



PEOPLE IN PROGRESS

A Report on Thai-American
Economic Cooperation
1950-1957

United States of America
Operations Mission to Thailand

Bangkok

October 1957

This is a report on the purpose, nature, and results of Thailand's economic cooperation with the United States of America, with some explanation of how the cooperative program works.

This report cannot describe all the progressive steps which Thailand has taken during the past seven years. Nor can it describe in detail the many ways in which American assistance has been put to use by Thailand in building a stronger and more abundant economy.

Mainly, this report describes how Thailand and the United States work together on economic development, and it briefly reviews some of the things that are being done to show the broad scope of Thai-American cooperation and how it aims to benefit the people.

WHY THAILAND AND THE UNITED STATES

COOPERATE IN ECONOMIC DEVELOPMENT

As do people everywhere, the Thai people want more than anything else a better level of living for themselves and greater opportunities for their children.

To achieve these goals, they must first be sure of the continued freedom of their nation and of peace in their part of the world. To make sure of her peace and freedom, Thailand has joined in alliance with other like-minded nations. She is a member of the United Nations and of the Southeast Asia Treaty Organization. She is receiving assistance from the United States in strengthening her defensive forces.

Relying on collective security to prevent attack or subversion, Thailand is giving serious attention to developing the nation's resources for greater prosperity and a better life for the people.

Thailand has a long tradition of political independence, healthy economy, and progressive achievement. But after World War Two, there was much to be done. Thailand needed to expand her industries, acquire more modern machines, train large numbers of people in special skills, and encourage the flow of goods and development capital. It was necessary to turn to other nations for help to achieve major economic development.

Thailand was offered such help in 1950 by the United States.

An agreement for American technical and economic assistance was signed on September 19, 1950. Under that agreement, which is still in force without significant change, more than 138 million Dollars -- equivalent to about 2,000 million Baht -- of American aid has been extended to Thailand.

At the same time, Thailand has received help from the United Nations specialized agencies, from the Colombo Plan, from SEATO, and from other sources which support her plans for peace and prosperity.

The United States assists Thailand because the two nations have been friends for over 100 years and because they cherish similar ideals both for their people and for the world.

The United States desires to prevent further wars, and it is ready to help other free nations who have no aggressive intentions. The United States desires prosperity for itself, and it realizes that it prospers most when the rest of the world is in healthy economic condition -- the free world is today one big community, and all of it must grow and prosper together. Above all, the United States wants independent nations to keep their independence, both political and economic. It is assisting about 60 of them, with these principles in mind.

The Thai-American economic agreement of 1950 is a public document and is available to anyone who wishes to read it. Mainly it affirms that both nations will abide by the same principles which are stated in the Charter of the United Nations, which are essentially the same as the foreign policy of both countries. It also establishes certain principles to assure both governments that American aid will be used for the purposes for which it is intended.

EMPHASIS IS ON INCREASING CAPACITY FOR PROGRESS

A nation building for the future must increase its capacity to produce, to market, to process, to buy, to sell, and to grow in a modern world of vigorous competition.

Thailand regarded American aid as an opportunity to improve and enlarge what might be called its "potential for growth". Planning was concentrated on works and institutions which would assist Thailand's development for years ahead -- not merely those which would give the people something today which might be gone tomorrow.

Both governments tend to avoid using economic aid for doing things which the Government of Thailand might just as well do with its own resources. This aid, ~~is used~~, rather, as an opportunity to establish permanent and lasting improvements which would hardly have been possible without such aid and which would bear fruit for many, many years.

That is why so much of American aid is devoted to capital investments such as the improvement of railroads, highways, electric power, radio and telephone communications, bridges, water resources, and airways.

That is also why so much goes into the improvement and expansion of teacher training, hospitals, universities, technical and vocational schools, agricultural and fisheries stations, and mining and minerals exploration.

That is why so much goes into the strengthening of the agencies of government which directly serve the people, such as in the fields of health, agriculture, cooperatives, education, irrigation, and fisheries.

That is why, too, so much goes into the training of Thai professional, executive, and technical personnel in all important fields of public service. These are the people who, in the years ahead, will carry on the economic development of Thailand.

HOW AMERICAN AID IS HANDLED

The Thai Government is responsible for planning its own development program and determining how and where it desires to use American assistance.

