



## **Life and Work of Snoh Unakul**

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# Introduction



The Thailand Development Research Institute or TDRI was officially established on March 23, 1984. On the occasion of its 25th anniversary, in 2009, the staff of TDRI jointly conveyed their best wishes to Dr. Snoh Unakul, who had formerly served as Deputy Prime Minister, Governor of the Bank of Thailand and Secretary General of the National Economic and Social Development Board (NESDB), by organizing activities for him on November 3, 2009. They expressed their gratitude to him as the founder of TDRI, the first Chairman of its Council of Trustees and Executive Board of Directors and the current Chairman of the TDRI Foundation since its inception. He has long been a patron of TDRI until the present day.

To mark this auspicious occasion, TDRI requested Dr. Snoh to write a book entitled “Life and Work of Snoh Unakul” to celebrate his personal and professional experiences that may be of benefit to younger generations as a case study detailing the real-life story of a contemporary figure. It is coloured with various shades of love - love for family, love for fellow human beings, love for society and, above all, love for his country.

In addition to his life story, the book also recounts his experiences at NESDB and the Bank of Thailand during a pioneering period of economic planning that lasted until the end of the first Anand Panyarachun administration (1991-2) and which has been marked as the golden period of Thai technocrats. Although several of these technocrats have written about economic development and the economic problems during that era, few know the story behind the formulation of the national economic plans, the major economic problems, the issues and the people involved at that time, as well as “the planner” himself. Chapters Five to Eight of this book contain important economic history which cannot be found elsewhere.

The essence of Dr. Snoh Unakul is perhaps most eloquently described by some important people who have spoken about him on various occasions or in various capacities as follows:

“He is a teacher,  
He has a pure heart,  
He is an administrator,  
He is fair minded,  
He always gives people a chance”.

**Mr. Kosit Panpiemras**

*former Deputy Prime Minister, former  
Deputy Secretary General of the National  
Economic and Social Development  
Board, Chairman of the Executive  
Board of Bangkok Bank Public Company  
Limited, Chairman of the TDRI Council  
of Trustees and Board of Directors*

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“Dr. Snoh Unakul is the development specialist who played a major role in Thailand during the 1970s till the 1990s when he assumed key positions as Director of Overall Planning of the then National Economic Development Board (during the Third Plan period), Deputy Permanent Secretary of Commerce, Governor of the Bank of Thailand and Secretary General of the National Economic and Social Development Board and, especially, in his last post as policy coordinator

during the Prem and Anand Governments. In addition, Dr. Snoh was instrumental in establishing TDRI. He has even used his own funds to support a number of Thai companies in order to ensure the technological development of the country.”

**Dr. Ammar Siamwalla**

*former TDRI President and  
Distinguished Scholar*

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“To put it simply, I feel that he is like Dr. Puey in trying to build up human resources with the emphasis on personnel development, new students and new staff. He pays attention to them, showing great kindness and talking to them without any sense of ego.”

**Dr. Phisit Lee-atham**

*former Deputy Minister of Finance,  
former Director of the Governor’s Office  
at the Bank of Thailand and Dean of  
the Faculty of Economics, Chiang Mai  
University*

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“Dr. Snoh often supplies adages for us to remember things easily. For instance, collaboration is like an electrical circuit which must be complete. That is to say, it is important to think systematically from start to finish while undertaking any work and to involve all concerned agencies. This starts with planning and continues through to implementation and evaluation, fully taking into account various factors in a continuous and detailed manner. Not only should policies and measures be suitable for the national context, but they should also be able to be implemented by those who are fully supportive and who have ownership of these initiatives from the start.

**Dr. Kanis Saengsupan**

*Director of Research,  
Fiscal Policy Office*

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“Dr. Snoh is like the father of TDRI – he brought it to life and is still concerned about his child. He has never abandoned us.”

**Dr. Nipon Poapongsakorn**

*Former President of TDRI*

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During his entire career, Dr. Snoh has contributed significantly, having a major impact on the economic development of the country and the resolution of economic crises concerning various issues. But no one's working career can be smooth sailing at all times. Dr. Snoh has encountered several crises and hardships. Sometimes one feels that "luck" has helped him get through these crises but those who have faith in karma believe that his deeds have made him sail through. Dr. Snoh is a firm believer in the teachings of Buddhism and this has made him stand up again and again with fortitude. What has been most amazing is his strong will and perseverance in coping with the stroke which affected his right limbs. In fighting to overcome his physical challenges, he has achieved a remarkable recovery.

TDRI deems it an honour to publish this book, entitled "Life and Work of Snoh Unakul". It is our hope that readers will enjoy reading this book both from the vantage point of life's philosophy as well as as a history of the various aspects of the economic and social development of Thailand.

**Thailand Development  
Research Institute**

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*Life and Work*  
*of*  
*Snoh Unakul*

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## Chapter 1



*Beginnings in  
Chonburi*

### **Six houses at the Chinese Bridge<sup>1</sup>**

Chonburi was formerly known as Bangplasoi. Its first road was called Vachiraprakarn Road, which ran along the seashore and was therefore also a dyke protecting the inland area. People liked to build houses on bridges perpendicular to the shore and extending into the sea. These bridges were built of wood and were wide enough to accommodate two people walking in opposite directions. The more important bridges would be several hundred metres long. It has

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<sup>1</sup> Many facts are drawn from Uncle Subin Suebsa-nguan's essay "The Story of Bangplasoi or Chonburi Town" which was written for the benefit of later generations to learn more about their roots.



been roughly estimated that more than 70 percent of the population of Bangplasoï had their houses built above the sea rather than on land. An important reason was that living in these houses on the bridges made for an easy life as the seashore was abundant with fish, crabs, mussels and other shellfish. There were several methods of catching them. The most convenient method, which would yield a bountiful harvest of fish, was to use the yor or dip net. When the dip net was full of fish it was raised and one would have enough fish for cooking and could sell the rest for money. The drawback was that it was harder to get fresh water for drinking and for household use compared with living on land. To manage the fresh water problem, people would own several large earthenware jars for storing rain water for drinking and cooking. Water for bathing, laundry and other things would be acquired from water sources on land.

My home was on an important bridge, the Chinese Bridge, which was later renamed the Samranras Bridge and eventually became the Samranras Road. This bridge was historically notable for two reasons. The first reason was the first concrete tank in the sea was built there in 1923. Previously, people believed that concrete tanks could not withstand erosion from sea water for long but the concrete tank constructed by Luang Bumrungrajniyom (Soon Sing-



kalavanich) at the Chinese Bridge proved its durability to people. Later on, this type of concrete tank became popular and was used for storing rainwater or fermenting fish sauce. The other aspect was the innovation of building concrete bridges instead of wooden ones (again by Uncle Luang Bumrung). The way these bridges were built was to construct dykes on both sides of wooden bridges which were falling beyond repair. When the concrete dykes had been built and the concrete had set, the decayed wooden bridge would be removed. Soil would be filled in between the two concrete dykes up to a certain level then gravel would be added as another layer. Concrete would then be poured on the surface. This concrete bridge was built in 1937 with a width of 2.2

metres and a length of 150 metres. The width of the bridge was adequate for cars to drive on, but not wide enough to accommodate two cars moving in opposite directions, so waiting spots were provided at certain intervals.

