrated by Chat Thai, campaigned for a prime minister chosen from the house. Prem stepped aside. As the leader of the largest party in Parliament, Chatichai was invited to form a Cabinet.

Chat Thai was an alliance between the old Rachakhru clique, their Bangkok business associates based especially in the textile industry, and provincial notables mainly from the central and northern regions. Their main coalition partner was Social Action, which represented a similar alliance of Bangkok business leaders (Pong and Koson) and provincial notables from the centre and north-east. After two years of double-digit GDP growth, Thailand's domestic capital felt confident and expansive. Chatichai's government played to this mood. Among Cabinet members, the *chut phratchathan* and military uniform of the Prem era disappeared. They were replaced by the dark suit of the Bangkok executive, or the open-necked shirt sported by the successful provincial businessman. With control of the Cabinet, business set out to restructure the administration and the economy.

For the first time, the key ministries of Defence, Interior, and Finance were wrested away from the military and civilian bureaucracy. Chatichai kept Defence. His brother-in-law Pramarn took Interior.¹⁷ Finance went to Pramuan Sabhavasu, a businessman and Chat Thai party financier.

The new Cabinet launched an assault on some of the bastions of bureaucratic power. Ministers transferred several senior bureaucrats out of key posts.

In some cases, the moves were motivated by personal animosity or by factional rivalry. In others, they were designed to neutralize senior bureaucrats such as provincial governors and provincial police chiefs who had tried to influence election results. As a whole, they amounted to an attack on the bureaucracy's power and independence. As Minister of Interior, Pramarn moved several bureaucrat allies into provincial governorships. He also attempted to transfer a senior police officer who had worked against Chat Thai at the polls, and to block the appointment of a Class Five associate to a top police post. Both the latter moves were opposed by the military and had to be dropped.

In state industries including the mass transit authority, mass communications organization, telephone organization, port authority, state railways, national housing administration, and the waterworks, ministers removed senior bureaucrat appointees and replaced them with business allies or friendly bureaucrats. The NESDB, which had evolved from a planning commission in the 1960s to a general economic watch-dog in the 1980s, was pushed to one side. Its role in overseeing public sector projects was terminated. Its director resigned, and was replaced by a more pliable technocrat. Its governing board was sacked, and replaced by a board headed by Amnuay Wirawan, a bureaucrat-turned-business executive. The allocation of major government contracts was placed under the control of individual ministries with minimal reference even to the Cabinet. By shifting aside technocrats, rejigging the boards of the state industries, sidelining the NESDB, and placing control over government contracts under individual ministers, the new government significantly shifted control over government funds from the permanent bureaucracy to the elected ministers.

In 1989, the Parliament for the first time dared to make significant changes in the military budget. In the mid-1980s, the military continued to command a large share of the government budget. It refused to disclose details of the military budget allocation on grounds of national security. It protected the budget from public scrutiny by demanding that the defence portfolio be reserved for a military man. From mid-decade, a group of civilian politicians had begun to attack the military budget allocation. They sought to enlarge the proportion of government funds available for other development activities. They implied that the military's main source of funds for personal enrichment and political investments came from the secret fund and from commission on arms purchases. They attacked the right of the military to a privileged role within the state.

In mid-1984, some MPs opposed the military's plan to buy eighteen F-16 aircraft. They argued that the cost would increase the debt burden and that the maintenance alone would cost the taxpayers 25 million baht a month. After a highly charged public debate, the Cabinet approved the purchase, but cut the number of aircraft to twelve. In 1986, the House Scrutiny Committee made a token cut in the army's 300 million baht secret fund as a protest against the military's refusal to disclose full budget details to Parliament. The army

reacted angrily and asked for the secret fund to be increased. Prem reversed the cut and soothed the military by increasing the secret fund. In 1987, the Budget Committee rejected a plan to buy the remaining six F-16s, helicopters, and other hardware. The MPs assault on the military budget created a major press issue, and raised questions of commissions on arms sales, the size and usage of the secret fund, and the overall accountability of the military.

In the 1989 budget debate, the Assembly for the first time passed a cut in the military budget. It demanded that the military disclose more details of its spending plans. It proposed that the whole process for allocating the military budget should be brought under better parliamentary control. In 1990, the Budget Scrutiny Committee passed a token cut in the military allocation, and threatened to throw out the secret fund. The Cabinet rejected a plan for the military to build a new intelligence centre. MPs called for a wholesale reduction in the military forces. In the budget session, MPs referred to 'irregularities' in arms purchases, and raised a debate in press and Parliament over military secrecy and the potential for corruption. In the debate on the 1991 budget, the Committee demanded the military reduce its manpower strength, scale down its budget, and eliminate middlemen and monopolies from arms purchases. The Office of the Auditor-General requested the right to audit arms purchase deals. The military opposed the suggestion vehemently. Throughout these debates, the politicians argued that development funding should be increased at the expense of arms purchases and military spending in general.

The tussle between civilian politicians and the military to adjust the constitution was revived under Chatichai. The military floated a motion to move to single-member constituencies, which they believed would break the influence of some of the major vote-brokers and fragment further the party system. It was thrown out. The MPs responded by bringing a motion to appoint the speaker of the Assembly rather than the head of the Senate as the president of Parliament. In a compromise, the motion was passed, but implementation was delayed for two years until the completion of the incumbent's term.

The military and the politicians also clashed over foreign policy. Shortly after taking office, Chatichai announced a major change in Thailand's policy towards Indo-China. The Vietnamese government had recently announced the policy of *doi moi*, a controlled liberalization of the economy in search of growth. Chatichai proposed that Thailand should stop treating Vietnam as an enemy, and instead should 'turn battlefields into market places'. The policy was tuned to appeal to the businessmen of the north-eastern region who were a significant factor in the support of the two major parties in Chatichai's coalition. They welcomed the prospect that the north-east should prosper as a 'gateway to Indo-China'. Chatichai's policy was enthusiastically received in the business community. Some commentators spoke lyrically of the revival of the old concept of *suwannaphum* (the 'Golden Land').¹⁸ They imagined a prospering mainland South-East Asia dominated by Thai capital emerging as a major force in the economy and politics of Asia.

The reorientation of Indo-China policy amounted to an attack on the preserves and preferences of the military. Even after the formal normalization of relations with Vietnam in the late 1970s, the Thai army had continued to support the remnants of anti-Vietnamese forces in Indo-China. Until at least the late 1980s, the Thai military channelled Chinese arms and other forms of assistance to the remnants of the Khmer Rouge and other resistance groups which opposed the Vietnamese-installed government in Phnom Penh. The Thai military claimed that the policy was designed to prevent Vietnamese domination of the whole of Indo-China and to maintain Cambodia as a buffer state between Vietnam and Thailand. Others, however, believed that the disorder on the border generated a trade in arms and other goods from which the military benefited. It also created a 'threat' which helped to sustain the military's claim to a major political role on grounds of national security. In 1987–8, the Thai army fought a small border war with Laos which possibly began as a logging dispute and ended with two Thai aircraft shot down. There was also a constant murmur of friction from the refugee camps and guerrilla bases strung along the eastern border. Chatichai's policy to normalize relations with the Vietnamese and to encourage Thai businessmen across the border into Indo-China threatened to change the military's role.

The Chatichai regime appeared to foster the re-emergence of many of the radical and dissident elements which had first surfaced after 1973, and which had been repressed since 1976. The army perceived this as a dangerous reversal of the policy, enshrined in Order 65/2525, of excluding such radicalism from politics through military supervision.

Chatichai formed a policy think-tank headed by Phansak Vinyaratna, who had been a dissident journalist in the 1970s and early 1980s, and by Chatichai's own son, Kraisak, who had made a career as a university teacher and left-wing intellectual. Others in the team which became based in Phitsanulok House (Ban Phit) included the aristocratic but irreverent political scientist, Sukumbhand Paribatra, who had been one of the first to advocate a reorientation of Thailand's Indo-China policy.¹⁹ This young, articulate, and high-profile team became a focus of military distrust. Chatichai also rehabilitated Colonel Manoon Roopkachorn, a Young Turk leader of both the 1981 and 1985 coups, and made him an adviser in the Defence Ministry.

Labour organization and peasant protest emerged for the first time since the repression of 1976. Trade unions in the state enterprises raised a campaign against plans for privatization, and workers in the port disrupted shipping.²⁰ In the countryside, villagers raised protests against eucalyptus plantations, against dam-building, and against loggers. Activists from the 1973–6 generation were prominent in the NGOs which supported these movements.²¹

Several of the MPs elected in 1988 were graduates of the 1973–6 generation, including a few who had been student activists, and a handful who had fled to the jungle after October 1976. The army summoned up the ghosts of the past. A conservative, pro-military magazine ran an article entitled 'Com-

munists enter the legislature: meet the MPs from the jungle' (Ockey, 1992: Ch. 7).²² To conservatives in the military, it appeared that Order 65/2525 had been abandoned. The radicals the order had been designed to control were now resurfacing in the unions, villages, Parliament, and Ban Phit.

By the end of Chatichai's first year in office, the military had seized on 'corruption' as the issue with which to undermine the government. With the economy completing its third successive year of double-digit growth, the public purse had expanded. So, too, had the country's borrowing capability, and so, too, the need for large-scale investments to upgrade infrastructure. On the table were major projects to expand telephone systems, improve up-country highways, extend Bangkok's expressway, build mass transit systems, launch telecommunication satellites, expand electricity generation through dams and power stations, and complete the massive Eastern Seaboard development zone. Under the conventions inaugurated by the Chatichai Cabinet, many of these projects were left to a single minister. In the atmosphere of skyrocketing profits, some bidders were prepared to pay, and some politicians were willing to accept. Within a year, Chatichai's government was known as the 'buffet Cabinet', a deft play on the term *kin muang* ('eating the state') used to refer to traditional habits of bureaucratic squeeze.

In late 1988, a Social Action MP, Thawi Kraikup, set out to destroy Santi Chaiwirat, who had obtained the ministerial post Thawi wanted. Thawi publicly accused Santi of corruption and abuse of his ministerial power. Santi tried to rally support in the Cabinet by threatening to expose other cases of corruption if he was sacrificed. The blackmail failed. Santi was eased out. He started to talk. He admitted that he had used ministerial power to build a road in his constituency, route it through land owned by his family, and allot the contract to a company in which he held shares. But he argued that this was neither specially unusual nor reprehensible. He went on to detail how garment export quotas, provincial bus route concessions, MPs' votes on no-confidence motions, and many other items of political merchandise were up for sale. He revealed that his party leader, Montri, had castigated him for being indiscreet enough to get caught, and had instructed him on proper methods for concealing receipt of corruption money. After this incident, tales of corruption among ministers became the stock-in-trade of rumour and the daily press.

The growth of such rumours and charges reflected the high potential for corruption generated by the economic boom, and the readiness of the provincial politicians to transfer some of the practices of parish-pump politics to the national stage. But it was also a reaction by the bureaucracy against sharing the corruption revenue with the newly powerful cadre of elected politicians. In the late 1980s, the value of this potential 'corruption revenue' increased, and access to it was widened. In this period, the 'Thai' term *khorrupchan* first came into general usage to refer to large-scale defalcation from government funds, or to ambitious misuse of political position for private gain.

For almost two years, Chatichai kept the military under control by placating the army head, General Chavalit. Chatichai appointed two of Chavalit's men

to the key posts of Secretary-General to the Prime Minister's Office and Secretary to the Defence Ministry. He let Chavalit function as Defence Minister in all but name, and even suggested Chavalit should attend Cabinet meetings. He allowed Chavalit to control the military promotions list. Chavalit was able to use his position to build the basis of a political career. He diverted 800 million baht from the government budget to the Isan Khieo scheme for developing the rural north-east. Chavalit and his aides distributed this patronage liberally across the area where he shortly planned to found his party base. In 1991–2, Chavalit had the funds to develop a significant presence in national elections.

In early 1990, the Class Five clique pressed Chavalit to fulfil his promise to resign early and make way for their leader, General Suchinda Kraprayoon, to rise to the head of the army. Chatichai agreed to make Chavalit Minister of Defence, and also invited him to join Chat Thai. Chavalit refused the party offer, but accepted the ministry. Squeezed between the politicians and the military, he resigned ten weeks later. Suchinda became head of the army and Sunthorn Kongsompong, originally a classmate of Chavalit but now an ally of Class Five, became Supreme Commander. The Class Five group soon started to undermine Chatichai. Suchinda refused to undertake publicly not to perform a coup, and refused to attend regular meetings with Chatichai. When the government moved a Social Security Bill, the army attempted to block it in the Senate. Suchinda publicly demanded that Chatichai reshuffle his Cabinet and remove ministers who were openly antagonistic to the military.

The gathering friction between Chatichai and Class Five came to a head over arms purchases. The military requested the Chatichai Cabinet to purchase 50 billion baht of arms, and to commit the government to pay for them up to the year 2000. The scheme was not only massive in scope (3 per cent of GDP in 1990), but was designed to circumvent the tedious and politically fractious process of parliamentary scrutiny. Chatichai side-stepped the proposal by referring it to the Finance Ministry. He then attempted to bring Class Five under control by recalling Arthit as Deputy Minister of Defence, and possibly also replacing the Supreme Commander Sunthorn with Arthit's old ally, General Phichit. On their way to visit the King to approve the appointment, Chatichai and Arthit were seized by the military at gunpoint at the airport on 23 February 1991.

From the mid-1980s, and especially from 1988, business-based politicians increased their political power through the parliamentary system. They used this increasing power to roll back bureaucratic authority, to restructure the constitution, to reorient foreign policy, to divert funds from arms purchases to development, and to launch new policies on labour and environment. These various changes added up to an attack on the military's institutionalized control over the state, and a challenge to the military's conception of how the state should be run. In 1991, the military led by Class Five responded to protect their patrimony.

The Crisis of 1991–1992

In the conduct of the February 1991 coup, the Class Five group positioned themselves as heirs to the traditions of Sarit. Many of the announcements of the first forty-eight hours were re-runs of announcements used in 1947, 1957, and 1958. The format of the coup, too, was similar. The military formed themselves into a 'council' to oversee the political process, and selected a civilian to serve as Prime Minister. They sacked Parliament, outlawed some labour unions, threatened the press, hand-picked a new body to rewrite the constitution, and conducted a minor purge to remove all potential threats from inside the army. After this, Class Five controlled the supreme command, the headship of the navy, air force and the police, the top five posts in the army, and the command of the First Army headquarters around Bangkok.

The public justification for the coup was similar to earlier versions, but with some subtle shifts. In the earlier coups, the military leaders had claimed to be defending nation, religion, and king from communism and bad administration. In 1991, the coup leaders went beyond the need 'to restore good administration' to specify the need to stop corruption. Communism was not mentioned. The coup leaders announced the need to clear up allegations of assassination attempts against members of the royal family in 1982.²³ On the second day of the coup, the King appeared on television with the coup group.

The 'keywords' used by the junta were plucked from the core of the conservative tradition. The coup group named its presiding council the Khana Raksa Khwam Sangop Riaproj Haeng Chat, officially translated as the National Peacekeeping Council (NPKC) but more literally translatable as 'the council to preserve the peace and orderliness of the nation'. Later in the year, they founded a political party under the title of Samakkhitham (Unity). The same words for 'peace' and 'unity' had been used to express the ideal of a harmonious, obedient society by Vajiravudh, and by Sarit and Wichit Wathakan. The phrase for 'peacekeeping' was the same as used in the Bangkok Peacekeeping and Internal Peacekeeping Commands set up by the army in the early 1980s to combat the spread of communism from the jungle to the cities. The junta's titles posed the forces of orderliness (nation, religion, king, and military) against the disorderliness of corrupt elected politicians, Young Turk revolutionaries, and the parliamentary process.

Class Five attempted to resurrect the troika of bureaucracy, army, and big business which had formed the foundation of Sarit's rule. As Prime Minister, the NPKC chose Anand Panyarachun, a career Foreign Service official who had retired from the bureaucracy, become chairman of the Saha Union textile conglomerate, and taken a leading part in business associations. The choice was intended to win business and bureaucratic support for the coup regime. Anand composed a government of leading technocrats and businessmen with NPKC men in the key posts of Defence and Interior.

The Bangkok big business community's reaction to the coup and the

attempt to win their support was equivocal. On the one hand, there were many who resented the growth of provincial influence under Chatichai. He had downplayed the JPPCC, through which Prem gave Bangkok big business a direct route to the executive. He had elevated the provincial politicians, some of whom had used political patronage and parliamentary power to advance their business enterprises in competition with established Bangkok concerns. On the other hand, Bangkok business found that the instability represented by the word 'coup' was damaging for an economy which had become highly reliant on exports, foreign investment, and tourism. International risk analysts downgraded Thailand by a point or two. New foreign investment fell off. Some local investment was placed on hold, particularly in projects which involved government approval. The stock market became quiet.

As a result, the alliance of military and Bangkok business proved shaky from the start. Anand's government proved less pliable than the coup group intended. Anand resisted pressure to give one of the NPKC members the communications portfolio, which conveyed control over several pending infrastructure contracts. When the military resubmitted their massive request for arms purchases, the Cabinet refused to comply on grounds that the decision should be taken after restoration of parliamentary government. Anand intervened to renegotiate a contract for installing 3 million new telephone lines which had been awarded to a company (in the CP group) rumoured to be backed by the junta. Within six months, the military leaders wanted to throw Anand out. But they judged, instead, it would be better to allow Anand to be superseded by elections.

Anand's business-technocrat Cabinet and the military junta pursued separate agendas. The Anand government concentrated on enacting reforms in economic management to meet the demands of Bangkok's export-oriented business. They introduced value added tax, replacing the clumsy business tax structure which was obstructive for exporters.²⁴ They reduced both corporate tax and income tax, which fell on organized business and the salariat. They cut import taxes on a large variety of items, including electronics and automobiles, on the grounds of removing tariff protection from inefficient assembly-type operations which had been set up in the era of import substitution. They reduced tariffs on capital goods, on average, from 31 to 5 per cent. They made the baht openly convertible, and cleared away various exchange controls. They increased pay scales in the bureaucracy, particularly for technical personnel who had been leaking out to the private sector. They instituted the Securities Exchange Commission to oversee the stock market and enable it to develop as a key institution for further capital accumulation. They accelerated several infrastructure projects, particularly roads, telecommunications, and mass transit projects in the capital. Anand personally advocated the idea of an Asian free trade area to boost the region's economy.

In parallel, the NPKC junta pursued its agenda of restoring military control over society and the political system. To intimidate labour, they passed an order banning any union activity by the powerful public sector unions who had

raised agitations against privatization. A union leader who protested promptly disappeared. To suppress the growing disorder in the forests which often pitted villagers and forest monks against policemen, soldiers, forest officials, and agribusiness entrepreneurs, the army inaugurated the Khor Jor Kor scheme under which the army assumed responsibility for resettling the millions of villagers who were technically squatting illegally on forest land.²⁵

The military's techniques for restoring control over Parliament again returned to the methods of the Sarit era. In a pattern which recalled 1947, 1958, and 1969, they first undercut their political enemies with charges of malfeasance. Next, they set out to write a constitution which enshrined military domination of Parliament. Then they formed a 'government party' which attracted the provincial politicians intent on becoming a part of the governing coalition.

The NPKC established a commission to investigate whether ministers and associates of the Chatichai regime had become 'unusually wealthy' while in office. The results of the commission's work seemed guided as much by political strategy as by the quest for truth and cleanliness. Twenty-five political figures were identified for investigation, including all of the leading ministers in Chatichai's Cabinet. Two of the figures on the original list to be investigated were rapidly declared 'clean', and appeared very shortly afterwards in the ranks of politicians joining the new political party formed by the coup group. A handful of others quickly followed the same route. Thirteen others, including Chatichai, were adjudged to have acquired wealth through malfeasance. Their assets were seized.

Next, the NPKC set out to break the links between powerful local notables and the political parties. Some governors appointed by Chatichai and some police officers who had appeared sympathetic to the Chatichai regime were abruptly transferred. The NPKC then drew up a list of 260 *jao phor* or *itthiphon meut* (dark influences), called some of them in for friendly talks, and even raided some of their houses, including that of a furious Kamnan Pho. In the midst of this campaign, Klaew Thavikun, a prominent Bangkok *jao phor* with interests in boxing and gambling, was gunned down in a dramatic ambush in the Bangkok suburbs. Klaew had earlier moved closely with many senior military figures, but more recently had become involved in electoral politics, and was believed to be planning to stand at the next polls. In mid-1991, the junta formed the Samakkhitam (Unity) Party. It immediately attracted many of the powerful up-country politicians who had earlier supported Chatichai, including some ministers and several members of Chat Thai.

