THE SIAMESE ADMINISTRATIVE ÉLITE IN THE EARLY TWENTIETH CENTURY AND THE HISTORICAL ORIGINS OF UNDERDEVELOPMENT IN SIAM*

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Siamese economic policy and administration in the last three decades of the absolute monarchy has long been the focus of critical scholarly analysis. The most longstanding criticism has been that the Siamese authorities in this period were almost invariably conservative and unimaginative in the use of the resources which they had at their disposal, with the result, it is alleged, that they failed to exploit the full economic potential of the kingdom in the short term or to lay the foundations for more securely based economic growth in the future. Recent years have seen the emergence of the more radical criticism that economic policy and administration in early twentieth century Siam was not simply short-sighted and unreasonably conservative, but more seriously that the very considerable economic interests and political influence of the Siamese administrative élite itself stood as a critical obstacle to the emergence of a more prosperous and economically stable Siam. The present paper has two principal objectives. First, to suggest that these criticisms are not fully sustained by a careful reading of the Siamese administrative records of the early twentieth century; second, to argue that by placing state economic policy and administration and, in some cases, the economic interests and political influence of the administrative élite at the centre of the analysis, these criticisms may even have hindered progress towards a fuller understanding of the historical origins of Siamese underdevelopment.

I

The first major scholarly analysis of Siamese economic policy under the late absolute monarchy is that contained in James C. Ingram's *Economic change in Thailand since 1850* which was published in its first edition in 1955.[1] A central argument in Ingram's analysis was that in the allocation of its financial resources, (both tax revenue receipts and the proceeds of foreign loans), the Siamese administration of the early twentieth century failed to provide sufficient funds to projects and programmes of a developmental character. Rather, he argued, the Siamese authorities consistently preferred to devote the resources at their disposal to programmes that would, in the immediate term, secure the internal administration and external security of the kingdom. Thus very considerable emphasis was placed on the construction of a railway network designed to improve commun-

ication between the capital and the outlying provinces of Siam. More seriously, in Ingram's view, a very substantial proportion of the kingdom's loan funds and tax revenues was devoted to the creation of reserves to support the government's paper currency issue, and to support the external value of the *baht* after the currency was placed on the gold-exchange standard in 1902. It is held that these reserves far exceeded the normal requirements of the paper currency issue or the exchange. The major casualty of the administration's allocation of resources was, according to Ingram, the series of irrigation proposals which were placed before the government in the opening two decades of the twentieth century. Although the important economic advantages which would arise from a large-scale irrigation project in the central plain were clearly laid before the administration, (notably the assurance of an adequate supply of water for rice cultivation in all years, and the promotion of agricultural diversification by the provision of opportunities to cultivate dry season crops), all major irrigation proposals from the beginning of the twentieth century were rejected by the government, until in 1915 the implementation of one relatively modest scheme was sanctioned. The result, it is argued, was that an important opportunity to make a major investment in the future prosperity and stability of the kingdom's rice economy was lost. It should be added that in the Siamese administration's decision to commit funds to the construction of railways and the maintenance of high reserves rather than to irrigation works, Ingram sees the powerful influence of a series of British financial advisers who were appointed by the Siamese government from the last years of the nineteenth century.

Writing some twenty years after Ingram, David Feeny proposed a more radical explanation for the failure of the Siamese administration to implement a major irrigation programme in the early twentieth century.[2] Of considerable importance in his analysis was the fact that in the final years of the nineteenth century the Bangkok élite, including members of the royal family and of the major bureaucratic families, had acquired substantial holdings of agricultural land in the Rangsit area to the immediate north-east of the capital. This was an area which had been opened up and provided with relatively advanced water control facilities by the Siam Canals, Land and Irrigation Company, established in 1888. During the 1890s large numbers of agricultural families moved into Rangsit, sending up land prices and rents, and as a consequence the investments by the Bangkok élite in this area became an important source of private income for that class. It was Feeny's contention that that financial interest would have been seriously threatened by the construction of major irrigation works in other areas of the central plain. It was suggested that the construction of new irrigation facilities away from Rangsit would almost certainly have drawn many agricultural families out of that area, for by the early twentieth century the Rangsit canals and dykes were falling into