In some cases the Thai Government has requested American help in financing a part of the Thai program, especially when the services of foreign contractors are needed. In some cases, the United States has been asked to assist with supplies and equipment for Thai institutions and public works. In other cases, overseas training of selected Thai people is the important need, and under this U.S. aid program Thailand has sent almost 1500 of its executive and professional people to the United States or other countries for specialized training to enable them to carry on a part of the Thai program by themselves. And in still other cases, the Thai Government has requested American specialists to come to Thailand to assist a Ministry or Department.

Proposals for employing American cooperation in specific parts of Thailand's national development program are made by the various Ministries of the Thai Government to the Thai Technical and Economic Committee.

The TTEC -- comprised of representatives of most of the Ministries of the Thai Government -- reviews the proposals in the light of the long-term plans of the Thai Government. It also takes into account the resources available to Thailand through the United Nations agencies, the Colombo Plan, and other sources. The TTEC forwards to the United States Operations Mission to Thailand (USOM) those proposals for which it has decided to request American assistance.

American aid is allocated only to specific projects which have been proposed by Thai Ministries and approved by TTEC and USOM. Every one of these projects has a budget, showing exactly how much money, supplies, equipment, contract services, participant training, and technicians' services will be devoted to the project. The projects themselves are administered by the Ministry or other agency of the Thai Government. American technicians assigned to the projects work with a designated Thai official. Americans do not directly supervise any Thai Government activities -- they simply advise and assist.

Both governments, through TTEC and USOM, check on how the project funds and commodities are being used, to prevent waste or misuse. In some types of projects, such as construction of highways and other works, American contractors are responsible for carrying out the operation.

All economic development activities in which America is assisting Thailand are cooperative projects.

Thai officials are responsible for administration of the projects, and Thai and American experts work together on the technical and professional aspects.

HOW THAI-AMERICAN COOPERATION IS FINANCED

Like all other aspects of the program, the financing of projects is also cooperative. Both the Thai and the American Governments contribute funds to finance the program. Originally, the agreement was that the Thai Government would bear all costs of expenditures made in Thailand (Baht currency costs) and the American Government would bear all non-Baht costs (imported supplies and equipment, contract services, salaries of American technicians) of the projects. In 1954-55, the United States began assisting Thailand in defense support, as a result of the war in Indo-China. More local funds were needed for the expanded effort, so the American Government arranged to turn some of the Dollar funds into Baht for expenditure in Thailand.

During the past seven years, the contributions of both Governments to the program have totaled the equivalent of 3,240 million Baht or about 162 million Dollars.

In addition to its direct contributions to the joint projects, Thailand has financed other expenditures in support of the cooperative program from Ministry budgets -- such as purchases of rights-of-way, salaries of Thai officials working on projects, office and warehouse space, and the like.

Table I

CONTRIBUTIONS OF EACH GOVERNMENT TO COOPERATIVE PROGRAM

	<u>United States</u>	<u>Thailand</u>
1951	\$ 7,200,000	฿ 14,600,000
1952	6,000,000	133,000,000
1953	5,900,000	66,100,000
1954	11,000,000	74,000,000
1955	38,500,000	70,800,000
1956	35,000,000	57,000,000
1957	34,500,000	60,000,000*
Totals:	<u>\$ 138,100,000</u>	<u>฿ 475,500,000</u>

*Programmed for calendar year. The U.S. Government fiscal ends June 30, the Thai Government fiscal year ends December 31.

Of the total costs of the program, about 37 percent are Baht costs, all of which are spent in Thailand, and about 63 percent require Dollars. So some of the Dollar funds earmarked by the United States for the program must be converted into Baht.

To use Dollars merely to buy Baht would put more money in circulation without producing any more goods, which might be inflationary. Therefore, USOM makes the Dollars serve a double purpose to help the Thai economy. Some of the Dollars are used to finance importers' letters of credit which they may use to buy anywhere in the free world goods which Thailand needs to import. This conserves Thailand's foreign exchange. Thai importers pay the value of the goods in Baht into the Bank of Thailand, and they sell the goods in the usual commercial channels. The Baht thus obtained are put into a special account of the Thai Government at the Bank of Thailand. Baht from this account are allotted by the Thai Technical and Economic Committee and USOM to meet the local costs of Thai-American cooperative projects. This account, together with the Baht appropriated by the Thai Government, is called the Counterpart Fund.