In late 1991, the constitutional commission delivered its draft. Following the 1978 constitution, the draft included four provisional clauses designed to sustain military influence over Parliament for a further four years. The head of the appointed Senate became the president of Parliament with the important duty of recommending the name of a new prime minister to the King; the elective Assembly and appointive Senate sat and voted together on key issues

such as the budget and no-confidence motions; the prime minister could still be chosen from outside the Parliament. Protests against the provisional clauses surfaced immediately, and came to a head after the draft was approved. But the King's birthday speech delivered on 4 December 1991 was interpreted as lending support for the current draft, and the opposition faded.²⁶

Elections under the new constitution were held in March 1992. The Democrats campaigned on a platform of opposition to military rule. So, also, did Palang Dharma and New Aspiration, the two new parties which had been formed by the transfer of the 'ideological soldiers' from the army to parliamentary politics. At the polls, Chamlong's Palang Dharma won 32 of the 35 seats in Bangkok, but only 9 in the provinces. Chavalit's New Aspiration won 72 seats, with the bulk in the north-east, where he had prepared the ground with the Isan Khieo scheme. The Democrats won 44, with the majority in their stronghold in the south. But the junta's Samakkhitham returned as the largest party. It drew its main support from many of the politicians and vote-brokers in the north, central, and north-east regions who had formed the base of Chatichai's coalition. Samakkhitham's leader, Narong Wongwan, was preparing to form his government when it surfaced that he had once been refused a US visa on grounds of suspected involvement with drug-trading—something of an occupational hazard for a powerful local notable in a district adjoining the Golden Triangle. Narong stepped back, and General Suchinda stepped forward. At the Class Five annual reunion a few days later, with the prime ministership now added to their bag of service chiefs and various public bodies, the class leader proclaimed 'now we control everything except the moon and the stars'.

The manipulation of the constitution, the creation of Samakkhitham, and the rise of Suchinda indicated the military's intention to institutionalize their rule for several years to come. This had major implications for Thailand's image in the world, for the development of Parliament, for the use of the national budget, and for capital's future agenda of economic reforms.

Demonstrations started in April 1992, demanding the removal of Suchinda and the cancellation of the four provisional clauses. The core organization for the protests came from activist groups which had campaigned against the military over constitutional issues since the early 1980s. Their leadership resided in the universities and in the NGO movement. Since the coup in 1991, they had increased their base of support, mainly in Bangkok, but also in several up-country towns.²⁷ Of the dissident parties, the Democrats and New Aspiration gave verbal support, but Chamlong's Palang Dharma Party took a more active part. Before long, Chamlong assumed the leading role. One of his followers, Chalard Worachart, announced a hunger strike until Suchinda resigned. Chamlong joined him, but called off his fast on 9 May. On Sunday 17 May, over 200,000 people gathered at Sanam Luang. According to a spot survey by the Social Science Association, many of those attending were over thirty, married, self-employed or employed, with relatively high education and good incomes. The press dubbed it the *mob mu' thu'* (mobile phone mob). But

while the novelty of middle-class participation attracted the media attention, the crowd included a wide cross-section of the capital, including many workers, rural migrants, and students. After dark, Chamlong led the crowd out towards Parliament. The army set up barriers where the road narrowed across a bridge. Violence started.

For three nights, demonstrations continued. The military used a strategic plan called *phairi phinat* (crush the enemy), which was devised to control an insurrection. The military seemed intent on provoking violence against property in the hope of swinging middle-class opinion against the demonstration. On the first night, a police station was burned, allegedly by a handful of demonstrators, despite being heavily guarded by police and troops. On the second day, the Revenue Department was torched. Curiously, army radio announced the arson several hours before it happened, the building burnt from the top down rather than from the bottom up, and no important documents appear to have been lost.

Many of the soldiers deployed were from units normally stationed on the borders and in the forest areas. They had no knowledge of Bangkok, and had been briefed that they were suppressing a communist uprising. On four occasions, they fired into the crowd. By the second night, motorcycle gangs roamed the streets smashing traffic lights and other hardware associated with the police. Army radio referred to them as a mysterious 'third hand', and sent squads to kill them.

Suchinda spoke in Parliament, relayed on television, describing the demonstrations as an attack on nation, religion, and king organized by a closet communist and an enemy of Buddhism. The communist label was pinned on Chavalit, the ex-head of the army, as a result of his association with the CPT defector Prasoet Sapsunthorn. Chamlong was portrayed as an enemy of Buddhism as a result of his association with the dissenting Santi Asoke movement.²⁸ Chamlong was pulled out of the crowd and placed under military arrest.

For three days, electronic news coverage was censored. The army controlled the radio, and intimidated the television stations into broadcasting only news of violence and property destruction by the demonstrations. However, the small number of subscribers to satellite and cable television saw international news bulletins with scenes of the military firing into the crowds. The press carried full reports, published special interim editions, and defied military threats to close them down. After two days, the government's Channel 9 broke ranks and showed a tape of military violence. The army sent a squad round to the station to offer 'protection'.

On the night of Wednesday 20 May, the demonstration moved to Ramkhamhaeng University on the city's eastern outskirts. The core had by now become students, but a large number of others entered the university in the afternoon, and helped to throw up barricades in the expectation of a military attack. Army radio threatened to come and 'clean up' if the demonstration did not disperse. With widespread expectation of a repeat of the

October 1976 blood-letting, and with rumours of an internal squabble within the military, the King summoned Suchinda and Chamlong and ordered them to stop the violence. The demonstrations dispersed. The death toll was officially around 50, but was widely estimated to be several hundred. On 24 May, after issuing an amnesty for all acts committed during the demonstrations, Suchinda resigned. On the next day, the Parliament completed the first and second reading of a bill to cancel the provisional clauses.

The images of soldiers shooting street protesters, and protesters burning buses and buildings, had flashed around the world on BBC and CNN. The leaders of big business understood the impact on the externally oriented urban economy. Risk ratings dived. The US government advised tourists to stay away. The stock market plummeted. The alliance which the military had attempted to form with big business was now completely destroyed. Immediately the street protests ended, the leaders of the 'three associations' of banking, commerce, and industry convened an emergency meeting. On 1 June, they issued a joint statement. It began by noting the 'damage to tourism, finance, investment, trade and industry of the country'. In an obvious reference to the possibility that the military would attempt to resolve the situation by a further coup, the statement went on:

No one should blindly adhere to their own opinions, ideals and methodology as well as their own self interests and their groups' vested interests.... [The three associations] request all parties concerned to refrain from all action that could lead to a recurrence of political unrest or factional rivalry among the Thai people which adversely affects the country.... The three institutions hope that all parties concerned will not put their personal will and interests over the national interest.

The statement recommended that 'sovereign authority should be returned to the Thai people through the dissolution of Parliament and the holding of a general election under the constitution which is being amended'.²⁹

The statement represented an unprecedented level of overt political assertion by organized business. Individual businessmen talked about calling a general strike if the army attempted a coup. There was temporarily enormous enthusiasm in Bangkok business circles for forming new political parties and taking a more direct role in politics.

Anand Panyarachun was brought back to head an interim government until elections could be held. He removed the supreme commander, head of the army, and two other military figures implicated in the violence. He started the process of extricating military figures from the fiefdoms in the state enterprises, particularly by removing the air force head from the chair of the national airline.

At the subsequent elections in September 1992, the press portrayed the contest as 'angels' against 'devils'. The devils included the military leaders, the provincial politicians who had flocked to Samakkhitham, and the parties (Social Action and Chat Thai) which supported the military at the start of the year. The angels included the parties which had stood out against Suchinda—the Democrats, New Aspiration, and Palang Dharma.³⁰

The enthusiasm of big business for entering directly into the political arena soon faded in the face of electoral arithmetic: the Bangkok seats which the salariat and big business could hope to dominate were only 10 per cent of the total Assembly. By their ability to dominate the provincial towns and direct the rural vote, the provincial notables commanded the rest. This simple arithmetic returned the countryside to political centre stage. The Bangkok business and activist groups mounted a campaign to wean the rural vote away from the provincial vote-brokers. The BBC and CNN footage of the military on the rampage was reproduced on video-cassettes and distributed throughout the country.³¹ Anand's government rewrote the election rules to clarify what could be defined as vote-buying. Anand commissioned a group of NGOs to form a PollWatch body to monitor the election and forestall corrupt practices. PollWatch mobilized 60,000 volunteers to supervise the run-up to the polls, and used the press to publicize wrongdoing. The Interior Ministry co-operated with the campaign and transferred several local officials suspected of colluding with candidates.

By a margin of just 79 against 77, the Democrats emerged as the largest party, and hence earned the right to have first try at forming a government. With its 'angel' allies in Palang Dharma, New Aspiration, and the small Ekkapap (Solidarity) Party, it had a bare parliamentary majority which it enhanced by inviting Social Action into the coalition. Chuan Leekpai became Prime Minister. He was the son of a teacher and a market vendor from Trang in the far south. He was a lawyer, and had been an elected Democrat Party member of every Parliament since 1969. He was the first Prime Minister who could truly claim a humble origin, provincial background, and no experience in the military or bureaucracy.

Conclusion

During the 1980s, business translated its growing economic power into political strength. Because the bureaucracy dominated the polity, business had to wrest power away from the bureaucracy. Because the military had become institutionalized at the peak of the absolutist polity, the growth of business power amounted to an attack on the military.

The rise of business in politics proceeded in three stages. In the first, which extended until the mid-1980s, business and military shared power in an uneasy and often fractious alliance. Prem controlled the premiership with the backing of palace and army. The head of the army wielded enormous power and still expected to succeed to the premiership. Bureaucrats and generals controlled the key ministries of Defence, Interior, and Finance, while business politicians dominated Parliament and occupied the minor ministries. This stage was marked by complex and shifting alliances between generals and political cliques.

In the second stage around the mid-1980s, some civilian politicians mounted direct attacks on the institutional bases of the military's power. They

challenged the military's claim to manage the constitution in order to preserve military power. They attacked the military budget. They attempted to divert funds from military spending to development works. They asserted the power of Parliament against military and bureaucracy.

The third stage began with the 1988 election, the retirement of Prem, and the elevation of Chatichai to the premiership. Ironically, Chatichai and the Chat Thai Party had earlier been the most pro-military of the political parties. Yet now they were swept ahead by the growth of business power, accentuated by the boom conditions of double-digit growth. The attacks on the military budget increased in intensity. Large amounts of the rapidly inflating corruption revenue were diverted from officials to politicians. Elected ministers challenged the authority of permanent bureaucrats. Foreign policy, fiscal policy, and tax policy were all re-orientated to the advantage of business and to the detriment of military and bureaucrat.

In 1991, the military reacted against this diminution of its control over the polity. The Class Five group attempted to resurrect the Sarit alliance of military, bureaucracy, and big business. They adjusted the constitution to reclaim military tutelage of Parliament. They imposed a military premier. They presented themselves as the defenders of nation, religion, and king against the forces of disorder—closet communists, anti-establishment Buddhists, treasonous revolutionaries, and 1970s radicals.

Opposition to the Class Five project came from four main sources: the politicized soldiers of the early 1980s; middle-class groups in Bangkok and up-country towns; metropolitan big business; and the Democrat Party.

Since 1932, a radical tradition within the military had projected the army as the embodiment of the popular will and as a force for social change. In the 1940s, Phibun portrayed the army as the instrument of a new 'Thai nation'. In the 1950s, he tried to elevate the army as the leaders of a Peronist populism. From the 1970s, soldiers who had been involved in fighting insurgency imagined the army representing the popular will in terms similar to those of the Maoist party leaders they opposed. In the 1980s, these soldiers attempted to gain power through a mixture of grassroots organization, military coup, and political manoeuvre. In the later 1980s, the remnants of these groups moved into parliamentary politics. They created new parties which deliberately stood somewhat apart from the business parties, and which sported party names (Power of Truth, New Aspiration) which signalled their continued attachment to radical, crusading change. Class Five had opposed these groups within the army. When Class Five now attempted to seize power, these new parties opposed them.

Metropolitan business initially co-operated with Class Five and seized the opportunity to implement economic reforms. But as it became apparent that Class Five planned to restore long-term military domination of politics, business dissented. In the Sarit era, the military had played two key roles which were important for the success of metropolitan business. It had cemented the relationship with the key external influence, the US, and it allied

with business to reorganize and plunder the domestic economy. With the passing of the Americans and, more importantly, the dramatic shift to outward orientation, these roles had lapsed. Military rule was not an aid to business, but an embarrassment. It prejudiced the capital flows, trade relationships, and tourist attraction on which metropolitan business now prospered. After the ex-military radicals and the liberal activists had challenged the restoration of military rule, the 'three associations' of organized business also added their significant weight.

The middle class of professionals, salarymen, and self-employed had grown rapidly in size since the late 1960s. Many opposed military dictatorship on grounds of principle. For the most part, they were politically passive. Yet they regularly voted against military parties, they threw up a fringe of activist groups which campaigned for human rights and constitutional reform, and in a crisis they could be mobilized to block the restoration of dictatorship.³²

The Democrat Party's two bases of support were in the two most developed urban regions of the country—in Bangkok, and in the port towns of the south. In the mid-1980s, it had, like Social Action and Chat Thai, been inundated by the new provincial politicians. But the large size of its original core base meant that it was not overwhelmed. It remained apart from the events of April–May 1992. But in the aftermath, it aligned with the anti-military camp. The party leader, Chuan Leekpai, claimed that during the May crisis he had tried to work behind the scenes to achieve a compromise and avert violence.

This alliance of ex-military ideologues, metropolitan business, middle class, and the Democrats blocked the attempted restoration of military rule. The crisis of 1992 ultimately diminished the military's power. Anand and Chuan thinned the ranks of the military in the state enterprises. The new army head, Wimol Wongwanich, foreswore any political ambitions. In the wake of the crisis, press and public scrutiny limited the military's freedom of action. In 1993, a planned new military headquarters had to be adjusted after public criticism that it would overlook the royal palace. Reports that the massive construction contract had been allotted to a company owned by the Class Five generals provoked a public outcry. Police and army generals were suspected of sharing out a cache of stolen Saudi jewellery which had gone missing from police custody. Outbreaks of fighting on the borders with Burma and Laos were rumoured to have arisen from the military's private cross-border business operations. Seizure of truckloads of arms near the Cambodian border raised suspicions that some generals were still trading arms with the Khmer Rouge. Many of these incidents concerned activities which, in the past, the military had been able to carry on with impunity.

At the same time, Chuan's government symbolized a further advance of business power. For the first time, the Finance Ministry came under the control of an active professional banker, Tarrin Nimmanhaeminda of the Siam Commercial Bank, and two other bankers took Cabinet portfolios.

Yet it soon became obvious that the transfer of power was far from complete. Faced with the continuing realities of power behind the scenes,

Chuan's government proceeded with extreme caution, to the frustration of supporters who expected that 1992 heralded a major change. In 1993, proposals to reduce the power of the Interior Ministry, the core of the bureaucratic state, ran into fierce opposition and had to be dropped. In early 1994, an attempt to amend the 1991 constitution was blocked by the military in the Senate and the remnants of the 'devil' parties in the Assembly. Following this triumph, military leaders restarted their demands for a larger military budget, for a military role in development, and for a rehabilitation of the army's political role in the interests of 'national security'.

Business still faced difficulties in translating its spectacular increase in wealth into decisive control over the polity. The power of military and bureaucracy was very deeply entrenched. Since 1975, military and bureaucratic conservatives had set out to strengthen their position by building bases of popular support, imposing controls over the parliamentary process, and injecting a new intensity into the ideological structures of 'nation, religion, and king'.

The ascent of capital was hobbled by its own internal divisions. The very rapid development of domestic capital meant that very different variants of capital coexisted and competed. In the 1970s, metropolitan business had formed political parties, and in the mid-1980s the provincial businessmen had stolen them away. Metropolitan and provincial business had different styles and different political agendas. The military was able to manipulate this division. As the metropolitan businessmen built a bridgehead in Parliament, the generals patronized the new provincial leaders. When the provincial leaders threatened to become independently powerful and unmindful of their recent patrons, the military overthrew the government, installed a leader of metropolitan business as the Prime Minister, subjected some of the provincial *jao phor* to harassment, and formed a tame new party through which the provincial leaders could re-establish their allegiance.

Finally, the rise of business was complicated by the countryside. At the start of the 1980s, the peasantry had loomed large in urban politics. Military groups wanted to organize them, bureaucrats proposed a poverty plan for them, and metropolitan business politicians wanted to give them government money. Over the next decade, their role diminished. With the cold war ending, the scare of the insurgency subsided. The contribution of agriculture to the national economy dived. Metropolitan business borne up by the export boom proclaimed that 'Thailand is Bangkok and Bangkok is Thailand'. National progress depended on developing the urban economy.

Yet while three-quarters of the country's wealth was now generated in the city, three-quarters of the people still lived in the villages. The generals and bureaucrats could still claim to be the 'true' representatives and protectors of this 'silent majority'. In the institutions of representative democracy, the peasants dominated the franchise. At elections, their votes were influenced by the bureaucratic power of the army and the Ministry of Interior, and by the money and local influence of the *jao phor*. For the metropolitan business interests, the countryside still remained a new and unexplored political frontier.

1. In March 1972, the US signed a secret agreement with the Thai military undertaking 'to provide certain additional military assistance to accelerate improvements in the international security and defense capabilities and readiness of RTAF (Royal Thai Armed Forces) to meet likely contingencies' (Surachart, 1988: 173).

2. After establishing his position in 1958, Sarit had to placate his supporters at the battalion level by offering promotions and money.

3. The military academy encouraged each cadet year to function as an 'age-grade', building ties of camaraderie and mutual support which lasted long after graduation. In the 1980s, these 'Classes' played a major role in internal military politics.

4. Interview with Colonel Prajak in Chai-Anan (1982: 62).

5. The speaker, identified in this source as 'Colonel S', was Suchinda Kraprayoon (see Callahan, 1993: 139).

6. This trade was supposedly stopped by the 1991 Paris accords. In December 1993, the Thai police seized a truck full of arms heading towards the Cambodian border, and subsequently found near the border an arms cache estimated large enough 'to equip a small country'. The army admitted the cache was left over from the pre-1991 border arms trading, but denied the truck was on the way to supply the Khmer Rouge. This denial was somewhat weakened by the presence of several Cambodians at the cache site, and by an interview with a Khmer Rouge cadre who was to be the recipient of the shipment. Other press reports suggested that the army was trading this stranded arms stock with the opium warlord, Khun Sa, who was in the process of leading the Shan states in a declaration of independence from Myanmar (Burma).

7. 'Thirty-eight Years of the National Defence College', *Khao Phiset*, 2–6 April 1993.

8. Around the US base areas, US military spending also had a dramatic impact on the local economies.

9. Seri was a senior police officer in Chonburi in 1986.

10. In late 1993, one of Pho's chief lieutenants was shot dead by an Uzi at his local breakfast café. Opinion was divided whether this was a move against Pho (possibly led by a high-ranking police officer with business interests), or a move by Pho to eliminate an over-ambitious subordinate.

11. As a general rule, electoral turn-out percentages increased with distance from Bangkok. This was not an indicator of political interest or political sophistication.

12. This was the pattern of the Thammathipat Party formed to support Phibun in 1949, the Seri Manangkhasila Party formed for the 1957 elections, the Sahaphum Party formed after Sarit's first coup, and the Sahapracha Thai Party formed to support Thanom–Praphat in the 1969 election (Neher, 1970; Thak, 1979).

13. The Senate sat together with the lower house for no-confidence motions, and its president held the right to appoint the prime minister.

14. Suphatra Masdit in *Bangkok Post*, 7 July 1989, quoted in Ockey (1992: Ch. 7).

15. On Santi Asoke, see Chapter 11.

16. Prasong Soonsiri, who had been Prem's secretary-general, and Phisan Moonlasartsathorn, who had been permanent secretary at the Interior Ministry (Surin M., 1992: 8–10). Prasong crossed over to Palang Dharma in early 1992.

17. While both Chatichai and Pramarn sported the title of general, they were long retired, had little influence or support in the army, and were viewed as business politicians rather than soldiers.

18. In the past, the concept of *suwannaphum* had been used by kings and by Phibun and Wichit to imagine a prosperous mainland South-East Asia focused on the Siamese capital. For the wider context of Chatichai's policy, see Mayoury and Pheuiphanh (1994: esp. Ch. 5).

