

IV. AMERICAN ECONOMIC AID TO THAILAND:
POLITICAL RATIONALE, PROJECT FOCUS,
SALIENT RESULTS

Introduction

The level of American economic assistance to Thailand over the years has been directly determined by the American assessment of the seriousness of the communist threat to Thailand and to Southeast Asia as a whole. The type of program supported has been in part the result of the American interpretation of the nature of the threat, and in part the result of a socio-economic analysis of Thailand's developmental needs.¹ This is not to say that there would have been no aid program in Thailand in the absence of a perceived communist threat. It would undoubtedly have been smaller, however, perhaps at the average annual level of the early fifties; it would have been phased out by the early sixties; and it in some

¹Among the more useful general analyses of American economic aid to Thailand are the following: Tawan Phonphoet, The Role of American Economic Assistance in the Social and Economic Development of Thailand, Master's thesis, Thammasat University (Bangkok, 1970, mimeographed, in Thai); Marcia Brewster, "The Role of U.S. Aid in the Economic Development of Thailand," Bank of Thailand Monthly Bulletin, March 1971, pp. 15-32; sections of John D. Montgomery's The Politics of Foreign Aid: American Experience in Southeast Asia (New York: Praeger, 1962); and The Development of Thailand: Report of A Study Team (August 1, 1961, mimeographed). A useful statistical summary of foreign aid to Thailand is DTEC's Economic and Technical Cooperation Reports: 2510-2511 (Bangkok: Sahakorn Kai Song, 1969, in Thai).

respects would have been more consonant with Thailand's modernization needs.

This pattern holds for the basic quartet of technical assistance programs in health, education, agriculture and public administration, whose size has for the most part not varied greatly over the years, but whose geographical focus and substantive content have changed to accommodate changing American perspectives. It also holds in the case of major infrastructure and rural public works type projects. Although the economic benefits of these projects have not been overlooked, their primary justification has been their alleged conventional defense or counterinsurgency significance. It is these latter that have accounted for the wide fluctuations in the levels of aid. The only exception to the pattern has been American aid to the Thai National Police Department. Except for a brief period after 1957, this program of assistance has always had a rural security orientation with important elements of concern for counterinsurgency suppression.

American economic aid to Thailand has gone through four main stages. During the first, small scale technical assistance was the order of the day. The second, the nation-building period, coincided with the communist victory over the French in Vietnam, and increased American concern with social unrest throughout the underdeveloped world generally. The third period saw decreasing aid obligations. Political conditions in Southeast Asia appeared

generally less volatile by 1960 than they had five years before, and this, combined with Thailand's good economic performance in the late fifties, led American officials to feel that economic aid could be greatly reduced or ended altogether. In recent years, and concurrently with increased military activity in Vietnam and insurgent activity in Thailand, American aid expanded rapidly, and was reoriented toward rural development and counterinsurgency. The purpose of this chapter is to describe the political justifications on which the American aid program to Thailand has been based, to outline briefly the substance of the program, and to draw some general conclusions as to its general appropriateness, given conditions in Thailand in 1950, and the nature of the specific problems dealt with.¹

¹ In their section on the development situation in Thailand (pp. 330-37), the Pearson Commission divided the country's post-Korean War economic history into three stages: the period of monetary reform from 1955 to 1958, the planning period from 1958 to 1966, and the rural welfare period beginning in 1967. The scheme may have some usefulness in describing the evolution in the concerns of some Thai policy makers. However, even from this point of view it is misleading. The issues associated with monetary reform had all been decided, and indeed the reform itself accomplished, by the end of 1955; and official concern with rural welfare had become an important factor in RTG planning at least by 1964.

More important, the scheme is of little use in interpreting actual economic developments. As noted in chapter ii, the evolution of the Thai economy from 1950 to 1970 may more fruitfully be described as consisting of a period of slow economic growth but rapid infrastructure development until 1959, much more rapid growth led by commodity exports through perhaps 1965, and then continued rapid economic growth through 1970, with foreign private investment, U.S. military expenditures and services exports becoming increasingly important while commodity exports stagnated.

The following table shows how levels of American aid have varied over the periods in question.

Table IV.1.--American economic aid to Thailand, subdivided to correspond with periods of different official American views toward the security situation in Southeast Asia (gross obligations, \$ millions)^a

Period	Total economic aid (\$ millions)	Annual average (\$ millions)
1951-1954	31.2	7.8
1955-1959	180.2	36.0
1960-1964	111.9	22.4
1965-1970 ^b	256.7	42.8

^aSources: derived from table iv.2 below.

^bBy late 1968, American concern for the insurgency in Thailand was decreasing. If 1969 and 1970 with their relatively low aid obligation levels were excluded from the fourth period, then the average annual gross commitment level for 1965-1968 would be \$47.7 million.

At all events, Miss Brewster in her article on U.S. economic aid to Thailand in the March 1971 issue of the Bank of Thailand Monthly Review accepts the Commission's analysis at face value. She then attempts to show that the substance of American aid has been determined by the priorities of these alleged phases. In fact, as noted above, the pattern suggested by the Commission is not entirely supported by historical fact. Furthermore, however, as the rest of this chapter will demonstrate, these three "phases" played no role whatsoever in American decisions as to the level and focus of aid. American aid to Thailand has thus far gone through four stages whose determination has been the result primarily of altered American views. This is not necessarily to say that the Thai government has never agreed with the changes, but only that the decisions to provide increased aid funds, or to change the aid focus, have generally been American decisions.

Of the total of \$580 million in U.S. dollar assistance gross obligations between September 19, 1950 and June 30, 1970, \$63.5 million or 11% was in the form of development loans, \$139.9 million or 27% in the form of technical cooperation or development grants, and \$339.2 million or 62% in the form of contingency funds,¹ supporting assistance, and the latter's predecessor category, defense support.² Thus, two thirds of all American economic assistance to Thailand has been justified to the U.S. Congress on grounds that the economic or political stability of Thailand, rather than its economic development, were at stake.³

Of total net obligations channeled through USOM by July 1970, 69% was for project grant assistance, 11% for loans, and 20% for the

One caveat is in order here. Bureaucracies, of course, generally do not change their policies in discrete, easy to identify steps. The American posture toward Thailand has developed as the result of many separate stimuli, some mutually reinforcing and some competing. The first signs of policy change can be detected several years in advance of the dates used in this periodization, and previously existing policies and programs may continue long after the views that gave them birth have lost their apparent cogency. Nevertheless, given the conglomeration of data that were available--journalists' reports, official pronouncements, scholarly studies, alterations in funding patterns, statements by and to the Congress, and the like--the author feels that these dates are the most appropriate for the purpose at hand.

¹Obligated between 1963-1967 and used primarily for counter-insurgency programs.

²For derivation of these figures see appendix c.

³According to a recent AID publication, "security (supporting) assistance fosters (U.S.) national security and foreign policy objectives" in that it "helps needy countries contribute to common defense or internal security," and in that it "helps resist economic

generation of local currency. Again of net total obligations, 55% of funds provided were used for the purchase of commodities, 26% for personal services, 6% for participant training,¹ and 13% for other purposes.² In terms of sectoral allocation, aid to the police and closely related programs amounted to 19% of net accruals, transportation received 17%, health and sanitation 12%, education 8%, industry and mining 8%, the Office of Accelerated Rural Development 7%, community development, social welfare and housing 5%, public administration 2%, labor .1%, and general and miscellaneous 14%.³

An important aspect of the assistance program has been the provision of education and training opportunities for Thai both in Thailand and abroad. The creation of education and training institutions and mechanisms in Thailand will be discussed in some depth in this and subsequent chapters. In addition, however,

instability or other problems growing from the burden of military expenditures." President, The Foreign Assistance Program: Annual Report to the Congress, Fiscal Year 1968 (Washington: GPO, January 1969), p. 6.

¹This term is common parlance in AID and RTG agencies that deal with AID, and refers to the training of Thais outside of Thailand with USOM financial and organizational support.

²USOM, Annual Financial Report: 1970, figures ii and iii.

³Derived from ibid., figure v. It is possible that some of the larger of these figures may err by one or two percentage points. Figures presented in table iv.2 and iv.3 have been adjusted by the author to factor out anomalies in USOM financial reporting, and to permit a more accurate statement of the size of the aid program. For details, see appendix d. However, data limitations do not permit the integration of the corrections into the figures cited here in the text.

Table IV.2.--Statistics on United States economic assistance to Thailand, by year (\$ millions)^a

Year	Gross obligations	Net obligations	Of which total loan obligations	Net expenditures/accruals	Net non-police expenditures/accruals
	1	2	3	4	5
1951	8.9	8.9		.7	.7
1952	7.2	7.2		6.3	6.3
1953	6.5	6.5		6.3	6.3
1954	8.6	8.8		4.5	4.5
1955	34.3	34.3		6.9	6.9
1956	34.5	33.5	10.0	13.0	13.0
1957	34.5	34.2	9.8	42.5	42.3
1958	32.9	32.8	6.9	26.5	26.2
1959	44.0	45.5	21.6	39.5	39.1
1960	23.0	23.5	.8	32.8	32.1
1961	24.7	27.2		35.1	34.8
1962	22.8	26.4		34.8	33.9
1963	28.5	27.3	10.3	31.3	28.7
1964	12.9	12.2		24.2	20.8
1965	39.5	19.4	.4	25.1	23.3
1966	44.1	43.6		21.4	18.6
1967	53.3	54.8		25.2	18.3
1968	53.8	50.8	3.5	44.4	30.8
1969	37.9	32.8		55.9	36.8
1970	28.1	24.8		35.1	23.6
Totals	580.0	554.5	63.5	511.9	447.0

^aSources: column 1, appendix c; columns 2, 3 and 4, appendix d. After 1960, column 4 presents accrual figures; they are not available for the 1950's.

These figures of course do not reflect the effects of inflation, or of changes in the quality of goods and services provided under the aid program. It should be noted that the salary of technical advisors is about twice what it was in the early fifties, and that the cost of sending a Thai to the U.S. for training has also approximately doubled. On the other hand, the quality of training provided today is undoubtedly generally higher than it was fifteen or twenty years ago, and it could well be that, thanks to increasing general understanding of the modernization process, and better personnel practices within AID, than in its predecessor agencies, the quality of advice provided is higher. No attempt is

made to quantify these considerations, but the reader should be aware of them.

Column 5 is adjusted downward to exclude expenditures under the following police-related projects: Civil Police Administration, Remote Area Security, Village Radio, Village Security Forces, CSOC Operations. The resulting totals represent USOM resources broadly available for economic and social development.

In an important sense, of course, the police do contribute to development. The control of banditry, and the increasingly systematic application of law, are examples of their contribution. The seminal work on the role of the police in developing countries is David H. Bailey, The Police and Political Development in India (Princeton: Princeton University Press, 1969).

It would not, therefore, have been inappropriate to include in this column sums approximating the value of American aid to the TNPD and related activities not having a directly suppressive counterinsurgency intent. Furthermore, if one were prepared to argue that many societies run into the problem of internal armed conflict at some point in their development, and that the resolution of these conflicts is an essential element in the modernization process, then all of American aid to the Thai police could be considered aid to development and/or modernization.

As it happens, however, the Thai national accounts exclude expenditures by the police from the development budget. For the sake of consistency with figures presented in table iv.3, therefore, column 5 is adjusted downward accordingly.

^aSources: columns 1-5 are derived from appendices d and s, and table ii.1. Column 6 portrays non-police expenditures/accruals as a percentage of both the development budget and foreign resources inflows to official bodies. The assumption here is that the latter amounts were used for development.

As for column 7, average yearly expenditures/accruals 1951-1970 was \$25.6 million. Taking the 1960 population of 27,133,000 as the average population over the same period yields an average annual per capita aid figure of \$0.94, or total aid per person of \$18.9 over the period.

through 1970 USOM provided funding for 7964 Thai to travel abroad for advanced work in some field. Of the 4444 who went to U.S., 60% obtained masters' degrees.¹

Aid has come to Thailand from other official American sources also. The Fulbright Foundation has sent 297 Thai to the U.S. for advanced study, and provided another 239 travel grants. The Peace Corps has sent 1226 volunteers to Thailand, and Fulbright has sent another 201 Americans to Thailand, all but 20 on teaching grants.²

The remainder of this chapter is devoted to a discussion of the political rationale behind the American economic aid program to Thailand, the major foci of the program, and some of its more salient results. One point should already be clear, however, from Table IV.3. USOM aid has represented a relatively small percentage of total resources, domestic and foreign, expended by the Thai government: 5.2% from 1951 to 1969. As percentages of the development budget and total foreign resource availability 1951-1970, the figures are somewhat higher: 16.5% and 41% respectively. Nevertheless, even if all foreign resource receipts, and all U.S. aid funds, were used for development purposes, that would put U.S. inputs at only 11.8% of total development spending.³ Furthermore, if all U.S. commodity

¹Appendix m and Thailand Development Report (Bangkok), April-June 1970, p.4.

²See appendices k, l and o. Figures complete through 1970.

³Computed from appendix s and table iv.2.

aid were capital equipment, then U.S. aid would have represented only 7.2% of gross fixed capital formation, 1951-1969.¹ An analysis of its effects must therefore stress its success in identifying and breaking bottlenecks to growth rather than its direct contribution to overall economic and social development.

This is particularly the case because there is some question as to whether this assistance actually increased the total resources used in Thai development over the period in question. In a gross quantitative sense, it could be argued that it did not. From 1950 to 1970, USOM expended \$447.6 million for programs of economic and social modernization. Over the same period, however, Thai foreign exchange resources rose by almost the same amount, \$406 million.² At the crudest level of analysis, then, Thailand could if she had wished have bought the same goods and services that USOM provided. American aid thus did not represent an effective transfer of resources to Thailand.

¹Computed from USOM, Office of Finance, Annual Financial Report: 1969, p. 67a, and NEDB, national accounts work sheets, gross fixed capital formation figures.

The commodity component of U.S. project assistance 1951-1969 was \$210 million. USOM has also generated \$128 million in counterpart funds. See table iii.5. Author's very rough estimates are that 60% of counterpart funds between 1951 and 1962 were used for construction. If that ratio held for the full U.S. counterpart contribution, then the contributions to construction would equal \$76.7 million, for a total addition to gross fixed capital formation of \$287 million.

Over the same period, total gross fixed capital formation in Thailand was \$3.4 billion. The U.S. share of that was therefore 8.5%. However, total commodity accruals to police and related programs was \$42 million. Excluding these figures as not representing capital formation, the U.S. aid percentage drops to 7.2%.

By way of comparison, U.S. economic aid to Taiwan averaged 34% of that country's gross investment. See Jacoby, Aid to Taiwan.

²Computed from table ii.4 and iv.2.

This conclusion does not take into account the possibly different policies that the RTG might have followed in the absence of American aid, however. It seems fair to assume that some--perhaps much--of the activity supported by USOM would have been funded by the Thai anyway. To the extent that such activity would not have taken place, however, then American aid has added to the economic resources actually used in Thailand for development.¹

The situation in 1950

One of the bases for judging an aid program is its relevance to the problems of the aided country. A brief description of economic and social conditions in Thailand of 1950 is therefore necessary. To avoid the danger of judging with the benefit of hindsight alone, most sources cited are contemporary.

¹Two other points here are worth mentioning: the relationship of time to absorptive capacity, and the relationship of the source of funding to the quality of goods and services purchased. It could be plausibly argued that the Thai government in the fifties and early sixties had neither the technical expertise nor the managerial capability to make effective use through its own existing unilateral governmental mechanisms of the foreign resources that rising reserve levels could have provided. To the extent that this was so, the RTG was wise to retain its claims on those resources until such time as the internal human resource structure had reached the point that they could be effectively utilized.

The other issue is a related one. It could be argued that in the early and middle years of the aid program, the U.S. foreign aid agencies may well have been in a better position than the RTG to bring in high quality goods and services from abroad and ensure their effective utilization. Information discontinuities in the RTG, or corruption, to mention two possibilities, could have limited the latter's ability to expend its foreign exchange reserves effectively. Higher levels of training and experience in USOM as compared to RTG agencies could also have contributed to a relative advantage for USOM.

At all events, to the extent that these two factors were operative, a dollar provided by USOM was worth more in terms of its ability to promote Thai development than was a dollar owned by the RTG.

Agriculture

The Depression years, and the Second World War, had caused serious dislocations in Thailand's export markets, and in her internal productive capacity. It appeared by 1950, however, that Thai agriculture had for the most part recovered.¹ Production levels of rice and rubber were high, and both were enjoying the benefits of strong foreign demand. Several institutional factors also appeared favorable to future agricultural growth. Landlessness, a problem in many areas of the developing world, was not a problem in Thailand. The 1950 agricultural census indicated that 98% of the farmland in the Northeast was owner-operated, while the figure for the Kingdom as a whole was 87%. Fragmentation was not a problem either; in the Northeast, for example, average holdings were 2.6 plots per family, totalling 24 rai.² Nor was debt a crushing burden. Only 16% of the farmers included in the 1953 agricultural economic survey reported being in debt, and average indebtedness was 91 baht, or .8% of the average farmer's total assets.³

Whether the goal of the U.S. aid program as the Americans saw it was to permit the Thai to delay rather than to accelerate their development expenditures is another question, however.

¹Among the better analyses of Thailand's agricultural situation in the immediate post-war period are Food and Agricultural Organization (FAO), Report of the FAO Mission for Siam (FAO: Washington, 1948); Ministry of Agriculture (MOA), Thailand and Her Agricultural Problems (Bangkok Times Press Ltd., October 1931); and James C. Andrews, Siam: Second Rural Economic Survey, 1934-35 (Bangkok: Bangkok Times Press, 1935).