Table II

HOW UNITED STATES' CONTRIBUTIONS HAVE BEEN USED.

Project supplies & equipment bought outside Thailand	\$ 50,865,000
Financing Thai Government contracts for equipment & services	\$ 26,300,000
Importation of consumer goods	\$ 49,035,000*
Training of Thai specialists in U.S. & other countries	\$ 6,100,000
Salaries & other costs of U.S. specialists in Thailand	\$ 5,800,000
Total:	\$ 138,100,000

* Baht obtained from sales of goods are put into Counterpart Fund. (see Table III.)

Table III

HOW COUNTERPART FUND IS FORMED

From Thai Government appropriations (see Table I)	฿ 475,500,000
From U.S. financing of imports (see Table II)	฿ 980,700,000
Total:	฿ 1,456,200,000

Table IV

HOW COUNTERPART FUND IS USED

Project supplies & equipment bought & used in Thailand	฿ 707,600,000
Programmed for future local costs of projects now in progress	฿ 405,500,000
Travel costs of Thai training participants & local costs of U.S. specialists	฿ 111,800,000
USOM administrative costs	฿ 27,100,000
Total:	฿ 1,252,000,000

FOR THE PEOPLE'S HEALTH

The prosperity and happiness of the Thai people depends upon their good health. So Thailand has put forth a tremendous effort to improve health services and facilities for the people and to control the diseases that are most prevalent in Thailand.

Since 1950 Thailand has built more than 50 hospitals, so that now there is one in each changwad, and the number of rural health centers is constantly expanding. The new hospitals and health centers require large quantities of equipment which doctors and nurses use in examining and treating patients. A considerable amount of the American assistance has been used to buy such equipment, which has benefited every changwad in Thailand. In three changwads; demonstration public health projects—have been developed to improve water supplies, sewage disposal, environmental sanitation, and preventive medical services. Community participation through health education has assisted in making these demonstrations effective.

With more hospitals and health centers, Thailand needs more doctors, nurses, medical technicians, and other health workers. Therefore the Thai Government has channeled some of the American cooperation activities into the development of schools for such professional people. The two medical schools have received appreciable assistance to improve the teaching program. A School of Public Health has been built, equipped and staffed. The facilities of Chulalongkorn University for training sanitary engineers have been increased. Two schools of medical technology have been built and equipped with laboratories which will serve the university hospitals also. Assistance has been given to new schools for training nurses, midwives and nurse aides.

Many health workers who have completed their training and are already in the changwads giving service to the Thai people need additional training to keep abreast of new developments in their professional fields and in the rapidly growing health program. So, with American assistance, a national Health Training and Demonstration Center has been established at Cholburi, where health officers, doctors, nurses and sanitarians from all of Thailand come for special courses of instruction.

In all of these developments, Thailand has drawn upon the American aid program for help in buying drugs, ambulances and other motor vehicles, pumps and water filtration systems, and various pieces of equipment such as X-ray machines, sterilizers, and respirators. American health specialists are working with Thai experts in planning the expanded program and training more Thai specialists to carry it on.

MALARIA IS BEING CONTROLLED

In the years before 1950 about one out of every three Thai people lost valuable days of productive work because of being sick with malaria, and about 45,000 persons died each year of this dread disease. As a result of Thailand's intensive control program, in 1956 only one out of every twenty Thai people was sick with malaria during the year, and less than 11,000 died of it.

In 1951 Thai public health authorities took advantage of the American economic cooperation program to get help in expanding their fight against malaria to nation-wide proportions. The method used is to spray all houses with DDT in areas where surveys have established the presence of malaria. This is done once a year for about three years to kill the particular kind of mosquitoes which transmit the disease. Posters, leaflets, exhibits and motion pictures are used to alert people to the dangers of the disease. Medical examinations are made to determine whether people have the malarial parasite in their blood, and drugs to cure malaria are distributed to the sick people through hospitals, health centers, and field units. Thus the chain by which malaria is carried between mosquitoes and people has been broken. If Thailand's program is continued, malaria will be eradicated in the next ten years.

To prepare health workers for their parts in this intensive program, a Malaria Training Center was established at Chiangmai and another one is now being built at Phrabudhabat. In addition to the specialized health workers, several thousand foremen and spray-crew workers have been trained to spray houses to kill the malaria-carrying mosquito. Thailand is now world famous for its accomplishments in controlling malaria, and people are coming here from other countries to learn how to conduct such an effective campaign.