The people living in the six houses at the Chinese Bridge were all related. The most senior was great-grandmother Chan, who was regarded as the “ancestor” of the relatives at the Chinese Bridge. Great-grandmother Chan was Thai but with Mon ancestry. Her husband was a Chinese man named Chuiseng Sae Nguan who died prematurely. Great-grandmother Chan raised her children and grandchildren by herself. Being a strong minded woman, she saved enough money bit by bit and built up a well-to-do family. The family owned steamers that sailed between Bangplasoi and the eastern coast reaching Chanthaburi and Trad. Great-grandmother Chan successfully brought up and looked after the welfare of the families of the six houses at the Chinese Bridge. The houses included:

1. The house of great-grandmother Chan. This house was nearest to the coast and was called the “Inner House”. Great-grandmother Chan chose this strategic spot in order to let her descendents know that they would be under her watchful gaze every time they moved between their houses and the shore (unless they swam or went by boat). Great-grandmother asked to adopt my mother (Nueng



Unakul née Suebsanguan) who was her paternal grandchild and raised her as her own daughter. She later gained a grandson-in-law, my father, Vichai. My seven siblings and I were the resulting additions to the family. My childhood life was centred around the relatives in these six houses at the Chinese Bridge.

2. House of Auntie Perm (Singkalavanich) and Uncle Kosol Taerayanonda
3. House of Uncle Luang Bumrungrajniyom<sup>2</sup> (Soon Singkalavanich)
4. House of Uncle Subin Suebsa-nguan<sup>3</sup>
5. House of Auntie Rerm (Suebsa-nguan) and Uncle Luang Cholpharnthuraraksa (Kapiyabutr)<sup>4</sup>

6. House of Auntie Chumreon (Suebsa-nguan) and Uncle Luang Ajchakadee (Saetakasikorn)<sup>5</sup>

The relationship of all the households on the Chinese Bridge centred around the common factor of being descendents<sup>6</sup> of great-grandmother Chan. Those from the Suebsa-nguan family were her paternal grandchildren, while those from the Singklavanich family were her maternal grandchildren. The Taerayanonda, Piyabutr, Saetakasikorn and Unakul families were her grandchildren by marriage.

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<sup>2</sup> The title “Luang Bumrungrajniyom” was royally proclaimed by King Rama VI on the occasion of His Majesty’s visit to Bangplasoi when Luang Bumrungrajniyom built a floating villa for His Majesty. His Majesty was pleased by the floating wooden bridge extending into the sea which served as a royal walkway from the royal barge to the floating villa. Luang Bumrungrajniyom owned the first cinema hall in Chonburi and the first steamer company plying between Chonburi and Bangkok. He was elected the first Mayor of Chonburi (1936–1940).

<sup>3</sup> Uncle Subin Suebsa-nguan served as a council member of the Chonburi City Council continuously for 16 years (1947-1953).

<sup>4</sup> Uncle Luang Choltharnthuraraksa was the district head of Chonburi.

<sup>5</sup> Uncle Luang Ajchakadee was captain of the Suankularb Wittayalai School football team and captain of the Royal Forest Tiger football team during the reign of Rama IV before he opened his law firm in Chonburi.

<sup>6</sup> The children of great-grandmother Chan were not blessed with longevity. The senior-most member that I remember was Grandmother Inn Suebsa-nguan (the mother of my mother, Nueng) and Luang Bumrung, the eldest grandson of great-grandmother Chan.

## Memories of childhood

Of the six houses on the Chinese Bridge, aside from the “Inner House” (which was later inherited by my mother from great-grandmother Chan), the other house which was the centre of activities was the “Middle House” which belonged to Uncle Luang Bumrung. The family of Phaya Pipatnakorn (Chim Poshayanonda) whom we loved and respected would come and stay here for several weeks every year. Phaya Pipatnakorn was an excellent administrator. He had 10 wives and 20 sons and daughters and everybody received the same love and treatment. He was very kind and always brought many toys to us children every year in Chonburi. Each child would wait in great anticipation for his family to arrive. I particularly recalled how, one year, I received a sword as a gift as I was asked to perform the *khon* masked dance in the popular role of Hanuman (the monkey general) complete with somersaults for the whole family to watch.

As the party of Phaya Pipatnakorn was a large one, Uncle Luang Bumrung built a big house next to the “Middle House” that had an exit at the Chinese Shrine Bridge which ran parallel to the Chinese Bridge. We called this house the “New House” and it was normally unoccupied during the absence of Phaya Pipatnakorn. There were many rooms so

we children had great fun using them as a place to play hide and seek. This new house was the first concrete house in Chonburi. The third floor deck was open so we used it as a place to fly kites. The female kite had a tail and was known as “Pak Pao”, while the male kite had no tail and was known as “E-Lum Lom Tee”. We liked to fly the male kites as it was more exciting since we would fight with other male kites flown from the other houses. The preparation for the kite fights started with grinding up glass until they became a fine powder but retained some of their sharp edges. Then, water and glue were added as needed. The kite string would then be dipped into this solution at the section near the kite. The rest of the string was left uncoated to be used for controlling the kite. Once coated with the solution, the string would be very sharp. When our kite touched another kite, it would cut the string of the other kite which would then float away. We would shout loudly to celebrate our victory. On the other hand, we would be a bit glum if our own kite was cut. But it would be alright as we had taken to heart the good sportsman’s song “Learn to lose, learn to win and learn to forgive”, which our physical education teacher had taught us.

Between the “Middle House” and the “New House”, Uncle Luang Bumrung built a Japanese garden with a waterfall and a goldfish pond like he had seen while touring Japan.

(Maybe it was because of this particular memory of our uncle that my wife and I added a waterfall and fish pond to our gardens at the houses we built in Bangkok and Pak Chong.)

After the Japanese garden, Uncle Luang Bumrung built a prayer hall and a concrete yard. Upon hearing the bells toll on the day for prayer, we children would gather to attend to our prayer ritual. Uncle would give a brand new one-satang copper coin to each of the older children. I, being younger, would only get the half-satang coin. When I grew up, I was promoted and got one-satang copper coins like the others. After prayers, the boys would gather to play a game of “Lor Tok” which involved letting the copper coins roll down a smooth plank of wood. The coin that went the furthest was the winner.

The Chinese Temple Bridge at the “New House” of Uncle Luang Bumrung was the longest in Chonburi. At the end of the bridge lived a cluster of houses belonging to the Kangsdarn families of Grandfather Lee, a state revenue collector who was quite influential in that era. He was not intrusive into others’ affairs and he only made sure that other people would not bully his relatives, particularly the female ones.

Beyond the Kangsdarn family homes was the Tangsangha Fish Sauce Factory, which was later renamed “Tipparos Fish Sauce”, a well-known product that is still popular



*The boys of the Chinese Bridge*  
(Snob in front row middle)



today. The last house belonged to my schoolmate at the Chonradsadornumrung School. His name was Pairoh Praianand, who later worked at Thai Airways International. Apart from Pairoh, other close friends at the school were Suporn Pradprueng, who became the owner of the Chon Buri Muang Thong Company, Buntherng Ketawaythin, Sawaeng Pataravisarn, Kampol Taerayanonda. My friends and I loved to swim at the house of Pairoh because it was situated at the end of the bridge. At high tide, the water was deep making it fun to swim. During low tide, leaving only mud, we liked to watch the local fishermen sliding on planks through the muddy beach, catching fish, crabs, mussels and shellfish. When the sun was setting, the sky and the sea water would

be bathed in a red glow. I liked to watch this scene while dreaming that one day I would have the opportunity to study in Bangkok like the others.