19. Sukumbhand quit the team, preferring the role of independent political commentator.

20. See Chapter 6.

21. See Chapter 11.

22. The article was in *Lak Thai*, 13 October 1988.

23. Allegedly, there were nine assassination attempts between March and October 1982, mostly targeted against General Arthit, but also some against Prem and a member of the royal family. The Young Turk leader, Manoon Roopkachorn, and four others were arrested in 1984, but the case was never concluded. Class Five excavated the issue after Chatichai had rehabilitated

Manoon. The allegations against Manoon were backed up with evidence from Colonel Bulsak, one of Manoon's former colleagues. In the subsequent cases against Manoon, Bulsak admitted he had manufactured the evidence under pressure from the coup group. Manoon was finally acquitted of the charges in December 1993 (*Nation*, 30 December 1993).

24. The VAT scheme had been planned under Chatichai. Anand's government rescued it from the morass of bureaucratic delay.

25. See Chapter 11.

26. 'Anything can be changed, but one should not quarrel to the point of hitting each other on the head resulting in bloodshed. We speak in this way because, these days, we are all confused by such questions as "To change or not to change", "To promulgate or not to promulgate", "To change after it is promulgated" or "To promulgate after it is changed". We don't know what will be decided, but let it be workable; and if it works well, let it work on; if it does not work well, that is, if it does not work smoothly, it can be amended' (*Royal Speech*, 1992: 46).

27. Key figures in the Campaign for Democracy, the alliance created to organize the demonstrations, included Prateep Ungsongtham Hata, a teacher and slum worker, Dr Sant Hatteerat, a medical school professor, and Dr Weng Tojirakarn, a doctor. Others involved included student leaders and academics (Surin M., 1992: 30-1).

28. For the wider background of the Buddhist establishment's reaction to Chamlong during the crisis, see Taylor (1993).

29. The statement appeared in most newspapers on 1 June 1992.

30. Chatichai made an effort to confuse the issue by splitting from Chat Thai and forming a new party, Chat Pattana, which won the support of many old Chat Thai politicians in the north, and weaned a north-eastern faction away from the Democrats.

31. The army responded with an alternative edit.

32. See Chapter 11.

Bibliographical Note

On military politics, see Surachart (1988), Suchit (1987), Chai-Anan (1982), Chai-Anan, Kusuma, and Suchit (1990), Chalermkiet (1990), and Owens (1992); and *on the military and business*, see also Hirsch (1993) and Teeranart (1993). *On the rise of the provinces*, see Ockey (1992), Ueda (1992), Viengrat (1988), Pasuk and Sungsidh (1992), Somkiat (1993), Sombat (1993), Somrudee (1991), Amara et al. (1993), and Trisukhon (1993). *On parliament and political parties*, see Neher (1970), Prudhisan (1992), Pisan (1988), McCargo (1993a, 1993b), Surin M. (1992), Likhit (1992), Noranit (1987), and Hewison (1985, 1993).

11

Towards Civil Society

PEASANTS, urban workers, and the new generation of students created the dissidence and rebellion of 1973–6. The repression of 1976 bottled up these movements for five years. Even when repression eased in the early 1980s, the military retained a deadening grip on labour organization. The peasantry and the urban educated were much more difficult to control over the long term.

Many of the participants in the students movements of 1973–6 belonged to the first generation of tertiary-educated youth who neither came from the traditional bureaucratic catchment, nor were destined for bureaucratic careers. Over the years that followed, this group widened. More schools and universities opened. More of the intake came from up-country, from non-bureaucrat families. More went into the expanding range of private sector jobs created by the urban economy. This growing white-collar working class provided the audience of a growing transmission grid of public media (press and television) and other communication forms (stories, songs, and dramas). This grid carried a relatively free debate on society, politics, and change. At the same time, this white-collar working class spawned a range of new social and political movements. Against the background of the 1976 blood-letting, these movements avoided strategies of confrontation with the state. Instead, in areas which ranged across human rights, economic development, Buddhism, and freedom of expression, they attempted to shift the boundary between government controls on the one hand, and private or community freedoms on the other. By the middle of the decade, this galaxy of non-governmental organizations was visible as a distinct ‘NGO movement’.

In the countryside, the survival of the peasantry as a livelihood and a culture was threatened by commercialization, agribusiness exploitation, increased government regulation, the penetration of urban culture, the growing tug of out-migration, and the diminishing frontier of natural resources. Out of these pressures, first grew scattered movements to defend the village as a culture and livelihood, and later a much more widespread movement to defend access to resources of land, water, and forests in the face of urban competition.

The ventures by students into the countryside in 1973–4 had produced some of the most powerful chemistry of the decade. In the mid-1980s, the movements of village defence reunited the separate streams of peasant resistance and white-collar dissidence. Through the NGOs, urban activists became involved in rural movements. They helped to elaborate an ideology of

rural defence. They used their command of the means of communication to bring rural protests out of the village and on to a national stage. By the early 1990s, the friction between rural defence and state power had begun to drag the NGOs into the political arena.

This chapter focuses on movements of political dissidence in the 1980s and early 1990s. It looks first at the expansion of the salariat, the development of new platforms of communication beyond state control, and the growth of dissident movements in urban Buddhism. Then it turns to the growth of rural defence, and the growing co-operation between urban dissidents and rural defenders in the NGO movement and the campaigns over natural resources.

The Making of the Salariat

Up to the 1960s, higher education was preparation for a career in the bureaucracy. The first university, Chulalongkorn, was formed in the 1910s to train the élite cadre of the new central bureaucracy. The second, Thammasat, was founded by Pridi after the 1932 revolution to provide an alternative centre of training for officials. Universities founded in the post-war period provided training for specific functions of the bureaucracy. Mahidol University evolved from a medical school into a medical university. Kasetsart University specialized in agriculture and formed the training ground for recruits to the Agriculture, Forestry, and Irrigation Departments. Until the 1960s, all the universities were located in Bangkok, the number of university places was limited, most of the students came from bureaucrat families, and the majority of graduates went into government service. In 1961, the total student enrolment in universities was just 18,000. In 1970, just 126,000 of the employed labour force had a university education, and another 59,000 had a degree from a teachers' college.

From the 1960s, this pattern changed. Higher education expanded rapidly. The student catchment area widened. Graduate employment diversified. In the 1960s, the government founded the first three provincial universities at Chiang Mai, Khon Kaen, and Songkhla. In 1971, Ramkhamhaeng University began operating as an open university in Bangkok. The government permitted foundation of private universities, which in the 1980s grew rapidly in number and student intake. Teachers' colleges and vocational colleges expanded from the 1960s onwards. By 1978, there were 119 tertiary institutions. A decade later, this had grown to 304. By 1990, there were 200,000 students in tertiary institutions and another 500,000 in vocational colleges. The numbers of tertiary educated in the work-force multiplied ten times between 1970 and 1991 (Table 11.1).

The routes up to tertiary education also broadened. The government adopted the ideal of universal primary education in the 1920s, but only invested seriously in the expansion of primary schooling after the 1932 revolution. Even then, primary schooling extended little beyond the main provincial towns. Only in the 1960s with the acceleration of the economy, the increase in

TABLE 11.1
Employed Labour Force with Tertiary Education, 1970–1991 ('000)

	1970	1981	1991
University	126.1	296.6	1,159.3
Teachers' college	59.4	424.7	619.7

Sources: NSO, *Population Census 1970; Labour Force Survey*, January–February 1981; August 1991.

government revenues, and the campaign against insurgency, was primary schooling extended beyond the provincial towns into the villages. By the 1980s, most children acquired the legal minimum of four years of primary education. In 1990, over 7 million were enrolled in pre-primary and primary education.

Secondary education expanded at a slower pace. Until the 1960s, secondary schools existed only in Bangkok and the major provincial centres. The expansion of the following decades extended the reach out to the smaller provincial towns. By 1990, there were over 2,000 secondary schools with 1.7 million students. Cost and location still made it difficult for a villager to climb the educational pyramid any higher than the primary level. In 1990, 36 per cent of secondary students and 11 per cent of university students were sons and daughters of 'farmers'. But from the 1960s, more and more children from the provincial towns made their way up through the local secondary schools and colleges, perhaps to a provincial university or Ramkhamhaeng, with a small élite running the gauntlet of competitive examinations to gain access to the prestigious universities of the capital. By 1990, almost half of the university students gave their parent's occupation as 'commerce'.

The change in the destination of students was more dramatic. With the rapid expansion of the bureaucracy, government service continued to be the main

TABLE 11.2
White-collar Employment, 1960–1991 ('000)

	1960	1970	1991
Professional, technical, and related	174	290	1,081
Administrative, executive, and managerial	26	252	554
Clerical	154	193	986
Sales (excluding vendors)	154	597	1,956
Subtotal	508	1,332	4,577
Total work-force	13,837	16,850	33,169

Sources: NSO, *Population Census*, 1960, 1970; *Labour Force Survey*, August 1991.

employer of graduates until the 1970s. But in the early 1980s, the rate of expansion of government employment dropped from 10 per cent a year to 2 per cent. Meanwhile, the expansion of business created new jobs for professionals, managers, executives, technicians, and self-employed businessmen. In the 1960s, the numbers in professional, administrative, managerial, clerical and sales jobs grew from 508,000 to around 1.3 million. From then to the late 1980s, the number more than tripled to around 4.5 million. The total white-collar work-force multiplied nine times in three decades (Table 11.2).

The Media Platform

After 1976, several factors increased the importance of public media as a platform for communication within civil society, and as a focus of conflict between state and people. The spread of education converted the press into a mass medium. The extension of channel networks brought television into almost every home. After the 1973–6 explosion, the press was only lightly controlled and was able to develop into a platform for debate on social and political issues. The government's attempts to monitor electronic media, especially television, prompted the foundation of new organizations to challenge government controls.

From the 1920s, the press developed a tradition of independence. Some of the first papers were owned by missionaries and other foreigners who were sheltered from the law by extraterritoriality. They provided a platform for criticism of the regime. Business leaders sponsored other newspapers to propound their views on economic nationalism. In the 1940s and 1950s, politicians and rival military factions promoted newspapers as part of the contest for power. This period saw the birth of Thailand's premier modern newspaper, *Thai Rath*.

The founder, Kamphon Watcharaporn, was an ex-navy sergeant who found employment as a journalist and advertising manager for a paper owned by Phibun. In the early 1950s, he set up on his own, running small newspapers. Between 1958 and 1962, he took over *Thai Rath* from a previous owner and developed it into a politically oriented newspaper. *Thai Rath* grew by pursuing two complementary strategies. On the one hand, it developed linkages with the military and with other power centres. On the other hand, it provided a relatively open forum for news and comment, which made it required reading for a wide section of the population. During the 1970s crises, *Thai Rath* reported protests and dissident views, and often attracted the anger of the military. By the early 1980s, *Thai Rath* had become daily reading for around half the adult urban population, and by the early 1990s for around one-fifth of the adult rural population also.¹ It published six editions a day, with special versions for up-country regions. Its content ranged from sensation and trivia to investigative political reporting and informed commentary. Its front page specialized in murders, police arrests, car crashes, and celebrity trivia. Its inner pages provided space for academics, intellectuals, and commentators to create

a platform of relatively free and open discourse on politics and society. By commanding such a wide readership, and by providing such a wide range of news and comment, *Thai Rath* became a key part of the political environment.

Other papers were connected with specific political figures and parties. Kukrit Pramoj was a journalist before he became a leading party politician. He continued to run his *Siam Rath* as a political mouthpiece. The proliferation of political parties in the 1970s and 1980s saw a multiplication of newspapers. Samak Sundaravej, who split from the Democrat Party to form the Prachakorn Thai party in 1979, also ran a newspaper, *Daily Mirror*, to air his views. Banharn Silpa-archa, the Suphanburi politician who became a leader and financier of the Chat Thai Party, bought an interest in *Ban Muang*, a minor daily. In the late 1980s, the powerful Class Five military clique became associated with the owner of Matichon, a press group with a daily paper, current affairs journal, and business paper. The generals were rumoured to have bought a substantial share in the Matichon company. A senator associated with several military figures, including General Chavalit, started the *Naew Na* paper.

From the mid-1970s, two other areas of political journalism flourished. The first was current affairs magazines. Here the model was *Siam Rath Sapda Wijan*, the weekly edition of the paper owned and edited by Kukrit. This journal provided an outlet for Kukrit's own outspoken commentary on political affairs, and for discussion and commentary on a variety of social and political issues. Several other newspapers and publishers imitated the format, and by the early 1980s there was a selection of such journals commanding a small but influential readership.

The second was the business press. Two titles (*Prachachart Thurakit* and *Than Setthakit*) were launched by the early 1980s, but the major expansion came with the business boom which commenced in 1985. By the early 1990s, the most successful of the genre was *Phujatkan* (The Manager) owned by Sondhi Limthongkul. Beginning in the mid-1980s from a weekly business journal with a reputation for muckraking, Sondhi expanded to a daily business newspaper, an English language monthly, a regional business magazine published from Hong Kong, and related ventures. *Phujatkan*'s success came from combining business news with the political commentary and some of the investigative reporting associated with *Thai Rath*. More than any other journal, *Phujatkan* reflected the new, younger urban generation's demand for a mixture of business information and sophisticated commentary on politics and society.

By contrast with the press, the electronic media developed under close state control. From the 1930s, the military understood the power of radio. The army pioneered the development of radio stations throughout the country, and Phibun used radio for propaganda on the role of army in society. Until the 1980s, all radio licences were controlled by the armed forces or the government's Public Relations Department (PRD). The radio news, networked nation-wide by the PRD, was a succession of press releases by the military and

government departments, and had much of the flavour of *Pravda* before 1991. The military used radio to network regular programmes on the importance of national security, and the role of the army in society and politics.

The army and the PRD shared control over the four television channels. The army ran Channel 7 directly, and licensed Channel 3 to a private company. The PRD adopted a similar strategy with Channels 9 and 5. Until the mid-1980s, the news on all four channels amounted to a daily reaffirmation of the political hierarchy. It began with court news, followed by reports on the activities of the prime minister, head of the armed forces and other political figures in strict pecking order. The only programmes featuring discussion of political issues were closely controlled by the PRD. The army channels regularly ran short propaganda messages on the importance of army in society. Programmes such as major religious or royal events, which were deemed by the government to be of national importance, were aired simultaneously over all four channels.

From the mid-1980s, pressure grew to reduce government control over the media. After the 1976 coup, the government passed Decree 42, which empowered the Ministry of Interior to issue warnings, suspend publication, and revoke the licences of newspapers. Formal warnings, occasional bans, and a variety of more informal pressures were used to limit outright criticism of senior figures in military and government. Other forms of control were more violent. Between 1979 and 1984, 47 journalists were killed. In several of these murders, the police were implicated. In 1990, the press conducted a successful campaign to have the order revoked. In the same year, the Deputy Minister of Communications, Chalerm Yuwabamrung, called for *Thai Rath* to be closed down on grounds of biased criticism of the government. *Thai Rath* replied with an editorial on its 'duty' to publish the truth and the issue was allowed to fade away. After the coup of February 1991, the military leaders imposed censorship on the press, but revoked the order within twenty-four hours and instead appealed to the press to co-operate. During the crisis of May 1992, the NPKC junta threatened to close down papers which printed news critical of the military. With a few exceptions, the press defied the order, and instead ran extra editions with detailed reporting of the political crisis.

In 1987, the government Channel 9 subcontracted its television news programmes to a private company headed by a former academic, Dr Somkiat Onwimon. Somkiat modelled the programme on US news broadcasts, broadened the coverage beyond the state hierarchy, and introduced elements of criticism and commentary. Viewership soared. Within a few months, Prem's government moved to suppress this innovation. Prem publicly criticized Somkiat for a news item which had contrasted infrastructure spending in the city and the countryside.² A few months later, Somkiat disappeared from the news programme. Shortly afterwards, he attended the courses run by the army at the National Defence College for instructing businessmen and civilian bureaucrats about the importance of the army and national security. Somkiat later returned to television, but specialized in uncontroversial documentaries.

Yet some of his innovations remained. To compete for viewers, all the channels adopted some parts of his US-derived presentation format, and expanded the coverage beyond government stories. Somkiat had attracted government opposition not simply because of some critical reporting, but also because of his frontal assault on the hierarchical format of presenting news items. After the Somkiat affair, the channels circumvented this problem by dividing up the news programme, and isolating 'court news' and 'government news' as specific segments.

During the Somkiat affair, press and academics agitated for reduced government control over the media in general, and over electronic media in particular. Shortly afterwards, the government launched a fifth channel for educational and non-commercial use. A non-government organization, the Creative Media Foundation, took the opportunity to broadcast two programmes on the new channel, both hosted by a Thammasat lecturer, Chirmsak Pinthong. The first, *Wethi Chao Ban* (Villagers Forum), provided a platform for discussing rural issues, and allocated most of the air time to farmers speaking their views. The second, *Mong Tang Mum* (Different Perspectives), mounted a round-table discussion with audience participation on current social and political issues. These two programmes brought public opinion into the medium which hitherto had been the mouthpiece of established authority.

During the May 1992 crisis, the government used its control of the electronic media to present its own version of the events in progress. The contrast between the reports on the government-controlled television and radio on the one hand, and on the defiant press and the open international satellite transmissions on the other, provoked new and louder calls for decontrol of the media.

Stories, Songs, and Dramas

From the 1970s, urban society developed several forms of cultural expression. Written forms such as novels and short stories had existed since the 1920s, but had been confined to a relatively small audience. With mass education and mass-market publishing, stories and novels reached a wider audience. In the 1980s, radio and audiotapes created a mass market for popular music, and television provided a platform for locally crafted dramas. These forms mixed entertainment with debate and reflection on society, politics, and change.

In the late 1960s and the 1970s, some of the products of the expanding education system developed the short story and the novella as devices for reflecting on the changes affecting themselves and the society around them. These works were published in the press, in the popular magazine *Sattri San*, in collections, and in a new wave of literary journals which became a major form of communication within the radical movement. The writers included Marxist intellectuals such as Witayakorn Chiengkul, cultural nationalists such as Sujit Wonghet, liberal bureaucrats such as Khammaan Khonkai, and rural activists such as Khamsing Srinawk. Their stories covered their own personal

experiences of change, and reflected on the social transformations around them. Major themes included the impact of the American presence, migration from village to city, the exploitation of the countryside, and the looming crisis within rural society.³

While some of the writers fled to the jungle or abroad in 1976, many continued to write. Many also abandoned the rather formal socialist realism which had limited the appeal of much of the 1970s output, and instead combined entertaining story-telling with social conscience. In the 1980s, short stories enjoyed even wider distribution through the press and mass-market magazines. Several writers took up careers in mass publishing. The writer-cum-editor Suwannee Sukhontha developed *Lalana* as a mixture of a classic woman's magazine and a literary journal. Several other magazines copied parts of her format. Through these media, this socially reflective literary tradition trickled through to a growing mass audience.

Songs were broadcast even wider than stories. The men who created the band Caravan were exemplars of the social changes of the 1970s. They were transported by the elevator of education from the provincial north-east to the city, where they became the troubadours to the student movement. In their songs, they blended north-eastern folk music with elements of imported rock. In their lyrics, they reflected on similar themes to the short-story writers with special emphasis on the exploitation and transformation of the countryside, and the experience of the new migrants to the city. Their theme song, 'Khon kap khwai' [Man and Buffalo], played on the metaphor between a working farmer and a working buffalo. They founded a genre of *ph leng phu'a chiwit* (songs for life), and argued that music with any value must have a political purpose.

The band fled to the Laotian jungle in 1976. On their return, they had extended their musical range by adopting elements of American country music heard over Voice of America in the jungle. But their basic style and message remained the same. During the mid-1980s, the genre was taken up by a new generation of musicians, including the Carabao band. The rise of Carabao coincided with the development of inexpensive local production of audiotapes, and with the expansion of urban FM radio. In 1986, the Carabao band's hugely popular song 'Made in Thailand' reflected on the massive and sudden changes brought on by Thailand's rapid export growth and increasing exposure to the outside world. In subsequent songs, the Carabao group gave special focus to environmental issues. The group's leader, Add Carabao, became associated with NGO activities and environmental causes. The spirit of *ph leng phu'a chiwit* infused some of the songs turned out in the explosion of local music production which followed on from 'Made in Thailand'. Asanee Chotikun dealt with themes of corruption, prostitution, and urban exploitation in a more hard rock style.