²One rai equals four-tenths of an acre. Tenancy did appear to be becoming more serious in the Central Plain. Mission for Siam, p. 98.

³USOM, Program Office, Economic Survey of the Korat-Nongkhai

However, behind these reassuring statistics lay a number of serious problems, many dating from long before the War. Rice yields were low, and had been declining since the early years of the century.¹ Furthermore, the obstacles to increased productivity had been little studied.² With 69% of commodity export earnings coming from sales of rice and rubber, Thailand's foreign exchange position was at the mercy of minor fluctuations in their world prices.³ Another problem was that of pest control. In 1949 it was estimated that perhaps 10% of the rice crop was lost to pests.⁴

As for livestock, indiscriminate slaughter and disease during and immediately after the War had resulted in a serious shortage. This was true not only of hogs and beef cattle, but also of water buffalo, a key input to the entire Thai rice economy. Rinderpest was the most serious disease, causing perhaps 26,000 animal deaths yearly.⁵

Highway Area (November 1962), p. 17. Also see MOA, Thailand and Her Agricultural Problems, 1949, p. 1. This low level of indebtedness was an indication of the underdeveloped nature of Thai agriculture, however, and did not imply the existence of an adequate rural credit structure, as will be made clear below.

¹ Rice yields in 1948-1950 were down by one-third from their 1906-1909 average, according to Ingram, Economic Change in Thailand Since 1850, p. 48.

² FAO, Mission for Siam, passim.

³ See table ii.3.

⁴ FAO, Mission for Siam, p. 40, and MOA, Thailand and Her Agricultural Problems, p. 15.

⁵ Such statistics as exist indicate that whereas in 1941 there were 6.36 million head of oxen, by 1947 and 1948 the figure had

Irrigation--or rather, the lack thereof--was another key problem. In some years monsoonal flood waters in parts of the Central Plain would reach a temporary depth of three to four meters, rendering the land effectively useless for rice production.¹ In other years, lack of water was an equally serious problem. The drought of 1936 resulted in damage to 31.7% of the area cultivated. The floods of 1942 saw 34.3% damaged.² There was a river and canal system in 1950 that in normal years was reasonably effective in spreading the monsoon floods throughout much of the lowland plains of the country.³ However, it had virtually no storage capacity, and agricultural production was therefore almost entirely dependent on the whims of nature.

Fish has always been an important part of the diet of the Thai. It was in 1949 their chief source of animal protein. With 2500 kilometers of coastline, Thailand was well suited to marine fishing. Its many interior rivers and canals provided large amounts of fresh water fish. However, fishing practices in 1950 differed

fallen to 3.56 and 4.79 million respectively. In the same three years the figures for buffalo were 6.30, 3.99 and 5.23 million respectively. FAO, Rural Welfare Division, Draft Report on Cooperatives in Thailand (July 1949), pp. 14-16. Also see FAO, Mission for Siam, pp. 65-66, and MOA, Agriculture in Thailand, 1966, pp. 18-19.

¹ Department of Publicity, The March of Thailand: A Survey of Various Aspects of Post-War Thailand (Bangkok: Thai Watana Panich Press, 1950), p. 54. Except for certain depressions, the water did not remain deep enough to support floating rice.

² MOA, Thailand and Her Agricultural Problems, p. 42.

³ Riggs, Thailand, p. 353.

little from those of a century before, and a potentially very valuable resource was seriously underutilized.

Thailand's forest resources had received little attention. In 1950 it was estimated that sixty to seventy per cent of Thailand's land area was forested. An FAO study team argued that 40% coverage would be sufficient, half in protective reserve--watershed areas, and half in productive reserve. The proportion of forest-derived revenues devoted to improving and preserving forest resources was much too small. As for exports, the lack of a scale for assessing timber quality resulted in lower than necessary profits on government exports of forest products.¹

Research and extension activities were also very inadequate. Some work had been done on rice selection and cultural practices, but experimentation techniques were not good enough to provide firm results. Statistical procedures in particular were poor.²

¹ FAO, Mission for Siam, pp. 73-77. In 1939-40, Burma spent a sum equal to 43% of total revenue receipts from forest production on projects to improve and preserve forest resources. The figures for the Philippines, Malaya and Java were 54%, 56% and 84% respectively. In the Thailand of 1950, however, the figure was 25%. Ibid.

² Ibid., pp. 26-48. Rice research, the Mission said, "should be under one man, and he should have a sufficient staff." It found the Thai rice research effort much less effective, and about one fourth the size, of that of the state of Madras in India, a state with a smaller land area devoted to rice than Thailand. Ibid., p. 44.

The 1949 FAO Survey Mission, "impressed with the ineffectiveness of the existing extension service," noted the insufficient training and quantity of extension personnel, and recommended the establishment of a single coordinated extension service.¹

Finally, the system of rural credit was inadequate. There was no institutionalized credit structure aimed at helping farmers to produce more efficiently. Zimmerman's 1930 study had found that debts, while minimal, were used to meet unexpected crises such as famine, crop failure, and funerals, and not to increase output.² Most money borrowed came from relatives, merchants or middlemen. Interest rates were high, if not with respect to the risk borne by the lender, then certainly with respect to the productive potential of the borrower. Cooperatives had existed since 1971, but in the early fifties they provided only 6% of average outstanding rural credit. Furthermore, they were government-run, and were seen as devices for improving rural welfare rather than enhancing agricultural productivity.³

¹Ibid., pp. 115-16.

²Zimmerman, Rural Economic Survey, p. 195.

³See, for example, MOA, Thailand and Her Agricultural Problems, pp. 78-83, and Ministry of National Development (MND), Office of the Under-Secretary of State, The Cooperative Movement in Thailand (Bangkok: The Cooperative Wholesale Society of Thailand Ltd., 1967), p. 51. Also see Udhis Narkswasdi, Agricultural Credit Systems in Certain Countries (Bangkok: Government House Printing Office, 1963), p. 49.

Economic infrastructure

In 1949 the Far Eastern Economic Review had noted of Thailand, "Little progress has been made in the rehabilitation of the internal transport and communications system."¹ Basic infrastructure in Thailand, except for the railroads and waterways, had never been very developed. The War, and depreciation through lack of maintenance, had left much of what did exist in poor conditions.

Highways had always been of low priority. Roads were designed to serve, and not compete with, the railway system. In the late nineteenth and early twentieth centuries, British and French colonial expansion underlined the importance of the railway to the consolidation of political and administrative control over outlying areas. However, repayment of construction costs to foreign creditors required that it make a profit; hence, the subsidiary position of highways.²

As of 1949 there were only 456 kilometers of paved highway in the Kingdom. Total length of "all-weather" roads was 3589 kilometers,³ but much of this was virtually unusable due to lack of maintenance and the disrepair or collapse of rickety wooden bridges.

¹ October 13, 1949, p. 492.

² Pendleton, Thailand: Landscape and Life, pp. 288-94; Ingram, Economic Change in Thailand Since 1850, pp. 196-8.

³ Pendleton, Thailand, p. 295.

As late as 1954, there were only 1600 kilometers of usable road, paved or unpaved, outside of Bangkok.¹ It was impossible to travel by road either to Chiang Mai in the North or to the Malayan border in the South.² A traveller to the Northeast in the early fifties noted that he did not see a single car east of Korat.³ The MSA noted in 1952 that the roads that did exist did not form a connected system, and were "wholly inadequate to the development of the country, or to its defense in case of attack."⁴

The railway system, heavily utilized by the Japanese during the War, had suffered extensively from bombing.⁵ In 1950 it was still badly in need of repair, as well as of improvements in maintenance and operating procedures. In particular, regional facilities were needed where rolling stock could be reconditioned without having to be sent to Bangkok for long periods.

¹Joseph S. Roucek, "Geopolitics of Thailand," The Social Studies, February 1954, p. 59. See also Far Eastern Economic Review, November 23, 1950, p. 623.

²Horace W. Ryburn, "The Challenge to the Church Today in Thailand," International Review of Missions, July 1952, p. 292.

³W. T. Blake, Thailand Journey (London: Alvin Redman, Ltd., 1955), p. 179.

⁴MSA, East Meets West in Thailand (Washington: 1952).

⁵Shop facilities at Makkasan and Korat were destroyed. Forty kilometers of track, 28 bridges and 22 stations were heavily damaged. Two diesel and 105 steam locomotives, 2084 goods wagons and 13 passenger coaches were hit by bombs. Transportation Consultants, Incorporated (TCI), A Comprehensive Evaluation of Thailand's Transportation Requirements (Washington: TCI, 1959), p. 49.

Another serious bottleneck to post-war economic recovery was the condition of the Port of Bangkok. The port handled 90% of Thailand's imports, and 85% of her exports. However, situated 50 kilometers from the mouth of the Chao Phya, it was particularly vulnerable to siltation problems. Even at high tide, vessels of only fifteen to sixteen feet draft could enter, limiting facilities to ships of 4000 to 5000 dead weight tons.¹ Off-loading therefore had generally to take place at Ko Sichang, an island situated in the Gulf of Siam 50 miles from Bangkok.²

Finally, electric power was in very short supply. As the decade of the fifties opened, most of the generating facilities destroyed during the War still had not been repaired.³ Frequent brownouts and blackouts were the rule. As a result, private establishments found it necessary to provide themselves with their own electricity. As late as 1957, it was estimated that half of existing capacity was in private systems, almost all in small, high-cost diesel units. With total annual electricity consumption per head standing at five kilowatt hours in 1951,⁴ Thailand was one of the lowest power consumers in the world. The 1957 IBRD

¹ Eastern Economist (New Delhi), November 17, 1950, p. 752. Also, Port Authority of Thailand, The Port of Bangkok: The Gateway of Thailand (3rd ed., 1965), p.2.

² New York Times, October 4, 1950, p. 9. Lighterage charges for this activity amounted to more than \$2 million yearly in 1950.

³ Far East Economic Review, October 13, 1949, p. 492.

⁴ Derived from Thailand Electric Power Study Team, Thailand Electric Power Study 1966 (April 1967), p. 124, and table ii.1.

Survey Mission stated, "There is little doubt that this shortage has been a significant deterrent to the development of commercial and industrial activity during recent years."¹

The education system

As the decade of the fifties opened there were three key problems facing education in Thailand: the insufficient number and low quality of teachers; the inefficiency of the elementary, grade 1-4, schools; and the paucity of teaching materials. That conditions fell far short of the acceptable was not surprising. In the seventeen years since universal education had been proclaimed a national goal by the 1932 Coup Group, the number of pupils had increased three times, the number of teachers almost six times,² and a war had intervened.

In 1951, 95% of the elementary school teachers outside of Bangkok had less than a sixth grade education.³ Countrywide, 77% of all teachers had no certificates of any kind. Slightly less than 1% held a bachelor's degree. Furthermore, there was

¹ A Public Development Program for Thailand, p. 144. In 1957, per capita power consumption stood at 15 kwh. In Indonesia, 18-20 in Thailand, 23 in India and 49 in the Philippines. See also Ayal, "Thailand's Six Year National Economic Development Plan", p. 35, and Ingram, Thailand, p. 135, both of whom noted the retarding effects of the power shortage on industrial growth.

² Computed from M. L. Manich Jumsai, Compulsory Education in Thailand (UNESCO, 1951), p. 64. This is the best available analysis of Thailand's educational system as of 1950.

³ Dixie V. Lippincott, Towards Better Elementary Education, Report on Completion of Assignment (Bangkok: USOM, 1959), p. 4.

no degree-granting teachers' college in the country.¹ Even in 1957, when the IBRD Survey Mission made its examination of Thailand's overall development needs, the provision of better-trained teachers was considered the country's most pressing educational problem. The Mission estimated that 6900 newly trained teachers were needed annually, while actual output was only 3000.²

As for the efficiency of the elementary school system, it was estimated in 1949 that while three-fourths of Thai children attended school at some point, only 13% ever completed fourth grade. In 1950, 59% of pupils entering grade one had to repeat it. The figure declined only to 45% by 1955.³ The results were overcrowded classrooms and slow class progress, as well as continuing high illiteracy rates. In 1949 it was estimated that two-thirds of the population could neither read nor write, except in the South where among the Thai Islam the figure was 90%.⁴

Normal material needs in most schools were almost entirely lacking. As M. L. Manich Jumsai wrote in 1949 in his careful benchmark study for UNESCO:

¹Swat Sukontarangs, Development of Thai Educational Bureaucracy (Bangkok: NIDA, 1967), p. 115.

²A Public Development Program for Thailand, pp. 179-82.

³A Public Development Program for Thailand, p. 178.

⁴Manich, Compulsory Education in Thailand, p. 87; Sir John Sargent and Pedro T. Orata, Report of the Mission to Thailand (Paris: UNESCO, 1950), pp. 12-17.

Most local and village schools are absolutely deprived of comfort. The children sit in an uncomfortable position on the floor, listening to the teacher asking them to repeat lessons in unison and memorize them from the blackboard. How dry the lessons are. There are no pictures, no models; and the textbooks printed on cheap paper contain no attractive colored illustrations. The teachers themselves have no handbook, no detail for a working programme, no suggestions of any kind to give the details of the subject to be taught and the methods to be used. The curriculum tend toward fact-cramming, and is entirely academic. No experiments are allowed because everything is strongly centralized and controlled from the Ministry of Education. ¹

These conditions were due in part to inadequate resources. Annual per pupil outlay in 1950 was \$.72 at the elementary level, \$17.25 at secondary and pre-university levels, and \$36.20 for vocational schools. ²

Whereas quality was the problem at the primary level, quantity was a problem at high grades. In 1950 only 39% of the districts had schools above the first four grades. The World Bank Survey Mission estimated that since the War only two per cent of those who entered

¹Manich, Compulsory Education in Thailand, pp. 61-62. Also see Thomas Antrim Durr, "Thai Culture and the Curriculum of Secondary Education in Thailand" (unpublished master's thesis, Cornell University 1956), esp. pp. 128-45 where he noted that subject matter was oriented toward subsequent examinations rather than post-school needs, and that the same curriculum was used in rural as in urban areas. A 1953 study showed that only 1/1000 of those entering grade 1 would ever enter the university; and yet the secondary curriculum was almost completely academic in nature, designed to meet university requirements. Willis P. Porter, The College of Education, Bangkok, Thailand: A Case Study in Institution Building, Prepared under the auspices of the Inter-University Program on Institution Building Research (Bangkok: UNESCO, 1967), p. 3. Interesting also is L. M. Hanks, Jr., "Indifference to Modern Education in a Thai Farming Community," Human Organization, Summer 1958, pp. 9-14.

²Sargent and Orata, Report of the Mission to Thailand, p. 20. Furthermore, there did not seem to be much room for quick improvement. In January 1951, teachers were receiving 11 times their pre-war salary;

grade 1 finished grade 11.¹ At the university level the Mission found that the need for trained administrators, engineers, agricultural experts, economists, statisticians and the like was clear, but that through the early fifties it had been largely met by sending Thais to study abroad. University education in Thailand was characterized by overcrowding, wasteful duplication of courses and facilities by different faculties of the same institution, almost universal use of part time instructors, very inadequate library facilities and rote teaching methods.²

Health

A key factor distinguishing Thailand's health needs from those of many other developing countries is that starvation, even serious malnutrition, have never been important problems.³ Other

living costs, however, had risen 16 times. These salaries, although low, amounted to \$15.6 million of the total primary education budget of \$16.4 million. The latter in turn represented 95% of the total educational budget. The budget itself was already large relative to other expenditures, standing at 22.1% of the national budget. Thus, with these already inadequate teachers' salaries alone representing some 20% of the national budget, chances for major improvements in teaching materials were slight. Computed from Manich, Compulsory Education in Thailand, pp. 54-64.

¹A Public Development Program for Thailand, p. 178.

²Ibid., pp. 182-97. Another factor that did not help educational progress was lack of continuity in leadership. From 1945 to 1952 Thailand had ten ministers of education. Walter Crosby Ells, "Educational Progress in Thailand," School and Society, August 16, 1952, pp. 102-105.

³The early history of public health programs in Thailand is traced in the Executive Committee of the Eighth Congress, Far Eastern

health problems have been more serious, however. Malaria, the leading cause of morbidity and mortality, in 1950 affected an estimated 15% to 25% of the population, or three to five million people, and caused 57,000 deaths in 1949. The effects on Thailand's agricultural economy were particularly heavy, the first epidemic coming in July, August and September when it impeded tilling, and the second in November through March when it slowed harvesting. Perhaps 15,000,000 working days were lost each year, and many fertile and potentially productive upland areas were virtually uninhabitable because of the disease. Small scale experimentation with malaria control had begun in 1930 with a four-man unit in Chiang Mai. During the War, however, budgetary limitations, communications disruptions and the extensive movements of civilians and troops resulted in a major recrudescence of the disease.¹ Environmental health was also bad, with filth-borne diseases-- liverflukes, intestinal parasites, and the like--infecting perhaps 80-90% of the rural population.²

Association of Tropical Medicine, Siam: General and Medical Features (Bangkok: Bangkok Times Press, 1930).

In 1950 there were 2.1 rai of cultivated land per person. Traditionally, one rai is the amount of land considered necessary to provide food for one person. This is not to say that there were not nutritional problems of various kinds in Thailand. None appeared to be of major dimensions, however. Interdepartmental Committee on Nutrition for National Defense, Nutrition Survey, 1960 (February 1962), cited in Scoville and Thieme, Agricultural Development in Thailand, table vii.