At the end of the Chinese Temple Bridge, there was the berth of the steamers that carried people and goods between Chonburi and Bangkok. I remember that when I was very young, my eldest brother, Sanong (Dr. Sanong Unakul, M.D.), left home to study at Vajiravudh College in Bangkok. At the time, there was no electricity there and our relatives lit torches to brightly illuminate the entire bridge to send him off. I saw my mother and relatives crying, missing brother Sanong. In fact, they wept more intensely than when they sent off their children to study abroad later on.

I was too young and never had the opportunity to travel by steamer to study in Bangkok like my elder siblings. All I knew was that the waves were strong and people got sea sick. They travelled by night reaching Pak Nam, the Chao Phraya estuary, at dawn and it would be quite late in the day when they eventually reached Bangkok. My father took me on my first journey into Bangkok for a sightseeing trip when I was in secondary school, travelling several hours by the Chon Buri – Chacheongsao bus on the rough roads. Upon reaching Chacheongsao, we crossed the Bangprakong River by boat and took a tricycle to the railway station in order

to head into Bangkok. By the time we arrived at the house on Damrongraksa Road (opposite the Diskul Palace) that our father had bought for my elder siblings to live in while studying in Bangkok, it took almost an entire day. The reason I have explained the journey in such detail is to show the big contrast with today; the distance between Chonburi and Bangkok can now be covered in about an hour. Moreover, one has the option of either travelling on the Bangna-Trad expressway or on the motorway. Transportation nowadays is far more convenient than in the past.

### **Teacher Payorm**

“Do you know which one of you in this classroom will have the brightest future?” our teacher, Payorm Panacharoen, asked his Mathayom 1 secondary school students at Chonradsadornumrung School, the boy’s school in Chonburi province that I attended. Most students seemed inclined to guess that it would be the student with the best academic performance in the class so the answer that Teacher Payorm gave was a surprise to all in the classroom; Teacher Payorm pointed his finger at me. I myself was a bit confused as from Grade 1 up until Grade 4 of primary school, I spent all my time playing and always came in last in the class standings.



My mother had to bring me to kneel in front of Luang Pu Daeng, the abbot at Wat Yai Intharam Temple, to request that he pour lustral water on me as a blessing before every final examination. Teacher's Payorm's words filled me with pride and encouraged me in a strange way.

Could the prediction<sup>7</sup> of Teacher Payorm come true, the last boy in the class kept asking himself that whole day. From that day onward I became diligent in my studies. The prediction of Teacher Payorm eventually came true when I

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<sup>7</sup> It was probably a psychological ploy on the part of Teacher Payorm to encourage a lazy boy like me to transform his habits and be diligent in his studies.



started to rank first every year until 1945, when I reached the highest grade in our school, Mathayom 6 (equivalent to Mathayom 4 in the present day).<sup>8</sup> Fourteen years old at the time, I ranked second in the province. The one with the top test scores was Viroj Tantraporn who later placed first in the entrance examination and whose name appeared on the honour board of outstanding students at Triam Udom School auditorium

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<sup>8</sup> The education system at that time was divided into P. 1 to P. 4 (P = Prathom or primary) and M. 1 to M. 8 (M = Mathayom or secondary), M. 1 to M. 3 were early secondary, M. 4 to M. 6 represented middle secondary and M. 7 to M. 8 were final secondary or pre-university. Later in 1961, the system was changed to P. 1 to P. 7 and M.S. 1 to M.S. 5. Nowadays the system has been changed to P. 1 to P. 6 and M. 1 to M. 6.

when he finished pre-university studies there. He later won a government scholarship to study in the United States. After earning his doctorate, he became a leading scientist at GE, which is one of the world's premier companies.

My life during secondary school in Chonburi was not only confined to studying. There were sports and other activities. One incident which left a deep impression on me was a 14-kilometer long walk from the school to Ban Beung district wearing our naval boyscout uniform or *samut sena*. (Chonburi is in the navy's territorial jurisdiction.) The road to Ban Beung in those days was like a cattle-cart track covered with dust. My brown canvas shoes on that particular day had been newly bought and they were tight and pinched my feet causing blisters. My feet became increasingly painful but I was determined to walk onwards. It was late in the afternoon when we reached Ban Beung and my wounds had swelled forming bacterial abscesses. That night, my friends enjoyed themselves around camp fire, while I developed a fever and high temperature. It was an unforgettable experience.

Of the eight siblings, I was the only one to finish Mathayom 6 at secondary school in Chonburi. My eldest brother Sanong studied at Vajiravudh College and continued on to Chulalongkorn University's pre-medical college before crossing the Chao Phraya River to study medicine at

Siriraj Medical School and eventually at the University of Minnesota in the U.S.A. My two elder sisters namely Roon (Arune Tavornjit) and Ree (Areerat Charoenpol) went to study home economics at Wang Chandrakasem College. My younger sister Paew (Bang-on Netisingha) studied at Khemasiri Memorial School and Karnchang Pranakorntai women's college. They all followed the wishes of our mother, who wanted to see her daughters well-trained as good housewives. As for my two other sisters, Rom (Arom Rujirat) studied at Rajini School and completed a pharmacy degree at Chulalongkorn University while the youngest sister Aew (Dr. Chantorn Taveephanich) entered Khemasiri Memorial School and finished her medical studies at Siriraj. Both practised their professions for only a few years and then married doctors. They then became housewives, thus, also fulfilling the wish of our mother. My elder brother Somnuek studied at Debsirin School and obtained his engineering degree at Chulalongkorn University then continued with his Master's degree at the University of Michigan.



### **Father's ethics and honesty**

The surname Unakul was composed by our father, Vichai, by combining the name of our paternal grandfather “U” with our paternal grandmother’s name, Mueang. It is beyond us how this combination came to be rendered as “Unakul”.

Before his marriage, my father lived with his siblings on the Unakul side of the family and with other relatives of the Muttamara, Rojanasoonthorn and Suraparb clans. Their houses were lined up in a row at the foot of the Hua Kai Bridge.<sup>9</sup> At the foot of the bridge, there was a large Unakul store selling retail items and wholesale goods in Chonburi at the time.



Soon after marrying my mother and moving into the house of great-grandmother Chan, father started his rice milling business, which faced some ups and downs during the initial period. The business gradually improved and was later expanded with the establishment of another rice mill and an ice-making factory, as well as the construction of Nong Mon Market which has become well known among travellers to the east coast. As for the fish sauce industry, which was the main business in Chonburi at that time, father refused to get involved since this enterprise involved the taking of lives.

My father was a man of ethics and honesty. He adhered strictly to these values as his guide in life.