By the mid-1980s, there was a television set in virtually every urban household and, by the early 1990s, over three-quarters of rural households.⁴ In the early 1980s, the television channels met the demand for entertainment

programming by importing Chinese serials from Hong Kong. In mid-decade, the government promoted local programming by reserving the prime-time slot after the news for local dramas. A number of Thai dramas had already enjoyed popular success. From mid-decade, they boomed.

Initially, many of the dramas followed the three stock genres of the Hong Kong imports—the family drama, ghost story, and action film. The forms and the acting, however, were substantially localized. The acting drew on many of the features of local Thai drama, and producers experimented with dramatizing some of the popular short stories and novellas written since the 1960s. The formula proved hugely successful. Hong Kong-style action films disappeared, and ghost stories dwindled. A large number of dramas still dealt with classic stories of romance and family conflict. But many productions, including many of the most successful, dealt with big social themes. For these hit dramas, over half of the nation sat down to watch each evening. For those who missed an episode, the stories were simultaneously serialized in *Thai Rath* and *Naew Na*. Newspapers and magazines carried reviews and commentary. The night-time television drama became a nationally shared cultural experience.

The most popular were family dramas which dealt with issues of social change and social conflict relevant to the urban core of the audience. Many dramas dealt with the struggle of the new middle class to achieve worldly success while retaining their souls. Many dealt with the strains created by wealth, by poverty, and by the growing gap between rich and poor, often dramatized within a single family. Several dealt with the changing roles of women in Thai society and feminist themes of women's rights and freedom.

Several dramas focused on themes of social exclusion. *Khao Nok Na* [Rice Outside the Field] portrayed the lives of the Thai-American children left behind by the Vietnam period. *Chang Mun Chan Mai Khae* [What the Hell] played with themes of collision between the middle class and the urban under-class of crime and prostitution.

A large number of dramas dealt with historical themes, apparently addressing a popular demand for interpretation of the large historical changes lurking in the past. *Nang That* looked at servitude in the years immediately before Chulalongkorn's abolition. *Chuichai* used Phibun's life and times to examine themes in the changing role of women in Thai society. *Wimanmek* pursued themes of gender, family, and business success against the background of the political turmoil after the Second World War. *Lort Lai Mangkorn* synthesized the life stories of the successful entrepreneurs who had emerged out of the last wave of Chinese immigration in the 1930s and 1940s. This popular drama let urban Bangkok share in a communal reclamation of family origin, life history, and personal heritage.

Through many of these historical dramas ran a theme of individuals and families carving out their own personal histories in the face of great opposition. Significantly, the dramatization of *Si Phaedin*, a well-known novel by Kukrit Pramoj which dealt with the life of the court and the acceptance of

tradition, was a popular failure. The new audience showed more interest in stories about making history rather than accepting its consequences.

Reformist Buddhism

The growing social complexity and political conflict in urban society was reflected in the organization and practice of Buddhism. Several conservative movements set out to strengthen the role of Buddhism as a key pillar of authoritarian ideology.⁵ Several other movements reinterpreted Buddhist doctrines to support dissident views on state and society.

In the twentieth century, Buddhism acquired the status and function of a state religion. The 1902 Sangha Act created the foundations of national organization and common religious practice for the Buddhist clergy. The formula of 'nation, religion, and king' cemented Buddhism into the ideology of the state. Buddhist-derived doctrines were used to underpin the hierarchy of society and the authority of the king. Individuals were born with an unequal inheritance of merit (*bun*) and demerit (*bap*) from their previous lives. This ethical inequality underlay social inequality. The king ruled by virtue of his unique inheritance of an infinite store of merit. To control the inevitably sinful actions of those with lesser merit, the king had the duty to wield absolute authority.

In the practice of Buddhism, monk and layman were allotted distinct roles. Monks contributed to society by maintaining the religion and increasing the overall stock of merit through scriptural understanding and proper religious practice. To fulfil this role, the monk withdrew from the normal world, permanently or temporarily, and became divorced from social concerns. The Sangha structured the monks' learning and practice through examination and supervision. The duty of the layman was to live well and seek merit, in large part by patronizing monks and the monastic establishment, in the hope of gaining improved status in a future rebirth.

For many in Thailand's new urban society, this form of Buddhism became inadequate. It excluded the layman from any involvement beyond merit-making acts and short stays in the *wat*. It denied the possibility of ethical self-improvement or social elevation. It underwrote traditional hierarchies and authoritarian regimes. It was profoundly unsatisfying for those who believed in education, self-improvement, enrichment, and participation.

Several meditation movements appeared in response to urban demand for new forms of religious participation. The largest of these was Dhammadkai, begun in 1969 by two university graduates. By the late 1980s, Dhammadkai had become a major force. Over 100,000 turned out at its religious centre on major Buddhist festivals. Dhammadkai offered the urban dweller a crash course in the experience of being a forest monk. Adherents attended short courses in which they were trained in its special meditation disciplines and were subjected to other rigours normally associated with asceticism.

The movement was well tuned to its urban audience. The centre was located conveniently on the northern edge of Bangkok, far distant from the nearest

forest. The premises had the clean, modern, hygienic look and feel of a modern office or hospital. The courses were short and time-efficient. The movement gave its participants the belief that it would help bring them advancement in their material, as much as their spiritual, careers. As the *Matichon Sutsapda* (26 October 1986) analysed: 'Dhammadai attempts to make Buddhism consistent with the ideals of the middle class of society ... the life of the middle class is one of enduring suffering from unsatisfied wants and the inability to find an answer to the business problems that they face. Dhammadai provides an answer to these issues' (Jackson, 1989: 216). For this convenient, beneficial, and elegantly packaged product, the participants paid a premium price. The movement was reckoned to have amassed assets worth over one billion baht. The founders were conveyed around in a fleet of luxury cars, including a Rolls Royce.

Dhammadai offered individual self-advancement with no attendant political implications. Its adherents included large numbers of middle-class students, socially mobile bureaucrats, and young executives. The movement gained support from various establishment figures, including senior bureaucrats, generals, well-established bankers, and members of the royal family.⁶

Other reform movements had more radical implications. In the second half of the century, several thinkers attempted to adjust Buddhism to satisfy the demands of a growing urban audience. Of these, the most significant was Buddhadasa Bhikku. He was born in 1906 into an urban merchant family in the south. In 1932, he withdrew to a forest retreat. From the 1940s, his innovative ideas acquired a wider following. From the 1950s, his retreat at Suan Mok in the south became a centre of pilgrimage and meditation.

Buddhadasa asserted that the cosmogony of multiple heavens and hells was a metaphor, rather than a description of the world. Rather than being imprisoned by his inheritance of merit and demerit, each individual had the opportunity to achieve self-improvement in this world. The route to *nibbana* (the release from suffering) was not reserved for those donning the robe, but was open to all. It did not necessarily require extreme forms of asceticism or arduous programmes of meditation, but rather simple and accessible forms of insight meditation. Attaining *nibbana* was not a supernatural act, but a return to nature, a recapturing of the 'empty mind' which was the basis of human nature before it was clouded by the experience of the world. The route towards *nibbana* could be eased by actions which reduced the amount of suffering in this world. Hence the Buddhist had a duty to work to achieve a more just and equitable society.

Along similar lines, a prominent scholar monk, Phra Thepwethi, reinterpreted the meaning of the *Traiphum Phra Ruang*, the Sukhothai-era text on the thirty-one levels of existence which conservative thinkers attempted to revive in the 1970s to justify traditional forms of authority. Like Buddhadasa, Thepwethi argued that the levels were symbolic or metaphorical, and that they formed a ladder up which the individual could climb towards spiritual liberation rather than a fate to which he was chained.

These doctrinal innovations had major implications for the nature of religious participation, for the role of the Sangha, and for political theory. First of all, they implied that every Buddhist should participate in religious practice in order to gain merit personally, rather than leaving the spiritual care of the nation to the monkhood. Buddhadasa's forest retreat at Suan Mok became a meditation centre which attracted large numbers of intellectuals, professionals, and others who welcomed Buddhadasa's liberating reinterpretation of doctrine. In the mid-1950s, Phra Phimontham, the abbot of the leading Mahanikai Wat Mahathat, received instruction from Burmese monks in a form of the insight (*vipassana*) meditation which Buddhadasa advocated. Phimontham enthusiastically recommended the technique as a form of self-improvement for monk and layman alike. While the unusual trance states offered by Dhammakai or the ascetic rigours required by Acharn Mun's following were by definition reserved for a select élite, Phimontham advocated insight meditation as a form of democratic mass participation in Buddhism. He spread the practice to other Mahanikai *wat* in the city, and trained up-country monks to set up centres in the provinces. For a short time, the movement spread rapidly. But its democratizing overtones stimulated intense opposition from the conservative side of the Sangha, leading to Phimontham's persecution in 1963.⁷ The meditation continued under his pupils, but its expansion slowed.

The reformist reinterpretation of Buddhist texts could form the basis for an argument to decentralize control over the Sangha, and to allow more lay participation in the management of religion. It could even be used to challenge the ideological underpinning of centralized Thai kingship. If the individual's stock of merit was affected by actions in this world, the king could not automatically lay claim to an ineradicably infinite stock of merit. Such thinking challenged the hierarchies of bureaucracy and military, which extended down from the king and which were implicitly supported by the same doctrinal cement. Buddhadasa's ideas asserted the moral authority of the individual in face of the institutionalized moral and political authority of Sangha and state.

Buddhadasa himself evaded most of these implications. He remained in his forest monastery, and avoided conflict with the Sangha authorities. On the political side, he drew the conclusion that rulers must be 'good men' and must abide by the highest moral principles in order to earn their legitimacy. But he made no decisive pronouncement on the appropriate way in which rulers should be selected. At times, he argued that the search for 'good men' would lead to a kind of philosopher-king. At other times, he appeared to believe that democratic systems of selection would work better (Buddhadasa, 1986). Buddhadasa maintained private links with figures in the democratic tradition such as Pridi and the radical writer, Kulap Saipradit. But he avoided the political platform. His followers drew out the political implications of his ideas to challenge the central control of the Sangha and to justify support for political movements opposing the state.

Several movements appeared within the monkhood challenging the centralized control of the Sangha under Sarit's 1962 Sangha Act, and criticizing the politically appointed Sangha hierarchy as conservative and unresponsive to social needs. In 1973–4, a Young Monks Group appeared alongside students and farmers during the urban demonstrations. When Sangha authorities criticized this political involvement, the young monks responded that it was much worse for senior monks to bless the army's guns and the capitalists' business ventures. In 1975, the Federation of Buddhists of Thailand, formed earlier to protest against the persecution of Phimontham, helped to compile an act to reform the Sangha along the more democratic lines of Phibun's 1941 Act. The bill passed its first reading in the Assembly, but disappeared with the 1976 coup. In 1984, the Young Monks Group started an agitation to reform the Sangha Act and return to the more decentralized 1941 version. A movement of young urban-educated monks called the Yellow Doves criticized the Sangha administration as moribund, and uninterested in modern social problems and social needs.

Buddhadasa's protégé, Panyanantha, extended from criticism of the Sangha hierarchy to support for broader movements of protest against state authority. From 1962, he was abbot of Wat Cholapratan, on the northern outskirts of Bangkok. Besides criticizing the Sangha authorities and reviling the superstition of popular Buddhism, Panyanantha emphasized the importance of political action: '[We should] develop the general public's interest in politics, then the country will survive, because politics is a matter for everyone [to be interested in] including the *sangha* too.... If in any country the public is not interested in national affairs, then the country will not survive, dictators will take over' (Jackson, 1989: 137, quoting from *Siam Rath Sapda Wijan*, 18 July 1982). Panyanantha allowed his monastery to be used by pro-democracy political rallies. In 1983, he presided at Pridi's cremation ceremony.

The combination of lay participation in religious practice, defiance of the Sangha, and support for political radicalism came together in the Santi Asoke movement. Phra Phothirak began his career as a television producer, and then entered the monkhood in 1970. He claimed to adopt the framework of Buddhadasa's ideas, and took upon himself the duty of putting his interpretation of those ideas into practice. Within his monastery, he adopted the strict ascetic practices of a forest monk, and criticized other monks who were less rigorous. Then in 1973, he abandoned the monastery, symbolically rejected the Sangha by returning his monk's registration card, and claimed the right to set up his own new sect.

Phothirak fashioned a modern, urban version of the long-standing tradition of forest monks. He argued that the strict ascetic practice endowed himself and his followers with great moral authority, and freed them from the overarching authority of the official Sangha. He personally claimed that he had acquired a high level of spiritual attainment, and hence had a duty to lead a movement of spiritual regeneration. His Santi Asoke movement, again based in the environs of Bangkok, attracted followers from the ranks of the educated

and the lower middle class who admired Phothirak's ascetically based moral power. They welcomed the opportunity to participate in the movement personally. They found satisfaction in the message of self-improvement through discipline and perseverance.

Santi Asoke took up Buddhadasa's dictum that a good Buddhist had a duty to work for the betterment of society in this world. In the 1980s, Santi Asoke emerged as the focus of an active political movement. In 1981, Chamlong Srimuang joined Santi Asoke. He had been a founding member of the radical Young Turk movement in the army. While remaining a layman and a career politician, Chamlong also adopted the practices of a Santi Asoke monk, including vegetarianism, celibacy, and a rigorously ascetic lifestyle. In 1983, Chamlong published a book of his articles under the title *Thang Sam Phraeng* [The Junction of Three Roads], positioning himself at the intersection of the military, politics, and Buddhism. In 1985, he was elected mayor of Bangkok and in 1988 he formed the Palang Dharma Party with a core of Santi Asoke devotees. By the late 1980s, he had combined the roles of the ex-military politician (the standard of the decade) with the moral authority of a monastic ascetic.

From 1973, the police, the Sangha, and the Religious Affairs Office of the government wrestled with the question of the legality of the Santi Asoke movement. In 1989, the Supreme Patriarch asserted the principle of the Sangha's absolute authority and the implicit unity of 'nation, religion, and king' against the self-righteous claims of the sect. He asserted that Phothirak and his followers 'cannot be Thai people. They should not live in Thailand. If you are a Thai, you have to accept the things accepted by the Thai nation. That is the fundamental point' (McCargo, 1993a: 49). The police arrested Phothirak and his associates. After negotiation, the authorities refrained from submitting them to a formal defrocking. In return, the Santi Asoke adherents agreed to cease calling themselves monks, to abandon their forest monk-style robes, and to cease claiming to operate as a new Buddhist sect. However, the government could find no grounds to suppress the lay community of Santi Asoke, which continued to operate, and continued to form the core of the Palang Dharma Party.

Suan Mok, Santi Asoke, Dhammadkai, and several other reform movements arose from the 1960s onwards in response to a demand for Buddhist philosophies and practices which matched the aspirations of members of the new urban society. In varying ways, these movements asserted the capacity of the individual for self-improvement, and the right of the individual for direct participation in religion. Some went beyond, to assert a greater role for the lay individual in the management of the Buddhist establishment, and to justify political movements which opposed the authority of the state.

Defending the Village

From the 1960s, the countryside was dragged into a closer relationship with the city. Urban capital took a larger part in exploiting the resources and labour reserves of the rural areas. The government extended its bureaucratic reach.

Television replaced local forms of entertainment. Labour migration pulled the young out of the villages. Urban business backed by the government sought to enclose land, forest, and water resources. More and more, *muang* (city) ruled, exploited, instructed, and manipulated *ban* (village).

In many different ways, the countryside reacted to this subordination, using both old and newly modified forms of the classic strategies of evasion and resistance. Villages set out to defend their identity, their integrity, and their claims on natural resources. During the 1980s, land, trees, and water became battlefields between *ban* and *muang*.

While labour migration into the city increased rapidly, remarkably few rural migrants opted to stay permanently. By far the majority circulated back to the villages. Some stayed in the city just long enough to build up the capital needed to survive in the new agrarian economy. Some made repeated trips to the city for supplementary income, but retained their long-term rural residence. Many continued to vaunt the superiority of village over city as a residence and a way of life:

We are people of this locality, we are peasants. How could we change into something else.... In the city it is full of mosquitoes, the water reeks of chlorine, it's hot. Only fun for a visit, not to live there permanently. Living in the village is better. Everything is pretty, cool to the ears, cool to the eyes.... In the countryside we depend on one another.... It is better than in the city where everyone comes from separate places. They do not know one another. No one can rely on anybody (Chatthip and Phonphilai, 1994: 76).

In *luk thung* songs, where the life and times of the rural–urban migrant were the dominant theme, the singer often remembered the village left behind, criticized the inadequacies of city life, and looked forward to returning home. Phumphuang Duangjan, the most popular *luk thung* singer in the late 1980s, sung of a boy and girl planning their escape back from an urban bar to their village:

From the bar I said goodbye to the waiter boy
 I floated myself by my fortune
 No longer would I be partner no. 5
 I would stop being a night woman
 It made me cry because people looked down on me
 Just because they could buy me and a beer with their money.

In my dream I met a man and gave myself to him.
 But he had a wife and four kids.
 My dream faded. I had to return to the bar
 You have been waiting for me, boy,
 Please forgive me and be patient
 I will be the darling of the bar.
 You are only a poor waiter
 But if we are patient and save together
 The dream may not be far away.
 One day we'll have money
 Then we will return to our village
 And build ourselves a life again.⁸

In the 1980s, many industries such as gem-cutting and garments put out the production work to groups working in the villages. In part, this was a function of costs. In part, it was a response to labour preferences. Potential workers were reluctant to leave the village for the factory. Some migrants worked in the factories, and then persuaded their bosses to let them continue the work on a putting-out basis from a village base. The labour migration to the city was partly the modern equivalent of the peasant youth's temporary exodus from the village in search of knowledge. The new knowledge with which they returned included mechanical skills learnt at US bases, city machine shops, or Saudi Arabian public works; entrepreneurial skills learned from the city's informal sector; and political skills gleaned from city residence and trade union involvement.⁹

Some villages took active steps to defend the village against the intrusions of capitalism and bureaucracy. Phra Phor Pan was a northern villager who followed the tradition of travelling in search of knowledge. He gained experience working in the lucrative logging and opium trades, and spent three years meditating in a forest retreat. In 1970, he returned to his home area in Chiang Mai as a monk and set out to solve disputes arising out of the sharing of irrigation resources. He tried to build an ideal community in a newly settled village on 5,000 *rai* of land. All the land and irrigation sources were owned jointly by the community, and the administration of the village and its resources was vested in a communal government. Against the background of the insurgency, the government opposed Phra Phor Pan's experiments in rural socialism, and by 1976 had begun to break up the community by enforcing a division of the landed property. Phra Phor Pan retreated into the monkhood for four years, but then returned to the secular life to found and lead several schemes for communal management of irrigation works and co-operative production.

In the early 1980s, such schemes of rural economic defence spread more widely. Some peasants experimented with techniques of mixed farming or integrated farming, which provided a more stable subsistence income than the monocultures of rice, cassava, or maize.¹⁰ Peasant groups set up rice banks, co-operative shops, buffalo banks, and cattle-raising projects designed to reduce their dependence on merchants and outside suppliers. In Khon Kaen, a villager who had obtained a law degree from Ramkhamhaeng University returned to his home area as a teacher, and established a community cattle-raising project which became a model for other villagers. In the early 1980s, a Songkhla village began a communal saving scheme which nine years later had over 2,500 members and a revolving fund of 20 million baht.¹¹ While these experiments were limited in extent, they acquired fame and meaning beyond their locality.

Several of the leaders of this new wave of village defence were monks or teachers, people who were rooted in the village but who had travelled to the city and acquired some authority and expertise with which they could help manage urban intrusion. Khrong Chandawong came from a peasant family from the far north-east, studied to become a teacher, opened a series of schools

around his home region, and went on to become an elected member of the Parliament. He advocated collective farming, and campaigned for the regular election of village headmen. He became so popular and powerful as a local leader that Sarit had him executed for plotting a movement of secession from the Thai state. Thep Chotinuchit, who originated from a central region bureaucrat family, emerged as an influential local leader in the north-east through his activity in spreading local education. During the political movements of 1973–6, several monks of peasant origins mobilized the power of the robe to support farmers' protests against high rents and growing indebtedness. From the late 1970s, many individual monks and monastic organizations became involved in development work and village defence. Some were motivated by Buddhadasa's tenet that it was a proper duty of a monk to work to reduce suffering in this world.