TO MEET THAILAND'S EVER GROWING NEEDS FOR HIGHLY
SKILLED TECHNICAL AND PROFESSIONAL PEOPLE

The many new forms of industry and business and the modern technological changes which are rapidly developing in Thailand create new demands for men and women with specialized and technical training. The Thai Government is expanding its programs of technical and professional training so that Thai youth can prepare themselves for useful roles in Thailand's modern economy.

Students are enrolling in increasing numbers at Chulalongkorn University's College of Engineering. To accommodate the growing number of young men who are eager to assume technical and engineering duties, the College of Engineering is being expanded. Here again, American aid is being used.

A modern Technical Institute has been set up in Bangkok by the Ministry of Education, which has employed the American cooperation program to supply about 95 percent of the equipment needed in the Institute's 38 buildings. The Institute offers vocational training in eleven fields, such as automotive repair, printing, and electrical work. Branches of the Technical Institute are being started, with USOM help, in Songkla, Korat, and Chiangmai. Nearly 5,000 students are receiving technical training in these schools.

Modern agriculture also is feeling the demand for men trained in farm engineering, farm management, and scientific agriculture. Vocational agricultural schools are being expanded and new programs of study are being tried. The Ministry of Education is using the services and equipment that can be obtained through the American assistance program to develop model schools in both agriculture and home economics.

Kasetsart University is Thailand's only college of agriculture. It has been revitalized with a dozen new buildings, fully equipped, and a strengthened faculty -- made possible through American cooperation. Agricultural schools at Mae Joe and Surin have American advisors and have been equipped and expanded with USOM aid.

MORE AND BETTER TEACHERS, WIDER EDUCATIONAL OPPORTUNITIES

The Thai people are eager to have schools available for their children, and the expansion of Thailand's school system in a generation or two is a remarkable achievement. But expansion of education is not only a problem of providing school buildings, it is even more important that the teachers be competent and well-trained for their work and that the instruction be suitable for the needs of children in the complex world of today. So Thai educators have used American assistance to broaden training programs for teachers and to develop new teaching materials, new methods, and better curricula.

Through the American economic cooperation program, Thailand has been able to send more than 300 of its educators abroad for advanced study and observation of other nations' school systems. Also, the Thai Government has been able to finance contracts with American universities, to bring some of their faculty members to Thailand. As a result, today Chulalongkorn University and Prasarn Mittr offer bachelor degree programs in teacher education. Kasetsart University has broadened and improved its program, and so has Thammasat University. A program for training of teachers of vocational agriculture has been added to the offerings of Mae Joe Agricultural School, in Changwad Chiangmai.

Summer courses have been arranged, with American assistance, for teachers who are already at work in the schools of Thailand so that they too may obtain college credit and become better qualified for their work. Some 50,000 teachers have benefited from supplemental training in short courses.

New teaching methods, new learning materials, and new courses of study have been tried out in selected demonstration schools. Through workshops and conferences and the summer courses, teachers throughout Thailand are learning about these improvements and are able to give to their pupils a better education for modern living.

Thailand's Ministry of Education is outlining a five year program in each department, along modern lines. It has inaugurated a program of extending primary schools to seven years of education for children. It

is establishing units to supervise the work of elementary and secondary teachers and teacher training schools. It is strengthening its educational research program. In all these modern changes, aimed at making better education available to Thailand's youth, the Ministry of Education is adapting to the Thai situation those elements which can be obtained through the American aid program.

MORE CROPS, BETTER CROPS, BETTER LIFE FOR THE FARMER

A majority of Thai people are farmers, so the Thai Government has focussed a large part of the American aid program on developing agricultural improvements which will increase the prosperity of the farmers. Also, since over 80 percent of Thailand's exports are agricultural products, increases in exportable agricultural products mean increases in the national income and benefits to the entire Thai nation.

The Ministry of Agriculture is pushing forward with research and experimental work so that farm productivity can be increased, and is using the American assistance program to help speed up and expand it.