There was one incident which clearly shows the ethics of our father. In the past, those who finished Mathayom 8 with a high score, ranking in the top 50 of the country, would have their names announced publicly in recognition as an honour. This practice was known as being “on the board”. In 1947, which was the first year after the Second World War, the national “board” included the name of Snoh Unakul. During that time, my eldest brother Sanong was the pride and joy of our family as he had become a lecturer at the Faculty

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<sup>9</sup> The Hua Kai Bridge was historically the camp site of King Taksin the Great when he moved his army to Bangplasoï before reaching Chanthaburi.

of Medicine, Siriraj Hospital after completing his medical studies. This made me resolve to also pursue pre-medical studies at Chulalongkorn University. It appeared, however, that Fate disagreed because the then Minister of Education or Phaya Sarabhaipipat (Luen Sarabhaivanich)<sup>10</sup> was made aware of the fact that Australia had a minimum age limit for those who wished to enter or enroll in universities there; they could not be below 17 years of age. The Minister then applied the same regulation for Thailand by issuing a rule forbidding those below 17 years from studying at Chulalongkorn University. As a result of this rule, being only 16 at the time, I lost the chance to study at Chulalongkorn University that year.<sup>11</sup>

However, as a matter of fact, the registration of birth certificates was not so strict in those days and amendments to the records were possible. I knew that some friends who were underage had requested their birth certificates to be amended and thus managed to enter university this way. So I consulted my father on this matter. The answer that I got

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<sup>10</sup> Phaya Sarabhaipipat was the Minister of Education from 1947-1948 in the government of Kwang Abhaivongs. He had been detained as a political prisoner on Tarutao Island but escaped to Australia and sought asylum there for several years.

<sup>11</sup> There was resistance to this rule by parents of students and the rule was lifted later on.

was, “I cannot commit a dishonest act. Cheating is something I do not know how to do. Son, please don’t let me do such a thing”. Instead of feeling upset, I prostrated myself before him with a deep sense of reverence and made up my mind always to conduct my life and work on the path of righteousness like my father.

Another example of his honesty took place after the Second World War when Thailand was forced by Great Britain to ship 1.5 million tons of rice to assist its colonies. This led to a rice shortage in Thailand. The government had faith in my father and he was appointed chairman of the committee to solve the rice shortage in Chonburi even though, he himself was the owner of rice mills. They believed that he would see the task through to its completion with integrity. Father was able to successfully solve the problem and the provincial authority issued a certificate of appreciation praising his work, bringing honour to our family.

Apart from conducting his trade and industry affairs with honesty and diligence, my father devoted himself physically and financially to numerous services for the well-being of the public particularly by supporting Buddhism, schools and hospitals.

The Chonburi Hospital in those days was located by the sea and was small and difficult to expand. My father worked

with doctor Sa-nga Vichpan, the hospital director at that time, to find a site further inland, which was much larger. He provided the initial funding and sought donations from rich traders in Chonburi with whom he was close in order to build a large building equipped with the necessary medical equipment for the treatment of the increasing number of patients as the population of Chonburi was growing in those days. The donations that continued over the course of ten years added to the hospital's budget significantly, allowing the new Chonburi Hospital to be spacious and of superior quality. It has since been upgraded to become a regional hospital centre that cooperates closely with Chulalongkorn University in training medical students. A large nursing college has also been set up within the compound of the hospital.

In the area of education and assistance to schools, my father was honoured to be regarded as a “benefactor” of Chonburi's Chonkanyanukul Girls' School<sup>12</sup> as he was the main donor in building the school and continuously supported teachers and students there over many decades. The school engraved the names of my father and mother at the entrance pillars of the school.

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<sup>12</sup> Sister Arunee Tavorchit was honoured to be the “benefactor” of Chonburi Chonkanyanukul Girls' School, succeeding Father Vichai.



In addition, my parents, together with my Uncle Luang Bumrung built the Chanbanpatrakul School in the vicinity of the “Stan Pleung Tuk” (literally “a place to eliminate suffering”), the grave of great-grandmother Chan of the Sinklavanich and Suebsa-nguan clans. These two families donated money for the construction of the school buildings and the purchase of school equipment, leading to the expansion of the school. It was later transferred to the responsibility of the Ministry of Education and the name was changed to Baan Suan (Chan Anusorn) School, meaning Baan Suan (Chan Memorial) School.

In the area of supporting Buddhism, apart from making donations to various temples, my father was one of the

co-founders of the Buddhist Association in Chonburi province. Although he spent only one rains retreat as a monk, after the end of the rains retreat, father, still in the monkhood, made a pilgrimage all the way to Phra Buddhabat (the Buddha's footprint) in Saraburi province. He spent months on this walking pilgrimage during which time he had several exciting experiences which he recounted to his children. I was inspired by this and made up my mind to pursue my own pilgrimage later on.

In his capacity as the first president of the Chonburi Buddhist Association, my father had the opportunity to work with Professor Sanya Thammasak, who was then the president of the Buddhist Association of Thailand. Professor Sanya invited the Venerable Ajahn Buddhadasa, Abbot of Suan Mokh Temple in Chaiya district, Surat Thani province, to deliver dhamma talks to the judges every year. After several days of talks, Professor Sanya mentioned to my father that he would like the Abbot to have a few days rest before taking on another engagement to teach a group of medical doctors for another several days. So, my father invited Venerable Ajahn Buddhadasa to rest in the bungalow he had recently built in the Bangsaen beach area. Bangsaen beach was quiet and serene some sixty years ago and was not crowded with people as it is these days. It was our family's great good fortune that

the Abbot regularly accepted our invitation to rest in our Bangsaen home for several years. He was kind enough to visit our family at the Chinese Bridge, thus providing us with the opportunity to listen to his dhamma talks and to admire his spiritual practices. The kindness he showed towards our family was boundless.

Later, in 2004, I had the opportunity of expressing my full gratitude to Venerable Ajahn Buddhadasa. After the tsunami hit the southern shores of Thailand on December 26, 2004, the Donation Committee of the Siam Cement Group, of which I was Chairman, inspected various projects to aid the local people who had been affected, particularly small fishermen. On that occasion, I had the opportunity of meeting Dr. Bancha Pongpanich who kindly volunteered to assist SCG with our projects. Dr. Bancha mentioned that in 2006 we would be celebrating the centenary of the birth of Venerable Ajahn Buddhadasa, which was recognised by UNESCO as part of the commemoration of anniversaries of eminent personalities. His disciples were in full agreement that an archive be built to compile his dhamma talks and writings, which are of immense value but were scattered all over the place. If these materials were not collected and housed in one place they would be lost and no longer accessible to the faithful Buddhists of Thailand and abroad. Because I had

*I had a chance to pay respect to Venerable Ajahn Buddhadasa at Suan Mokh Temple many times*



been in close contact with Venerable Ajahn Buddhadasa since my youth and had a chance to pay respects to him several times during my adulthood at Suan Mokh Monastery, I felt I had always benefited immensely from his teachings and writings. Upon hearing about this proposal, I volunteered to Dr. Bancha to seek approval from the SCG Board for a seed donation of 10 million Baht to serve as an example to other large corporations. The joint donations would enable the successful construction of facilities and running of the Buddhadasa Indapanno Archives Foundation in Bangkok.