During the upsurge of 1973–6, Kampoon Boontawee, a peasant-turned-teacher from the north-east, published a novel, *Luk Isan* [Child of the North-east]. Kampoon painted a semi-autobiographical picture of life on the agrarian frontier half a century earlier in order to argue that the traditions of independence, community co-operation, and defiance were relevant solutions to the agrarian problems of the present day.

The opening sections of the novel quickly define the enemies of the village as merchants, officials, and *muang* culture. One of the boy narrator's older relatives recounts how he travelled to Bangkok in search of knowledge, but was rebuffed by the city monks as a country bumpkin, and then cheated out of his money by a merchant. The government is portrayed as largely irrelevant, but occasionally malevolent. It appears in the book in only two places: first in the guise of army conscription, an echo of the hated institution of corvée; second as a predatory police force, victimizing and dunning villagers for the harmless manufacture of local home-made liquor.¹²

The first half of the book focuses on the importance of local wisdom. The boy narrator undergoes a village education, which mostly concerns the hunting, collecting, and preparing of many different kinds of food, but which extends to knowledge of the spirit forces in the environment, and the ethics of co-operation within the village community. The second half of the book dramatizes the importance of community. The narrator and his extended family migrate temporarily to the Chi river basin to escape a local drought. By working closely together, the migrant group overcomes the hardship of the journey, and collects a large stock of food. Both along the way, and at their temporary site on the Chi, they experience warm hospitality from other village communities. On their return, their food stocks are distributed for the benefit of the whole community. The book ends with a tone of optimism, generated by plenteous eating and *mo lam*. In the final pages, the narrator sums up the human potential for defying the hardships of the natural and human environment through the assistance of local knowledge and the strength of the community: 'He would survive, because he was a child of the Northeast. He had descended from a thousand ancestors who had met such years, and survived.'¹³

Kampoon's novel, with its hymn to local wisdom and the village community, was directed at an urban audience. In the 1970s, other newly educated children of the peasantry like Kampoon started to use stories, songs, and newspapers to focus urban intellectuals' attention on the process of change and the possibilities of defiance in the villages. In the same period, some intellectuals and social critics began to question the role of the government in the village.

The NGO Movement

The polarization of 1975–6, the violence of 6 October, and the defeat of the CPT forced left-wing intellectuals to rethink both the analysis of Thai society and the strategies of resistance. Those emerging from the jungle in 1980–1 conclusively rejected the CPT's Maoist analysis of Thailand as 'semi-feudal, semi-colonial'. Most now saw Thailand as dominantly capitalist, although with some special features. Of the two most prominent of the 1973–6 student leaders, Thirayuth Boonmee described Thailand as 'semi-feudal, semi-capitalist', while Seksan Prasertkul saw the two main forces in modern Thai history as capitalists and the aristocracy–bureaucracy–military who collaborated 'to the benefit of both sides'. The historian Nidhi Aeusrivongse closed the gap further by describing the Chakri court and its trading activity as essentially 'bourgeois' since the early nineteenth century onwards (Nidhi, 1982; Ponpirom, 1987; Seksan, 1989; Gawin, 1990).

For some of the radical thinkers, concluding that Thailand was essentially capitalist automatically indicated a revolutionary strategy based on the working class. Others demurred, as much on grounds of practicality as theory, since the military had placed a firm grip on labour organization. They sought ways to shift radical strategy away from the idea of a frontal assault on the state. They found assistance from European socialist thinkers who had wrestled with similar situations of confronting a well-established, wealthy, and militarily powerful state. Some were attracted to Gramsci's concept of 'civil society', both as a realm of struggle separate from the domineering state, and as something which could be mobilized *against* the state. From the late 1970s, many who shared these views were attracted to work in bodies which organized aspects of civil society beyond the ambit of the state.

In this endeavour, the 1970s radicals joined with the descendants of two other socio-political traditions. The first originated from Pridi and his faith in the improving power of bureaucracy, the second from Buddhadasa and his emphasis on the duty of Buddhists to alleviate suffering in this world.

Dr Puey Ungphakorn was a disciple of Pridi who had become one of the leading technocrats of post-war Thailand. He had served as rector of Thammasat University, and as Governor of the Bank of Thailand. In the late 1960s, he raised objections to the Sarit-style development path on grounds of humanism and equity. He argued that Sarit's *phatthana* developed the cities at the expense of the countryside, and inflated the power of the central state at the

expense of local institutions. In 1969, he founded Munnithi Burana Chonnabot Haeng Prathet Thai, the Thailand Rural Reconstruction Foundation. He located the headquarters at Chainat, away from the centre of power. He raised money from businessmen rather than state institutions. The foundation stood for development which benefited the rural people.

Sulak Sivaraksa, the activist journalist who in the late 1960s railed against the 'Americanization' of Thailand and the pursuit of material wealth, became one of the leading lay disciples of Buddhadasa. He argued that 'modernization' undermined the institutions and traditions which formed the foundations of Thai culture. He advocated development based on Buddhadasa's principles of restraining greed, sharing resources, relieving suffering, and improving the quality of life through greater self-reliance. Sulak and Puey started the Komol Keemthong Foundation, dedicated to the promotion of Buddhist values, community education, social welfare, and the preservation of Thai art and culture.¹⁴

During the upsurge of student radicalism and liberal politics between 1973 and 1976, several students travelled to the villages and became attracted to working with these new NGOs. In the atmosphere of extreme political polarization in 1975–6, the conservative forces branded any liberal or dissident ideas as 'communist', and accused any non-government activists in the countryside of working for the insurgency. In mid-1976, the offices of the Komol Keemthong Foundation were attacked. After the October bloodbath, Dr Puey fled the country and lived in exile. Under the Thanin regime, NGO activity was suppressed.

In the late 1970s, several international relief organizations entered Thailand to work in the camps housing Indo-Chinese refugees along the eastern border. Some became aware that the villagers in the arid north-east were almost as disadvantaged as the refugees. They began rural programmes. The most active was the Catholic Council of Thailand for Development (CCTD). It first set up its office in 1973, but expanded as the refugee problem grew and military sensitivities were relaxed in 1977. Others included CARE, Friedrich Naumann Stiftung, and Redd Barna. The Catholic Council, in particular, was imbued with the spirit of the Second Vatican Council, which committed the Church to work within society on behalf of the poor and the underprivileged. Some of the students and activists who had been politicized by the 1973–6 period were attracted to work for these organizations. As Sulak noted: 'More and more people were convinced that to follow the government was not really the thing. And many people with a deep commitment wanted to work outside of the government. From 1978 to 1979 onwards, those who were involved in various activities started to work in small organizations' (Gohlert, 1991: 103).

In the early 1980s, several Thai NGOs were formed. Akin Rabibhadana, who had taught at Thammasat in the 1970s, moved to Khon Kaen University in the north-east, and began a Research and Development Institute which concentrated on village work. At Chulalongkorn University, Dr Puey's son, Jon Ungphakorn, took a leading part in the Thai Volunteer Service.

The NGOs, both international and local, set out to rectify the imbalances caused by post-1960 development strategy, partly to achieve a more just society, and partly to mitigate the social strains which had surfaced in the 1970s. The Thai Volunteer Service was committed 'to achieve a just and peaceful society in Thailand'. This would mean 'opening up opportunities for the deprived sections of society to achieve a fuller understanding of their situation and to develop their collective abilities to tackle their problems and develop their communities in their own way' (Gohlert, 1991: 126). The NGOs focused on village organization, appropriate technology, training of village level workers, and basic health care.¹⁵

The NGOs made common cause with technocrats who came from the same tradition as Dr Puey and who felt a similar desire to use development funds to diminish social tensions. Within the NESDB, a group led by Kosit Panpiemrat used the 'basic needs' approach advocated by the ILO to justify greater attention to rural poverty in the Fifth Plan (1982–6). Their 'Poverty Plan' aimed to reduce the absolute poverty level by identifying the 286 poorest districts, and spending funds there on infrastructure and employment schemes. In 1984, government planners and NGO workers held a joint workshop. The workshop report concluded that 'a large segment of the Thai population has not benefitted from the overall national development'. This was attributed to the government's top-down approach, its 'lack of knowledge of local culture and conditions', and 'its reluctance to relinquish power to local people' (Gohlert, 1991: 103–5). Some government agencies launched schemes in conjunction with NGOs.

While this section of NGO workers and enlightened bureaucrats wrestled with the problem of adjusting top-down development, another trend within the NGO movement set out to change the whole angle of vision. They took up and developed the ideas of community and local wisdom which were the message of Kampoon's *Luk Isan*. Niphot Thianwihan was an ordained Catholic priest who became a leading figure in the CCTD. In the early 1980s, Father Niphot suggested that rural development work which started with the aim of trying to *change* the village was fundamentally wrong-headed. The village was a community with its own culture, history, and harmony. Real 'development' should attempt to strengthen these. He argued that 'consciousness-raising in development is the search for the real consciousness of the community in order to stand up to outsiders' (Chatthip, 1991: 120). Conventional 'development' aimed to transform the village into a functioning unit within an urban-dominated capitalist society. Niphot argued that the village community was inherently *better* than urban, capitalist society, and development should endeavour to preserve it.

Apichart Thongyu, a 1970s student activist who became a teacher and then a worker with the Redd Barna NGO, argued that Sarit-style development had made Thailand 'an economic colony, dependent on the developed ones', and had made the village culturally and economically dependent on the city. It had broken down the village's historical self-reliance resulting in 'the big social

gap between rural and urban societies, and, coming after, confusion and chaos' (Seri, 1986: 50–4). Apichart saw no sense in rejecting the material gains which development had brought to the village, but he argued that development workers should concentrate on understanding, strengthening, and defending village culture because it was inherently superior to the invasive urban capitalist alternative.

Bamrung Bunpanya came from a peasant family, studied at Kasetsart University, and worked with Dr Puey's Thai Rural Reconstruction Foundation in the late 1960s. His thinking started from similar preconceptions as Apichart, but drove towards more radical conclusions. He argued that the village was a culture in its own right: 'Village is an enduring entity. It has been so for centuries. It is a "society" in itself. If such a "society" has been existing for such a long time, it means that it was an autonomous society with its own system of economics, administration, tradition and culture' (Seri, 1986: 96). He went on to draw a sharp contrast between 'capitalist culture' and 'village culture'. He argued that 'village culture' was older, better, and more worthy of 'development'. The only way to defend 'village culture' was to 'shake away the bonds of dependence, the bonds of the market system, and return to self-reliance' (Chatthip, 1991: 121). At the national level, the government should separate the economy from outside pressure through a 'nationalist economy' policy of greater self-reliance.

These trends of thought, which became known as the *naew thang chumchon* (community strategy), had a major impact on the work of NGOs. Several new NGOs founded from the mid-1980s were committed to 'alternative development'. They focused on indigenous culture, folk wisdom, and traditional technologies. In 1985, Apichart formed the Centre for Culture and Development which devised programmes to help villagers gain greater control over their lives and their environment. The Centre trained village doctors to bring basic health care into the villages, helped foster village leadership, formed small farmer networks which exchanged goods, services, and technologies to reduce their reliance on the outside market, and established a centre to collect and catalogue 'traditional wisdom'. Seri Phongphit, a former Catholic priest and professor of philosophy at Thammasat University, formed a Village Institute and Rural Development Documentation Centre with similar goals. He also helped form the Thai Institute for Rural Development (THIRD), which aimed to improve co-ordination between NGOs and to advocate the philosophy of alternative development on a broader stage.

In the mid-1980s, the work, networking, and publicity of the NGOs created a recognizable 'NGO movement'. In parallel, the thinking of the NGO theorists cross-fertilized with other intellectual movements and acquired an importance far beyond the scope of rural development.

Several progressive academics who came to prominence in the 1973–6 period gravitated towards this new rural movement. Chatthip Nartsupha had been instrumental in bringing 1960s-style neo-Marxist analysis to Thailand, and had helped create a political economy group in Chulalongkorn University.

In the early 1980s, he used oral history techniques to write *Sethakit Muban Thai Nai Adit* [The Economy of Thai Villages in the Past], which argued that Thai villages existed as autonomous entities before the imposition of the state. He emphasized that the villages were the real Thailand, and that both state and city were late interlopers. Preecha Piempongsarn, who came from the same academic stable, forged links between the village-centred view and dependency theory. He endorsed Bamrung's view that the village should withdraw from the state and that the national economy should delink from the world economy. Kanchana Kaewthep, also an associate of the same group, worked with Father Niphon and published his writings in a book on *Naewkit Wattanatham Chumchon Nai Ngan Phatthana* [The Idea of Community Culture in Development] (Bunthian, 1988). Seri Phongphit wrote widely on village-centred thinking and emphasized the anti-state implications: 'Let [the people] be themselves; let them be subject to their development; give them back their power, their decision, their education, their health, their government, their values, their self-respect, [their] self-confidence' (Gohlert, 1991: 143).

In the same period, several abbots of local *wat* founded local development projects which followed a similar trend of strengthening the village and local values in the face of the intrusion of the city and capitalism.¹⁶ By the early 1980s, there was a movement of *phra nak phatthana* (development monks) which paralleled the growth of the NGOs. Prawase Wasi, a doctor and university professor involved with NGOs in primary health care, strengthened the connections between the village-centred view and the reformist Buddhism of Buddhadasa. Prawase began from the proposition that poverty was the result of the 'oppressive structures' of the state and capitalism, and that poverty would be overcome only through resistance and self-reliance. The village's main problem was bureaucratic power. The bureaucracy should be withdrawn from the villages and replaced by community government. Villages would then be free to develop within the ethical guidelines emphasized by reformist Buddhism, resisting the unmitigated greed (*kilesa*) fostered by the capitalist ethic. Prawase did not simply contrast 'village' against 'state', but contrasted the village as the site of true Buddhist values against the state as the weapon of capitalism.

The village movement began with a search for a strategy of social change which avoided the polarization, confrontation, and violence of 1976. It developed into a view of society profoundly opposed to that of the military and other conservative elements. Conservative ideology imagined rural Thailand as a society of contented peasants owing allegiance to the state epitomized by the trinity of nation, religion, and king. The *wattanatham chumchon* view portrayed the state as the agent of capitalism, and portrayed the village as the essence of the real Thailand, the curator of the little tradition of popular wisdom, and the great tradition of true Buddhism. To defend religion and the Thai nation meant opposing the state, either by withdrawing into self-reliance, or by endeavouring to change the state's character. *Wattanatham chumchon* challenged the logic of nation, religion, and king.

Both Prawase and Bamrung appealed for the middle class to ally with the village movement to transform the state. The connections formed by Sulak, Prawase, and others created a route for the growing number of NGO workers and adherents of reformist Buddhism to espouse this new cause. The urban middle-class dissidents and the rural protesters worked from contrasting philosophies. The urban dissidents were driven by individualist ideas of self-improvement and self-realization. The rural protesters based their defence of the village on a concept of community. But they shared a common interest in blunting the power of bureaucracy.

Land, Forests, Dams, and Water

From the early 1980s, village and city fought over natural resources. Villagers protested against dam projects which brought electricity to the city, and damage to the locality. Villagers, officials, soldiers, and loggers fought for control of the forests. Villagers and industrialists fought over industrial pollution in upland rivers. In the early 1990s, the government had to adjudicate between the claims of agriculturists and urban consumers for diminishing supplies of water. These struggles forged the alliances between peasants and middle-class activists which Prawase and Bamrung had sought.

In 1982, villagers and NGOs raised a protest against the proposal to build the Nam Choan dam. The project would have flooded 223 square kilometres in the Thung Yai Naresuan Wildlife Sanctuary, part of one of the largest remaining forest tracts in mainland South-East Asia. Locally, the dam was opposed by the 2,000 Karen villagers who would be displaced, by other villagers who valued the forests as an essential element of the agrarian economy, and by local people who knew that previous dam projects in the region had led to deforestation, changes in local climate, disruption of fishery resources, declining rainfall, and possibly also increased risk of earthquakes. Environmentalists argued that the project would disrupt wildlife, and would facilitate illegal logging. Rural NGOs criticized the government for destroying large areas of forest in contravention of its own policy of forest protection. They opposed the transfer of resources from countryside to city through the destruction of local forests in order to generate electricity for the city. A handful of campaigning journalists publicized the cause, attracting international attention to the environmental implications.¹⁷

In 1982, the government shelved the project, but revived it in 1986. The ensuing campaign against Nam Choan brought together several of the scattered movements of dissidence into a single network. Buddhadasa voiced opposition to the project. The popular singer Add Carabao appeared at protest meetings and released an album of environmentalist songs. Several of the NGO leaders from the *naew tang chumchon* school joined the movement. The network against Nam Choan stretched from rural activist roots through many of the new subcultures of urban dissidence out to the international environmental movement. In March 1988, the government killed the project.

In parallel to the Nam Choan campaign, protests emerged against reforestation schemes and against illegal logging. In the late 1980s, there were several local protests against logging, concentrated in the north. They were assisted by NGO workers, by activist monks, and by publicity through the national press. In Samoeng district of Chiang Mai, local protests forced the government to withdraw a logging concession. In 1988, 5,000 people rallied at the government office in Phayao to force the government to revoke a forest concession. Villagers used the strategy of 'ordaining' trees by wrapping them with saffron cloth to protect them from loggers. In 1989, NGOs, students, and academics supported a local campaign to block a reforestation project run by the wife of a former MP. They succeeded in converting the area into a community forest. In November 1988 in the south, a mudslide caused in part by deforestation on the watershed swept away two villages and killed over 300 people. Unable to face down rising pressure from environmental groups, the government revoked all logging concessions. In September 1990, Seub Nakhathien, a charismatic forest officer in charge of one of the largest remaining forest areas, committed suicide, apparently in frustration at his inability to prevent the depredations of loggers and people of influence.

From the mid-1980s, there was a constant series of clashes over access to land in the forest fringe. Many of these clashes focused on the eucalyptus tree, which came to symbolize the competing claims of *ban* and *muang* over diminishing resources of land. Agribusiness persuaded the government to grant large tracts of 'degraded' forest land for 'reforestation' with the eucalyptus tree, which was in high demand by the growing fibre industries. Some of the lands granted were already occupied by peasants holding no land title. Some had been used as common land for grazing and collection of forest products. Villagers fought to prevent the enclosure of these lands. In 1991, these protests became more focused as the army threw its weight on the side of the Forestry Department and agribusiness, and laid plans to move 6 million 'squatters' out of the forest fringe under the Khor Jor Kor programme.¹⁸ The army initiated the programme in Dongyai, a Buriram forest which had earlier been a centre of the insurgency. In the ensuing battle of Dongyai, villager, NGOs, and forest monk squared off against soldier, logger, eucalyptus planter, and forest official.¹⁹

The NGOs and village organizations had set out in the early 1980s to 'build civil society' rather than to engage in battles with the state. Yet the protests over natural resources brought them into direct conflict with the government. In the campaign against Khor Jor Kor, the national politics of democracy versus military and the local battles in the forest fringe merged into one. At the national level, the NGOs were drawn into the campaign to oppose the NPKC's reassertion of military dictatorship. In late 1991, some NGOs interested in the protection of democracy and human rights led opposition to the new constitution composed to institutionalize military influence over Parliament. These human rights activists then tapped their networks of contacts in the NGO

movement for support. By early 1992, these networks gelled as a broad movement of protest against military rule. The leaders included prominent members of human rights, environmental, and development NGOs. Prawase Wasi took a leading role. Add Carabao lent support. In parallel at the local level, NGO activists organized north-eastern villagers to resist the army's implementation of the Khor Jor Kor programme. Immediately following the May crisis and the fall of the NPKC junta, the NGO organizers brought the protests against Khor Jor Kor to a climax. In late June, 4,500 villagers assembled in Khon Kaen and resolved to march on Bangkok along the Mitraphap highway. This progression from the periphery to the centre was both profoundly symbolic, and good political strategy. The newly installed civilian Cabinet, which was anxious to distance itself from military policies, hastily cancelled the Khor Jor Kor programme.