One result of the American-aided research program is that the Rice Department has identified 11 superior types of rice which have both greater yield per rai and also higher values at market. Over 300 agricultural scientists have been trained in the methods of testing and growing these better varieties, and more than 5,000 varieties of rice were tried before the better varieties were selected. By concentrating on growing these 11 varieties of rice, Thai farmers increase their incomes by 25 percent or more. Today thousands of farmers in many provinces of Thailand are growing the selected varieties, and in 1960 the seed of those varieties will be available to farmers throughout the nation.

Plant diseases and destructive insects are being studied to discover the most effective methods for wiping them out in Thailand. In its experiments with various insecticides and the best methods of applying them, the Thai entomologists have used American assistance to demonstrate that 10 percent of the nation's rice crop which is lost each year because of insects in the storage bins can be saved by spraying the bins. Peanut crops can be increased by 40 percent when certain effective insecticides are used. Insects destroying castorbeans, cocoanut palms and other crops have been destroyed in successful demonstrations.

The soils of Thailand are being analyzed in American-equipped laboratories and in field tests by American-trained Thai scientists to discover their best uses and the treatment they need. Tests of fertilizers show that huge increases of crop yields can be obtained on many farms by proper application of the correct fertilizers.

Diseases which afflict livestock are being combatted. Laboratories, equipped by means of the American assistance program, are now supplying the necessary vaccines to prevent livestock diseases. Studies prove that Thailand can furnish sufficient feed and forage to support a profitable and vastly increased business of raising livestock. Armed with this information and using American assistance, the Thai Livestock Department has imported excellent breeds of cattle and has begun a program of mating the imported animals with domestic animals to provide better livestock to Thai farmers.

The Government has initiated a modern system for compiling agricultural statistics, estimating crops, and supplying businessmen with needed information for exporting and marketing Thai farm products.

In these and many other activities, Thai agricultural experts are applying the money, the equipment, the supplies and the technical advice and experience available from the United States Government to increasing Thailand's income from farming.

GOVERNMENT SERVICES TO FARMERS

To get information and services to the farmers is a major goal of the Thai Government, and a substantial part of the funds available to Thailand under the economic cooperation agreement with the United States Government has been set apart for this purpose. Thai agriculturists are confident that if farmers are given accurate information, based on scientific research and experimentation, and are encouraged and assisted to apply this information, they will achieve increased production and prosperity both for themselves and for the nation.

Information is being taken to the farmers by government agricultural officers, using demonstrations, meetings, posters, pamphlets, motion pictures and many other methods. More and more facts about ways of improving rural life are being developed by agriculturists, home economists, economists, and health workers and are being transmitted to the farmers for their use. Together with the facts, the Thai Government is providing opportunities for farm people to obtain such things as improved seeds, better breeds of cattle, fingerlings for stocking fish ponds, tree seedlings, sanitary privies, cooperative irrigation pumps, and farm loans. USOM is assisting in these efforts.

Farm boys and girls are being given the opportunity both to learn and to practice improvements in rural living. Yuwa Kasikorn clubs sponsor such projects as raising pigs, chickens, vegetables and fish with guidance of trained adults and on a money-making basis. The profits that the boys and girls earn from their projects are used to finance other club projects through which habits of practical and better ways of farm life can be established. Yuwa Kasikorn also emphasizes citizenship training.

The Ministry of Cooperatives has been able to expand its assistance to farmers through cooperative societies as a result of the American economic program. Some of the American funds have been used to increase the amount of money available to farmers for borrowing through cooperative societies, and such societies have been assisted in improving marketing, installing irrigation pumps and providing tractors.

MORE FISH, MORE MONEY FROM FISHING

Thailand's fishing industry is of great importance because of the significance of fish both as a food and as a source of income. Since the beginning of the American assistance program in 1951, the Thai Fisheries Department's program of helping the fishing industry has been speeded up and many accomplishments can be seen -- among these a 30-percent increase in the commercial fish catch.

The experts of the Department have demonstrated to the fishermen of Thailand that they can catch twice as much fish and better kinds of fish by using a trap net instead of a bamboo trap. The Department has made explorations of the fish resources of the Gulf of Thailand and has demonstrated improved techniques of salt water fishing. As a result the marine fishing industry has expanded greatly. Inland fishing is also being helped by the building of fish hatcheries and fish ponds and stocking them with good varieties of fish. Distribution of fish fry by Government stations -- especially of Tilapia -- has increased by millions since 1951.