¹Kennedy, USOM Support to Public Health Programs, pp. 2-6; FAO, Mission for Siam, p. 8; Insor, Thailand, p. 43; Stein, Malaria Eradication, p. 1.

²Interview, USOM, Office of Public Health, September 15, 1971.

Public health services were very inadequate. Only 20 of Thailand's 71 provinces had hospitals. Furthermore, there was a serious shortage of medical personnel. In 1950 there were only 1000 doctors in Thailand, or 1 per 18,000 people. A disproportionately large number of these, 400 to 500, lived in Bangkok. The doctor-population ratio there was 1:25,000; in rural areas, 1:28,500. Only ten districts had a public health physician. Other medical personnel were in equally short supply. A "junior doctor" program had been started on the recommendation of Carle Zimmerman, but did not last long because of opposition from the medical profession. Other health personnel were equally lacking.¹

Government and administration

In 1950 government operations were deficient in many respects. In the field of financial management, coordinated long-term planning, or even capital budgeting, was non-existent. No attempt had been made to inventory the nation's needs, assign priorities among them, or relate them to expected resource availability. The tax structure was ad hoc, oriented neither toward the maximization of revenue, nor

¹Kennedy, USOM Support to Public Health, September 15, 1960; Vanderbosh, "Thailand: The Test Case," p. 36; Department of State, Thailand: Its People and Economy, Far Eastern Series, No. 36 (Washington: Office of Public Affairs, September 1950), p. 5; Zimmerman, Rural Economic Survey, p. 242; W. D. Reeve, Public Administration in Siam (London: Royal Institute of International Affairs), p. 55.

toward equity or growth. The year-to-year budget process was cumbersome and inefficient, and there were no provisions for publication or review of important financial data at regular intervals. In fact, the Treasury was unable to provide one time a consolidated statement of the government's cash position, and it was impossible to reconcile the accounts of the Treasury Department, the Bank of Thailand and the Comptroller-General's Department. The audit function was usually performed so late as to be of no use as a management tool, and evaluation was non-existent. The gathering of statistics generally was haphazard and uncoordinated, not structured to respond to any particular policy requirements.¹

In the area of human resource utilization, key problems were the ineffective use of specially trained or competent personnel, salaries which for the higher ranks were considerably below their

¹ PAS, Strengthening Public Administration in Thailand. As late as 1957 there was no one in the Central Statistical Office who had received formal training as a statistician. A Public Development Program for Thailand, p. 216.

See also Columbia University, Public International Development Financing in Thailand, p. 8, and Prayad Buranasiri and Snoh Unakul, "Obstacles to Effective Planning Encountered in the Thai Planning Experience," The Philippine Economic Journal, second semester, 1965, p. 327. Prayad and Snoh point out that although development planning began in India in 1950, in the Philippines in 1951, in Pakistan and Taiwan in 1953, and in Burma, Ceylon, Indonesia and Malaya in 1955, it did not begin in Thailand until 1961.

The international economic accounts were also very inadequate in 1950. There was no data on direct investment and private capital movements. Customs data was confused and tardily provided. See Flournoy A. Coles, Jr., An Internal Financial Plan for the Implementation of Economic Development in Thailand (Bangkok: STEM, January 30, 1952, mimeographed). Most of the improvements in this area, however, are due to the Bank of Thailand.

pre-war real purchasing power, poor physical working conditions, and burdensome administrative requirements that forced senior personnel to attend to trivial matters. The system of salary administration was particularly bad. There was no connection between level of pay and either quality or quantity of work, and there were no systematically administered standards of performance.¹ Also important, there was no effective institution of higher learning capable of training future Thai public servants, providing in-service or mid-career training, or carrying out research on problems of public policy.

In spite of these problems, the Thai bureaucracy had one very important strength: it had been administering the country ever since King Chulalongkorn established a functionally organized national administrative system. A Civil Service Commission which set standards, conducted competitive examinations, and supervised the advanced training overseas of government officials, had existed for some time. As one observer noted, "With the exception of the Philippines, Thailand has the only real civil service in Southeast Asia. These men are well-educated, competent to do their jobs within their tradition. Their long history of depending solely upon themselves to govern themselves has given them poise and experience far in excess of that of any of their neighbors."²

¹Chakra Hansakul, "A Study of Pay Policy and Administration in the Thai Civil Service" (unpublished master's thesis, Thammasat University, 1959), pp. 199-202.

²Joseph L. Sutton, "Political and Administrative Leadership," in Problems of Politics and Administration in Thailand, ed. by Joseph L. Sutton (Bloomington, Indiana: Indiana University, Institute of Training for Public Service, 1962), p. 20. Malaysia might now be excepted.

Point Four: 1950-1954

Foreign aid to Thailand began as part of a general international concern for the post-war economic situation in Asia. India and Burma in particular were facing severe rice shortages, while Thai production in 1946-47 stood at only 76% of the average annual figure for 1937-41.¹ Both India and the U.S. therefore made loans to Thailand for the stimulation of rice production and export.²

Harry Truman's inaugural address of January 1949 signalled a shift in the focus of American foreign aid policy from recovery alone to a combination of recovery, development and improvement in military capability. The fourth point in the speech called on the United States to "embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas." The President stated,

Our aim should be helped to free peoples of the world, through their own efforts, to produce more clothing, more materials for housing, and more mechanical power to lighten their burdens.³

The task would be made possible through the transfer to the developing countries of "our imponderable resources in technical knowledge," which are "constantly growing and are inexhaustible."

¹Derived from MOA, Agricultural Statistics of Thailand: 1965, pp. 46-47.

²Stanton, Brief Authority, p. 112; New York Times, July 15, 1946, p. 6; and Ingram, Economic Change in Thailand Since 1850, p. 55. The Indian loan was for \$13 million, the U.S. loan for \$10 million. Both were paid by 1950.

³Inaugural Address of Harry S. Truman, January 20, 1949, in Baldwin, Foreign Aid and American Foreign Policy, p. 61.

The third point in Truman's speech, not as well remembered as the fourth, was that the U.S. would work to "strengthen freedom-loving nations against aggression." By the early 1950's it was clear that in Asia this goal was of paramount importance. American aid to the region was generally justified on two grounds: the need to halt the spread of Communism, and the need to ensure the continued availability to the West of the area's natural resource reserves. More specifically, a Congressional study mission in 1952 found that American aid to the region rested on the following propositions:

- a. That it is in our interest to help the free nations of Asia in resisting Soviet dominance;
- b. That U.S. military aid is required to enable certain countries in the area to maintain internal security and discourage Communist encroachment from without;
- c. That economic and political stability are interdependent and together increase the capability and will to resist internal and external Communist aggression, and;
- d. That American material and technical aid is needed to assist the people of the area in dealing with their urgent economic problems so that material resources of the area may be used to the benefit of themselves and the rest of the free world.¹

With respect to Thailand in particular, the President's Message to the Congress on the proposed 1953 MSA program stated,

The basic objective of the United States in Thailand is to support a friendly government which has unreservedly committed itself to the cause of the free world, in maintaining stability in this country situated not far from China's Red Army, and bordering unsettled areas in Indochina and Burma. It is one of the world's great rice producers and exporters, on whose supply many countries of the free world depend, and it is also a source of a number of critical materials.²

¹ Congress, House, Committee on Foreign Affairs, Report of a Special Study Mission, House Report 872, 82nd Cong., pp. 26-7.

² Congress, House, Committee on Foreign Affairs, and Senate,

Clearly, then, economic aid to Thailand was justified primarily on the basis of American national interests in Asia, as perceived by the U.S. government. The need seemed pressing; for Ambassador Edward Stanton, reporting to Washington for home leave in 1951, said he expected Chinese attempts to take over several Far Eastern countries "sometime this year," including Thailand, "sooner or later."¹

Early in 1950 Prime Minister P. Phibulsongkhram had asked that Thailand be considered for Point Four assistance. Stanton agreed to recommend the proposal to Washington.² In the meanwhile, his discussions with the Thai Foreign Minister, Direk Chayanaam, emphasized that such a program should be "joint and cooperative" in organization. With regard to substance, the Foreign Minister said that the Thai Government wanted to concentrate on agriculture, public health, communications and the training of technicians in these fields.³

Committee on Foreign Relations, The Mutual Security Program for 1953, Some Data Supplied by the Executive Branch, 82nd Cong., 2nd sess., Committee Print (Washington: GPO, 1952), p. 30.

¹New York Times, June 19, 1951, p. 11.

²Writing from Bangkok, Peggy Durdin of the New York Times said in 1950,

"Phibul's policy of open anti-Communism and close cooperation with Britain and the United States, symbolized by Thailand's prompt recognition of the Bao-Dai government in Indo-China and her immediate offer of troops to the United Nations upon the outbreak of the Korean War, has brought her economic and military aid and widespread approbation in the West."

"Do-it-now-man in the 'Never-Never Land,'" New York Times Magazine, November 12, 1950, p. 17.

³Stanton, Brief Authority, pp. 233-43. The Ambassador hoped that since the Thai had agreed to pay local costs, Washington would

These development priorities were consonant with those held by Point Four administrators generally. Stanley Andrews, Administrator of the Technical Cooperation Administration, wrote in 1952, "Almost without exception, each of the countries in the so-called under-developed areas is sadly deficient in basic needs of mankind--food, health, education . . . So about 70 per cent of the personnel and the funds involved in these programs today is directed to these basic needs."¹ Thus American economic aid was justified within the Administration and to the U.S. Congress primarily on security grounds; in form and focus, however, it corresponded closely with the technical assistance approach of the Point Four ethic. The process by which the tools available to USOM were to be used in pursuit of the stated political goals has always been something of an enigma; it will become evident below that means have been inappropriately matched to ends. In later years, this has resulted in serious defects in the aid program.

Other forms of American aid to Thailand were also planned. In July of 1950 the United States Educational (Fulbright) Foundation was established in Bangkok. Dedicated to educational exchange, the

not "build up a colossal economic mission." Unfortunately, such was not to be the case. There appear to have been about 100 Americans working for USOM by 1952; the entire official American community, families included, was only 20 in 1946. See ibid., p. 254 and appendix.

¹ Time and People: Point Four in Perspective, Reprint from the Department of State Field Reporter, September-October 1952.

² Although the program was treated by Thai and Americans alike as a Point Four program, funding came from the Economic Cooperation Act

Foundation's work has been widely publicized in Thailand. Ambassador Stanton noted, "I know of nothing we have done for Thailand that has generated greater response and goodwill."¹

Also in July, the U.S. expressed its willingness to extend military aid to Thailand. A military mission arrived in August to assess the country's needs and priorities, and stayed for a month. An agreement regulating the provisions of military aid was entered into shortly thereafter.²

The Economic Cooperation Act of 1950 was approved just three months prior to the signing of the Bilateral Agreement. It made funding available for economic programs in Asia by authorizing the Administrator of the Economic Cooperation Administration (ECA) to utilize the remainder of the funds originally made available under the China Aid Act of 1948 for programs of economic assistance "in any place in China and in the general area of China which the President deems to be not under Communist control."³

and the Mutual Security Act. USOM was under the Economic Cooperation Administration and then the Mutual Security Administration, not the Technical Cooperation Administration.

¹Stanton, Brief Authority, p. 249. See appendices k and l for figures on the Fulbright Foundation program in Thailand.

²According to Ambassador Stanton, a number of "intelligent, non-governmental Thai" expressed the fear that military aid might stimulate some kind of communist retaliation; they expressed no such fear about economic aid, however. Stanton, Brief Authority, p. 24. Notwithstanding, American military aid to Thailand has over the years been considerably larger than her economic aid. See below, appendix p.

³ECA, Division of Statistics and Reports and Far East Program Division, The Role of ECA in Southeast Asia, Special Report (January 15, 1951), p. 2.

Forty-four million dollars were made available for 1951. The economic aid program in Thailand got underway on October 2, 1950, with a purchase authorization of \$73,000.¹ By January of 1951, 30 experts had arrived in the fields of rice culture, irrigation, public health, railroad and harbor operations and malaria control, and \$3 million in commodities had been authorized.² Among the most appreciated of the early programs were malaria control and rinderpest eradication. Total obligations during the period 1951-1954 were \$28,036,072.³ Distribution figures for the same period are not available, but for the three-year period 1951-1953, of \$22.4 million obligated, 30% was promised to programs of assistance to agriculture, 29% to transportation, communications and power, 8.5% to industry and mining, 5.5% to education and 1% to public administration.⁴

The prime goals in the agriculture field during this period were to increase and diversify Thailand's agricultural production. Virtually all areas of agriculture benefitted from these efforts.

¹ Ibid., and New York Times, December 3, 1950, p. 4.

² Stanton, Brief Authority, pp. 254 and 269, and ECA, The Role of ECA in Southeast Asia, p. 2.

³ The Comptroller-General of the United States, Examination of Economic and Technical Assistance Program for Thailand, International Cooperation Administration, Department of State, Fiscal Years 1955-1960, Report to the Congress of the United States (August 1961), p. 76.

⁴ USOM, Notes on the U.S. Aid Program in Thailand (September 15, 1953, mimeographed), p. 4. Apparently these figures are net obligations.

Improvements in seed quality resulted in a reversal of the trend of declining rice yields,¹ and enabled Thailand to take advantage of the burgeoning international markets for corn and kenaf in the late 1950's and early sixties. Assistance to the fisheries sector seem to have resulted in a 25% increase in the fish catch between 1950 and 1955. A major reason for this rapid improvement was the introduction under the project of two new net types, the otoshi ami, and the nylon gill net.²

Assistance to the Livestock Department, begun in 1952, enabled the rinderpest eradication program largely to achieve its goal, and also permitted the improvement of disease control facilities and breeding stock throughout the country. Technical assistance was also offered in extension techniques beginning in 1951, and in 1952 in the fields of agricultural credit and marketing, conservation and

¹ See chapter iv., pp. for a detailed discussion of the rice improvement project.

² Charles Breitenbach, Crop Development in Thailand, A Report written on Completion of Assignment (TAAVS, 1964), passim, and Milton J. Lobell, The Thai-American Fisheries Project, Report on Completion of Assignment (Bangkok: USOM, 1957), p. 3. National fisheries statistics in the 1950's are too unreliable to permit satisfactory documentation of the statement quoted in the text. However, widespread observation did show that the otoshi ami caught twice as much fish as the traditional Thai poh, and that their quality was significantly higher. The first nylon gill nets were introduced by USOM in 1954. There are authenticated cases of fishermen paying for them with one night's catch; even those with the worst luck could pay for them within sixty days. By July 1957, fishermen had spent \$1.2 million on them, and imports were continuing at the rate of \$300,000 yearly. Lobell, Fisheries, pp. 10-15.

university level agricultural education.¹

In 1951, at the recommendation of the FAO, a major water project was begun which by 1958 resulted in the completion of 110 irrigation reservoirs, or "tanks," in the Northeast. The completed tanks were generally underutilized, however, either because they were ineffective in catching and retaining the rainwater, or because local farmers did not make use of the water available. Both American and Thai Governments had underestimated the importance of the organizational prerequisites to effective water utilization. Furthermore, at the time the project was designed, such topographical maps of the Northeast as existed were very inadequate, having contour intervals of 100 meters.² USOM was not involved in irrigation in the Central Plains; the IBRD in 1950 had made an \$18 million loan to Thailand for a major water control and distribution project centered at Chainat.³

¹ USOM, Thai-American Economic Cooperation: 1951-1956 (mimeographed), p. 2; USOM, Thai-American Economic and Technical Cooperation (1961), pp. PD 3-16. See chapter v, pp. for a discussion of USOM technical assistance in the credit field.

² On this project and its problems see M. L. Xuchati Khambhu, Memorandum on Water Requirement and Water Control Projects in the Northeast Region of Thailand, 1958, p. 3, and Vernon W. Baker and William R. Stanley, A Special Review of the Tank Irrigation Problem in Northeast Thailand (Bangkok: USOM and U.S. Department of Agriculture, Soil Conservation Service, 1955), pp. 3 and 20.

³ On World Bank lending activity, see appendix g.

In the field of public health, attention was initially focussed on malaria control and the extension of hospital services to the provinces. As a result of the former effort the death rate fell by over half between 1950 and 1954, and as of the latter year, 4.7 million people, or 21% of the population, were covered by the spraying program.¹ As a result of the latter, the number of provincial hospitals was by 1955 increased from 20 to 71, or one for each province, and their equipment was modernized.²

Staffing, however, remained a serious problem. Through a university contract USOM provided technical assistance to Siriraj and Chulalongkorn medical schools in Bangkok. The project was a small one, however, and numerous problems in project planning and contract administration, as well as in the overall conceptual approach, impeded its effectiveness.³

In the field of economic infrastructure, USOM's assistance during this early period was small. Emphasis was spread widely between highway, railway, port and power development. From 1951 to 1954, aid to highways consisted of technical assistance to the Highway Department and a small amount of construction equipment. A heavy

¹ Sources: Ministry of Public Health (MOPH), Division of Bio-Statistics, cited in Dr. George J. Stein, Malaria Eradication in Thailand (Bangkok: USOM, May 1970), p. 8 and table 1.

² John Kennedy, Francis J. Murphy, Mark S. Beaubien, Alton E. Wilson and Bruce D. Carlson, A Brief History of USOM Support to Public Health Programs in Thailand (USOM, October 1969), pp. 12-13, and Blanchard, Thailand, appendix d.