As the military gradually recovered from the defeats of mid-1992, military ideologists opposed the growth of NGOs and attempted to brand certain NGOs, if not the movement as a whole, as a resurgence of 'communism'. They pointed out that many ex-activists and 'jungle graduates' had joined the NGOs. They drew attention to the NGO's overseas funding. They suggested that NGOs served as a conduit for foreign elements to influence Thai politics with cash and ideas. They objected to the inherent anti-statism of much of NGO thinking and practice: 'Many NGOs teaching in up-country areas oppose the curriculum of the Ministry of Education. They are encouraging kids when they grow up to oppose social norms and oppose the state. This is a strategy of warfare to oppose government policy. What does this mean? Many NGOs contain ex-communists in disguise.'²⁰

The political engagements of 1992, and the overt opposition of the military, set off a debate within the NGO movement over strategy. Some experienced NGO workers argued that NGOs could not hope to solve rural problems without engaging with the state: 'I have been working in villages for more than 20 years. It's not working. We have to work on the policy level too.... And we need to connect our work with other democratic forces in society.'²¹ Younger activists countered that 'the battleground is at the local level where corrupt officials and godfathers operate... our limited resources are spent on chasing after the political issues of the moment, which are not at all relevant to the villagers' local needs'.²²

Conclusion

From around 1970, the size of the urban, non-bureaucratic, white-collar labour force expanded rapidly. The numbers of small business owners, educated self-employed, professionals, and white-collar employees grew from a few thousand to several million in the space of a generation. This new class was a creation of accelerating economic growth in a relatively open economy. Thailand rapidly developed a sophisticated white-collar labour force in order to function within the world economy.

Most of the members of this new salariat were content with personal advancement. If they felt the need for a religious framework which matched their social situation, they were most likely to adhere to Dhammakai which blessed individual self-improvement on both the worldly and spiritual planes, but which deliberately avoided any wider social and political implications. Yet some members of this new class became more radical. They were born in the era of Sarit, grew up during the crisis of 1973–6, and came of age during the years of repression and restored army supremacy after 1976. In many ways, they defined themselves in opposition to the bureaucratic state and its ideology. Moreover, the individualist ideas which underlay even conservative Dhammakai, and which permeated much of popular culture, opened up a ‘slippery slope’ down which some thinkers, philosophers, and activists slid towards their more radical social and political implications.

In the 1980s, the new urban radicals helped to build or strengthen a series of institutions and organizations outside the structure of the bureaucratic state. They embellished the relatively free press. They created and consumed new artistic traditions of social commentary and reflection. They popularized new doctrinal interpretations within Buddhism. They created an NGO movement. Through these institutions, they asserted a greater degree of control over their own lives, and over the life of community and nation. This self-assertion implied opposition to the centralizing, absolutist mission of the bureaucratic state. They demanded wider press freedom. They supported dissident religious sects outside, and sometimes against, the Sangha. They challenged the prevailing ideologies of state-led economic development.

These movements within religion, popular culture, mass media, and development work were scattered and diverse. Yet in the late 1980s, they began to coalesce into a loose but identifiable set of interlocking networks. Figures like the medical doctor Prawase Wasi formed a bridge between the movements of religious reform and the NGOs. The academic and television presenter Chirmsak Pinthong made connections between the NGOs and the mass media. Stars like Add Carabao bridged popular culture to the environmental movement.

In the countryside, the army’s insurgency campaigns, propaganda barrage, and vigilante campaigns only temporarily stemmed the resistance against the pressures of capital and bureaucracy. New movements, organizations, and leaders emerged to defend the identity of *ban* against *muang*, the economy of the village against exploitation, and the resources of land, water, and forests against urban enclosure. In the locality, these battles pitched village community and forest monk against the soldier, the logger, the Forestry Department, the agribusiness, the dam, and the eucalyptus tree. The protests against the Nam Choan dam and the army’s Khor Jor Kor scheme aligned the traditions of village defence with new movements of urban dissidence. The assault on the forests dramatized the opposition of village against capital and state which was at the core of the community-culture movement. It also epitomized the strategy of unsustainable consumption of natural resources which

the environmentalists opposed. The Nam Choan and Khor Jor Kor campaigns built an alliance between village groups and urban middle-class politics which prompted a series of smaller campaigns against dams, loggers, commercial foresters, golf courses, and polluting factories.

The march of June 1992 against Khor Jor Kor established the symbolic role of the Mitraphap highway as the route connecting *ban* and *muang*. In late 1993, Isan peasants again marched on Bangkok along the Mitraphap highway to stage a protest against low farm prices, debt, and the lack of government support.²³ The peasants' leader explained:

So far, the state's development policy is destroying the livelihood of farmers, directly and indirectly. The state used farmers as a tool to develop industries.... The agricultural sector became a tool of the industrial sector.... The century-old system looks upon farmers as stupid—a lower class and slaves who need to be ruled.... Thailand can be the fifth 'economic tiger' if she wishes. But without a balance between the agricultural and industrial sectors, and with farmers continuing to have their blood sucked by the industrial sector, society will never have peace... Isn't it strange that all the roads lead to Bangkok?²⁴

1. Readership figures from the annual Media Index survey by Deemar Co. *Thai Rath* commanded over double the readership of its nearest rival (*Daily News*), and accounted for over half of all newspapers read in the country.

2. 'How does it feel like not having even a bridge across the canal in your hometown while there are several multi-million-baht bridges in Bangkok?', *Bangkok Post*, 11 December 1987.

3. Some of the best of these works are available in English; see Khamsing (1973), Khammaan (1992), and B. Anderson and Mendiones (1985).

4. Data from the annual Media Index survey by Deemar Co.

5. See Chapter 9.

6. Princess Sirinthon laid the *wat*'s foundation stone, and participated in its functions. Generals Arthit Kamlang-ek and Chavalit Yongchaiyudh were prominent supporters.

7. On the persecution of Phimontham, see Chapter 8.

8. *Partner boe ha* (partner no. 5).

9. Bamrung Kayota, who became a prominent rural leader in the early 1990s, was a north-easterner who had lived in the city for ten years and been active in trade unions. See *Nation*, 10 November 1993.

10. Examples included Pho Ajarn Thongdi in Wangnoi, Khon Kaen. See Chatthip and Phonphilai (1994).

11. The scheme was so successful that the government authorities declared it illegal.

12. Conscription is a problem for the headman because he loses face when recruits from his village 'run away'. Writing in the late 1960s, Keyes (1970: 121–2) noted that: 'Peasant attitudes towards the police are almost universally the same—namely the police are feared and often disliked or hated.... Police come to the villages to suppress such peasant practices as producing "home-brew", cutting trees for lumber, or slaughtering large animals.'

13. *Luk Isan* was first serialized in *Fa Muang Thai Raisapda* in 1975–6, won several awards, was made into an outstanding film in the early 1980s, and was translated into English by Susan Fulop Kepner in 1988.

14. Komol Keemthong was a teacher and activist who had been murdered.

15. Another set of NGOs worked in the slums and among the urban poor. Their focus was similar—education, primary health care, basic infrastructure, and community participation.

16. See Gohlert (1991: Chs. 7–8) for examples.
17. Notably Sanitsuda Ekachai and Anne Danaiya Usher.
18. The acronym Khor Jor Kor stands for *khrong kan jat thi thamkin hai kap rassadorn phu yak rai nai phu'nthi pa sanguan su'amsom* [the project to allocate land for livelihood to poor citizens in degraded forest reserves].
19. See Chapter 2.
20. Pulsak Wanphong, ex-dean of law at Ramkhamhaeng University and a lecturer at the military academy, in *Phujadkan Raisupda*, 13–19 September 1993.
21. Sompop Bunnag, quoted by Sanitsuda Ekachai in *Bangkok Post*, 11 July 1994.
22. Akanit Pongpai, quoted by Sanitsuda Ekachai in *Bangkok Post*, 11 July 1994.
23. The protests were partly levelled against the government's refusal to take responsibility for a series of agricultural development programmes which had disastrous results. These programmes included a scheme to import Australian breeding stock. The animals turned out to be infertile, and were quickly dubbed 'plastic cows'. These failures were testament to the government's lack of experience in agricultural development.
24. Bamrung Kayota, reported by Pravit Rojanaphruk in *Nation*, 10 November 1993.

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Conclusion

OVER the past two centuries, Thailand has been open to the economic and political forces sweeping across the region and the world. In the nineteenth century, it was sucked into colonial trade. From the 1940s, it became a theatre for the political rivalry of the Great Powers during the cold war. From the 1950s, it was open to the internationalization of economic forces—the spread of multinationals, the expansion of Japan, the relocation of manufacture, and the globalization of capital. Thailand has been very open to external influences. But these external influences have been mediated through forces in the local economy and society.

At the start of the nineteenth century, Siam was an open frontier. Bangkok was a small, new port city. The hinterland was largely empty of people. In the encounter with the West, Siam avoided colonialism. Its economy and polity were transformed in the colonial period, but not along the lines imposed by formal colonial rule. From this background come three long-term trends which have shaped Thailand's modern economy and polity.

First, from the mid-nineteenth century a new peasantry expanded across an agrarian frontier constrained neither by the land shortage of older settled areas, nor by the overlordship of landlords and revenue officialdom characteristic of colonial rule. The production of peasant agriculture powered the economy. The creation of a new frontier peasantry shaped the polity.

Second, the development of the polity echoed the earlier history of European monarchies more closely than it followed the pattern of colonial and post-colonial states. The expansion of the frontier peasantry weakened the old administrative nobility and provided the opportunity for the crown to establish an absolutist state. Although the role of the monarchy within this polity was altered in 1932, the structure and ideology of the absolutist state remained. It strongly resisted the pressures for decentralization and representative democracy.

Third, Bangkok expanded as a free-wheeling city of commerce and industry, dominated by the entrepreneurial migrants from the south China coast. Unlike most colonial and post-colonial territories, the economy remained remarkably open. Unlike other migrant merchant communities across the port cities of Asia, Bangkok's Chinese community was absorbed without major persecution, was not disrupted by the stresses of decolonization, and was able to accumulate after 1945 in a relatively benign and unfettered environment.

From the 1970s, the political economy underwent a dramatic and rapid revolution. In the space of little more than a decade, Thailand was transformed from an agrarian economy exporting crops to an industrial economy exporting manufactures and services. This transformation evoked new social forces, new political structures, and new conflicts.

The Peasant Century

For over a century, the agrarian frontier dominated the political economy. The frontier was created by the abundance of available land, by the new colonial trade in agricultural produce, and by the opportunism of the Crown to undermine the aristocracy. From the 1850s to the 1980s, the peasantry cleared and settled some 150 million *rai* of land, established some 5 million farm holdings, and expanded from a few hundred thousand people to around 40 million. Even in the 1960s, the peasantry still represented over four-fifths of the population.

In this century, the agrarian frontier was the driving force of the economy. By the 1870s, rice had replaced forest produce as the major export. Over the next 80 years, rice exports multiplied 15 times. In the 1950s, the Korean war boom and US-funded highways carried the frontier expansion into the uplands. In 1970, agriculture still supplied two-thirds of all exports, and contributed twice as much to GDP as manufacturing.

The frontier peasantry was a new social force. It developed from *phrai* and *that* escaping the old systems of forced labour, from the hunter-gatherer communities in the hinterland areas newly incorporated into Siam, from the descendants of Chinese immigrant settlers, and from war prisoners and refugees from the Lao, Khmer, Malay, and Burmese regions. The peasantry developed traditions of self-sufficiency, independence, and anti-centralism which reflected its formation in frontier conditions. For around a century, it was remarkably free. Compared to most Asian peasantries in the same era, it suffered little from the domination of landlords, officials, and merchants.

By far the majority of the peasantry were independent smallholders. In the late nineteenth century, king and aristocrats set out to establish themselves as great landlords. They built canals to drain the delta swamps, and laid claim to great estates. But their efforts were opposed by the peasants who laid claim to the land by usage right, and eventually by the king, who wished to prevent the growth of a landowning nobility. Instead, the king encouraged the growth of a free peasantry by demolishing old systems of servitude, transferring the task of draining the swamps from the aristocrats to a government department, and providing a legal framework for peasant colonization. By 1983, less than 11 per cent of landholdings fell under the control of landlords, and even these landlords were mostly bureaucrat absenteeees. There was no traditional landlord class, no culture of landlordism.

The rulers managed this huge new social force largely by leaving it alone. The modern state inherited no traditions for governing such a peasantry. The traditional polity had not managed land (except in the small core domain) and

had little machinery of land registries, land courts, and land revenue administration. At the start of the twentieth century, the government laid plans to create such machinery, but then abandoned the project. For three decades, the government struggled to collect land- and poll-taxes from the peasantry, but then gave them up. It was far easier and less politically fraught to tax the produce of land as it passed through the port and through the pockets of the urban Chinese. Most villages saw an official rarely, if ever.

Until the post-war period, urban capital was unable to dominate the peasantry. Most colonial governments created systems of law and property rights which enabled urban merchants to invest capital in the agrarian economy. Siam did not. The urban merchants who extracted the paddy from the peasantry for international trade invested little, risked little, and exploited lightly. They did not tie up the peasants with debts, take effective control of their land, or invest in expanding their surplus—the strategies seen in many colonial territories. Instead, they coaxed the peasantry with *pla thu*. The surplus extracted for trade was small in relation to the reserves of land and labour. In times of economic depression, the peasantry did not turn against the Chinese traders. Rather, the peasants retreated towards subsistence, and the traders went bankrupt.

The peasantry developed an economy, culture, and way of life which was separate, distinct, and distinctly ‘peasant’. It had very little of the urban influences usually imposed by landlord, revenue official, or urban merchant. The core of this culture was the concept of the village as a community of people making use of the natural environment for survival and mutual benefit. This culture placed special emphasis on two things. First, on the value of pooled community effort to overcome the difficulties of survival, and to combat the threats lurking in the natural environment. Second, on the value of specialist knowledge in controlling the dangers in the natural environment, the spirit plane, and the outside world. Village leaders were usually chosen for such expertise which brought benefits to the community. Forest monks, *phu wiset*, *phu mi bun*, *tonbun*, and *mo lam* possessed specialist expertise which was shared among villages.

From the 1950s, the relative separation of the village was rapidly broken down. Roads and electronic media connected the city to the countryside. Urged ahead by the US mission to block communism, the government pushed policemen, teachers, development workers, and vigilantes along these roads into the villages. With government backing, urban capital invested in increasing agricultural production, and increasing the efficiency of extracting a surplus. In the paddy tracts, rural society was subject to the differentiation typical of peasant societies dominated by the market. In the uplands, the frontier expansion was led by exporters, agribusinesses, and their agents. Village headmen were prised away from their village roots and attached to the networks which the government and urban capital extended into the village. From school, radio, television, *wat*, and government official, peasants were instructed in new forms of knowledge and expertise claimed to be superior to their own.

The impact of this change was dramatic. But it was also uneven, incomplete, and resisted. At one end of the spectrum, some peasants were wholly absorbed into an urban-based economy and culture as producers or labourers. Especially in the longer-settled, more developed paddy tracts of the central plain, some smallholder peasants were converted into entrepreneurial smallholders. In both these central and more peripheral areas, large numbers of peasant families lost access to land, and lapsed into permanent wage labour. In growing numbers, these reserves of labour were transferred to the city to work in the informal sector and modern industry.

Yet, at the other end of the spectrum, a large number of peasant families continued to live a frontier existence in the forest fringe. They had no land rights, no guarantee of fixity, no easy access to capital, and a poor natural resource base. They continued to practise a semi-subsistence existence, and to preserve the culture which accompanied that economy.

Most of the old peasantry was distributed at some point on the spectrum between these two extremes. The century of the frontier had created a large peasant class which urban expansion could not quickly or completely absorb. In Taiwan and Korea, two decades of urban growth converted their much smaller peasantries into a mass of urban workers and a smaller residue of market-oriented farmers. In Thailand, a large, semi-transformed segment remained. They continued to maintain their principal residence in the village. They grew rice for subsistence, and gathered other food and materials from the forest. They bought more of the consumer and durable goods provided by the urban economy. They paid for these by supplementing the diminishing returns to agriculture with increasing amounts of off-farm work. They raided the town for supplementary income earned as taxi-drivers, service girls, or factory workers. Large numbers managed to raise these supplementary incomes in the countryside, or else to spend short stays in the city and circulate back to a village home. The culture, economy, and way of life evolved in the frontier century showed remarkable resistance in the face of the urban assault. This was possible because most peasant families still had access to land, and because most peasant children did not have access to the secondary education which unlocked wider possibilities in the city.

The strength of the village culture developed in the frontier century provided the basis for resistance to urban incorporation. Indeed, traditions of resistance had become a key element in village culture. The *phu mi bun* and other revolts at the turn of the century had mobilized ideas of community, morality, and local knowledge in opposition to tax and governance. The insurgency of the 1960s and 1970s drew its strength from resistance to taxes, to land laws, to police arrogance, and to army control. Khruba Siwichai, Phra Phor Pan, Khrong Chandawong, Intha Sribunruang, Sila Wongsin, Bamrung Bunpanya, Bamrung Kayota, and a host of other leaders articulated local opposition to the inroads of government, overlords, and urban culture.

The Absolutist State

In the pre-modern polity, the profits of trade were the foundations of wealth and power. The ruling class of king and aristocracy realized those profits through systems of forced labour to collect trade goods from the hinterland forests, to staff the great households, and to man the army.

In the nineteenth century, shifts in the trading environment undermined this polity. The decline of the China trade reduced the wealth of king and aristocracy. The opening of the agrarian frontier pulled people away from systems of forced labour. Trade diminished. Forced labour escaped. The foundations of the old polity dissolved. King and aristocracy tried to bolster their incomes, first by increasing the exploitation of the forests of Isan; second, by commissioning Chinese tax farmers to extract more revenue from the expanding agrarian frontier; and third, by making a deal with British opium traders for a joint venture in trafficking to the growing migrant Chinese labour population. But these were desperate measures with dangerous potential. They converted the heads of the *angyi* into barons. They tempted the colonialists.

By the 1870s, king and aristocracy were severely weakened. They faced growing difficulties managing the new classes of peasants, labourers, and newly rich Chinese merchants. They feared the imminent possibility of revolt, bankruptcy, or colonial invasion. They fought among themselves over the diminishing supplies of tax, tribute, and forced labour. From a desperate position, the Crown seized the opportunities presented by the weakening of the aristocracy and by the growing importance of the agrarian frontier to build a new centralized and royal-dominated polity.

The foundation of the new absolutist royal state was the peasantry. The peasants weakened the aristocracy by fleeing their employ, generated the wealth on which the new state was based, manned the new royal army, and provided the underpinning of the new state's ideology.

The Crown snatched the growing revenue from the peasant frontier back from the hands of the tax farmers. It hastened the decline of the old systems of forced labour, and then swept the free peasants into conscription for the new standing army. It built a new royal demesne in the peasant rice economy by commandeering land in the canal tracts, and by investing in the rice mills, banks, and shipping companies involved in rice exports. Finally, the Crown broadcast a new ideology of the king as absolute ruler of a peasant nation. All peasants were Thai. All peasants were Buddhist. The king was the protector of Buddhism and the embodiment of the Thai nation. King, religion, and nation were simply three descriptions of the same unity.

To realize this vision, the Crown launched projects to turn the cosmopolitan society of the frontier into Thai, Buddhist peasants by teaching them Thai and marshalling them within a unified Buddhist religious establishment. But the *idea* of a nation of Thai peasants owing absolute loyalty to the Thai Crown did not have to wait for this project's completion. It could be imagined immediately.

The state was absolutist in the sense that the ideology of nation, religion, and king made the king the fount of all authority as the embodiment of the nation. It denied the legitimacy of political authority derived from other sources, including popular representation, local standing, and historical right.

For inspiration in devising the administration of the new state, the crown studied the activities of colonial powers engaged in parallel processes of state-building in neighbouring territories. The crown also 'scrambled' against the colonial powers to enclose the outer regions of the hinterland which were ruled by a patchwork of local rulers and chieftains. Ben Anderson and others have noted this parallelism, and dubbed the Chakri expansion as colonialism or 'internal colonialism'. While this comparison has a lot of merit, it should not be allowed to disguise some very important differences between the new Thai state and colonial systems. Inspired by their feudal heritage, the European colonial rulers founded their state systems on control of land. They built up intermediaries of landlords, planters, and land revenue officials between government and peasant. The Thai rulers toyed with such a structure, but rapidly abandoned it. They did not have the heritage or experience to found such a system in the face of peasant opposition. They did not want to turn the aristocrats into powerful landlords. By contrast, the Thai absolutist state was founded on the local heritage of controlling people, not land. The central institution was not the Land Department, but the Ministry of Interior. The intermediaries between government and society were not the landlord or land revenue officer, but the policeman, the *nai amphoe*, and, later, the *kamnan*. The key documents were not land deeds, but lists of people—the poll-tax registries, the conscription records, the house registrations, and the identification cards.