The Government has built a large fish marketing center in Bangkok and made improvements in the methods of selling and distributing fish. At the Marine Station, fishermen and their sons are taught salt water fishing methods and how to make better boats and other fishing equipment. A fish meal factory has been started and is turning out thousands of tons a year, adding important revenue to fishermen and the nation and turning into money products that formerly were waste.

The American economic cooperation program has provided much of the equipment and made possible many of the advances being achieved by Thai fishermen with the help of Fisheries Department experts.

WATER DEVELOPMENT

The development of water resources is of special concern to Thailand, especially in the Northeast where lack of water during the dry season is a real hardship to large numbers of people and a handicap to economic development. So the Thai Government has used part of the United States' aid to supplement its efforts to find solutions to the water problem. Two approaches are being used: (1) to build dams and tanks or reservoirs to store rainfall during the rainy season for supplying water during the dry season, and (2) to explore the underground supplies of water and develop wells where possible.

The Irrigation Department is using American funds to build 129 storage tanks and dams, so that approximately 150,000 rai of land can be irrigated and tens of thousands of families will have domestic and animal water supplies. American aid has also been used to purchase large pumps, mounted on both trucks and barges, so that water can be pumped to an additional 250,000 rai of dry fields.

To conduct basic geological and ground water studies and drill exploratory wells in order to find satisfactory sources of ground water of acceptable quality in Northeastern Thailand, the Thai Government has earmarked some of the American aid for purchase of drilling equipment and other essential supplies, and for the employment of a Ground Water Specialist and well drilling experts. A total of 69 wells have been drilled; Of this number 40 provided usable drinking water, 20 were abandoned because of salt, and 9 were abandoned for other cause. A contract with an American drilling firm is planned for drilling exploration wells in the Northeast.

HIGHWAYS AND RAILROADS

In Thailand's fast-growing economy, farm and forest products must be shipped to markets and factories, and consumer goods must be distributed throughout the nation. Therefore the Thai Government has planned to develop its highways and railroads for greater efficiency, and has chosen to devote a large part of American economic assistance to this purpose.

A network of highways is planned that will give the various cities and regions of Thailand much better access to each other. For such a large construction program, modern machinery is necessary. Using the American aid program, the Thai Government has arranged for about 12-million Dollars worth of construction equipment to be brought into Thailand. American contractors are building vital links in this highway system, such as from Saraburi to Korat and from Pitsanuloke to Dansai. Over 750 dangerous wooden bridges are being replaced with reinforced concrete bridges, two lanes wide.

A Highway Laboratory and Testing Center has been established and equipped. Repair and maintenance shops have been set up, and hundreds of Thais have been trained to operate and maintain construction equipment. Thai highway engineers from every district are being trained in modern road-building techniques on the Saraburi-Korat highway -- which the Thai Government has named the "Friendship Highway".

The Thai Government has also used American aid to purchase hundreds of new railway cars and a wide variety of other equipment for its railways. A new railway line has been built from Udorn to Nongkai, with a ferry landing already finished and other terminal facilities now under construction at Nongkai. Thus Thailand serves its neighbor Laos as a connecting link with other nations for trade and communications.

AIRWAYS

A good system of airplane communication is essential to a nation's economic development, especially to a sprawling country such as Thailand in which surface travel can be difficult and time-consuming.

Thai Airways is constantly improving its services to all major cities of Thailand. A team of American specialists, requested by TAC and provided by USOM, is helping the airline improve its operations, maintenance of equipment, training of personnel, services to the nation, and safety, while showing profits for the first time.

The Thai Government has also used American aid to install vital aids to aerial navigation, including beacons, control towers, and electronic equipment of various kinds, not only at Don Muang International Airport but also at eleven airports in other parts of Thailand. Thai technicians are being trained in the control of air traffic by radio and in the operation and maintenance of the complex equipment which helps planes locate their positions and make their approaches, landings, and take-offs. American aid is also being used to rebuild and pave 13 civil airports and 3 military airfields.

Thailand is taking advantage of its fortunate geographic location to attract many international airlines to route their operations through Don Muang, which has become perhaps the largest and most modern airport in the Far East. American technical assistance and equipment has helped Don Muang achieve its position as one of the safest, most efficient airports in this part of the world. A new aircraft overhaul and maintenance base is being built at Don Muang airport for the Thai Airways Company. When completed, it will be the largest and most modern in the entire Far East.