It is admirable that the Archives have made considerable progress already. A committee for the Foundation was established with Honorary Professor Dr. Prawase Wasi as



Chairman and myself as deputy chairman. Privy Councillor Dr. Kasem Wattanachai serves as the chairman of the Executive Committee for establishing the Archives. The committee includes many other qualified people who used to study and practise *dhamma* under Venerable Ajahn Buddhadasa with Dr. Bancha Pongpanich as the key man. The opening date of the Buddhadasa Archives was scheduled for May 27, 2010.

The Buddhadasa Archives has not only successfully conserved valuable documents and objects, but has also become an important center for respected forest monks' activities and the dissemination of Buddhist precepts and practices.









## Chapter 2



*Next steps*

### **Moving to Bangkok**

The Second World War ended in 1945 when I was 14 years old just after I had finished Mathayom 6 level of secondary school at Chonradsadornumrung School. Thus, I had the chance to continue my studies in Bangkok. I took the entrance examination for pre-university studies at Triam Udom Suksa School along with my elder brother, Somnuek, who was two years older and one class ahead of me. During the Second World War, the Allies attacked Thailand by sending airplanes to bomb Bangkok. My brother had been studying at Debsirin School near Hua Lamphong railway station, an important target for the air raid, so he had to discontinue

his studies for one year. As a result, he ended up taking the entrance examination at Triam Udom Suxsa along with his younger brother. It turned out that we were both accepted into the science track and ended up studying in the same classroom.

When we started school there, because the war had just ended, Bangkok was filled with a large number of Allied troops stationed in the city to disarm the Japanese army. One of the Allies' quarters was next to Chulalongkorn University on Phyathai Road at Triam Udom Suxsa School. Thus, it was necessary for the first batch of Trium Udom Suxsa students to study at other premises. The students in the science track were assigned to attend classes at Wat Trimitr School while those in the arts track studied at the Mahaprutaram Girls' School.

After studying at Wat Trimit School for half a year, our mid-year examinations took place. The examination results caused quite a bit of uproar when my brother earned the highest marks in mathematics and I came first in English. Our class teacher even expressed surprise that a country boy like me could beat students from famous schools like Assumption College or the Bangkok Christian College in English.

Everyone was pleased to return to Triam Udom Suxsa in the second half of the year although we found that the school

buildings were not quite ready as the troops had just moved out. Repairs were needed and we students had to study in the wooden building by the side of a pond beside a rain tree. We called our place there “Bang Pu”. When we entered the second year, we moved into a proper classroom in building number two.

My classmates at Triam Udom Suksa were, among others, Dr. Riksh Syamananda, Professor Pradit Chareonthaitawee, M.D., Professor Kasem Limwong M.D., Arj Attakavisoonthorn and Thongchai Julinthorn.

Triam Udom Suksa was an excellent school. We had some of the best teachers who were both able and kind and they looked after the students well. The headmaster was Sanan Sumitra, who had succeeded M.L. Pin Malakul the founder of the school who was subsequently promoted to be the Permanent Secretary and then the Minister of Education. The assistant headmaster was M.C. Vongsmahip Jayankura who oversaw the conduct and discipline of students very strictly and was feared by everyone in the school. It should be noted that, although we were in the science track, there was a course on civil duties and ethics included in the curriculum. The teacher taught well and was easy to understand and we students managed to absorb some of these principles of morality and ethics.



Triam Udom Suksa has a large compound with both outdoor and indoor sport complexes. The sport teams were arranged according to the colour code of the day. My brother and I were in the same team, the red team. He was voted captain of the red team and also captain of the football team. He excelled at sports with good training since his days at Debsirin School. I was fond of all sports but was mostly a reserve and never got picked to join the starting line-up.

After my arrival in Bangkok, I stayed in the house that my father bought for his children who came to Bangkok to study one after another. The back of the house was adjacent to the Maha Nak canal. There was a staircase leading to the pier. We used to go for leisure boating in the canal, which had much cleaner and clearer water than today. The front of the house was adjacent to Damrongraksa Road, opposite to the Diskul Palace. While studying temporarily at the Wat Trimit School, I had to take the outer-city ring bus running from Padung Krung Kasem Canal to Hua Lamphong. During my first days in Bangkok, I often got confused finding the right way to Wat Trimit as there were as many as six different routes, many more than in Chonburi.

When we later moved to study at Phaya Thai, my father bought each of us a bicycle which we rode from Maha Nak to Phaya Thai crossing the well-paved Petchaburi Road.

There was a clear water canal on one side of the road and the other side was lined with big houses. Rain trees were planted on the roadsides, providing pleasant shade and there were almost no cars. It was easy to ride a bicycle then and when one encountered a familiar face, one would happily ring the bell in greeting.

### **Son of Thammasat University**

Denied the right to enter Chulalongkorn University, I enrolled at Thammasat University in the Accountancy department. (In those days, Thammasat had only two departments, Law and Accountancy. In fact, Thailand only had two universities at the time, Chulalongkorn and Thammasat).

I chose accountancy because one senior relative, Wirat Setakasikorn, who had graduated from the Law department advised me to take up accountancy. The reason was that Thammasat had a very high standard accountancy department (which is not to imply that the Law department did not have a similar high standard). The accountancy courses at Thammasat had adopted the well-regarded Chartered Accountant (ACA) system of the United Kingdom. The founder of the department was the second ACA of

Thailand,<sup>13</sup> Luang Damri Itsaranuwat (M.L. Damri Israngkura), who was the co-founder and first chairman of the National Audit Council (1933-1945).

Another simple reason was that there were many business activities in my family. My eldest brother had become a medical doctor, the second had enrolled in engineering at Chulalongkorn University, so I, as the youngest son of the family, felt I would be able to help contribute to the family business by enrolling in accountancy at Thammasat.

Life as an accountancy student at Thammasat differed a great deal from that of a pre-university student at Triam Udom Suksa. Whereas a very strict code of conduct governed the life of a Triam student, the life of a Thammasat student was filled with freedom. One could choose to attend or skip classes, and no one seemed to care. One was solely responsible for one's own conduct and suddenly one felt like an "adult".

There were almost 200 men and women in our class and there was almost no one I knew from my Triam Udom Suksa days. I needed to make new friends and found this not to be difficult. The men socialized together while the women did

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<sup>13</sup> The first ACA was Phaya Chaiyos Sombat (Serm Kritnamara), Dean of the Accountancy and Commerce Faculty, Chulalongkorn University.

the same. Those from the same school flocked together at first.

I made friends with almost all the male students but became very close to four: Prachong Sittichai (who later became a police lieutenant general), Pramual Sakuntanark, Pichin Piriyaabhand and Seri Subchareon (who later became the owner of Raja Finance which was ordered to terminate its business when I served as Governor of the Bank of Thailand). We five stuck together on and off of campus, both in Bangkok and upcountry.<sup>14</sup> It was a much more enjoyable student life than during our school days.