To run the state, the crown transmuted the old people-controlling aristocracy into the new people-controlling bureaucracy. The core of the new administration was staffed from the old *nai* aristocracy, from the provincial nobility, and from some successful Chinese commercial families which made the leap from trade to royal service. They managed the state as the *kharatchakan*, the servants of the realm, the king's men. Around the ideological core of nation, religion, and king, they built a culture of rule by bureaucracy.

Some radicals within the bureaucracy argued that the domination of the government by an absolute ruler restricted Siam's potential to become a great economic and political power. They were supported by many new forces in Siam's urban society who felt excluded from political representation. The 1932 revolution did away with the absolute monarchy, and for some years threatened it might herald the end of monarchy as a whole. But the 1932 revolution also brought into play other social forces which threatened bureaucratic power—rising merchants, dissident intellectuals, organized labour, and pushy provincials. This upsurge prompted the bureaucracy to defence. In the mid-1940s, the army and bureaucracy began the process of restoring

bureaucratic power and restoring the monarchy to act as the coping stone of bureaucratic domination over the polity. The restoration was not easy. It entailed over a decade of violence applied against its opponents. In this battle, the standing army realized its role as the core institution of the people-controlling polity. The First Army rose to the peak of the government. The premiership became the promotion point beyond the rank of commander-in-chief. The army became a state within the state.

In the revised absolutism completed by Sarit Thanarat, the king was no longer the absolute ruler, but remained the source of absolute power. This power was entrusted to the bureaucracy and especially to the military, who occupied a special role as defenders of nation, religion, and king against both internal and external threats. Constitutions envisaged a role for representative institutions within this structure, but these institutions were regularly suppressed on the grounds that they nurtured threats to nation, religion, and king. The ideologues of bureaucratic absolutism positioned politicians who gained their power from wealth or popular support as morally inferior to those whose authority stemmed from status in the bureaucracy serving the Crown. During the post-war restoration, army and bureaucracy used the new mass media to build the modified absolutist ideology of nation, religion, and king into a hegemonic force. After the absolutist structure was challenged in 1973–6, this campaign increased in intensity. Any opposition to the absolutist scheme was an attempt to overthrow nation, religion, and king, and hence was treasonous, ungodly, and un-Thai.

The Open Economy

In the sparsely populated kingdoms of late Ayutthaya and early Bangkok, trade was the foundation of wealth and power. Kings and nobles prospered by opening up the economy and promoting commerce. They welcomed the settlement of foreign traders, who provided access to new markets, and who introduced new commercial techniques. The rulers used diplomacy to open up the main trading route to China. They deployed the army to control a large catchment area for trade goods in the hinterland.

The expansion of agricultural exports from the mid-nineteenth century confirmed the importance of trade as the source of wealth and power, and consolidated the rulers' commitment to an open economy. Throughout the modern period, the rulers maintained a basic orientation to keep the economy open, and to increase the flow of exports. After the Second World War, anti-colonialism and economic development theory combined to create a worldwide trend towards protection and managed trade. Yet in Thailand, officials resisted the imposition of tariffs at levels which threatened to reduce trading volume. The overall level of protection remained moderate in comparison to neighbouring countries. The period of protection was relatively short-lived. Although the tariff regime instituted in the 1950s and 1960s created a lobby of businessmen and officials who had a powerful interest in its retention, they

were shouldered aside by a more powerful lobby of leading businessmen and technocrats committed to growth through trade. The ratio of trade to GDP, a measure of an economy's openness, increased from 35 per cent in 1951 to 84 per cent in 1993.

From the early years of the twentieth century, the rulers established the techniques for managing such an open trading economy. Western economic advisers found that their jobs were greatly simplified if they kept the current trading account in balance, and strictly limited the level of foreign debt. From the 1940s, these traditions of careful management of the trading account were institutionalized within the Bank of Thailand. In the 1950s, the government made sure the Bank of Thailand had the power and the autonomy to continue this tradition. As the economy grew more complex, the Ministry of Finance and the Bank of Thailand co-operated to limit the budget deficit, to finance the current account deficit by non-inflationary means, and to impose strict ceilings on foreign borrowing. These measures, coupled with the net inflow of foreign aid and investment, ensured that Thailand was remarkably free of balance of payments crises. The first oil price rise was weathered with only minor difficulty. Only in the second oil crisis and subsequent world recession of the early 1980s did foreign debt and inflation run temporarily out of control. Even then, the effects were minimized by tight fiscal discipline, and the economy maintained a positive rate of growth, unlike several neighbours.

The management of the open economy certainly required such strong institutions, technocrat skills, and traditions of discipline. But macroeconomic management would have had no success without the contribution of agrarian exports and without equally strong traditions for political management of the open economy.

The problems of balancing the current account, particularly in times of externally induced crisis, were eased by the fact that Thailand was more or less self-sufficient in food and basic wage goods. At times of unavoidable decline in export revenues, Thailand was not saddled with a bill for imported food and necessities. The agrarian frontier usually ensured the self-sufficiency in food, but the rulers also intervened when supplies were threatened. In late Ayutthaya and early Bangkok, the rulers made sure there were three-year stocks of rice before it allowed rice exports. After the Second World War, the government imposed the rice premium, partly in order to ensure local supplies could not be depleted by surging export demand.

The rulers paid close attention to political management of internal social forces which could threaten the stability of the open economy. From the early years of sparse population, the rulers were aware of the importance of managing labour. In the twentieth century, governments attempted to minimize urban labour protest by ensuring a plentiful supply of recruits to the urban labour force, and by controlling labour organization.

Until the 1940s, government kept the door open for Chinese immigrants to overcome the acute shortage of labour. Occasionally, rapidly rising

urban demand led to shortages which increased labour's bargaining power and prompted labour agitations for better wages and conditions. These short-term problems were overcome by increasing the migration flow. From the 1930s, rapid population growth and growing instability in the agrarian economy drew a growing stream of recruits from the countryside. In the late 1940s, the government was able to close down Chinese immigration and rely on this new source. With increasing urban labour demand from the Sarit era onwards, the government gradually developed new techniques for speeding up the flow of rural migrants. In the 1980s, the government closed down the agrarian frontier and redirected the frontier momentum towards the growing demand in the city. In the 1990s, the army laid plans to evict 'squatters' from forest land.

These policies ensured that labour's bargaining power was always limited by the existence of a large reserve labour pool. In addition, the government learnt from earlier industrial states how to control labour organization and limit its political impact. The government passed its first anti-communist law in 1933 after the appearance of no more than a few scruffy pamphlets. Subsequent policy maintained such keenness to pre-empt worker radicalism. When labour organization expanded from the 1920s, governments managed the powerful state enterprise work-forces by favouritism and co-option, and left private sector labour leaders unprotected in the face of management aggression. Legislation was used to isolate labour organization from politics. Upsurges of labour protest and radical ideology in 1947–51 and 1975–6 were routinely met with repressive violence.

Managing the peasantry was more complex than managing labour. Until the Second World War, the government ruled the peasantry by leaving them alone and allowing trading networks to extract the surplus required for export. From the 1950s, the government accelerated the rate of extraction from the peasant economy to increase the trading revenue and to provide the foundations for urban growth. This strategy forced the government to take a more active role in the countryside. When the increase in both exploitation and administrative control provoked protests, the government responded with concessions, controls, and violence. It pumped more money into the countryside, first through US aid schemes, later through the *tambon* fund and various departmental schemes. The government co-opted the village headmen into the bureaucracy. The army set up vigilante groups and propaganda schemes. Peasant organizations, whether under the insurgency, the peasant movement, or local leaders, were dispersed with the gun.

The open economy was maintained by careful macro-management, by promotion of agrarian exports, and by political suppression of peasant and labour. The resulting stable and open economy provided a favourable environment for business enterprise. Low inflation, a stable exchange rate, a healthy balance of payments, low wages, cheap food, and limited political disruption kept Thailand competitive in world markets, attracted foreign investors, and fostered the expansion of domestic capital.

The Urban Surge

Between 1820 and 1950, around 4 million people boarded the boats leaving the southern China ports for Siam, and around 1.5 million chose not to return. The immigrant Chinese dominated Siam's commerce. As Bangkok and, later, the up-country towns were transformed from political to commercial centres, the immigrant Chinese came to dominate urban Siam.

The open economy and stable fiscal management created a favourable environment for domestic enterprise. Until the mid-twentieth century, however, the growth of capital was disrupted by the rulers' strategies for managing the political impact of commerce.

Since late Ayutthaya, the rulers were aware that the trade which underwrote their own wealth and power could equally well form the foundation of powerful opponents. The kings entrusted commerce to foreigners, who were more vulnerable to political repression. They regularly switched royal patronage among different groups to prevent the growth of strong rivals. In the nineteenth century, the Crown first enthusiastically welcomed Chinese traders, but then gradually switched its patronage towards the Western merchants. By the end of the century, the court clearly favoured the *farang* by popularizing their products, hiring them as advisers, and collaborating with them in joint ventures.

Yet the Chinese who came from the nineteenth century changed the pattern. They came in large numbers. Many did not go back. They settled, and set out to become Siamese. Some became rich. At the end of the nineteenth century and the start of the twentieth, the Crown halted their ascent by withdrawing their tax farms, favouring their Western trading rivals, and denigrating their Chinese-ness.

The withdrawal of royal favour caused most of the great Chinese trading families of the nineteenth century either to lapse into bankruptcy, or escape into the bureaucracy. Yet at the same time, the destruction of the tax farms and the steady expansion of the agrarian frontier provided the setting for the development of an independent urban merchant capitalism. In the first half of the twentieth century, the rate of growth was modest. The undermining of the old community of state-patronized traders and tax farmers meant the new merchant class started from virtually a zero base. The domestic entrepreneurs who invested in supplying the urban market were frustrated by the small size of the market, and by the difficulties of competing with colonial enterprise. The firms which dominated the paddy trade were obstructed by the fluctuations of the international paddy market, and by the government's refusal to assist them to exploit the peasantry. Prospective manufacturers found that the government's commitment to promote the peasant economy kept labour reserves at the paddy frontier rather than at the factory gate.

The slow development of urban capital in the first half of the century, its relative inability to exploit the peasantry, and its ambivalent relationship with the government had major consequences for the alignment of political forces

during the period of colonialism's retreat. Throughout the rest of South-East Asia, the 1930s to the 1950s saw alliances of urban nationalists and peasant armies driving out both the colonial rulers and the Chinese merchant communities which had prospered in alliance with them. In Burma and Indo-China, the Chinese merchants were expelled. In Malaysia and Indonesia, they were repressed. But in Thailand, this period aligned the Chinese merchants alongside the urban nationalists in opposition to royal absolutism. The Chinese were not thrown out. They were only lightly repressed. They did not go down with colonial enterprise, but rose in the shadow of its departure.

The circumstances facing domestic capital changed radically in the 1940s and 1950s. Colonial firms retreated in the chaos of war and world-wide decolonization. The Korean war boom signalled the start of a long period of relatively steady, growing world demand for primary goods. In these two decades, Thai capital began to grow rapidly. Most of the great conglomerates of modern Thailand began from backyard enterprises founded in the 1940s. With rising profits, they were able to tempt the rulers to provide support for domestic capital in the secure expectation of mutual gain. The petitions for the government to assist capital growth, which had been voiced but ignored since the 1920s, now found a response. The new military rulers tapped the rising profits of capital to build personal fortunes and political war chests. In return, they assisted the growth of capital both through their management of the economy, and through their grant of privileges and favours to individual businesses. This co-operation began in the 1940s within the structure of economic nationalism. It flourished under Sarit with US help in guiding the rulers to construct a better environment for capital accumulation, and in pumping in funds to ensure its success.

From the 1950s to the 1970s, domestic capital accumulated from the countryside and from the domestic market. borne along by strong world demand for primary goods, and supported by the government with investments in infrastructure, merchant capital surged into the countryside. Government and business co-operated to raise the productivity of the rice economy and transfer more of the surplus into their own coffers. Exporters and agribusinesses, helped by new roads and new promotional privileges, spurred the frontier across the uplands forests, transforming the demographic map, export composition, and uplands landscape in the space of a generation. In the domestic market, the government provided tariff shelter for import substitution, and played midwife for joint ventures which gave the domestic entrepreneurs access to foreign capital and technology.

The new Thai businesses developed strategies to overcome the difficulties of being late arrivals in a capitalist world. They co-operated and pooled resources to acquire the political strength and the economic power to compete. They integrated complementary businesses together in a single business grouping in order to control costs and maximize opportunities. The handful of banks which dominated the business community for a generation were at the centre of these systems of co-operation and integration. Their services went far

beyond banking. They acted as unofficial chambers of commerce, synergizing the business growth of associated business families, and acting as the hinge between business and government. A handful of entrepreneur families flourished under their wing. These entrepreneurs had mostly arrived in Bangkok with 'one mat and one pillow' over the previous two generations. In the 1940s, they were running small shops, import-export businesses, backyard workshops, or market stalls. In a short time, they rose to command sprawling business conglomerates.

Until 1945, the leaders of business tended to side with political dissidents demanding a more open political system. They supported the revolution of 1932. They backed Pridi. After 1945, they became the fellow travellers of military absolutism. The upsurge in labour organization and political radicalism in the post-war period drove them into alliance with the generals. They came to appreciate that the stable, open economy allowed them extraordinary freedom to do business, and that the absolutist state shared their need to stifle dissent, suppress labour, and control the countryside. In 1957–8, they applauded Sarit's repression of Phibun's venture into Peronist populism. In 1975–6, they supported the violent dispersal of strikes, peasant movements, and student radicalism. In 1991, they supported the coup against Chatichai under whose regime the ghosts of 1973–6 seemed to be rising from the dead—'jungle graduates' in the Parliament, 1970s radicals in the prime minister's advisory council, strikes against privatization in the port, and rural radicalism in the forests.

From the late 1950s, the rulers tended this alliance with business by setting up the infrastructure to promote economic growth and manage the stability of the macro-economy—investment promotion, budget control, monetary management, and 5-year plans. Through the Bank of Thailand and the NESDB, the government developed a new technocracy equipped with the special skills to smooth out the bumps along the road of capitalist growth. The businessmen paid their dues by sharing their profits with the leading generals and bureaucrats, by accepting a passive role in the polity, and by supporting the ideology of nation, religion, and king.

Thailand Transformed

Until the 1970s, the produce of the agrarian frontier continued to power the economy; business revelled in the freedom of the open economy, and provided backing for military absolutism; the military rulers suppressed dissent in the name of nation, religion, and king. Changes which began in the 1970s, and gathered pace during the 1980s, transformed the basis of both economy and polity.

The withdrawal of the US from Indo-China, the ending of the cold war, and the consequent disarray within the Thai military contributed to these changes. But more important were the spectacular growth of the urban economy, the closing of the agrarian frontier, and the resulting emergence of new social

forces and political demands. Domestic capital grew stronger, more mature, and more fragmented. The ranks of urban labour swelled with rural migrants. A new white-collar work-force was created to man the expanding, outward-oriented economy. The peasantry rebelled against urban exploitation.

The acceleration of urban growth, and in particular the spectacular boom which began in 1987, was not the product of short-term causes. Rather it marked a stage of maturation in the development of the private enterprise economy, which had first begun to grow in the 1940s. The timing of the boom was affected by the international trends of recession, currency realignment, and capital mobility in the 1980s. But the sudden spurt of the late 1980s formed one stage of a much longer-term process of capital accumulation.

The stable, open economy provided Thai firms with a highly favourable environment for growth. It also blessed them with an outward orientation. The Chinese-origin merchant community looked outwards through the gates of the port. They welcomed the openness of the economy. They worked successively as compradors for the Europeans, agents for the Americans, joint venture partners for the Japanese, and subcontractors for the north Asians. They trawled the world for markets and technology. They sent their children to school in Europe, the US, and Japan. They used the business skills the children brought back home to upgrade their business techniques and orientation. They avoided settling deep roots into the peasant base of the economy. They remained open and responsive to wider, global forces. They moved on rapidly from trade to manufacture, from import to export, from *pla thu* to satellites.

Many of the big firms of the post-1945 era began as import-export houses. In the 1960s, they readily entered into joint ventures with foreign partners to get access to technology and skills. From the 1970s, they welcomed foreign partners who gave them access to foreign markets. Textile firms and agri-processors developed healthy export businesses despite the anti-export bias of the macroeconomic regime. From the late 1970s, the businessmen harried the economic managers to help them to export. From the mid-1980s, they attracted to Thailand the capital flooding out of North Asia, in part because the North Asian firms knew they made enthusiastic partners. In the early 1990s, they took up the opportunities to buy technology, skills, and capital from the increasingly free markets of the globe. They moved quickly to play a part in the massive engine of regional growth gearing up in China. Thailand's capitalists were by nature outward-looking and cosmopolitan.

The firms which spearheaded the boom were not new foundations, but had grown and changed with the urban economy. Charoen Pokphand had begun from a seed shop, grown into a chicken business, spread into a diversified agribusiness, and then launched into globalism with ventures in telecommunications, petrochemicals, retailing, manufacture, and property. New entrepreneurs in newly expanding fields, such as Thaksin Shinawatra in telecommunications, Pin Chakkaphak in finance, and Anant Asavabhokin in property, had emerged from families which had accumulated earlier in more traditional areas—in silk-trading, tin-mining, and pawn shops. The spurt of the

Thai urban economy which began in the late 1980s was based on two prior generations of steady accumulation in a stable, open, outward-looking, free-wheeling, largely unregulated economy.

As capital became stronger and more mature, it saw less value in allying with the generals. Businessmen came to resent sharing their profits to build military careers. With the growing external exposure of the economy, businessmen no longer saw strutting political generals as a comforting sign of political stability, but rather as a disincentive to the foreign investors, partners, customers, and tourists from whom business profits were generated. From the late 1960s, the businessmen pressed for political representation in order to have better control over policy making. This pressure was submerged by the backlash of 1976, but became insistent in the 1980s. Businessmen backed the writing of constitutions, formed political parties, set up lobby groups, entered Parliament, and sat in the Cabinet. They rewrote economic policy to favour exports, reoriented foreign policy to match their regional ambitions, and revised labour policy to assist the more rapid recruitment of urban workers.

By the 1980s, capital became not only stronger, but much more complex. As a late developer in a developed capitalist world, Thailand had acquired several different stages of capital development in the same space and time. The most significant element in Thai capital was the big conglomerates which had emerged in the 1940s, expanded under Sarit, and consolidated in the boom of the 1980s. They were Bangkok-based, locally rooted, founded on commerce, and extended into industry. Besides this group, two very different sorts of capital had emerged. First, some provincial businessmen borne up by the cash crop boom had succeeded dramatically by using much more primitive forms of capital accumulation. They ran semi-legal or criminal businesses. They corrupted local officialdom in order to gain immunity. They used their wealth to act as local lords. While they may have been a minority among all provincial businessmen, their super-profits made them prominent beyond the locality. Many of them deployed these super-profits to manage the electoral franchise, to transport themselves from province to capital by politics, and to begin competing in the same national economic frame as the metropolitan conglomerates. Second, a small group of firms had ceased to see their place of business as the nation, and had moved on to the Asian region and the globe. They bought technology and expertise off the shelf in a global marketplace. They floated their companies on the stock exchanges of New York, Tokyo, and Shanghai. They did business in Hanoi, Manila, Jakarta, Beijing, and San Francisco.

These different segments had different ways of operating, different demands on government, and different strategies of negotiating with the state. The metropolitan conglomerates increasingly worked through corporatist associations and lobbying. The provincial businessmen bought voters. The globalists bought technocrats. In the 1980s, the differences in the background, aspirations, and strategies of these segments began to affect politics.

The surge of the urban economy swelled the size of the urban labour force.

By 1990, some 7 million people (one-quarter of the total employed) worked in the urban area. Many of those pulled into the city were still short-term rural migrants, finding temporary work in the informal sector. This growing urban underclass was the concrete expression of the gaping rural–urban gap. More and more migrants, however, made a permanent move into the city, and more found formal employment. By 1990, 2.3 million worked in manufacturing, and the numbers employed in large establishments (at least a hundred workers) had grown from 200,000 to one million in two decades.

The government continued to pre-empt labour politics through a mixture of concession and suppression. From the mid-1970s, the government introduced a minimum wage, machinery for dispute settlement, and social security law. Legislation was used to isolate labour issues from party politics. A resurgence of radicalism in the public sector unions was met in 1991 with a legal ban. In the private sector, the government left labour politics to the forces of the market. It paid little attention to policing the labour law, and provided scant protection for unions against management aggression. Even so, by the early 1990s, labour activity had begun to increase in line with the growth and growing importance of the urban work-force. In 1992 and 1993, more workdays were lost to strikes than in any year since 1976. To escape the repressive hand of government, labour leaders worked more through NGOs or through informal labour ‘clubs’ than through the unions.