Air transport is also being made safer and more dependable by better weather forecasting and reporting. American aid has been used to establish a number of radio sounding stations for upper-air weather conditions, to set up pilot balloon stations for weather observation, and to equip ground weather observation stations.

ELECTRIC POWER

Electricity is necessary for industrial growth and also for the enjoyment of higher standards of living.

American aid is building a 12,500 kilowatt power plant at Mae Moh, near Lampang. This plant, fueled by vast lignite deposits in the area, will furnish power to the Chiangmai-Lamphun-Lampang region. It will also provide power needed during the construction of the Phumipol Dam at Yan Hee, which is scheduled to begin operations in 1962. Phumipol Dam is being financed by Thailand entirely through its own resources and through borrowing from the World Bank. One of the largest public works in Asia, it will furnish power to 36 changwads.

An engineering firm, supplied by USOM, is making a survey of Thailand's total needs and potentials for power and is developing a system for the marketing and distribution of electrical power.

Power generating units have been added to the installations in Bangkok and ten other cities, and an additional ten diesel-powered generators are being given to Thailand to relieve the critical power shortage in Bangkok.

MINING AND MINERALS

Minerals offer promise of greater income for Thailand in the years ahead, but little is known about the extent, nature, and commercial possibilities of Thailand's mineral deposits, other than her highly valuable tin and tungsten deposits.

Experts of the Thai geological survey are working on this problem, and USOM is assisting in conducting systematic studies of mineral possibilities. A minerals experimental center has been established (equipped by USOM), apparatus has been supplied to improve the efficiency of mining, and Thai geologists and mining specialists have been trained in modern geological exploration and mining methods.

Preparations have started for an aerial survey of several parts of Thailand where important metallic deposits are most likely to occur. An airplane equipped with special instruments which can detect some minerals deposits from the air will make this survey under a USOM-financed contract. It is believed that the aerial survey will lead to the location of deposits, especially of iron, which may be exploited commercially.

Thailand, with American technical aid, is encouraging private capital development of mineral possibilities, and within the past year a manganese mine and a gypsum mine have gone into operation. Thus it is becoming more and more evident that tin and tungsten are not the only valuable mineral deposits in Thailand; and the Royal Department of Mines, the Mines Organization, the Department of Metallurgy and many private individuals and companies are continuing, with American help, to search for new mines that will increase the wealth of the nation.

TELECOMMUNICATIONS

Modern commerce depends upon fast, accurate transmittal of information. Not only is quick communication imperative in trade, but it is also vital to air and rail transport, international relations, internal security, military defense, and dissemination of news.

Realizing this, Thailand is using some of America's aid to expand, modernize, and make more efficient all its facilities for communication by radio, telephone, telegraph, and teletype -- called telecommunications.

An American firm specializing in this work is making a study of Thailand's internal requirements and also of needs throughout the Peninsula and to other centers of world trade. After the study is completed and an efficient communications network is designed for the region, some of the essential equipment for the system may be provided.

The new system will link together in almost instant communication all important cities of Thailand, Laos, and Vietnam and will tie into communications with Singapore, Phnom Penh, Manila, Djakarta, Rangoon, Calcutta, and other world centers.

PUBLIC ADMINISTRATION

One of the major goals of Thai-American cooperation is to increase the productivity of Thailand and improve the life of its people. Another goal, almost as important, is to improve the services of government. Good government is essential to the success of all the other efforts.

The Government of Thailand requested, under American assistance, advice in improving financial administration. This is being furnished by team of specialists from a non-governmental organization which has performed similar work for government agencies in the United States. They have made recommendations for improvements in tax and customs administration, accounting and auditing practices, and budget and fiscal management. The Thai Government is also reviewing recommendations on such matters as stimulation of foreign investment in Thailand, government borrowing policies, and governmental organization.

A Public Administration Institute has been established at Thammasat University with American advice and assistance, to provide specialized training in public administration both to students and government officials. A program for in-service training has been started with a special seminar for Ministry training officers.

Civil police advisers are assisting the National Police in improving procedures for criminal investigation, criminal records and fingerprinting, police administration, communications, and related police work.

Hundreds of Thai civil servants have been given opportunities for study and observation of public administration in the United States and other countries.

Table V.