³ Kennedy, USOM Support to Public Health, pp. 9-10.

equipment training school was established and equipped, and staffed in part with American technicians. About 300 Thai from various departments were given on-the-job training there. Little assistance was provided for the improvement or extension of the highway system itself, however.

As for railway improvement, USOM assisted the RTG in the planning and construction of three railway shops, at Korat, Uttaradit and Thungsung, and provided about \$1 million worth of materials and rolling stock parts. Thirty-seven Thai railroad employees were sent to the U.S. to study railroad maintenance, operation, administration, traffic control and other aspects of railroading. Assistance was planned as being complementary to an IBRD loan of \$3 million provided in 1950.

Also in 1950, the IBRD provided a \$4.4 million loan for port improvement.¹ USOM contributed a second-hand dredge, the Manhattan, and a technical advisor to the new port authority, establishment of which as an autonomous entity had been a precondition of the IBRD loan.²

¹Port Authority of Thailand, The Port of Bangkok, p. 2.

²The Manhattan had a somewhat inauspicious beginning. Naval and Marine units staged a coup d'etat while Prime Minister Phibulsongkhram was officiating at the presentation ceremonies. The Prime Minister was kidnapped and transferred to the navy flagship Sri Ayutthaya. The Sri Ayutthaya was bombed by Air Force units, and as it sank Phibul swam ashore. He then led the countercoup forces in an action that caused perhaps 1200 deaths and another 2400 casualties. This became known as the "Manhattan Coup"--most bloody of all coups, successful or attempted, in Thailand's post-Constitution history. Darling, Thailand, pp. 88-89.

A common misconception is that World Bank loans are made without the "strings" that are said to be attached to bilateral assistance. In fact,

Nation-Building: 1954-1959

The fall of China to Mao Tse Tung, the stand-off in Korea and the legitimation at Geneva of communist advances in Indo-China created for many Americans the specter of a continually advancing communist tide wherever the West permitted the opportunity. American officials were beginning to feel that such an opportunity could stem from factors other than military weakness. Harold Stassen, first Administrator of the Foreign Operations Administration, wrote in 1955,

Perhaps the most important development (during his tenure as Administrator) for the long run has been the recognition that, while military strength has been, and remains, essential for free world security, economic growth and social progress of peoples and nations are the fundamental positive requirements for the preservation of individual and national liberties and for the strengthening of a community of interest in the free world.

He continued,

Highlighting this broad new emphasis on the problems of economic development has been the recognition of the arc of free Asia--the free world frontier from Afghanistan in the West to Japan in the East--as the area offering the most urgent challenge and the greatest opportunity for constructive action.

One of the most heartening changes in emphasis concerns the technical cooperation program. From a program concerned mainly with elementary problems of health, education and agriculture has emerged a powerful instrument for meeting forthrightly a broad range of problems involved in achieving economic progress by democratic means.¹

the establishment of autonomous agencies were preconditions to IBRD loans for port and railway improvements, and a precondition of the Yankee loan was that Thailand would keep internal deficit spending to less than \$15 million yearly. See USOM, Thailand-United States Economic Cooperation (1957), p. 22, and A Public Development Program for Thailand, p. IV-2.

¹Harold Stassen, Report to the President on the Foreign Operations Administration, January 1953 to June 1955 (Washington: June 30, 1955), pp. 2, 4.

That Thailand had an important role to play in this world view had been apparent for some time. Writing from Washington in the New York Times, Dana Adams Schmidt said in 1954, "After the loss of northern Vietnam, the non-communist world's next line of defense in Southeast Asia is Thailand, according to British and American specialists working on the formation of a Southeast Asian Treaty Organization."¹ The U.S. General Account Office noted in its 1961 study of the aid program in Thailand,

"After the termination of hostilities in Indochina in 1954 and in consequence of United States concern about strengthening independent countries in the area of Southeast Asia, economic and technical assistance (to Thailand) was substantially increased."²

Thus the more rapid economic development that increased aid was expected to bring had two goals: the provision of an economic infrastructure adequate to Thailand's new role as the front line of SEATO, and the strengthening of the Thai society and economy against an expected communist challenge. Ambassador Max Waldo Bishop told the Congress in 1956, "I look at Thailand as the cork in the ink bottle, and if you were to pull this cork the red ink would flow to Australia immediately."³

Whereas American aid from 1951 to 1954 had averaged \$7.8 million yearly in gross obligations, from 1955 to 1959 the figure was

¹July 21, 1954, p. 4.

²The Comptroller-General, Economic and Technical Assistance Program for Thailand, p. 2.

³House, Foreign Aid Construction Projects, Hearings, before a Subcommittee of the Committee on Government Operations, 85th Cong., 2nd sess., p. 988. George Modelski found that 30% of American aid to Thailand from 1954 to 1958 was for "SEATO infrastructure." SEATO: Six Studies (Melbourne: Australian National University, 1962),

\$36.0 million.¹ However, almost no important new projects were begun in the fields of agriculture and public health. On the contrary, a number of activities in these areas were phased out, particularly in irrigation and fisheries. However, the agronomic improvement project under which the rice research program had taken place was continued, and reoriented toward upland crops. From 1954 through 1960, the transportation sector received 46.9% of total U.S. assistance, roads alone receiving 33.3% and air transport 9.8%, industry received 17.7%, education, agriculture, and health, 8.6%, 8.4% and 7.3% respectively. Public administration received 3.5% and the police 1.5%.²

This is not to say, of course, that the technical assistance programs initiated in the early fifties and implemented according to Point Four principles were not having their effect. They were, and important improvements in rice, corn and livestock production were the result. Even without the benefit of improved cultural

pp. 99-103." Clement Johnson in Southeast Asia: Report on U.S. Foreign Assistance Programs (Washington: GPO, 1957), p. 21, said that USOM backed Thai demands for more economic aid "in the light of U.S. treaty obligations."

¹Other American agencies were also increasing their activities at this point. USIS propaganda activities grew rapidly. According to Robert Alden in the New York Times, by May 1956, three million people had seen anti-communist films prepared by, and distributed with the help of USIS. He noted that most Thai had never heard of communism, and wondered whether this free publicity was a good idea. May 10, 1956, p. 5. Also see July 19, 1954, p. 2. An echo of the potential backfire of this kind of propaganda work is found in Prajuab Tirabutana, A Simple One: The Story of A Siamese Girlhood, Southeast Asia Program Data Papers, No: 30 (second printing, Ithaca: Cornell University Southeast Asia Program, 1956), p. 30-32. See also chapter vii, pp.

²These figures are estimates. See appendix 1 for an explanation of their derivation.

practices, the new rice varieties yielded increases of ten to eighty per cent, and quality premiums of from ten to thirty per cent. Rice yields by 1958-62 had increased by 6%, and by 1960-65 stood at 15% over their 1948-52 figure.¹ By 1959, furthermore, the malaria death rate stood at only 18% of the 1950 figure, and 54% of the population was covered by the spraying program.²

Economic infrastructure

Transportation, telecommunications and power were the key foci of USOM inputs in the infrastructure field from 1955 to 1959.³ Early American aid to highway development had been scattered among a number of small projects. With the large increase in available funds in 1955, however, it became apparent that a different approach was needed. Herluf T. Larsen, then Chief of the Highways Section of USOM, said in 1958,

The highway program in Thailand consisted entirely of little bits and pieces here and there. We had something like twenty highways, so we spent a little more money on them and there was not much to show for it. After I got out I got approval

¹Five-year moving averages. Paul Trescott, "Rice Production in Thailand," World Crops, September 1968, pp. 49-56.

²Computed from Stein, Malaria Eradication in Thailand, p. 8, and table ii.1.

³Interestingly, however, USOM gave virtually no attention to the problems of waterborne transport in Thailand, even though perhaps half of the nation's freight moved by these means. Ministry (sic) of Railways, A Study on Transport and Communications (Bangkok: March 1962), p. 32, cited in Nairn, International Aid to Thailand, p. 60.

to initiate a primary highway system, where we could show one or two good highways that would be a monument to American cooperation in Thailand. I thought it would be better than spending money spread all over the country.¹

Accordingly, USOM and the RTG completed in 1957 a "Master Plan for Primary Highways." The plan outlined eight main routes comprising 4,760 kilometers, with 1967 set as the planned completion date.² Until the mid-sixties when counter-insurgency considerations began to affect highway planning, USOM confined its assistance to roads included in the plan.

From 1955 to 1960, USOM participated in virtually every major highway construction project in Thailand. Perhaps the most famous of these was the Friendship Highway, which runs from Sara Buri to Korat, and which, when opened in 1958, provided the first convenient ground access to the Northeast other than the railroad. An East-West Highway connecting the Northeast to the North was also planned, but only the portion from Phitsanulok to Lomsak was completed. With the completion of the last of USOM-assisted arterial highway projects in 1965, Thailand could boast a major route from Bangkok through the Central Plains to the Northeast, and on to the Mekong. In addition, with modern highways between Bangkok and Nakhon Pathom and from Bangkok seven kilometers to the Southeast, the basis had been laid for a comprehensive national highway net. From that point on, highway assistance came primarily from the World Bank.³

¹House, Foreign Aid Construction, p. 574.

²USOM, Thai-American Economic and Technical Cooperation, 1962, pp. PD 27-29.

³From 1963 to 1969, in four separate loans, the IBRD has committed \$123,000,000 for Thai highway development. See appendix g.

A second highway program of major importance began in 1956, and saw the construction of 1013 new bridges throughout the country. About 4000 kilometers of existing highway were thereby opened to heavy commercial traffic. More importantly, perhaps, the project brought to Thai government operations a new and useful concept: contracting with the private sector for a product. Prior to that time, government agencies generally performed their construction activities by force account methods, and RTG officials doubted that the private sector was capable of performing effectively in this field. Nevertheless, the task at hand was clearly too much for existing RTG capability. Primarily in response to USOM urging, contracts were let to private builders who in turn were supervised by government officials. There were several years of adjustment difficulties, but by the mid sixties the demand for this capability resulted in the development of seventy-six separate bridge-building firms throughout the country. In 1955 there had only been seven.¹

The same pattern was followed in highway construction. The Friendship and East-West Highways were built by American contractors. However, a major aspect of their work was an on-the-job training program for thousands of Thai in various aspects of engineering and construction. The next step was the establishment of a highway equipment pool, which loaned expensive machinery to local contractors so that they could bid for projects without having to make major capital investments. This approach was used in the construction of the Bangkok-

¹Muscat, Development Strategy in Thailand, pp. 212-16; Columbia University, Public International Development Financing in Thailand, p. 78; interviews, USOM/Bangkok, September 1971.

Sara Buri Highway. Finally, in the case of the Bangkok road improvement project, contractors were expected to provide their own equipment. Thus, in the space of ten years, the road construction sector of the civil engineering profession in Thailand, virtually non-existent in 1955, had become capable of handling the largest projects, if not always on time, at least reasonably effectively.¹

By the end of the decade attention had turned toward technical assistance to the Highway Department itself. An advisory team of highway engineers was brought to Thailand to advise the Department on construction, maintenance and organizational procedures.

Assistance was also given for the improvement of the air and rail

¹USOM, Thai-American Economic and Technical Cooperation, 1962, pp. PD 26-27. W. Arthur Lewis has noted,

"Construction is normally about two-thirds of capital formation, and so a sudden attempt to increase capital formation (in underdeveloped countries) is always frustrated by lack of trained construction workers, insufficiency of building firms, and difficulties of supervision. The result is that projects cost twice as much as they should, contractors make enormous profits, works are badly designed or badly built, and everything takes much longer to achieve than was expected."

"On Assessing a Development Plan," Economic Bulletin of the Economic Society of Ghana, June-July 1969, cited in Edward S. Mason, On the Appropriate Size of a Development Program (Harvard University, Center for International Affairs, August 1964), p. 10.

USOM probably was not conceptualizing at this level of abstraction, but the program was nevertheless notable for its foresightedness. Apparently the stress on building local contractor capability was part of general U.S. policy in Thailand. According to one source, careful distribution of construction contracts under the military air base construction program from 1959 to 1963 resulted in an increase in the local contractors who could handle million dollar jobs from one to seven.

By the late 1960's, USOM was making a less dramatic, but perhaps equally important, contribution to an allied concept: that of contracting for services. See below, pp.

systems of the country. Of the two, the former received the most attention. Commencing in 1956, the project's primary goals were to provide the country with a number of improved airports, located on the basis of both economic and military considerations; air-to-ground and point-to-point communications; basic navigational aids, power supplies, and approach and runway lighting for key airports; and training for personnel in all fields of civil aviation, but especially air traffic control, communications, and electronic equipment maintenance. Under the project, extensive improvements were made to the airports at Korat, Takli, Udon, Phitsanulok, Chiang Mai, Phuket and Don Muang.

As of 1961, Don Muang, on the outskirts of Bangkok, had the most modern air traffic control facilities in all of Southeast Asia.¹

In 1955, and as a result of events in Laos, USOM decided to help the Royal State Railway (RSR) complete its Northeast line from Udon sixty kilometers north to Nong Khai on the Mekong River. The project was finished in late 1957, and with the construction of a ferry landing permitted easy transshipment of goods to Laos. A traffic control and communication system for the Northeast was installed, and additional rolling stock provided. USOM/Laos furnished 40 tank undercarriages to the RSR and USOM/Thailand 125 boxcars, in return for the assurance

¹USOM, Thai-American Economic and Technical Cooperation, 1962, pp. PD 33-34. See also Columbia University, Public International Development Financing in Thailand, pp. 71-78, for an interesting discussion of how jurisdictional disputes between military and civil air authorities in Thailand undermined some of the assistance efforts. Also see USOM, Office of Capital Development, Capital Projects Division, Civil Aviation Assistance Group, Draft In-Depth Report on the Aeronautical Ground Services Project (rev. ed.; July 1971, mimeographed), esp. p. 33.

that the RSR would provide service to Laos as needed.¹

By 1959 the transportation infrastructure had greatly improved. Highways had more than doubled in length to 8100 kilometers,² were capable of carrying heavy commercial traffic, and were beginning to form an integrated system. Railway operations were also more efficient.³ Internal air transport service, "minimal" in 1950,⁴ was reaching fifteen towns and cities on a scheduled basis.⁵ In 1959, USOM sponsored a major study of the entire transportation system in Thailand, in hopes that it would provide a general guide for investment in the sixties.

The first important hydroelectric survey of Thailand had been made in 1950.⁶ As of 1957, however, there was no significant power generation from this source, although Thailand's extensive river system appeared to make it a logical choice. In that year, the IBRD approved a \$66 million loan to Thailand, to develop a 560 megawatt \$100 million generating facility on the Ping River, some 260 miles north of Bangkok.

¹USOM, Thai-American Economic and Technical Cooperation, 1961, pp. PD 27, 28, 38, 39.

²TCI, Thailand's Transportation System Requirements, p. 75.

³Between 1954 and 1965, freight train length was increased by a factor of three, the number of RSR employees halved, and wages almost doubled. Thailand Electric Power Load Forecast Team, Thailand Electric Power Load Forecast: 1970-1990 (Seattle: Cornell, Howland, Hayes and Merryfield, October 1969), p. 50. Also see TCI, Thailand's Transportation Requirements, pp. 54-55, 65.

⁴Pendleton, Thailand: Aspects of Landscape and Life, pp. 293-95.

⁵The Development of Thailand, p. viii.7.

⁶Far Eastern Economic Review, November 23, 1950.

In the meanwhile, however, Thailand's power problems were acute. Under the Power Services and Training Project, USOM provided contract services, direct hire technicians, training for Thai technicians in the United States, and also some generating equipment. Begun in 1950 and continuing until 1964, it was an open-ended project, intended to supplement all activities in the power field, whether sponsored by the RTC, the IBRD, the Export-Import Bank of the United States, or the Development Loan Fund of AID's predecessor agencies.¹

In addition, improvements were made in distribution systems. A lignite-fired 12,500 kw. thermal power station was built at Mae Moh in northern Thailand, where with USOM help lignite deposits had been found in 1950. Initially designed to provide the Yanhee work site with power, Mae Moh did not come on line until November 1960, thus obviating its principal *raison d'être*.² The Export-Import Bank and the Development Loan Fund also made some important loans

¹USOM, Thai-American Economic and Technical Cooperation, 1962, p. PD 18. One may question the appropriateness of this loose approach to foreign assistance, however. When it became apparent in the mid-sixties that rational planning required a major study of Thailand's future electric power needs, there were no Thai capable of doing the job. An American team therefore had to be brought in. The result was a useful study, but which was out of date and badly in need of revision within three years. A second team therefore had to be brought to Thailand. Only then was attention paid to the creation of a local capability in power forecasting, with Thai from relevant agencies being trained specifically to perform the same task in the future.

²USOM, Thai-American Economic and Technical Cooperation, 1962, pp. 18, 22-23, and A Public Development Program for Thailand, p. 155.

to Thailand in the electric power field. The Metropolitan Electric Authority received \$19.8 million from the latter in 1959 for a modernized electric distribution system, essential if Yanhee power were to be utilized, and \$14 million was received from the Export-Import Bank for a 75 megawatt steam power plant constructed in North Bangkok designed to meet Bangkok's power needs during the hiatus between the coming on stream of the various interim power units, and the Yanhee Dam source.¹

The third area of economic infrastructure in which USOM had a strong interest in the middle and late 1950's was telecommunications. There were at that time no telephone connections between Bangkok and the rest of Thailand, and such communications systems as did exist were "paralliling, duplicating, uncoordinated and wasteful in addition to being inadequate for today's needs and incapable of meeting constantly expanding demands."² There were eight different telecommunications systems in the country; but it often took two days to get a message up-country by telegraph.³ Furthermore, in the post-1954 era, the United States considered it essential that an effective communications network be developed to link Thailand, Laos and Vietnam.