disrepair. The result would have been a fall in land prices and rents in the Rangsit area and hence a substantial loss of income on the part of the Bangkok landowning élite. There was thus, argued Feeny, a conflict between the Bangkok élite's private interest and the welfare of the kingdom taken as a whole which would clearly have benefited from the construction of major irrigation works in the central plain. In this conflict, it was implied, the Siamese administrative élite allowed its private interests to dominate, with the result that proposals for large-scale irrigation works in the central plain were consistently rejected in the early twentieth century. To strengthen this argument Feeny noted that when, in 1915, the administration did finally sanction a limited irrigation scheme it was for an area which was adjacent to Rangsit and was designed essentially to improve the flow of irrigation water into the latter area. In other words, the Bangkok élite was prepared to sanction an irrigation project which would secure an increase in land values in an area where they were major landowners. It should also be noted that Feeny employed the same basic argument to explain the tardiness of the Siamese administration in promoting more scientific agricultural practices in this period. Thus it was not until 1916-17 that the authorities proceeded with the establishment of an experimental farm for rice. It was located in Rangsit where, presumably, local cultivators and landowners were to be the principal beneficiaries of the farm's experiments and trials.

A further major focus of critical analysis has concerned the allegation that in the early twentieth century the Siamese administration made little serious attempt to refashion the basic structure of the kingdom's economy. To be specific, it is alleged that the authorities were not concerned to diversify the economy away from its dangerous dependence on the export of a limited number of primary commodities by encouraging the growth of non-agricultural production. A moderate form of this criticism can be found in Ingram, though the argument is only implicitly expressed. Reviewing the century of economic change in Siam from 1850, he argued that:

> most changes in the economy as a whole were in volume rather than in kind. New methods were not used, new products were not developed. No product of any importance (except rubber) was exported in 1950 which was not exported in 1850. (Ingram 1971:209).

Essentially the same argument was also presented, although far more vigorously, by Benedict R. O'G. Anderson in an article which appeared in 1978. In a passage critical of the widely held view that the later absolute kings were farsighted, dynamic, modernizing rulers, Anderson quoted Ingram's description of economic fossilization noted above, and then added:

> One naturally asks where all that modernizing dynamism

> went. Why was it that, after a century of modernizing rulers, a 'uniquely independent' Southeast Asian state remained so backward? Why did its export economy look like a retrogade version of the neighboring colonial economies...? (Anderson 1978:216)

The absence of major structural change in the Siamese economy over the period of the later nineteenth and twentieth centuries, and more specifically the observation that capitalism had failed to take root in the kingdom despite the penetration of the economy by capitalist influences from the 1850s, has in recent years also attracted the attention of a considerable number of Thai scholars of the younger generation, among whom the most prominent is Chatthip Nartsupha.[3] The principal feature of the work of Chatthip, and of the school of political economy which has emerged in Thailand largely as a result of his writings and scholarly encouragement, is that it seeks to interpret the historical development of Siam's economy and society from a Marxist perspective. The foundation of the Chatthip analysis is his characterization of the precapitalist (or *saktina*) economy of the kingdom. Two prominent features of that social formation have been identified. First, it was argued that the village in the precapitalist economy was an essentially self-sufficient community in which agriculture and handicraft production, (notably the weaving of cloth), were both pursued. As there was no pronounced division of labour between villages, internal trade was very limited and was usually conducted on a barter basis. Moreover, within each village there was no marked disparity in wealth among the inhabitants. In brief, in this period 'the villages did not contain any dynamic potential, but persisted inexorably through time in their static form' (Hong 1984:144). Second, Chatthip argued that in the precapitalist social formation the king, and in practice the Bangkok élite as a whole, had control over the major part of the land, labour and capital resources of the kingdom. Consequently a disproportionately large share of the kingdom's surplus product was channelled towards this élite urban class, who in turn devoted a major portion of these resources to expenditure on Bangkok and the court, and on internal security and external defense. For their part, the cultivators, who were the essential source of this surplus product, were deprived of the resources through which they would be able to raise their productivity in agriculture or to transform their economic role. In short, according to Chatthip, the exploitation of the peasantry by the urban élite - the constant and considerable flow of resources from the rural economy to the capital - stifled whatever economic initiative that the people might have had. Crucial to Chatthip's analysis was the further observation that the penetration of the Siamese economy by capitalism after the kingdom was opened to virtually unrestricted international trade from the middle of the nineteenth century, did not lead to the disintegration of these precapitalist structures. Rather the post-1855 economic system could be characterized as '*saktina* combined with capitalism'. In practice