NUMBER OF THAI SPECIALISTS

TRAINED IN U. S. AND OTHER COUNTRIES

Field of Activity	During 1951-1956		Scheduled in 1957		Total
	In U.S.	Other	In U.S.	Other	
Agriculture & Natural Resources	221	10	53	5	289
Industry & Mining	78	--	20	1	99
Transportation	108	--	34	8	150
Labor	8	--	8	-	16
Health & Sanitation	310	2	40	3	355
Education	260	16	93	39	408
Public Administration	90	--	38	-	128
Other	3	--	16	2	21
Total:	1,078	28	302	58	1,466

Table VI.

NUMBER OF AMERICAN SPECIALISTS

WORKING IN THAILAND (As of August 31, 1957)

Field of Activity	On USOM staff	On Contracts	Total
Agriculture & Natural Resources	18	5	23
Industry & Mining	6	19	25
Transportation	12	201	213
Labor	--	--	--
Health & Sanitation	13	--	13
Education	11	19	30
Public Administration	14	17	31
Other	11	--	11
Totals:	85	261	346

TRAINING ABROAD

Thailand is progressing so rapidly that it never has quite enough men and women of advanced education and specialized experience to meet its needs. The scarcity of highly trained people places heavy burdens on the professional, technical, and executive personnel in public service. Thailand has for many years sent men and women abroad to acquire training not readily available at home. With the beginning of the American cooperation program in 1950, the Thai Government has been able to multiply the number of young men and women who are sent to other countries for special training. This year USOM alone is sponsoring over 300 -- almost 1,500 in seven years.

The Thai people who participate in the special training programs are selected by the various agencies of Government. Most of them are already working on some aspect of Thailand's economic development, have shown skill and ability, and are thoroughly familiar with Thailand's objectives and needs. When they go to another country to study what is being done there to achieve similar objectives, they go for a practical purpose. They investigate the factories, the processing methods, the government offices, the procedures used, the schools and the methods of teaching. They actually work in plants, laboratories, research institutes and experiments of the country where they are studying. They become completely familiar with the instruments, tools and machines in use in other countries.

The practical effect of this training and observation is felt when they return to Thailand. They resume their work with a broader conception of how it fits into the national economy. They adapt what they have seen elsewhere to fit the situation in Thailand. They show other Thai people the techniques and methods which seem best suited for application in Thailand. Their overseas training has encouraged them to learn a method of doing a thing, and the reasons for doing it that way. And they are urged to share their knowledge with other Thai people who are concerned with their field of specialization.

The Thai technicians who have participated in USOM's grants of training abroad have added to the corps of expert government officials, health workers, agriculturists, engineers, teachers and specialists of many kinds who are dedicated to strengthening the economy of Thailand.

SUMMING UP ---

That is the story, stripped of most of the tedious details of amounts of money, numbers of people, tons of commodities, and omitting a number of useful activities which would merely prolong the account of Thai-American cooperation.

Essentially, it is a simple story: Two nations find that they have a similar dedication to peace, freedom, democracy, and the right of every man to an opportunity to achieve his own aspirations in his own way. They join in partnership because they have similar policies and they can each help the other -- the United States can help Thailand achieve economic progress which it so badly needs, Thailand can help the United States by maintaining its independence, by bolstering the defense of freedom in Southeast Asia, and by contributing usefully to the free world economy. As fellow members of SEATO, they are both dedicated to the economic, cultural, and political integrity of Southeast Asia. The partnership proves to be a sound proposition for both nations.

It takes courage for a nation to accept participation in its economic program by another nation. Thailand has accepted American assistance only on condition that the United States would not interfere in its internal affairs nor use its aid to influence Thailand's actions as a sovereign nation. The United States has extended aid without any condition except that Thailand shall use such aid effectively and scrupulously.

This is a fair and honorable partnership, which can be dissolved by either nation when it desires. As long as it lasts, each nation counts the other as a solid and dependable friend, in a world in which solid, dependable friendships among nations, large and small, are the only real hope of peace and security for ourselves and our children.

Anyone who desires more information about Thai-American economic cooperation is urged to write, call or drop in to see officials at either of the following agencies. Inquiries are welcome:

Thai Technical and Economic Committee
962 Krung Kasem Road
Bangkok

United States Operations Mission to Thailand
642 Petchburi Road
Bangkok