The Thammasat accountancy curriculum in those days was fixed at 3 years and 5 years. If one finished the 3-year course and passed the professional training, one would get an accountancy certificate equivalent to a Bachelor's degree. With the 5-year course and professional training one would

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<sup>14</sup> My friends from the Accountancy Faculty together with their spouses still gather for luncheon regularly once a month up until now. However, we are now reaching an advanced age. Pichin Piriyaabhand has already passed away and Seri Subchareon no longer showed up after the Raja Finance incident. There have been a few newcomers, namely, Professor Hirun Radeesri, former governor of the State Railway of Thailand, Thawee Nunpakdi, former Director General of the Office of the Auditor General, Sundra Iamsuri and Professor Pajit Rojanavanich, former Director General of the Revenue Department and Deputy Permanent Secretary of Finance.



get the higher accountancy certificate that was equivalent to a Master's degree.

The accountancy classes at Thammasat mainly took place in the morning or evening as most lecturers were government officials or professionals with their own accounting firms. The students were therefore free during the day. Those students who needed to do practical training or work alongside their studies could easily arrange their schedule between studying and working. Those who did not work or only commenced training after passing the second year examination had ample time to play sports or participate in other extracurricular activities.

After the classroom lectures, students needed to acquire

additional knowledge by themselves. One admirable practice of Thammasat accountancy students was group study, with the fast learners helping the slower ones. The more senior students having gone through the classes earlier and having more experience were willing to spare their time in tutoring the juniors. One senior who deserved a special mention is Sangvian Indaravijaya, who was one class higher and had very solid knowledge of accountancy. He also had the spirit of a teacher and always tutored junior students, including myself, who played various sports in the evening and rarely attended class. This enabled us to catch up and pass the examinations every year without the need to take make-up exams.

Sangvian was excellent at his studies and was very studious. After receiving the higher accountancy certificate from Thammasat, he won a scholarship to study at Stanford, which is a leading university in the U.S.A. After graduation he became a lecturer at the Commerce and Accountancy Faculty at Thammasat University which had been upgraded from department status. He was later appointed a professor and continued to share his knowledge as he had done during his student days. He had many students who were respectful and grateful to him in the financial business circles of Thailand. It was a gratifying moment when the Stock Exchange of Thailand named the main conference room in the Stock

*Head of the seven member rugby team of Thammasat's Department of Accountancy*



Exchange of Thailand building the “Professor Sangvian Indaravijaya” conference room to commemorate this person who had performed so many good deeds and shared so much knowledge about commerce and accountancy in Thailand throughout his life.

In sports, I was a member of the football team and rugby team of the accountancy department. Later, I became captain of both teams. We played against teams from the law department who far surpassed us in terms of number of students. As a result, the accountancy teams often lost. It was a good thing, however, that the accountancy department had several senior students who, though unable to graduate, were good at playing football and still retained their student status. The

team captain had to go around to these senior players on a rotating basis to ask them to play in our team in order to make the games more exciting.

During my sporting life at Thammasat, there was one event in my third year that I cannot forget. A seven-a-side rugby competition was held in late October after the normal rugby season. The ground was hard and rather unsuitable for the game, which is quite rough. During one particular game, I was playing the right wing, the last line of defence against the opposite side in their attempts to score a “try”. I performed a knee-high “tackle” to stop the opposing player, who was very strong and he shook me off. I fell flat on my back with my head hitting the hard ground. I was unconscious for a long while and when I regained my consciousness, I found myself on the bed of Seri Subchareon in the dormitory.

Those who love to play sports, particularly rough ones like rugby or football, need to endure pain at times. I remembered one incident when my mother came from Chonburi to visit me and found her youngest boy coming back from university with bleeding wounds on his head and face. My mother shed tears out of pity for her youngest son.

These extracurricular activities for the department and university, apart from widening our experience, also gave us exposure to a broader social network, allowing us to meet



more friends both male and female. I was elected head of my class and a member of the department committee in the second year and a member of the university club in the third year. When we had just advanced to our fourth year, the coup d'état known as the "Manhattan Coup" occurred on June 29, 1951.<sup>15</sup> Field Marshal Pibulsonggram was held at the Navy Headquarters in the Wang Derm Palace in Thonburi on the opposite side of the Chao Phraya River. Thammasat University was accused of being involved in this affair and was ordered to close down temporarily. Consequently, I became idle and began to consider the prospect of continuing my studies abroad.

### **To the land of the kangaroos**

The idea of studying abroad, particularly in Australia, originated from my love of reading. I had read a novel written by Sri Burapha entitled, "Until We Meet Again", which he had

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<sup>15</sup> "Manhattan" was the name of one of the dredger boats provided by the U.S. government to the Thai government to use in dredging of the mouth of the Chao Phraya River in accordance with the bilateral cooperation agreement. This name became associated with the 1951 coup d'état because the rebel group used the Manhattan handover ceremony day as the day for their insurrection.

written after returning from his further studies in Australia. Set during the period of 1947-1949, it is the story of a rich young man with little idealism, who falls in love with a young Australian woman in Melbourne. The young woman, with her high ideals, changed the attitude and way of life of the young man who vows to return and improve Thai society. While telling the story, the author describes life in a progressive society where the principles of equality are ensured. This furthered my interest in studying in Australia. I thought my studies might involve economics and commerce rather than accountancy, which I felt might be too narrow at that stage. My previous idea of returning to help the family business after graduating from Thammasat had become less necessary as both of my elder sisters, Roon and Ree, were already assisting my father in the rice mill, ice factory and real estate businesses very effectively.

In the book, “Until We Meet Again”, Sri Burapa touched on Thai students’ lives in Melbourne and mentioned several students’ names. One was Nukul Prachuabmoh. I remembered him as a fellow student in the same grade at Triam Udom Suksa but Nukul was in the arts track while I was in the science track. I remember we used to play ping pong together but we were not close at the time.

When Thammasat was shut down, I wrote a letter to

Nukul in Melbourne informing him my grades from the Accountancy department at Thammasat and asked him about the possibility of enrolling in the Economics and Commerce Faculty at the University of Melbourne, where he was studying.

He was very helpful and replied to my letter quickly saying that he had met the advisor and the Faculty was ready to admit me in the first year class of the coming term within the next few months. If interested, I needed to rush to undertake several preparations including getting a passport from the Ministry of Foreign Affairs and applying for a visa at the Australian Embassy.

However, the first order of business was to seek permission from my parents and most importantly to ask them for financial support for travel, school fees, housing and other expenses for living in Australia. Quite simply, I was asking for a “Por Gor” (i.e., short for “Por Goo” or “my father”) scholarship for about three years.<sup>16</sup>

At this point, I would like to say thank you to my parents who were kind and supportive of their youngest son in

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<sup>16</sup> The bachelor's degree normally takes three years as in the U.K., because the matriculation year, the last year of high school in the U.K. and Australia, is one year more when compared with the U.S. system.

starting a new chapter in life. Moreover, they advised me to hurry with my preparations, otherwise I might not be ready in time for the new classes.

Air travel in 1952 had a much shorter flying range than now and planes needed to refuel along the way. From Bangkok, our first refueling stop was Singapore so I stopped there for two days of sightseeing. After that we stopped to refuel in Darwin, now a major city in the northernmost part of Australia. At that time, Darwin was a small town that looked more like a military garrison than a town. I continued the journey to Sydney, the largest city in Australia, before changing planes to my final destination, Melbourne in the state of Victoria. Melbourne was the second largest city after Sydney.