¹USOM, Annual Financial Report (1968), p. 5.

²USOM, Thai-American Economic and Technical Cooperation, 1961, pp. PD 25-26. Also see Western Electric, Defense Activities Division, Telecommunications Review (New York, November 1961), p. 2.

³A Public Development Program for Thailand, p. 149.

In 1955 the Congress under the Mutual Security Act established a \$100 million Asian Economic Development Fund. The Fund was earmarked for projects having regional implications in Southeast Asia, and \$7 million was made available for the telecommunications project. Eight years of frustration followed, after which only a small portion of initial goals were met. The project would make an excellent case study in administrative confusion, ineffective donor-recipient relationships, underestimation of technical problems involved in work under unfamiliar climatic, geographic and administrative conditions, and poor contract administration. Nevertheless, the system as completed provided telecommunications between Bangkok and the Northeast, the North and the Southeast.¹

Public administration

Another major effort in the post-1954 USOM concentration on nation-building was in the field of public administration. Although some of the projects in this area were aimed at specific agencies, as a rule most were intended to help the RTG improve its capabilities in areas of general relevance to efficient public service in any governmental organ.

Prior to 1954, USOM involvement of this nature was limited to minor assistance in government fiscal procedures, and to the

¹USOM, Thai-American Economic and Technical Cooperation, 1965, pp. 105-106. See also Western Electric, Thailand Telecommunications Review.

provision of training in public administration in the United States to a selected few Thai officials. Then, in 1956, the Public Administration Service of Chicago (PAS) was hired on contract to assist in the modernization of fiscal management techniques-- budgeting, accounting, financial report and auditing. The project was highly successful, with many PAS recommendations being effectively implemented.¹

In the same year, the University of Indiana, with USOM funding, began a ten-year program of support to Thammasat University in the creation of a new institution, the Institute of Public Administration (IPA). The IPA provided the first training at the master's level in public administration available in Thailand, and broke new academic ground in many other respects. Students attended small seminars that required them to enter into a dialogue with their professors; funds were provided for research activities to be performed in conjunction with teaching responsibilities; a written thesis was made a prerequisite for the degree; and the first fully-cataloged, open stack library in Thailand was established.²

In 1956 USOM began a program of support to economic planning in Thailand, and in the year following a project to assist in the improvement of statistical services. Interestingly, however, little

¹See chapter v, pp. , for a more complete discussion of this activity.

²See chapter vi, pp. .

attention was paid to personnel management problems until 1962, when a project to assist the Civil Service Commission was established.

Two other projects with public administration implications were begun in the same period. One was in the field of community development (CD), and was directed at the issues of government-villager relations and economic and social progress in rural areas. When USOM assistance in this area began in 1956, Thailand had already for several years been experimenting with a number of CD programs that differed widely in organization and concept.¹ However, RTG inability to decide on an approach for a nationwide program limited USOM assistance until 1960 to the provision of small-scale advisory services.²

USOM assistance to the Thai National Police Department (TNP) began in 1957. Prior to that time, the U.S. government had been giving large scale assistance to the TNP through the Central Intelligence Agency.³ The coup of 1957 resulted in a major decrease in the influence of the TNP, and such assistance as the U.S. was permitted to provide was henceforth to be channeled through USOM.

¹See Nairn, International Aid to Thailand: The New Colonialism, for a perceptive discussion of these earlier experiences.

²USOM, Thai-American Economic and Technical Cooperation, 1961, pp. PD 69-70. Total expenditures from all sources under the project were only \$170,000 by 1960.

³Virginia Thompson, "Thailand: Nationalism and Prosperity," Current History, August 1952, pp. 97-101; Wendell Blanchard, Thailand, pp. 194-98; Insor, Thailand, p. 70; Henry R. Lieberman in the New York Times, July 23, 1951, p. 2.

From 1957 to 1961 aid did not exceed \$625,000 annually, and only half of that amount was in the form of commodities.¹ Technical assistance provided was directed only at traditional police functions: crime control, investigation, citizen identification, and police training, education and inspection capabilities.²

Education and health

The year 1954 marked a turning point in American aid to education in Thailand. A contract was entered into with Indiana University and the College of Education and its branches to improve the quantity and quality of teachers throughout the country. The number of students there increased from 200 in 1954 to 2000 by 1960.³

Then in 1958, in an attempt to make use of experience gained from earlier pilot experiments, an integrated General Educational Development program was established. A GED center was established in each of the twelve educational regions of the country, and was composed where possible of a teacher training school, a vocational school, two primary schools, two primary extension schools, two

¹Philip D. Batson and Marvin J. Jones, A Brief History of USOM Support to the Thai National Police Department (USOM, 1969), p. 29.

²USOM, Thai-American Economic and Technical Cooperation, 1961, pp. PD 77-78.

³USOM, Thai-American Economic and Technical Cooperation, 1961, pp. PD 77-78. See pp. for a fuller discussion of aid to this institution.

secondary schools and an agriculture school. These centers were to serve as dissemination points for the transmission of new ideas and to provide a base for supervision and improvement of local school curricula and teaching methods. It was hoped that this program would provide the necessary impetus, and mechanism, for a general reform of the country's educational system.¹

Vocational education, both mechanical and agricultural, received much attention also. A Technical Institute had been established in Bangkok in 1952, and initial technical assistance provided through direct hire staff. In 1956, a contract was let with Wayne State University, and by 1960 a broad three years post high school vocational curriculum, including vocational teacher education, had been developed. The Institute had by that time 200 faculty member, thirty-four buildings and 5000 students. Regional branches in Chiang Mai, Korat and Songkhla enrolled another 1500.² In 1958, shortly after the Thai government had decided to establish vocational training courses in grades 11-13, deemphasizing

¹William N. Williams, A Brief History of USOM Support to Education in Thailand (USOM: October 1969), p. 5, and Lippincott, Elementary Education, p. 3.

²U. Alexis Johnson, "Thai-United States Cooperation," Address given at Wayne State University, in Department of State Bulletin, January 20, 1960, pp. 1001-1006; and USOM, Thai-American Economic and Technical Cooperation, 1962, pp. 47-48 and 53.

One source notes that three American instructors assigned to the Institute felt that its purpose was "to train Thai technicians to replace Chinese ones, and thereby defeat the internal threat of communism to Thailand. Montgomery, "AID Educational Assistance to Thailand," pp. 54-55.

vocational education at lower levels, USOM began a program of support to twenty of these schools through the University of Hawaii. Until that time, 67 of the 71 provincial vocational schools had taught only carpentry.¹

Finally, the inability of an ad hoc program of advice to Chulalongkorn and Siraraj Medical Schools to result in lasting institutional improvement led in 1957 to a project whose goal was the establishment of a new medical school in Chiang Mai, which it was hoped would be oriented more directly toward the public and community health needs of rural Thailand. The latter goal proved difficult to achieve, but the graduates are among the best trained in Thailand.²

¹Lyle Pember, A Cooperative Program for the Development of Vocational Education in Thailand (Bangkok: USOM, May 1970), p. 18. In the late 1950's, and in part due to urging of SEATO's Asian members, the U.S. tried to improve that organization's image by adding to its anti-communist nature a pro-development orientation. This project was classified as part of the U.S. contribution to SEATO and officially called the SEATO Skilled Manpower Project.

Initially, USOM had provided assistance to vocational education at the primary extension schools, grades 5, 6 and 7. By the late fifties, however, the Ministry of Education had decided to work towards universal primary education through grade 7. Vocational courses were therefore relocated upward, and such institutional growth in vocational education capability at the lower level as existed was as a result lost. This is a good example of one of the unavoidable difficulties in development assistance. Institutional change is bound to render some assistance efforts virtually fruitless.

²Kennedy, USOM Support to Public Health, pp. 10-12. For a discussion of some of the early problems experienced in trying to orient Chiang Mai Medical School students toward rural community medicine, see Edward O'Rourke, M.D., "Memorandum," to Tracy S. Park, Jr. (USOM files, October 6, 1964), and John F. Kennedy, M.D., Thailand: Saraphi, Community Health Project: Chiangmai (Bangkok: USOM, 1970). Particularly interesting is Kennedy's description of how the American university contractor itself dragged its feet in implementing community health aspects of the program until generally increasing concern for the subject in U.S. medical schools finally had an effect on the home campus.

Phasedown: 1960-1964

The period 1960-1964 saw a much lower level of aid obligations. There were several reasons for the decline. Relevant certainly was the success of earlier programs in seed improvement, infrastructure expansion and malaria control. These had made possible a rapid Thai response to external market demand in upland crops.¹ The resulting increases in foreign exchange earnings led many to feel that Thailand was rapidly approaching economic self-sufficiency, in the sense of being able to sustain a high rate of growth without concessional external assistance. In addition, with a number of large scale infrastructure programs initiated during the nation-building period nearing completion, many of the prime American military interests in Thailand were met. The U.S. government study team sent to Thailand in 1961 felt that the country's basic needs in natural resource, infrastructure, and other public-type development programs had been adequately provided for, and therefore recommended that the USOM confine its support to technical assistance in agriculture and education, and to the performing of feasibility studies which would serve as the basis for the attraction of international private investment.²

¹For a statistical analysis of the effects of these factors see Jere R. Behrman, Supply Response in Underdeveloped Agriculture: A Case Study of Four Major Annual Crops in Thailand, 1937-1963 (Amsterdam: North Holland Publishing Co., 1968).

²The Development of Thailand, passim. Another reason was that the Kennedy Administration was looking for some aid "success stories"

The key reason for the lower aid level, however, was the official optimism on matters Southeast Asian that prevailed in the United States in the late fifties and early sixties. The lack of overt communist military activity in Vietnam and the apparent settlement of the Laotian crisis at the 1962 Geneva Conference gave the impression to those not closely familiar with the local situation that the region was not likely to become a source of major problems.¹

As for Thailand, a report by two well known American students of the Thai scene argued in mid-1964 that

to prove to the Congress that assistance could bring developing countries to the stage of rapid, self sustaining growth. Taiwan ultimately won the honor in the Far East, Iran in the Middle East. Also, with increasing emphasis being given to assisting Latin America, Africa and South Asia, AID was simply short of funds.

Major General Samuel L. Meyers, Deputy to the MAAG Commanding General in Vietnam said in testimony before the Senate Foreign Relations Committee on April 17, 1959,

The Viet-Minh guerrillas . . . were gradually nibbled away until they ceased to be a major menace to the (South Vietnamese) government. In fact, estimates at the time of my departure indicated that there was a very limited number of hostile individuals under arms in the country. Two territorial regiments were also to cope with their depredations.

They (the South Vietnamese) are now able to maintain internal security and have reached the point where that responsibility could be turned over to the civilian agencies . . . The Committee concluded that on "the basis of the assurances of the head of the military aid mission in Viet-Nam at least the U.S. Military Aid (sic) Advisory Group can be phased out of Vietnam in the foreseeable future."

Of this conclusion Bernard Fall writes, "Incredibly, this was published at a time when local officials in Viet-Nam were being killed at a rate of more than ten per day. The Two Viet-Nams. A Political and Military Analysis (2nd rev. ed.; New York: Praeger, 1967), pp. 327-28.

By way of contrast, at the height of the insurgency in the Thai Northeast, assassinations were running at the rate of one per day. New York Times, March 12, 1967, p. 11.

The communist threat . . . is still intangible; . . . insurgency may never actually occur . . . There is as yet little awareness at the local level of a direct or immediate communist threat within the country . . . With few exceptions, Thai peasants have been neither threatened by nor compelled to feed communist insurgents . . . On the whole, the security problems encountered in Thai rural communities are those that have always troubled Thai villagers and provincial authorities: theft, young men terrorizing neighboring villages, cattle rustling and boat stealing, crimes of passion . . .¹

In an article in the Atlantic Monthly, Maynard Parker reported a military briefing in Bangkok which he attended in late 1965, in which the briefing officer stressed that the major danger facing Thailand was conventional invasion, not subversion. The officer is quoted as saying, "We do not expect a guerrilla war in Thailand." Parker claimed further that American officers stationed up-country who reported increasing subversive activity were told, "Get on the team. You boys are the only ones writing pessimistic reports. Everything is fine down here."²

At all events, in June 1961, Henry R. Labouisse, first Administrator of the new Agency for International Development, announced that supporting assistance to Thailand would end as of fiscal 1962.³ Such aid as Thailand needed would be provided in

¹H. P. Phillips and D. A. Wilson, Certain Effects of Culture and Social Organization on Internal Security in Thailand, RM 3786-ARPA-Abridged (Santa Monica: The RAND Corporation, June 1964) pp. 2-3.

²"The Americans in Thailand," The Atlantic Monthly, December 1966, pp. 51-54.

³House, Hearings before a Subcommittee of the Committee on Appropriations, 88th Cong., 2nd sess., 1964, p. 454. See also testimony by Seymour T. Janow, Assistant Administrator of AID for

the form of development loans, probably in much smaller amount than had until then been given.¹ A year earlier, Congressman Otto Passman, Chairman of the House of Representatives Subcommittee on Foreign Operations, had been in Thailand. During the hearings on the 1964 budget he said with respect to that visit,

We met with the very able Ambassador.² He said the recovery in Thailand had been phenomenal. "There will be no more aid for Thailand," he said. "They do not need it. Economic aid is out." That was good.³

Aid Administrator David Bell testified before Passman's committee in June of 1963,

We expect our economic assistance should be diminishing there and that we can continue to make harder terms for our loans, and it should not be too long before we can close out our economic assistance program altogether.⁴

Things were to change shortly, of course. Nevertheless, the intent in the early sixties was clearly to phase out the aid program. Almost no major projects were begun during the period 1960-1963.

the Far East, in House, The Foreign Assistance Act of 1962, Hearings before the Committee on Foreign Affairs, 87th Cong., 2nd sess.

¹ Columbia University, Public International Development Financing in Thailand, p. 35, and AID, Proposed Regional Program for FY 1963, Volume IV, Far East, p. 52.

²U. Alexis Johnson, now Under-Secretary of State for Political Affairs. Johnson's tenure in Bangkok was from January 1958 to March 1961.

³House, Foreign Operations Appropriations for 1964, Hearings before a Subcommittee of the Committee on Appropriations, 88th Cong., 1st sess., p. 83.

⁴Ibid., note 2, p. 574.

The only new endeavours were the \$3.7 million Bangkok-Nakhon Pathom Highway, which had been long planned, a \$750,000 loan to the Industrial Finance Corporation of Thailand, a village-level health and sanitation project that was actually a continuation of earlier rural health programs, a manpower planning assistance project stemming from the deficiencies in this area of the First Plan, the Personnel Management Improvement Project with the Civil Service Commission, and a project to improve local administration. The first three were begun in 1960, the fourth, fifth and sixth in 1963.¹

The Thai government was naturally not very happy with the declining trend in aid obligations. Particularly galling was the fact that Cambodia, a country with whom Thailand's relations had been strained for many years, had recently become the recipient of aid resources that on a per capita basis were several times higher than those given to Thailand. In 1960 General Netr Khemayoothin, Under-Secretary in the Office of the Prime Minister, complained that Thailand was getting less aid per capita than other countries in Southeast Asia who had not committed themselves to the side of the free world.² Foreign Minister Thanat said bitterly

¹USOM, Thai-American Economic and Technical Cooperation, 1962, various pages. Actually, the first small obligation of funds for the new Accelerated Rural Development program was made late in Fiscal 1964, but ARD did not really begin to take shape until a year later. On the local government improvement project, see chapter vi, pp.

²New York Times, November 12, 1960, p. 2.

that "that country which claimed to be our great friend like its foes better than its friends," and in a radio broadcast on September 8, 1961, expressed growing Thai misgivings about the efficacy of SEATO.¹

That American aid had declined was unfortunate in one important sense. Most qualified observers agreed that the Sarit government, which took power in 1958, was the most effective and technically competent that Thailand had ever had. Sarit established the National Economic Development Board in 1959, and in April 1962, announced a \$300 million program to improve economic and social conditions in the Northeast.² Furthermore, he was not unaware of the psychological side of nation-building. Unencumbered by the 1932 Coup Group's anti-monarchist sentiments, he encouraged the young king to travel and to be seen more often in public.³

¹L. P. Singh, "Thai Foreign Policy: The Current Phase," Asian Survey, November 1963, pp. 535-8. See also George Modelski, "The Asian States' Participation in SEATO," in Modelski, ed., SEATO: Six Studies, pp. 87-163. Modelski argues that the Thai have successfully used such complaints and veiled threats on several occasions to bring U.S. policy makers to increase declining aid levels. The present study, while not denying official American sensitivity to such expressions of discontent, does not find them playing a key role, and would argue that the decision process determining aid obligation levels is a much more complicated one.

²Jeanne Kuebler, "Thailand: New Red Target," Educational Research Reports on World Affairs (Washington: Congressional Quarterly Inc., 1966), p. 77. See also Ayal, "Thailand's Six Year National Economic Development Plan," Asian Survey, January 1962, pp. 33-43; Donald E. Nuechterlein, "Thailand: Year of Danger and of Hope," Asian Survey, V.2, pp. 119-20; and Fred R. von der Mehden, The Military and Development in Thailand, Paper presented to the American Political Science Association (September 1970, mimeographed).

³Nuechterlein, "Thailand After Sarit," Asian Survey, May 1964, pp. 842-50.