With the maturing of the urban economy also came the development of a new social force. To compete as an open, outward-oriented economy, Thailand had to develop a relatively large salariat of professionals, technicians, executives, administrators, managers, and other skilled white-collar workers. The demand for salaried workers began to grow in the 1960s, and then accelerated. By 1990, the total white-collar work-force numbered over 4 million. The political potential of this new salariat was prefigured by the student activism of the 1970s. It was stifled by 1976, but re-emerged in the 1980s.

The salariat was a dependent child of urban capitalism, and for the most part recognized that its material interests were tied up with the expansion of the urban economy. But the members of the salariat took on the individualist ideas and attitudes buried in the capitalist ethic. They believed in self-improvement, rewards for merit, the importance of education, and the capacity of the individual. They had the chance, through education, to learn some of the ideas, ideologies, and politics of other urban capitalist societies. Through their numbers, their personal links with government and technocracy, their influence over media, their capacity for organization, and their command of the means of expression, these groups wielded potential political influence out of proportion to their size.

In many Western societies, the attack on political absolutism was led by business in the name of individualist values of liberalism, human rights, and the principles of political representation. In Thailand, this clash was muted by the long-term tendency of capital to align itself with absolutism rather than

against it. Under these circumstances, the role of defending the individualist values in the capitalist ethic fell to the salariat.

Most of the salariat were happy, most of the time, to prosper under the umbrella of capitalism and absolutism. They welcomed stability and an expanding economy. Yet the salariat developed a fringe of dissident movements which took a more activist view of individualist causes, provided a consistent lobby in favour of representative democracy, and could be mobilized against absolutism in times of political crisis.

The salariat spawned a range of NGOs dedicated to defending human rights, promoting representative institutions, guaranteeing freedom of expression, rolling back the writ of absolutism, and creating more room for individual expression and individual action in such areas as art, religion, media, and development work. While such organizations attracted a minority of activists, far more gave intermittent support to the development of representative institutions. From the 1940s, Bangkok's middle class gave consistent support to the Democrat Party's opposition to the free run of military dictatorship. After the fall of the military in 1973, the salariat supported the move to institute an effective Parliament and political parties. During the 1980s, the salariat opposed the military in battles over the constitution.

The upsurge of the city transformed the role of the countryside in the political economy. In 1960, agriculture's contribution to GDP was three times that of manufacture. In 1990, it had dropped to around half. In 1960, agriculture's contribution to exports was forty times that of manufacture. In 1990, it was one-third. This massive swing was a function of both industrial growth and agrarian stagnation. From the 1970s, world prices for agricultural goods dropped. Agricultural expansion slowed. In the 1980s, the government closed down the agrarian frontier.

At the same time, expansive urban capital reinvaded the countryside. This time it was not seeking to drive ahead the peasant frontier, but rather to seize from the peasantry the natural resources required for urban growth. It sought water for hydroelectric power, for urban consumption, and for industrial waste disposal; land for housing, factories, and recreation; industrial inputs, notably the eucalyptus tree for the expanding fibre industries.

In the 1980s, peasants drew on traditions of resistance to defend their access to natural resources of land, forests, and water in the face of urban attack. They destroyed eucalyptus plantations, blocked dam projects, ordained trees coveted by loggers, fought against military operations to move them out of the 'official' forest, and protested the industrial pollution of rivers and land. They made allies with NGO groups committed to local development, and with environmental groups interested in conservation.

In sum, the period from the 1970s was marked by massive growth in the power of capital, increasing complexity of business politics, emergence of a new salariat, expansion in the ranks of urban labour, and acute changes in the countryside. The increasing complexity of society and the heightened rate of change increased the need for more sophisticated institutions for representing

social forces, mediating conflicts, and allocating resources. Business and salariat led the way in rolling back absolutist power. The military was abandoned by its US patron, and weakened by internal conflicts. Slowly and reluctantly, it was pushed back towards the barracks, relieved of many of its privileges, and dragged out of its institutionalized bases of power. Business and the salariat supported the growth of Parliament. The dissident fringe of the salariat founded new non-official institutions to supplement the still centralized and authoritarian structures of the bureaucracy. Urban society developed a press which became an important instrument for airing views, debating conflicts, and monitoring the rulers. Literature, television, and songs provided a broadening platform for participation in debates on society and change. New Buddhist movements arose to cater for urban individualism.

The crisis of 1991–2 revealed the complexity of the new political economy, and exposed many of its emerging conflicts. On the surface, the crisis appeared to follow familiar historical models. The coup of 1991 came from the textbooks on Sarit. The manipulation of the constitution to institutionalize military power was a technique practised repeatedly since 1938. The street clashes of May 1992 echoed 1957, 1973, and 1976. At this level, the crisis was simply a reassertion of the military's right and ability to manage the absolutist state.

But the crisis had many other levels which reflected the gathering pace and increasing complexity of social and political change. The crisis brought out the factional and ideological divisions within the military. In February 1991, Suchinda, who saw himself as the heir of Sarit, overthrew Chatichai, the heir of the Phao–Phin Rachakhrus clique. Their forebears had first fought this battle in 1957. In May 1992, Suchinda of Class Five faced off against Chamlong, formerly of the Young Turks, and Chavalit, formerly of the Democratic Soldiers. The squabbles of these military cliques had run throughout the early 1980s. The division between their opposing views on the 'army of the king' and the 'army of the people' stretched back past 1932 to the revolt of 1912.

Around this layer of military conflicts was another layer occupied by some of the forces in the new political economy. A coalition of activists and NGO workers from the dissident fringe of the salariat organized the demonstrations against military rule which began soon after the coup, and came to a climax in May 1992. Members of the dissident Santi Asoke sect came to play a leading role in the protests. The press was mobilized to focus public opinion. Between 17 and 20 May, much larger numbers of the salariat were mobilized on the street. The press publicized the agitation and defied military attempts to silence them.

The transition from crisis to elections revealed yet another layer—the growing division between Bangkok and up-country business. Many of the provincial politicians were lured or intimidated to support their old military friends. They backed the parties aligned with the generals. But the groups of metropolitan business which had initially welcomed the coup, now pressed for the return of Parliament. The representatives of banking, industry, and

commerce issued a formal statement opposing the possibility of another coup, and urging the rapid restoration of parliamentary democracy. Business groups sponsored parties and candidates opposed to military domination. Anand Panyarachun, the doyen of metropolitan business, promoted the PollWatch body to loosen the provincial businessmen's grip over the rural electorate. PollWatch mobilized thousands of local volunteers whose presence changed the content of local polls. Many of the volunteers themselves became political participants for the first time. Many of the candidates were forced to abandon traditional methods of electioneering, and to confront their constituents with issues rather than banknotes. The election returned a Prime Minister of a new stamp. He came from a poor family, from the periphery, not the centre, and from a professional background, not the military or bureaucracy.

At yet a further layer, the crisis tapped social forces whose impact on the polity was as yet unformed. While during 17–20 May, the ranks of middle-class demonstrators attracted the attention of the press, those which stayed through the night and fought with the soldiers came from different origins. Many were drawn from the floating class of rural migrants which manned the informal sector of the city. On the nights of 18 and 19 May, they fought motorcycle-borne battles with the soldiers, and vented their anger against police booths, traffic-lights, and other symbols of authority. The aftermath of the crisis invoked yet another layer. The north-eastern peasants who the army had swept off their lands in the Khor Jor Kor programme, seized the opportunity to march on the city to demand the return of their lands and the cancellation of the programme.

At the core of the crisis, the heirs of Rachakhrus faced the heirs of Sarit, and the 'army of the people' opposed the 'army of the king'. But the crisis also brought in the salariat against the idea of absolutism, big business against generals, *jao sua* against *jao phor*, periphery against centre, the urban under-class against authority, and *ban* against *muang*.

Epilogue: The Death of Phumphuang Duangjan

JUST three weeks after the crisis of May 1992, Phumphuang Duangjan died. The event removed the political crisis from the front page. Phumphuang was *rachini luk thung*, the queen of country music.¹

Days earlier, the press had been full of revelations about the military's handling of the crisis, and controversies about the responsibilities of different individuals involved. Now it was full of revelations about the last few weeks of Phumphuang's life and controversies about the responsibilities of her husband, family, and associates. For days, street pedlars had been selling videotapes containing the international news footage of the May events. Now they switched to tapes of Phumphuang. Magazines had been stuffed with dramatic mass crowd shot of the demonstrations in Sanam Luang and Rachadamnoen. Now they carried shots of the huge crowds which turned out for Phumphuang's funeral in Suphanburi. On 20 May, Princess Sirindhorn's appearance on television had signalled the palace's intervention to defuse the political crisis. Two months later, Princess Sirindhorn graced Phumphuang's funeral.

Beyond these echoes in the public consciousness ran some deeper parallels. The May events had summarized many of the themes of recent political history—the decline of military power, the rise of organized business, the axial role of the monarchy, and the power of mass demonstrations. Phumphuang's life and death evoked themes of recent economic and social history whose impact had yet to be resolved—the exploitation of the countryside, the migration of peasant to city, the village's resistance against the culture of the city, and the role of the huge peasant mass 'out there' in the politics of democracy.

The musical genre which Phumphuang had come to dominate was the product of the village's collision with the city. *Luk thung* music was based on the rhythms and tunes of rural folk music, but was embellished with the technology of the modern music industry, and overlaid with showmanship culled from television and film. The typical *luk thung* song told of the rural migrant coming to the city and forever thinking back to the lover, the village, and the life back home. The typical *luk thung* performance was an extravaganza of lights, amplification, gaudy costumes, and dancing girls. The popularization of the genre had come with the growth of the local audiotape industry. Phumphuang's career had been circumscribed by the limitations of provincial concert and nightclub until *luk thung* was 'industrialized' by the expansion of the audiotape industry in the 1980s. From village origins, *luk thung* became a national phenomenon. Phumphuang was the first *luk thung* singer invited to perform at a *hi so* (society) event in Bangkok.

Phumphuang's life mirrored that of millions of young rural women and men who were denied education, exploited as child labour, condemned to work to support a declining rural family, and enticed to seek a new frontier in the city. In 'Ma siang duang' [Risking My Luck], she sang of travelling from village to city and getting the first premonition of the dangers ahead:

So lousy poor, I just have to risk my luck
 Dozing on the bus, this guy starts chatting me up
 Says he'll get me a good job, now he's feeling me up ...
 For better or worse, I'm following my star
 What will be, will be. I'm just risking my luck.

Phumphuang was born in rural Suphanburi, in a family of seven children. She attended school for only two years, and had to memorize songs because she could not read. As a small child, she started helping her mother as a sugar-cane cutter. She began working as a singer when she was eight years old. She was controlled and exploited by managers, promoters, music companies, and lovers. Her first husband left her for her sister. The second one gambled away her earnings, and reputedly hastened her death by failing to pay her hospital bills. She refused to stop working in the face of illness because of her responsibility for maintaining her family.

At her death, Phumphuang was just thirty-one. Her fatal illness (a blood disorder) was a result of bad luck, ignorance, and poor treatment. Like so many migrants, she had been pulled away from family and culture, forced to work hard for survival and success. In the process, she had become exposed to risks which she was barely equipped to understand. Her most ardent followers were the legions of seamstresses, factory workers, bar girls, construction workers, sweatshop slaves, and shop assistants who could see Phumphuang as a glamorous version of their own personal histories.

Phumphuang's most popular songs drew on this personal history and dramatized its themes. Many of the songs were soliloquies which captured the essence of relationships, human situations, and personal histories against a background of rapid and bewildering social change. Many of her most popular songs were about herself. They were written specially for her by friends, associates, and lovers. She sang about young rural women in the city, about personal transformation, about the contrast between village and city, about exploitation, about longing for wealth and success, and about the wish to go back home to the village.

When the sun sets and the birds return to their nests
 I really miss the paddy fields.
 Do they wonder too when will I go back home?
 I came to the city to be a big star.
 It's tough, but I can survive.
 When I left the village, my friends mocked my ambition.
 That hurt. If I don't make it, I cannot go back.
 Every night, I pray I will be famous.
 Then this up-country singer can go back home
 And sing for their admiration.²

Luk thung was 'country', in contrast to *luk krung*, which was 'town'. But with the mass movements of migration over the previous generation, the countryside had come to the city. Thousands attended Phumphuang's funeral. Millions saw it on the television news. For the mainly urban-based political leaders, these crowds and the event itself had a special significance. Elections were approaching. While the events of May which brought down the military junta had been very much an urban affair, the elections which would decide the political future had a rural bias. Two-thirds of the electorate lived in the village. The issues over which the soldiers and the salarymen had fought on Rachadamnoen would now be offered up for the appraisal of the rural voter. Political leaders turned aside from their mutual recriminations over the May events, and fought for the privilege of sponsoring Phumphuang's funeral.

1. Many popular magazines carried long articles or special issues. See, for instance: *191*, No. 530 and *Artyakam*, special issue on Phumphuang.

2. 'Nak rong ban nok' [Up-country singer].

Appendix

Reigns and Premiers

Reigns of the Kings of the Chakri Dynasty

Rama I	Phra Phutthayotta	1782–1809
Rama II	Phra Phutthaloetla	1809–1824
Rama III	Phra Nangkao	1824–1851
Rama IV	Mongkut	1851–1868
Rama V	Chulalongkorn	1868–1910
Rama VI	Vajiravudh	1910–1925
Rama VII	Prajadhiphok	1925–1935
Rama VIII	Ananda Mahidol	1935–1946
Rama IX	Bhumibol Adulyadej	1946–

Prime Ministers

Phraya Manopkarn (Mano)	June 1932–June 1933
Phraya Phahon	June 1933–December 1938
Phibun Songkhram	December 1938–July 1944
Khuang Aphaiwong	August 1944–August 1945
Tawee Boonyaket	August 1945–September 1945
Seni Pramoj	September 1945–January 1946
Khuang Aphaiwong	January 1946–March 1946
Pridi Bhanomyong	March 1946–August 1946
Thamrong Nawasawat	August 1946–November 1947
Khuang Aphaiwong	November 1947–April 1948
Phibun Songkhram	April 1948–September 1957
Pote Sarasin	September 1957–December 1957
Thanom Kittikachorn	January 1958–October 1958
Sarit Thanarat	October 1958–December 1963
Thanom Kittikachorn	December 1963–October 1973
Sanya Thammasak	October 1973–January 1975
Seni Pramoj	February 1975–March 1975
Kukrit Pramoj	March 1975–April 1976
Seni Pramoj	April 1976–October 1976
Thanin Kraivixien	October 1976–October 1977
Kriangsak Chomanand	November 1977–February 1980
Prem Tinsulanond	March 1980–April 1988
Chatichai Choonhavan	April 1988–February 1991
Anand Panyarachun	February 1991–April 1992
Suchinda Kraprayoon	April 1992–May 1992
Anand Panyarachun	June 1992–September 1992
Chuan Leekpai	September 1992–

Glossary

<i>akorn</i>	tax paid in cash, especially one that is farmed
<i>amphoe</i>	district, administrative subdivision of province
<i>angyi</i>	Chinese organization; usually translated as ‘secret society’
<i>arahan</i>	Buddhist saint
<i>ban</i>	village, house, home
<i>Chakri</i>	family name of the Bangkok dynasty
<i>chanot thidin</i>	landownership deed
<i>chat</i>	race, and later, nation
<i>farang</i>	foreigner, Westerner
<i>hang kruang</i>	backup singers/dancers
<i>hua khanaen</i>	vote bank
<i>Isan</i>	north-east region of Thailand
<i>itthiphon</i>	influence, especially undue influence
<i>jangwat</i>	province
<i>jao</i>	ruler, lord
<i>jao khong thin</i>	local overlord
<i>jao muang</i>	‘lord of the town’; local governor (before the 1890s reforms)
<i>jao nai</i>	king, lord, noble
<i>jao phor</i>	‘godfather’; term applied to ambitious provincial businessman
<i>jao sua</i>	great merchant, merchant baron (Thai version of a Chinese term)
<i>jap jong thidin</i>	claim land as a settler
<i>jedi</i>	Buddhist temple built to house a relic
<i>jin sayam</i>	Siamese Chinese
<i>Kalahom</i>	Ministry of the South, which became the modern Ministry of Defence
<i>kammakorn</i>	labour, labourer
<i>kammasit</i>	ownership right
<i>kamnan</i>	head of a group of villages (<i>tambon</i>)
<i>khabot</i>	revolt; rebellion
<i>khaen</i>	Lao windpipes made from bamboo
<i>khai fak</i>	usufructuary mortgage
<i>Khana Ratsadorn</i>	People’s Party, the group behind the 1932 revolution
<i>kharatchakan</i>	‘servant of the realm’, bureaucrat
<i>Khor Jor Kor</i>	acronym for <i>khrong kan jat thi thamkin hai kap rassadorn phu yak rai nai phu'nthi pa sanguan su'amsom</i> (the project to allocate land for livelihood to poor citizens in degraded forest reserves, introduced by the army in 1991)
<i>khun nang</i>	noble, high-ranking official (before the 1890s reforms)
<i>kin muang</i>	‘eating the state’, self-remuneration by officials

Kor Ror Or	acronym of Joint Public Private Consultative Committee (JPPCC), Prem's joint business-government committee set up in 1981
<i>krom</i>	government department
Krom Na	Land Department
Krom Tha	Port Authority
<i>krung</i>	city
<i>kwian</i>	cart
<i>lak</i>	pillar, principle
<i>lam</i>	Lao music, usually with <i>khaen</i> and voice
Lanna	northern state with capital at Chiang Mai
<i>luk krung</i>	'child of the city'; term used to describe popular music style originating from the city
<i>luk rai</i>	paid farm hand
<i>luk thung</i>	'country' as a description of music, attitudes, etc.
<i>mae phosop</i>	goddess of rice
Mahanikai	'the great sect', the majority division in the Buddhist Sangha
Mahatthai	Ministry of the North, which became the modern Ministry of Interior
<i>mo lam</i>	Lao musicians
<i>muang</i>	town, city
<i>nai</i>	lord
<i>nai akorn</i>	tax farmer
<i>nai amphoe</i>	district officer
<i>nai hoi</i>	caravan trader
<i>nai thun</i>	investor, capitalist
<i>nakleng</i>	tough guy
<i>nibbana</i>	nirvana, release from suffering
<i>nikai</i>	sect; division of the Buddhist Sangha
NS-2	land deed denoting occupancy right
NS-3/NS-3K	land deed denoting right of utilization
NS-4	land deed denoting full title (<i>chanot thidin</i>)
<i>pa boei</i>	labourer hired for land clearance
<i>phatthana</i>	development (word popularized by Sarit)
<i>phi</i>	spirit; natural or supernatural force
<i>ph leng</i>	music; song
Phra Khlang	Treasury, Finance Ministry
<i>phrai</i>	indentured peasant
<i>phrai luang</i>	<i>phrai</i> indentured to the king
<i>phrai som</i>	<i>phrai</i> indentured to a noble
<i>phu di</i>	'good people', aristocrats
<i>phu mi bun</i>	person with merit
<i>phu noi</i>	'little people', subordinates
<i>phu wiset</i>	person with special (magical) power or knowledge
<i>phu yai</i>	'big people', especially senior bureaucrats
<i>phuenban</i>	neighbourhood
<i>phuyaiban</i>	village headman
<i>pla thu</i>	variety of mackerel, popular as steamed and salted fish
<i>rai</i>	unit of land; 1 <i>rai</i> = 0.16 hectare = 0.4 acre
<i>ran kafae</i>	local coffee shop

<i>sakdina</i>	status hierarchy under the traditional monarchy
<i>sammak song</i>	temporary residence for monks
<i>san pu-ta</i>	shrine to house spirits of the ancestors
Sangha	Buddhist community, and its organizational framework
Seri Thai	'Free Thai', anti-Japanese movement during Second World War
<i>suai</i>	tax, especially tax in kind
<i>suwannaphum</i>	'Golden Land', term used in the past for mainland South-East Asia
<i>tambon</i>	group of villages, official administrative subdivision under <i>amphoe</i>
<i>thahan</i>	military, army, soldier
Thammayut	reformist sect within the Sangha begun by King Mongkut
<i>that</i>	indentured servant, slave
<i>thetsaban</i>	municipality
<i>tonbun</i>	person of great spiritual power
<i>wat</i>	Buddhist temple
<i>wicha</i>	knowledge; skills

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