Nukul had reserved a room in a bed and breakfast at 18 Robe Street in St. Kilda with a Thai roommate by the name of Kobsin Sihasophon, whom I knew earlier because he was a friend of Prachong Sittichai, one of my close friends at Thammasat.

The bed and breakfast had a bedroom for two. The housekeeper prepared breakfast for us, which normally consisted of cornflakes or crispy rice cereal served with fresh milk, fried eggs and bacon as well as coffee every morning. This was quite alright for us. However, there was a small

problem about bathing as Thais have the habit of taking baths on a daily basis and sometimes twice a day. The housekeeper who had migrated from the U.K. could not put up with our practice and asked us to reduce our baths as it was running up her water and gas bills, practically exceeding the room rent, which was quite cheap at only 2.5 Australian pounds a month.

St. Kilda is the district next to the beach of the same name. It has amusement parks and is a tourist spot for the people of Melbourne. It was an important location in the book, “Until We Meet Again”, which aroused my interest in studying in Melbourne.

The room at 18 Robe Street was near the house rented by Nukul so we visited each other frequently. Sometimes we bought fish and chips wrapped in paper and went out for a picnic. Occasionally, Nukul would cook a simple meal after which I would be the one to clean the dishes. It would be dark after dinner and I would take a shortcut down a dark lane with no one out and about as most people were at home. It would be so quiet and I could hear my own footsteps. It felt a little scary sometimes but Australia in those days was quite safe and there were very few incidences of theft.

The place where we stayed had several advantages, including convenient travel to the University of Melbourne. I would board tram route 15 from St. Kilda beach travelling

along St. Kilda Street, crossing the Yarra River and passing through the city centre with its high-rises. Melbourne University is located not far beyond the city limits.

Melbourne has wide streets with trees lining both sides. There are trams running down the middle of the streets and it was easy to travel as the traffic was not congested. But it was a quiet city and the weather was cold and unpredictable. By evening there were almost no cars in the streets. I was homesick at first but it was a good environment for study. Now, 55 years later, the city and the people's lives are much more colourful. The food, which was then confined to only bland English-style offerings, has become very tasty because there are numerous excellent chefs from Hong Kong, France and Italy who settled down in Australia.

Studying at the University of Melbourne was very demanding when compared to my accountancy studies at Thammasat. After the lectures, the professors would provide a list of prescribed readings, which were required textbooks to read. In addition, there were also recommended readings for further study as well. I hardly visited the library when I studied in Thailand but finally became acquainted with using the library while I was studying in Melbourne.

One major handicap that Thai students often face is shortcomings in their English language skills. I did not fully



understand the lectures (even though I got the highest score for English in class 115 at Triam Udom Suksa) so I had to read a lot compared to my Australian counterparts. This caused myopia and I started to wear spectacles.

To overcome my language problems and to have more contact with Australian students and other nationals, I enrolled at Ormond College, which was one of the residential colleges at the University of Melbourne, established in the style of the colleges at Oxford and Cambridge.

Life at Ormond College made my student life much more complete. I had the opportunity to speak English to fellow Australian students and other Asian students all day long. I had to go through the orientation programme and the

freshmen welcoming party, which were quite colourful and provided good experiences. I had two roommates, Weston Elvins and Paddy Barret, in the first year. In the second year, I moved to a new room with a better view leaving only Weston Elvins as my roommate.<sup>17</sup> The important daily event was to wear a black gown for dinner at the Dining Hall, which was very old and beautiful. New students would sit at the head table in turn. It was not an honour to sit there because our job was to slice and serve the meat, which was mostly mutton. The sliced meat would be placed on the knife and tossed up in the air for other students to catch on their plates. After dinner, we would walk to aid our digestion. We walked around the girls' college, which was still separate in those days, with the men walking clockwise and the ladies going past anticlockwise with not a single word exchanged. After that, we would read or do our homework back in our rooms which included a separate bedroom and study. At 10 pm, it was tea time and one would hear the loud sound of boiling kettles. There was chatting and socializing in various

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<sup>17</sup> Other close friends, apart from my roommates at Ormond College, were Oh Siew Leong from Penang, Brian Lockwood and John Button who later became the well-known Secretary of Commerce and Industry of Australia.



rooms. There was also a tutorial system in addition to the normal lectures at the university which was located on the other side of the athletic field.

Nukul graduated and returned to Thailand at the time of my entrance into Ormond. During this period, I had the opportunity of meeting some other Thais but I tried to limit this to Saturdays which was the day that Thais gathered at Chinese restaurants to dine and socialize with each other. During my third year at the University of Melbourne, I was selected to be the head of the Thai students in Victoria state so I had the opportunity of meeting more Thais.

My fellow Thai students, who studied economics and commerce were Chamlong Tothong, who also came from the Thammasat Accountancy department and later went to work at the Ministry of Finance before becoming a manager at the Bank of Agriculture and Cooperatives. One of our juniors was Preeya Osathananda, who later became the Director General of the Department of Technical and Economic Cooperation. Other Thai friends included M.L. Seri Pramroj who had just graduated from Geelong Grammar School and was preparing to enter Cambridge in the U.K., Sopit Amranand, Jarun Changtrakul, Kavi Vasuwat and Piti Suwansorn.

Students in Australia often worked during the holidays in order to help their families financially and to learn to be

self-dependent. I spent my holidays sorting out letters and parcels at the Post Office but during the summer holiday of my second year, I worked at the Ford Automobile plant in Geelong, which was located 50 kilometres away from Melbourne. I wanted to gain some experience as a labourer after having studied labour economics. I discovered that life of a labourer was hard. I was assigned to a hole-drilling machine for automobile wheel hubs. I had to move the heavy wheel hubs and control the drilling machine that was cooled with water with the result that my finger nails became mouldy from prolonged exposure to moisture. The movement of the machine was so repetitive that my mind became numb and I felt like a robot. I had only 45 minutes for lunch. I made the roundtrip journey to the factory in a crowded car crammed with workers. Almost all the workers were Eastern European migrants and we stayed in the same dormitory. At night, they snored loudly and if I had not been totally exhausted from work, I am pretty sure I would have been unable to sleep.

On the last day of my six-week assignment, I walked out of the factory and breathed deeply in front of the building. I felt as if I had won my freedom back and felt sympathy for those workers who had to work so hard and for much longer than myself.

This hard work enabled me to accumulate enough

savings for a trip by ship. The ship travelled from Southampton in the U.K. via Perth in Western Australia and stopped in Melbourne to pick up new passengers before another night's journey ending in Sydney. Then it would start a new journey back to the U.K.

The boat departed Melbourne in the evening. There were so many people who came to send off their loved ones at the pier. A brass band played and people merrily threw coloured paper streamers like in the movies. The journey took the whole night and the boat entered Sydney Harbour, which is one of the most beautiful natural harbours in the world, early in the morning. This ship provided me with the opportunity of seeing my relatives studying in Sydney, namely, Nualsri (Lek) Veerabutr (presently Mom Nualsri Svasti Na Ayutthaya and her younger sister Jirasakdi (Eid) Veerabutr (presently Jirasakdi Kanchanawat). Lek and Eid acted as my guides and introduced me to several new friends. This made for a very pleasant and joyful journey before returning to my final year of heavy classes.