Difficulties between the two governments were reduced when on March 6, 1962, after Foreign Minister Thanat had spent five days in Washington, the United States agreed to issue a bilateral guarantee to Thailand, clarifying, and some have argued, supplementing,¹ U.S. responsibilities under SEATO. The Rusk-Thanat communique read in part as follows:

The Secretary of State reaffirmed that the United States regards the preservation of the independence and integrity of Thailand as vital to the national interest of the United States and to world peace . . . The Secretary of State assured the Foreign Minister that in the event of such (communist) aggression, the United States intends to give full effect to its obligations under the Treaty to act to meet the common danger in accordance with its constitutional processes. The Secretary of State reaffirmed that this obligation does not depend upon the prior agreement of all other parties to the Treaty, since this Treaty obligation is individual as well as collective.²

Creating as it did a special relationship between Thailand and the United States that was not shared by other Southeast Asian countries, the communique set the stage for the increasingly close cooperation on security matters that would characterize their interaction in the late sixties.

Counterinsurgency: 1965-1970³

By the latter half of the 1960's, the economic aid program was larger than it had ever been. The stated purpose of the program

¹See for example the discussion between Senator J. Walter Fulbright, Ambassador Leonard Unger, Counsel Roland A. Paul et al, in Senate, Security Commitments Abroad: Thailand, pp. 685-707.

²State Department Bulletin, March 26, 1962, p. 498.

³This section deals primarily with the political rationale and project focus of aid during the counterinsurgency period. Further

was to help the Thai government defend the country against subversion.

As the then Acting Director of USOM informed the Congress in 1969,

The primary justification for the American aid program in Thailand remains that of helping the Thai Government combat the communist insurgency. About two-thirds of our FY 1969 program was directly oriented toward counterinsurgency. Other programs in the areas of health, education, agriculture and institutional development play an important role in support of the direct counterinsurgency programs. Furthermore, of course, effective programs in the Northeast and the North require an efficient central supporting structure, and some of our aid is aimed at improving that structure.¹

U.S. officials have on several occasions prided themselves on the timely provision of counterinsurgency aid to Thailand. They have claimed that such aid began in the early 1960's, permitting the Thai government to make its presence felt in the villages before communist agents could establish themselves there. As AID Administrator David Bell told the House Foreign Affairs Committee in February 1965,

I would say without meaning in any way to minimize the problem . . . This is a case in which we have been somewhat ahead of the game for the last two years . . . We have been urging the Thai Government to undertake measures directly intended to prevent the establishment of the kind of subversive activity that is going on in Vietnam.²

evaluation of its results will be found in chapter vii. See also appendix d for precise aid allocations 1965-1970.

¹Letter from Rey M. Hill, Acting Director, USOM, to Phillip W. Morgan, Chief Counsel to the Minority, U.S. Senate, Permanent Subcommittee on Investigations, Committee on Government Operations, July 25, 1969.

²House, Foreign Assistance Act of 1965, Hearings before the Committee on Foreign Affairs, 89th Cong., 1st sess., p. 81. This view represented a rather optimistic assessment of Thai and American capabilities, for as late as 1968, surveys showed that the average rural head of household in the Northeast had contact with a government official perhaps only once every four years. Chulalongkorn

However, it seems somewhat unlikely that American concern for potential insurgency would have been the sole, or even the primary, reason behind the complete reversal in aid plans. As the study by Wilson and Philips quoted earlier indicated, there was in 1964 little generally available evidence of communist activity in rural Thailand; and as the Parker article suggests, the U.S. military was not overly concerned with the possible development of guerrilla warfare either. It does not seem probable that, only on the basis of what was known about communist activity in 1963 and 1964, plans could have been laid, as they were, for such a radical increase in aid. Numerous audits and evaluations in recent years have shown that aid increased much more rapidly than normal AID procedures would have permitted, to the extent that the absorptive capacities of recipient agencies were seriously strained.¹ The most plausible explanation, then, for the rapid increase in aid is that it represented a form of rent for American use of Thai air bases in conjunction with the Vietnam War.

The then American Ambassador to Thailand, Graham Martin, in testimony before the Senate Subcommittee on Security Agreements and

University, Department of Local Administration, National Research Council and USOM, Security and Development in Northeast Thailand: Official-Villager Contacts and Villager Loyalties (September 1968, mimeographed), p. 19.

¹GAO, Vehicles Provided to the Police Department, Interim Audit Memorandum No. 7, May 29, 1968, found that although USOM had provided hundreds of vehicles to the TNP, it had no idea of what total TNP vehicle assets were, that there was no system for relating vehicle provision to substantive mission, and that until just before the audit report USOM and the TNP had no coordinated vehicle procurement plans. As another example, from 1965 to 1967, USOM funding obligations were a total of \$64 million higher than Congressional Presentation figures, the first unanticipated increase taking place before overt CT activity began.

Commitments Abroad, has specifically denied the existence of such a quid pro quo arrangement.¹ The circumstantial evidence to the contrary, however, is impressive. Charles Murphy, Editor of Fortune Magazine, made a lengthy trip to the Far East in 1965, during the course of which he visited the Northeast of Thailand in the company of Major General Ernest Easterbrook, then Commander of JUSMAG. Murphy wrote of American use of Thai airbases,

Had it not been for the timely and unobtrusive help of the Thais, the massive American intervention in the Vietnam war might well have come too late. Last winter, when President Johnson was weighing the various propositions for bringing American military power to bear in the Vietnam war, the Pentagon requirement for swift air counterattack was crippled for lack of runways. There were only three runways in all South Vietnam long enough for jet fighter bombers. At that late hour, the effective injection of air power required not only a continuous attack on the sources of supply in North Vietnam as well as on enemy roads, railroads, storage dumps, and supply trails. It also required the rapid organization of considerable U.S. fighter-bomber support for the ground battle south of the seventeenth parallel. The three jet-length runways available in South Vietnam, even in conjunction with the carrier strike forces in the South China Sea, were not enough to mount the two operations simultaneously.²

Rear Admiral Francis J. Blouin, Director of the Far Eastern Region, Bureau for International Security Affairs, Department of Defense, testifying on the Administration's foreign aid bill, told the House Foreign Affairs Committee in March 1965, "I would like to stress what an important and most cooperative ally Thailand has been to us. You just couldn't ask for a better ally in Southeast Asia."³

¹Senate, Security Commitments Abroad: Thailand, pp. 872-73.

²Charles J. V. Murphy, "Thailand's Fight to the Finish," Fortune, October 1965, p. 122.

³Congress, House, Foreign Assistance Act of 1965, Hearings before the Committee on Foreign Affairs, p. 773.

Leonard Unger, the present U.S. Ambassador to Thailand, told the Symington Committee that "meeting the requirement for a very large range of facilities and privileges and so on of one sort or another in Thailand related to the war in Vietnam and activities in Laos" had of necessity received his prime attention, and that "in anything I do in dealing with the Thai government I must bear in mind that we have these things that we feel we need."¹

Nevertheless, it is quite possible, as Ambassador Martin states, that no formal quid pro quo was arranged with the Thai government in return for access to the bases. To draw an analogy, socio-economic analysis has made it clear that price collusion among American manufacturers can take place even in the absence of direct communication between company officials; rather, it is simply understood that when one company increases its prices by a certain amount, the others will follow suit. In the same way, there would have been no need for Martin to promise the Thai specific amounts of increased aid; the latter could be sure that such would be forthcoming, given their important supporting role in the Vietnam War and heightened American concern about Southeast Asian events generally.

The answer to this particular question will never be completely known until all American papers dealing with the subject

¹Senate, Security Commitments Abroad: Thailand, pp. 804, 805. He added that he was not very happy with the need to consider all his actions in the light of these requirements.

are made public. Certainly it could be argued that the confluence of events surrounding the deepening American involvement in Southeast Asia created an atmosphere that was generally conducive to a rapid rise in assistance levels. The Tonkin Gulf Resolution, signed into law by President Johnson on August 11, 1964, gave the President broad sanction for greater American activity in the region. On the other hand, the rise in aid to Thailand was so much more abrupt than most AID officials would have preferred that the probable importance of the Ambassador's role cannot be overlooked. At all events, nothing seems less likely than that there was no connection between the loan of the bases, and the important increase in American aid, both economic and military, prior to the increasingly overt manifestations of communist activity from mid-1965 on.

As the 1960's came to a close, American Ambassador Leonard Unger told the Senate that the reasons for American involvement in Thailand lay

In part in Thailand's key location with regard to world arteries of communication and also with regard to the farther areas of Southeast Asia and beyond, which are to some extent insulated from Communist China by Thailand. Another factor is our general interest in encouraging the development of a world order in which independent nations may not be deprived of their independence by an outside aggressor's force. This perhaps has particular meaning in the case of a nation like Thailand which has for a long time been a stable society with a capacity to govern itself and conduct itself responsibly among the nations of the world. More immediately, Thailand has been of special interest because of the importance of certain of its facilities to our efforts in the Vietnam war as well as the conduct of a wide range of additional activities important to us, including some which also have a direct relation to our own security. Finally, Thailand has taken on added importance as an active leader in the development of a concrete program of regional

cooperation in Southeast Asia and perhaps a larger Asian sphere. It has been our policy to encourage Asian initiatives in this field as a means of developing the capacity of those nations to take on increasing responsibilities for their own development and security.¹

Whatever the precise causal chain behind the augmentation of the economic aid program, the facts of its provision are that it given in rapidly increasing amounts, that USOM officials did feel under strong Embassy pressure to commit funds, and that it was used not directly to support American ends in Vietnam, but rather to assist the Thai in their own rural development and security programs. Gross obligations of American aid to Thailand increased rapidly, from \$12.9 million in 1964 to \$19.1 million, \$44.1 million, \$53.3 million and \$53.8 million in 1965, 1966, 1967 and 1968 respectively. From 1965 to 1970 total gross obligations were \$257 million. Of this total, \$141 million, or 55%, was devoted to programs developed specifically for counterinsurgency purposes.² Of this amount, 47%, or \$66 million, went to programs in support of the police, and the rest, \$75 million, to programs of economic development and administrative improvement. The average annual gross obligation level from 1965 to 1970 was \$42.8 million, 90% above the figure for 1960-1964.

Actually, some tentative steps had been taken in 1963 in the direction of reorienting aid priorities. Ten million dollars was taken from AID's contingency fund in that year, and allocated

¹Senate, Security Commitments Abroad: Thailand, p. 610.

²See appendix b.

in grant form to Thailand. Of this total, \$5.5 million was earmarked for roads in inaccessible districts, \$2.3 million for the Border Patrol Police, and \$1.3 million for the Provincial Police.¹ From this point on, the Administration ceased to speak of phasing down the program in Thailand, and instead began to increase its requests, basing its arguments to the Congress not on Thailand's modernization needs, but on the exigencies of combatting an incipient insurgency.

The two key assistance programs during the counterinsurgency period have been aid to the TNPD and to the Office of Accelerated Rural Development, ARD. Aid to the police has stressed improvements in mobility, communications, and education and training programs. It has emphasized particularly heavily the augmentation of the number of policemen actually on duty. From 1964 to 1970, TNPD manpower increased from 50,000 to 74,000, or by almost 50%. Special attention was paid to police presence in rural areas, the number of stations at tambon level being increased from 150 in 1965 to 1004 in 1970.²

The problems involved in the quality of the relationship between policeman and the villager received relatively little attention during this period, however. Training of Provincial Police stressed anti-guerrilla tactics rather than village-level uncovering of subversives.³ Emphasis was rather on the "professional"

¹House, Hearings before a Subcommittee of the Committee on Appropriations, 88th Cong., 2nd sess., p. 454.

²USOM, Office of Public Safety, August 1971.

³See for example, Chaiya Training Center Manual 2508, and Chaiya Training Center, The Special Action Forces Training, Manual

and logistical aspects of police work, on the integration of counterinsurgency training into the police education system, and on quantity.¹ Even with respect to the latter goal, however, the program can hardly be said to have been successful. In 1966, USOM was hoping for a police force of 90,000 by 1970, and programmed supplies accordingly. Instead, at 74,000 in 1970, the police-population ratio was 1:485. In 1957, it had been 1:380.²

In the program of assistance to the Boarder Patrol Police, however, there has been a great deal of emphasis on police-population

for Briefing, Series No. 5. These documents outline counterinsurgency training content for Provincial Police Forces, and for Special Action Forces, a quick reaction unit of the PP. Neither booklet makes mention of police-villager relations. Emphasis instead is on elements such as map and compass training, weapons work, patrolling techniques, jungle warfare, physical fitness, first aid leadership, and the like. The basic six weeks counterinsurgency course developed in 1963 contained 278 hours of work; of these, 156 dealt with the suppressive aspects of counterinsurgency, and a possible maximum of only 22 with countersubversion--police-public relations, 2 hours; discipline and ethics, 2 hours; communism, theory and tactics, 10 hours; village security, 8 hours. See Richard K. Soderberg, "Counterinsurgency Training Program for Provincial Police" (May 2, 1963, photocopy).

¹For a general history of USOM support to the TNPD, see Philip D. Batson and Marvin J. Jones, A Brief History of USOM Support to the Thai National Police Department (USOM, August 1969).

²Blanchard, Thailand, p. 196, and USOM, Office of Public Safety. By contrast, in 1957 at the height of the Emergency in Malaya, there were 30,000 regular police and another 30,000 temporary constables--villagers serving in a police capacity in their own home areas. With a 1957 population of 7,725,000 in West Malaysia and Singapore, the police-population ratio was 1:258, or 1:129 counting the temporary constables. U.N., Demographic Yearbook (1961), and Sir Robert Thompson, Defeating Communist Insurgency (New York: Praeger, 1966), p. 103.

relations. BPP civic action among hill tribes actually began in 1955. It was aimed at the sparsely populated border areas. Under the program BPP units were given special training in teaching, first aid and agriculture. They then established village schools in remote areas, provided low level medical assistance, worked with villagers in improving agriculture.

USOM support to the BPP began in 1961. Under the pilot project, eight villages were picked, and tribal assistants recruited. USOM's Public Safety and Agriculture Divisions cooperated in providing high grade swine, chickens and other animals under the program.¹ Ministry of Agriculture objections soon forced the withdrawal of the Agriculture Division, however. Then, in 1964, 100 tribesmen from several tribes were taken to Chiang Mai and trained in first aid, agriculture, and sanitation, as well as given political indoctrination, and returned to their villages.²

The primary goal of this kind of BPP activity was not economic or social development. Rather, it was specifically the gathering of information. In the North, there is perhaps one BPP patrolman for every two kilometers of border; the BPP therefore cannot possibly control border entry. The intent was to set up a network of village informers, as well as to have villagers view the BPP in a generally friendly way, so that such incursions would be reported.

¹USOM, Thai-American Economic and Technical Cooperation, 1965, p. 26.

²Kunstadter, "Thailand: Introduction," in Kunstadter, ed., SEA Tribes, p. 382.

One of the most successful BPP programs seems to have been the establishment and staffing, with policemen, of schools for border peoples.. By 1959 there were 92 such schools¹ and in 1965 there were 144 with 6000 students.² Most observers of this school program have been impressed by the reception it receives from remote villages, and argue that it has important implications for long-term nation-building in the sense of spreading the symbols of Thai nationhood to minority groups, as well its value in facilitating short term intelligence gathering.³

The RASD program was expanded in 1968 with the establishment of Border Security Volunteer Teams. There are as of late 1971 25 of these, each with 30 members. Candidates are hill tribes and Thai minority groups living in remote areas. They receive five weeks of training as a team, and are then joined by four BPP constables who in turn have received nine weeks of special training. The teams with their advisors are then returned to their home areas where they do small scale patrolling, information gathering, and provide for the local defense. Thus far, evaluations suggest that they have made an important contribution to security in their own areas, and have much reduced CT freedom to contact local villagers. A very

¹MOE, Department of Educational Techniques, Educational Developments in Thailand, pp. 58-59.

²Kunstadter, "Thailand: Introduction," p. 382.

³Kunstadter, "The Lua? (Lawa) and Skaw Karen of Maehongsorn Province, Northwestern Thailand," in Kunstadter, ed., SEA Tribes, p. 662. Also see Fritz Mote, "The Rural 'Haw' (Yunnanese Chinese) of Northern Thailand, in Kunstadter, ed., SEA Tribes, pp. 511-12, 521.

... situation argues that through activities such as these, the ARS program of the BPP has "demonstrated an appreciation of the social and political context in which they work that is unique among Thai security agencies."¹

Support to the Office of ARD was an attempt to provide governors in these provinces showing evidence of communist subversion with a public works capability that would permit them to respond to local demands for small scale construction projects--roads, dams, wells and the like. It was based on the assumption that there would be a positive correlation between this kind of government activity and villager loyalty. As of the end of 1970, 25 of Thailand's 71 provinces had been designated "ARD provinces." These included all fifteen provinces of the Northeast, nine in the North, and one, Prachuab Khiri Khan, in the mid-south.²

The program has in fact radically increased the human, financial and equipment resources available to the ARD provincial governor. Whereas he formerly had only a secretary and a driver on his immediate staff, he now has 100 to 250 persons, including four or five planning officers, one or more engineers, and surveyors, designers and construction workers. He has \$750,000-

¹John L. Champagne, The Border Security Volunteer Team Program: An Appraisal (Bangkok: USOM, September 1971), p. 19.

²For a general history of USOM support to ARD, see William R. Thomas and James W. Dawson, A Brief History of USOM Support to the Office of Accelerated Rural Development (USOM, September 1969).

\$1,500,000 worth of construction equipment,¹ and an ARD budget that in 1968 was equal to four times the average provincial revenue for 1965.² Through 1970, 3000 kilometers of all weather road had been built, 859 kilometers of service track, and 1752 kilometers of feeder roads. In addition, 1609 small scale water projects had been completed, 4,000,000 patient treatments by MMT's recorded and another 1,800,000 treatments reported by 580 paramedics.³ The relationship between this activity and villager loyalty, however, is still an open question.⁴

ARD was also initially intended to provide an organizational focus for the coordination of Thai government development activity at the provincial level and below. It has not been very successful in this regard, although some close work has taken place on an ad hoc basis between ARD and the Community Development Department, and on a more structured basis between ARD and the Ministry of Public Health. There are scattered reports also that the possession of

¹USOM, Office of Field Operations, September 1971. Total ARD staff as of that date was 4083, with 67% stationed in the provinces under the governors, 12% at regional centers in the Northeast, and 21% in Bangkok.

²Alexander Caldwell, "The Effects of Accelerated Rural Development on Changwat Resources" (USOM, Office of the Director, October 15, 1967, typewritten).

³CCARD, Report on ARD Accomplishments: Administration Development: Problems and Obstacles of ARD Program from 1965-1970, Agenda of CCARD Meeting No. 53 (February 19, 1971), various pp.

⁴See chapter vii for discussion of the issues involved in this point.

equipment and financial resources has permitted the governor to make mutually advantageous trade-offs with line agencies operating at the provincial level. Unfortunately, no systematic study seems to be available documenting the extent of this de facto, ARD-induced coordination.

At the national level, frequent meetings of a Coordinating Committee for ARD in Bangkok, chaired by the Deputy Prime Minister, have resulted in support to special activities in ARD provinces by the line ministries: the accelerated provision of potable water, improvements in structures of local administration and local self government, and the Mobile Medical Teams and other programs to be mentioned below. More important than this, however, CCARD provided a forum for continuing discussion and review, at highest levels, of the nature of insurgency in Thailand, and of the effectiveness of programs designed to meet it. It seems fair to say that, for all its shortcomings, the ARD program, broadly conceived, has achieved more coordination in the area of project implementation than any other RTG effort to date.

Two other activities felt to have direct counterinsurgency implications have been the community development program and the Mobile Development Units. CD has a long history in Thailand, beginning with a welfare oriented "rural reconstruction movement" organized on a small scale basis in the mid-forties, and evolving with UNESCO's help through a "fundamental education" approach in

1950's.¹

In 1962 a Department of Community Development was established in the Ministry of the Interior. Village workers who were intended to serve as extension agents downward for technical ministry officials, and channels upward for village ideas, were being trained, and important USOM support was being provided. Then, in 1963, in response to increasing reports of communist activity in Northeast, CD workers were transferred there from the South,² and security conditions thenceforth were given heavy attention in CD planning.

The program did not live up to expectations, however. Projects tended to be decided on for the villagers, rather than being planned through a true village consultative process.³ The village worker himself often turned out to be ineffective. At first they were all

¹On the early history of CD in Thailand see Nikom Chandravithun, "The Development of National Community Development Programs in Thailand," in Social Service in Thailand, ed. by Department of Public Welfare (Bangkok: May 1960), and Nairn, International Aid to Thailand. Fundamental education according to UNESCO, means

"that kind of education that helps children and adults who have little or no schooling to understand the problems of their daily life and their rights and duties as citizens and to get knowledge and skills necessary for improving the living conditions of themselves and their communities."

Nairn, International Aid to Thailand, p. 35.

²USOM, Thai-American Economic and Technical Cooperation, 1962, p. PD-66. Personal interview, Washington, April 1971; Travis King, The Community Development Program of Thailand (Bangkok: April 26, 1971).

³See for example High Tinker, "Community Development: A New Philosopher's Stone?" International Affairs, July 1961, p. 317

college graduates, which set them apart from the villagers socially and meant that they had trouble adjusting to village life. Some non-university graduates are now employed, however. In addition, however, they were generally in their twenties, an age considered equivalent to immaturity in the Thai village. Furthermore, two studies showed that their training did not provide them with a usable comprehension of the problems facing villagers, or of the purposes of CD itself, and that supervision was inadequate.¹

One important benefit may have come from the CD experience, however. Prior to its implementation, high RTG officials believed that villagers represented a readily available source of free labor. They saw CD as a mechanism for activating that labor. As a result of the hostility that CD workers often encountered when such attempts were made, however, a number of high officials changed their views.²

Mobile Development Units were task forces composed of perhaps 120 military and civilian officials sent to sensitive areas to assist in development activity, to offer civic action services, and to conduct propaganda and information gathering activities. The

¹Titaya Suvanajata, Perceived Leader Role of Community Development Workers in Thailand (Bangkok: USOM, TAAVS), p. 42; Toshio Yatsushiro, The Village Organizer in Thailand: A Study of His Needs and Problems (Bangkok: USOM and Department of Community Development, 1964), pp. i-iv. Keyes, "Peasant and Nation", pp. 93-104, notes that in those few cases where CD workers were local people with less than university education, and successful in establishing good relationships with villagers, they tended to have difficulty in being accepted by, and getting responses from, the district bureaucracy. See also Donald A. Burger, "Village Survey" (USOM, photocopy).

²Personal interview, Washington, April 1971.

central theme of the program was to promote closer national government-rural people relationships through demonstrated interest and action.¹ Initially, each MDU began with certain commitments of support from various government agencies. After a year or so, however, it was intended that local civilian agencies take over from the MDU. In practice no RTG agency has been prepared to take over, and indeed no structured forward planning to that end was ever performed. The MDU's have therefore stayed in place, with reduced staff. As the novelty wore off, however, and increasing personnel demands were made on the Thai armed services by the war in Vietnam,² it became increasingly difficult to staff the MDU's. Older units experienced declines in morale, and budgets generally were cut.

Careful outside evaluations of MDU activities are difficult to find. However, a 1964 survey by a U.S. official argued that one of the most important benefits of the MDU program was that it familiarized Ministry of Defense personnel with the true nature of rural problems, including the need to be alert for bogus incidents created by local authorities for personal advancement, the danger of blackmail through individuals' threatening to brand local enemies

¹ See Richard Nelson, The Mobile Development Unit Project (USOM: Office of Field Operations, August 10, 1969), p. 1, and Joint Thai-USOM Evaluation of the Mobile Development Unit Construction Company Project (Bangkok: TAAVS, October 11, 1965), p. 4.

² The RTG took the best of their officer cadre and sent them to Vietnam. Senate, Security Commitments Abroad: Thailand, p. 706.

as communists, and villager fear resulting from past general roundups of alleged communists. A decrease in banditry was noted also. Furthermore, it appeared that the MDU commander's ability to commit equipment without reference to his superiors was encouraging Nai Amphoe to be more active than previously in developing small village projects.¹ An American anthropologist wrote in his book on Malay fishing villagers in South Thailand,

The mobile development units undoubtedly bring about massive transition in the lives of villagers, and the indication is that there is relatively little backsliding after the last of the development team leaves the area. Surprisingly, there seems to be a generally positive and favorable reaction on the part of the villagers to the activities of the mobile development units in the South. Perhaps their aggressive, intensive, and coordinated approach holds lessons for the national community development program organized along more standard lines.²

Such high praise, however, is rather infrequent. The most serious criticism that can be made of the MDU's is probably that they did not contribute to a strengthening of the permanent institutions of government at the local level. They have therefore never been able to represent more than an ad hoc demonstration of official interest.

Other areas receiving important support in recent years have been education, health and agriculture. In 1964 USOM ended its

¹Lee W. Huff, Mobile Development Unit Follow-Up (Bangkok: Military Research and Development Center, OSD/ARPA R&D Field Unit, November 1964), pp. 4, 6; also see Joint Evaluation, and Peter Braestrup, reporting from Nong Hoi village, in the New York Times, July 16, 1966.

²Fraser, Fisherman of South Thailand, p. 100.

support to the GED project and to earlier education programs. It replaced them with a rural training project focused specifically on the Northeast, and a major training activity designed to support the ARD program in its need for trained equipment operators and mechanics. By the end of 1970, 2086 people had been trained under the latter project. Under the former, there were by the same time 36 Mobile Trades Training Schools, mostly in ARD provinces. They provided semi-skilled training for rural people with no or very little formal education, and have proven very popular.¹

Other elements of the rural training project were to have been the improvement of textbooks, the curriculum, and supervisory practices in rural schools. These activities received much less attention. While tons of paper were provided for the production of 8.6 million textbooks,² USOM made little attempt to ensure that higher quality textbooks were in fact prepared.³

¹Alton Straughan and James Murray, An Evaluation of the Mobile Trade Training School Project (April 29, 1971, mimeographed), p. 14, and Williams, USOM Support to Education. Also see Ministry of Education, Department of Vocational Education, Division of Vocational Promotion, Mobile Trade Training Schools and Polytechnic Schools: 1970 Report (Bangkok: Bangkok Polytechnic School, October 1970). It is interesting to note that the governors of Sakon Nakhon, Kalasin and Nakhon Panom have sent over hundred communist defectors to these schools to be trained. While other trainees paid the equivalent of \$5 to attend, the defectors did not have to pay anything, and furthermore, were given a per diem of \$0.25. See also chapter iii, pp.

²USOM, Office of Education, September 16, 1971.

³A DTEC study found that the text of the books was often too difficult for rural children to read. Other problems were poor

The Village Health and Sanitation Project, a continuation of earlier activities aimed at controlling filth-borne diseases, was shifted to the Office of Rural Affairs in USOM in late 1963. The project was phased out in 1965, but was replaced by the similar Comprehensive Rural Health Project, which focussed its attention on the Northeast. It was complemented by a potable water project aimed at security-sensitive villages.

An interesting aspect of the Comprehensive Rural Health project was the Mobile Medical Team (MMT) program. MMT's, whose number has varied but which has approached forty, were supported by the Office of ARD, and gave priority attention to the ARD-designated provinces. They provided equipment and transportation necessary to bring doctors and other health workers from Bangkok and Chiang Mai to rural areas on a scheduled basis. Even more interesting, the concept of paramedical personnel, tried briefly in the thirties, was revived as a part of the MMT experiment, and there were in 1970 680 tambon auxiliary health workers in nineteen of the ARD provinces.¹

production quality, and poor distribution patterns--with remote schools often not getting their share. DTEC, Technical Services Division, Report in Follow-Up Evaluation of Rural Education Project: Distribution of Textbooks and Teaching Materials (1971, mimeographed, in Thai).

¹Interview, USOM, Office of Public Health, September 10, 1971. See also Theodore Wilson and William H. Smith, M.D., Medical Counterinsurgency in Thailand: Mobile Medical Team Project (Bangkok: USOM, May 1970). One example of the value of CCARD was an occasion when the possibility of providing paramedical care in villages was brought up. Voicing the usual professional conservatism on the subject, the former Minister of Public Health said that such a

Direct assistance to agriculture remained relatively small in the late sixties. One new program was a soils classification and utilization project, carried out with the help of a soils classification team loaned to USOM from the U.S. Department of Agriculture under a PASA arrangement. Lasting six years, the project resulted in the classification of all agricultural land in the Northeast, and Department of Land Development personnel were trained in advising farmers on the basis of the classification what crops they should grow. An agricultural research center was established in the Northeast, with the help of a contract with the University of Kentucky.¹ In addition, an "Amphur Farmer Group" program was started under the ARD rubric. Its purpose was to organize tambon and village level farmer groups into a larger unit that would be capable of providing marketing and supply services to them. Managerial difficulties, jurisdictional disputes with other governmental agencies engaged in agricultural promotion work, and the fact that the RTG has not yet permitted cooperatives to be run by farmer members, have thus far prevented this project from achieving its goals.²

program would give rise to quack doctors. The response from several members of the Committee was that the villages already had quack local doctors, and that trained paramedical personnel could not help but be an improvement..

¹See chapter vi, pp. , for a more complete discussion of the research center.

²Alton F. Gamble, The Amphur Farmer Groups in Thailand (USOM, Office Field Operations, December 18, 1969), pp. 38-47. It appears that several AFG's will receive juristic status in early

The aeronautical ground services project, initially scheduled to phase out in 1966 after ten years of operation, received a new lease on life thanks to the Vietnam War. By the latter year there was only one technical advisor left in Bangkok under this project. The large increase in military traffic, however, reversed plans, and whereas total funding during 1956-1965 had been \$3.8 million, for 1966 alone, \$1.4 million was obligated.¹

In the field of general government administration, a training academy for district officers was established with technical assistance from USOM. By general agreement it is highly successful in introducing future district officers to some of the non-traditional problems that they will face: insurgency, the promotion of rural democracy, the management of development.² Assistance has also been given to the NEDB in the formulation of an economic and social development plan for the Northeast. Originally, it had been hoped that this would provide a framework for coordinating all RTG development activities in that region. USOM might then have made sector-wide grants that would not have been limited, as grants are now, to activities handled by individual departments and government agencies.³ These hopes proved too broad, however, given limitations imposed by Thai government traditions, USOM programming flexibility,

1972. This may help to improve their performance, as they will then be not so dependent on government officials.

¹USOM, Aeronautical Ground Services Improvement Project, pp. 1, 4, and appendices

²See below, chapter vi, pp.

and problems of contractor quality.¹ The result is simply another indicative plan similar to the national plans that will have little direct coordinative influence over implementing agencies. Finally, in 1967, with the appointment as president of the National Audit Council of a man who had spent a year in the U.S. on a participant traineeship with the General Accounting Office, the 1957 PAS recommendations for improvements in audit procedures were updated, accepted by the Council, and to some extent implemented.²

As the decade came to a close, some interesting new developments were getting underway. After twelve years of discussion, experimentation, research and finally large scale pilot projects, the Cabinet in 1970 finally declared that it was national policy to make voluntary family planning services available to all. Family planning efforts until 1970 had not had the benefit of formal publicity. Nevertheless, receptivity had proven high, even among uneducated rural women. As of the end of 1970, 500,000 women, or 12% of those between the ages of 15 to 45, were using some form of artificial contraception. The target is for the population growth rate to decline from an estimated 2.9-3.1% in 1970 to 2.5% in 1976, .

¹This is not to say that USOM could not make sector grants now, but only that it was hoped the NEED mechanism would facilitate the necessary inter-agency planning and coordination on the Thai side.

²These included an internal reorganization of the Council, issuance of a more useful audit manual to all government agencies, and to some extent the use of spot checks rather than detailed voucher audits on each activity. Interview, Office of Institutional Development, September 10, 1971. See also chapter v, pp.

and it appears that the program is ahead of schedule.¹

As the U.S. and the RTG became increasingly aware of the absorptive problems that large scale U.S. commodity inputs were causing Thai government agencies, and as the counterinsurgency effort began to be seen more and more in the context of long term institutional development, the inability of the Thai government to hire and retain personnel with specialized capabilities necessary to that effort became the subject of increasing concern, particularly in USOM. USOM argued that in such areas as radio and helicopter maintenance, the training of equipment operators, and the provision of construction engineering and maintenance advice, it was unlikely that the RTG would in the near future be able to offer salaries competitive with those of the private sector. The answer, USOM felt, was for the RTG to make contracts with private Thai firms--even helping to create such firms, if necessary--who could then perform the services, and whose skills would remain in Thailand after USOM direct hire and contractor personnel had eventually left.

The RTG agencies most directly involved--the TNP, ARD and DTEC--were rather cool to the prospect at first. To be sure, government agencies have often had advisory personnel working for them directly; but these had been foreigners. Furthermore, while they gave advice, in recent years they have had no line responsibility.

¹MOPH, Five Year National Plan: Family Planning Project, 1972-1976, pp. 17, 23, and USOM, Office of Public Health, interview, November 1971.

Furthermore, no bureaucracy likes to make resources available to an outside organization when it feels it might develop the capability over the long run to do the job itself.

By late 1971, however, a Thai contractor was providing training in equipment utilization to new ARD recruits, a job that a U.S. contractor had previously performed. Another Thai contractor, hiring personnel formerly working for a USOM contractor, had taken over aspects of the training of BFP in intelligence gathering and the cultivation of fruitful relationships with remote villages. Both of these were "captive" contracts in the sense that they existed only for these purposes; they could therefore be considered vulnerable to changes in official policy. ARD, however, had gone a step further in two other contracts, hiring a well known Thai engineering firm to advise ARD provincial officials on equipment management, and retaining another contractor to perform, jointly with ARD, an evaluation of potable water projects.

It is still too early to tell how effectively this new concept has taken root. The police have thus far preferred to attempt to handle radio and helicopter maintenance with their own personnel. On the other hand, the Communist Suppression Operations Command (CSOC), in a move unrelated with any USOM efforts, has hired a team of fifteen Thai researchers who had previously worked for the Advanced Research Projects Agency of the U.S. Department of Defense, and plans to use the team to

evaluate RTG counterinsurgency activities in rural areas.

Furthermore, a move is afoot among Thai professionals, particularly academics, to establish a non-profit consulting firm in Thailand which would have the capability to put together teams of experts from various public and private organizations to focus on key national problems. It does appear, therefore, that substantial progress has been made in this important direction, and that as a result, a mechanism is being developed that will make it possible in the future for the government to mobilize more effectively the nation's best human resources.

The basic objective of USOM assistance from 1965 to 1970 has been drastically to increase the resources available in northeast Thailand. In gross economic terms, the strategy to some extent succeeded. U.S. aid was heavily oriented to the Northeast, with an estimated 65% of gross obligations between 1965 and 1968 earmarked for that region. In 1963, the figure had been 37%. Furthermore, Thai government policy accepted the rationale behind the stress on the Northeast. Under the First Plan, 20.8% of actual development expenditures went to the Northeast; under the Second Plan, 28.5% of budgeted development expenditures was earmarked for the same area.¹

¹USOM, and NEDB, November 1971. Actual expenditures for the Northeast under the Second Plan are not yet available.

In spite of this attention, however, the share of the Northeast in gross domestic product dropped from 18.0% in 1960 to 16.7% in 1969.¹

Some general conclusions

The preceding discussion has been structured around the four phases of American economic aid to Thailand. It is evident that the level of aid promised during each phase was determined by the American assessment of the communist threat to Thailand and the region as a whole. It is also clear that much of the substance of the program has been determined by this assessment.

Interestingly, however, an analysis of expenditure/accrual figures indicates that the response between changing program rationale, and the actual availability in Thailand of American resources, is heavily lagged. During the Point Four period, of course, expenditures were low, at only \$4.5 million yearly. They rose thereafter, to an annual average of \$25.7 million during the nation-building period. However, they were even higher during the period of phasedown, and, very surprisingly, not much higher during the counterinsurgency period than they were during the phasedown period.

Particularly surprising is the fact that accruals remained at the \$25 million level until 1968,² in spite of the high priority that had been given to the new counterinsurgency approach after 1964.

¹Louis Berger, Inc., Northeast Thailand; Recommended Development Budget and Foreign Assistance Projects 1972-1976 (Bangkok: July 1, 1971), chart i.4.

²See table iv.2.

Table IV.4--Gross obligations compared with net expenditures, by period, annual averages (\$ millions)^a

Period	Gross obligations	Net expenditures
1951-1954	7.8	4.5
1955-1959	36.0	25.7
1960-1964	22.4	31.8
1965-1970	42.8	34.5

^aSources: tables iv.1 and iv.2.

In fact, if the years 1969 and 1970, by which point American concern with the insurgency had measurably lessened, are excluded from the annual average, the figure is only \$29 million--lower than for both the preceding periods.

It is clear, then, that in economic aid programs, political will is not easily translated into economic reality. This is because, as demonstrated in Chapter III, any large scale and innovative assistance program whose goal is to improve institutional capability in the recipient government requires at least five years from initial planning to the beginnings of effective implementation. As we have seen, however, the average duration of each "phase" in U.S. economic aid to Thailand was also five years.

A second basic conclusion that one may draw from the preceding analysis is that for the most part American aid has been directed at those areas of the Thai economic and social structure that were bottlenecks to development. The 1949 FAO report had outlined seed improvement, rinderpest eradication, irrigation, malaria control, and

over-dependence on rice as among the most serious problems facing Thai agriculture. USOM played a constructive role in all of these areas.

On the other hand, little was achieved in the areas of agricultural credit, livestock production, research and extension, pest control or forestry, in spite of important USOM inputs. This lack of success is primarily attributable to unfavorable institutional circumstances within the Thai government. Market conditions were unfavorable for livestock production because of corruption as well as legal restrictions. Similar problems affected forest protection and utilization. Effective research, extension and credit programs could not be established because of unclear and overlapping lines of institutional responsibility. In the case of credit, furthermore, prevailing philosophy was inconsistent with the requirements for successful programs.¹ The tank irrigation project was unsuccessful because of inadequate understanding of the cultural and organizational prerequisites for effective water use, as well as because of inadequate geological knowledge. In pest control, however USOM might have done more. Little research has been directed at this area, and only after the new Department of Agricultural Extension was established in 1968 with its pest control division, did USOM inputs in this area become important.²

¹See, however, the post-1966 evolution of the Bank for Agriculture and Agricultural Cooperatives, chapter v, pp.

²The 1948 FAO study of Thailand's agricultural problems had stressed the need for a separate, and comprehensive, extension service.

USOM also played a useful and important role in infrastructure modernization. In power, port and railroad development, USOM assistance complemented IBRD loans. In air transport and highway development, USOM provided most of the resources and technical advice available in Thailand until the early sixties. The civil engineering sector received a well-planned assist through the bridge replacement project.

There is little question but that these areas were bottlenecks to economic growth, and that assistance provided was therefore appropriate. One could argue, however, about priorities. The Friendship Highway, while of political and military value, probably was not as important economically to the country as a better highway system leading from Bangkok to the North Central Plains, the Southeast and the West, would have been. Furthermore, the East-West Highway from Phitsanulok to Lomsak proved of little economic or even military value since USOM decided not to fund its extension across the mountains into the Northeast. This is not to say that over the long run such facilities would not have been needed, but only that the political rationale dictating these projects meant that major economic decisions were made without previous determination of economic priorities.¹

It does not appear, however, that any particular foreign agency played a role in the decision finally made to establish one.

¹Even in the absence of overriding political requirements, however, this type of criticism can be made of much project planning in assistance programs of the 1950's. The problem was in large part due to

Perhaps the greatest gap in USOM's program of assistance to infrastructure development was that virtually no attention was paid to water transport, even though it was the most important means of moving cargo in the early 1950's.¹ One cannot help but wonder whether this inattention stemmed from a "techno-cultural blindness" on the part of American officials and technicians: since water transport is a relatively unimportant travel mode in most of the United States, they were simply not attuned to the problems and potentials of this sector.

In education, USOM's achievements seem less notable. Assistance was focussed on two of the three major problems facing Thai education in the early 1950's: teacher training and teaching materials. An important contribution was made in the former field with the establishment of the Prasaramitr College of Education;

the generally underdeveloped theoretical awareness of the problems of modernization. The author is informed by AID officials that prior to 1961, AID's predecessor agencies made development loans in a fashion similar to a bank; decisions were based on the projects' apparent return to investment. Only in the early sixties did AID officials come generally to understand that such projects should be preceded by sector studies that would order potential projects by decreasing rate of return.

¹In 1957, 87% of Thai rice production was shipped by water. TCI noted,
"The cost to build a satisfactory highway system accessible to the main rice producing areas of Thailand is too great to consider seriously at this time. The natural transportation system by water should be improved and modernized."
The study found that the Chao Phya River should be improved to a navigable depth of two meters below Nakhon Sawan, and of one and a half meters from there to the Yanhee Dam. Thailand's Transportation System Requirements, pp. 19, 30, 39-40.

however, in part because of inadequate planning in the Ministry of Education, the College was unable to produce sufficient teachers of teachers to meet Thailand's needs.¹ In the latter field, however, most observers in 1970 agreed that the curriculum was little more relevant to Thai needs than it was in 1950, there being no difference between the rural and the urban courses of study, and goals for each level of schooling being very inadequately defined.² The elementary schools were more efficient than they were in the 1950's, repeater rates having dropped from around 50% in the early fifties to 23% in 1968. However, USOM had little to do directly with this achievement.

At the university level, USOM programs have been minimal, exception made of the establishment of the IPA, and assistance to agricultural and medical higher education. It could be argued that, thanks in part to the IPA and the College of Education, the principles of open and pleasant library facilities, discussion seminars, and individual research assignments, were established. The extent of their general application did not as of 1971 appear very wide, however.

¹See chapter vi, pp. . . . In 1950, 77% of all teachers had had no teacher training. By 1967 that figure was 31% for primary teachers and 13% for secondary teachers. Audrey Ward Gray and Alton G. Straughan, Jr. Education in Thailand: A Sector Study (Bangkok: January 1971), p. 189. Also see Nongyao Karnchanachari, "The Challenge of Agricultural Innovation to Education and Manpower (Focus on Thailand)," in Avery Russell, ed., Agricultural Revolution in Southeast Asia: Consequences for Development, Report of the Second SEADAG International Conference on Development in Southeast Asia (New York: Herbert Spencer, Inc., 1970), pp. 55-69, and USOM, Program Office, USOM in Perspective (Bangkok: September 1971), p. 16.

²See note 1 above. Such improvement as had taken place was ad hoc in nature, and was probably due primarily to Prasarnmitr and its effects.

Furthermore, at present resources devoted to university education remain in general rather ineffectively utilized, and Thailand is still overly dependent on overseas education for its future leaders. Of course, aid to education has been extremely small relative to RTG resources. In recent years, annual budget expenditures on education have averaged \$100 million, while aid inputs have stood at around \$3 million. Nevertheless, it seems unfortunate that U.S. assistance was unable decisively to break any of the bottlenecks in the system that were noted in 1950.¹

In health, assistance has been for the most part appropriately directed. Malaria incidence, lack of hospitals, inadequate numbers of medical personnel--all these were serious problems in 1950, and USOM played an important role in their alleviation. However, little success was had in taking health services to very rural areas until

¹Inability to create a university system of high quality and status was unfortunate, both from the point of view of the brain drain, and from that of foreign exchange requirements. That a high quality university could have had an important impact on human resource availability in Thailand is evident from the experience of the AIT. Of its 357 graduates as of August 1971, 4% had left Asia to work in the West, and 7% were continuing their studies in the West. The vast majority, however, 89%, were working in Asia--54% in government, 24% in private enterprise, 22% in universities. Half of these were Thai. Of the 158 Thai graduates who could be traced, 52% were working for the RTG, 15% for the private sector in Thailand, 10% for autonomous government agencies in Thailand, 6% for Thai universities, and 4% for municipalities. Only 5% were living overseas, and of those, 3% were engaged in further study. AIT, Registrar's Office, November 1971, and Look East (Bangkok), August 1971, p. 32.

Foreign exchange control statistics of the Bank of Thailand indicate that remittances abroad for educational purposes doubled between 1965 and 1970, to \$25 million in the latter year.

the insurgency gave birth to the Mobile Teams and the tambon auxiliary health workers. Attempts at the control of filth-borne diseases have had little impact primarily because of the changes that would be required in villagers' cultural habits.¹

As for assistance in the public administration field, here again USOM-supported programs were generally well-conceived. The fiscal modernization project is considered by the RTG to have been a great success. The IPA, while it had its teething difficulties, has made an important contribution to both public service and university development. Assistance in economic planning and statistical improvement was generally successful also, except in the case of the recent Northeast Economic Development Plan.²

¹ Francis J. Murphy, Jr., Rural Health Development in Thailand (Draft) (Bangkok: August 11, 1970, hectographed), p. 17.

² Little has been said about USOM's efforts in the areas of private sector and industrial development, because of the small role they have in the overall program. They have also been dogged with misfortune. It had been hoped in the late 1950's that the establishment of a modern slaughterhouse in Bangkok would permit the Thai livestock industry, which had already received considerable USOM support in disease control and the provision of improved breeding stock, to respond to expected increasing internal and external demand. The slaughterhouse was to be operated by the Livestock Trading Cooperation, a private firm with high political connections that had been granted a slaughtering monopoly by the municipality of Bangkok. After the slaughterhouse's first year in operation, USOM asked for permission, as guaranteed in the loan agreement, to audit the books. Permission was refused; and by that time the true nature of the monopoly was becoming apparent. USOM, in some embarrassment, demanded and received immediate repayment of its \$750,000 loan. By that time, however, the damage had been done. The slaughterhouse and the system to which it belongs have ever since played a major role in retarding the growth of the Thai livestock industry. See Columbia University, Public International Development Financing in Thailand, pp. 88-93, and Livestock Trading Cooperation, Ltd.,

Apart from these sector-oriented conclusions, several patterns become apparent in this analysis of American economic aid

Loan Application for Foreign Exchange Financing for Slaughterhouse and Meat Processing Plant for Bangkok, Thailand (August 29, 1958). This is not, of course, to say that in the absence of USOM support some other way would not have been found to achieve the same results. In many countries, even in the U.S. as Upton Sinclair showed half a century ago, the meat industry seems particularly vulnerable to corruption.

In 1967, AID/W at USOM's urging authorized what was to become a \$7.5 million loan guarantee to an American corn trading firm, Calabrian. The hope was that, by buying and selling in bulk, establishing modern drying and storage facilities to ensure high quality exports, and dealing directly with farmers, Calabrian/Thailand could become a highly profitable venture. USOM was particularly interested because Calabrian was planning in effect a small scale extension service that would bring to farmers advice and supplies on credit, and therefore, allowed the company a second credit infusion after it was apparent that it was running into trouble.

By 1968, however, Calabrian was bankrupt, with losses to AID that will amount to perhaps \$4.5 million. This was the first loss under AID's guarantee program anywhere in the world. The company failed because of a combination of poor management and unforeseeable adverse developments in international corn markets. In addition, however, USOM's concern with increasing the level of rural income in Thailand--a result of its new counterinsurgency orientation--led it to be overly optimistic about the project.

USOM advice played a role in the founding and organization of the Board of Investment. It has provided advisory services also to the Ministry of Industry and the Ministry of Economic Affairs. While this has probably been useful, it is difficult to pinpoint any major accomplishment. A recent study of 60 Thai businessmen found that a maximum of 25% of the businesses they were involved in would not have been created in the absence of promotional laws. Peter Bell, "The Role of the Entrepreneur in Economic Development: A Case Study of Thailand" (unpublished doctoral dissertation, University of Wisconsin, 1968), p. 205. Furthermore, since Thailand does not have the necessary legal arrangements with most countries, tax benefits offered in Thailand under the promotional program are usually offset by increased taxes levied on the firm in its own country.

Rapid economic growth and the favorable electric power situation in the sixties would probably have provided fertile ground for a program designed to improve the milieu for industrial production in Thailand. USOM was precluded from paying serious attention to

to Thailand. It would seem that USOM has had a tendency to enter into major programs without sufficient forethought, and then only after they are phasing down, recognize and take advantage of the opportunities they present for planning toward the future. In the case of assistance to teacher training, for example, a major resources commitment to a key area of the Thai educational systems was made--but there never was, and there is not now, an adequate plan defining Thailand's present and future teacher training needs. Various projects to improve the Thai curriculum have been suggested and implemented in the absence of any overall philosophy of what the purpose of an education is in Thailand, both in general, and for each level and type of schooling.¹ Assistance was provided in education for twelve years before an attempt was made at overall manpower planning.

As another example, in the 1950's, over \$80 million was spent on transportation improvement before an overall study was made of Thailand's transportation requirements. Ad hoc training and advice was provided to the Highway Department for over a decade before studies were made of the Department itself. In spite of the fact that Thailand has long been known as a society

this field by its counterinsurgency rational with the associated northeast and northern orientation. A number of feasibility studies were performed on the potential for private investment in the Northeast, and elsewhere; only two seem to have had even a general indirect impact on specific investments, however. The overall record, then, remains somewhat dismal.

¹Gray and Straughan, Education in Thailand, pp. 189-93
Also see chapter vi, pp.

in which the bureaucracy is not just the implementing agent of governmental power, but also, until recently perhaps, the source as well as the expression of most political and social norms, it was not until 1963 that a serious program to improve civil service procedures and practices was undertaken. Although aid to the police had been heavily oriented toward counterinsurgency since the mid-1960's, only in 1970 was counterinsurgency training institutionalized for all elements of the TNPD.¹

A second general point is that while the justification for the economic aid program has generally been couched in terms of the American political and strategic interest in Thailand and Southeast Asia generally, and while aid obligation levels have been determined in large part for political reasons, the means utilized by the program have been, with the exception of aid to the police, those traditionally available to developing countries: Point IV-type stress on technical assistance in agriculture and health, major infrastructure development programs during the nation-building period, and programs of rural development during the counterinsurgency period.

Unfortunately, as has been noted in several important cases, assistance projects have not always been planned or implemented as they would have been under a less politically oriented program of assistance to modernization. Rather, the fact that their overriding

¹USOM, Program Office, USOM in Perspective (Bangkok: September 1971), p. 10.

rationale, and indeed obligation levels themselves, were determined in part by political criteria created a certain schizophrenia within AID and USOM. It was difficult to plan American inputs in such a way as to maximize institutional development in aided agencies when political parameters stressed, or were interpreted as stressing, the primacy of the obligation level. The problem was compounded by AID/W's feeling in recent years that Congressional relationships--given that AID had promised to phase out assistance to Thailand in the early 1960's--required that major efforts be focussed on the Northeast, and limited to security-related programs. These programs were being administered by new agencies that did not have the absorptive capacity of more established RTG organs. Thus, overly heavy commodity support was given to the police and ARD during the recent period. Earlier, infrastructure development did not proceed along the most economically favorable lines. The difficulty in recent years has been cumulative, for in many cases over-programming of commodities meant that top level USOM officers had to spend much time on the details of equipment management, neglecting the stated goal of the programs: the improvement of relationships between villagers and government officials. In an important sense, therefore, Thai absorptive capacity for American aid was lowered by the program, geographical and political constraints accompanying the resources.¹

¹The Secretary-General of the NEEDB noted before the IBRD Consultative Group for Thailand in late 1970 the "limited absorptive capacity of para-security projects and geographical confinements."

Finally, it seems clear that USOM was generally successful in providing assistance when it involved the transfer of a relatively simple technology in areas where the need was clear to Thai officials involved, and in cases of large scale capital projects. It was less successful in projects requiring institutional change. The achievements of the rice, corn and kenaf seed improvement programs, and the role played in power, highway and air transport development illustrate the first point. Difficulties in the areas of agricultural research, extension and credit, in curriculum improvement, and in ensuring the proper use of irrigation water illustrate the second.

Of course, some "technological" programs went amiss--the Mae Moh power plant is an example. Some cases of institution-building were quite successful--work with the Training Division, and particularly the Nai Amphoe Academy, of DOLA, with the College of Education, and at the Bangkok Technical Institute, are cases in point. The general pattern, nevertheless, has tended to be otherwise.