After receiving my Bachelor of Commerce (B. Com) degree majoring in economics from the University of Melbourne, I returned to Sydney once again. This time it was for three months of training at the Commonwealth Bank of Australia<sup>18</sup>, which is Australia's central bank. It is located in

downtown Sydney at Martin Place which is comparable to Wall Street in New York. During the training, a senior member of staff in the bank by the name of Jock Phillips mentioned the name of Dr. Puey Ungpakorn and said that he was a very able and good person and that it would be good thing if I worked with Dr. Puey once I returned to Thailand. Indeed, this was exactly my intention.



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<sup>18</sup> In 1959, it was renamed the Reserve Bank of Australia (RBA) in order to avoid confusion with the similarly named Commonwealth Bank which is a commercial bank.





## Chapter 3



*Work, Study and Love*

## **Starting work at the Comptroller General's Department**

In 1954, after earning my B.Com from the University of Melbourne and undergoing three months of training at the central bank of Australia, I wrote a letter requesting the opportunity to work with Khun Puey<sup>19</sup> at the Ministry of Finance. At that time he was the Ministry's financial specialist, overseeing the Fiscal Policy Office and Statistics Division.

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<sup>19</sup> Calling him "Khun Puey" does not imply that I was trying to be his equal. Since our days at the Comptroller General's Department from 1955-1956, we got used to calling him "Khun Puey", rather than calling him chief or supervisor or professor. Since then, everyone continued to call him "Khun Puey", with a deep sense of respect and closeness.



I had heard earlier that Khun Puey had been a brilliant student who received his doctorate from the London School of Economics and Political Science (LSE), the leading institution in economics in the U.K. He had a reputation for unsurpassed honesty and for his heroic action for the Free Thai Movement during World War II. He played a leading role in policy reform and administrative reform of economic, monetary and fiscal practices in Thailand. He was respected widely so I volunteered to work with him because, as the saying goes, “acquaintance with a good person is a great achievement for oneself”.

Khun Puey replied to my letter in his own handwriting, which I still vividly remember to this day. I valued this first letter<sup>20</sup> highly as I did not expect such a senior official of the country to actually reply to someone who only recently graduated with a bachelor’s degree from Australia. The letter was marked by its friendliness and informality; the salutation was “Dear Khun Snoh” and the letter stated that he was pleased to learn that after finishing my studies and training in Australia, I intended to enter public service at the Ministry of Finance. He said that he was pleased to have a chance to

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<sup>20</sup> There were several other exchanges of letters since the first one. Every letter from him is as valuable to me as our first correspondence.

work with me. Nonetheless, he noted, the Fiscal Policy Office, which had been set up as the brain trust of the Ministry and was being upgraded from division level, already had many other foreign graduates notably Prince Sukhumaphinanda (father of M.R. Sukhumbhand Paribatra, the current Governor of Bangkok), Charnchai Leethavorn, Nukul Prachuabmoh, Chamlong Tothong and Kraisri Chatikavanich (father of Korn Chatikavanich, the former Finance Minister). Instead, he proposed that I should join the Comptroller General's Department. When he mentioned this, I was a bit surprised at first as to why he did not agree to my request to join the Fiscal Policy Office but assigned me to the Comptroller General's Department instead; perhaps this was in recognition of the fact that I had studied accountancy earlier at Thammasat. Khun Puey further explained that the Comptroller General's Department was, in fact, the core office of the Ministry. In those days, the preparation and approval of the national budget came under the direct responsibility of this Department. The preparation of various accounts and the tracking of domestic and foreign borrowing as well as foreign assistance were all carried out by this Department.

In addition, Khun Puey mentioned that a plan was underway to thoroughly reform the fiscal and budget administration, meaning to say that there would be a large-

scale reform of the Comptroller General's Department. At that point in time, there were no overseas-educated graduates working at the Department. It used to have one foreign graduate, Renu Suvarnsit, but he had been transferred to the Secretariat Office of the Ministry of Finance. So, if I joined the Department, I would be the first overseas-educated graduate of that batch and would have the chance to undertake several important tasks.

I replied to Khun Puey expressing my gratitude. Upon reaching Thailand in early 1955, I met him at the Finance Ministry and he introduced me to Dr. Serm Vinichaikul, the Permanent Secretary of Finance, and supported my application to the ministry. Dr. Serm asked me to see H.S.H. Prince Suvichakorn Vorawan, the then Director General of the Comptroller General's Department. I joined as the acting fiscal expert, which had the rank of first grade officer and was vacant due to the transfer of Renu Suvarnsit to the Ministry. My real post should actually have been a third grade officer.

My first job at the Comptroller General's Department was in the Division of Government's Extra-budgetary Management, which was responsible for government borrowing, deposits, transfers and other extra-budgetary items. I had the opportunity to learn about all these issues,

particularly domestic and international borrowing, which was very useful to my later career.<sup>21</sup>

Less than two months after joining the Comptroller General's Department, two government scholarship graduates were admitted, namely, M.R. Chanramsirichoke Chantaratat, an economics graduate from Cambridge, and Prasong Sukhum, an economics graduate from Dartmouth College and an MBA graduate from Harvard Business School. This greatly strengthened the Department with more qualified people.

It was very kind of Khun Puey to arrange for the three of us to observe the work of other departments within the Ministry, including the Bank of Thailand. This widened our vision and our contacts with other colleagues, particularly those at the Bank of Thailand with Khunying Suparb Yossunthorn, the Head of the Technical Department, which had many highly educated personnel like Chavalit Thanachananda, Sompong Thanasophon and Charn Wongsathorn.

After working for three months, Khun Puey kindly expanded my experience further by letting me contact foreign

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<sup>21</sup> As secretary to the Sub-Committee on Foreign Borrowing of the National Economic Development Board's Executive Council in 1964.



agencies. He appointed me secretary of the Thai delegation that he himself was heading to attend a conference on development budget organized by the Economic Commission for Asia and the Far East or ECAFE (currently known as ESCAP) in Bangkok. There were many participants who were involved in development budget preparation in various countries. During the conference, I had the opportunity to work more closely with Khun Puey. It occurred to me that he was not only a very capable person, widely accepted by others in international circles, but also a gracious and unassuming person who readily gave credit and honour to those who worked for him. For example, he would introduce me to other heads of delegations as “Khun Snoh,

my colleague from the Ministry of Finance.”

Khun Puey gave me free reign at the conference. After attending the opening ceremony and delivering his speech, he needed to leave the conference room to perform his other official duties, which were numerous. He dropped by sometimes to ask about the progress of the conference. Apart from that, he left all other matters for me to act upon on his behalf. I attended the conference from the beginning to the end and had the opportunity to learn about the new budgetary process that the United Nations was trying to promote. With this exposure, developing countries that did not have appropriate budgetary systems in the new development era were encouraged to adjust their budgetary process to a similar standard. After the conference, I wrote a detailed report on the improvement of the budgetary process for Khun Puey.

Coincidentally, during that time, Khun Puey was interested in revising his book on public finance that he used for teaching at the Faculty of Economics at Thammasat University. Khun Puey requested that I make the revisions based on the knowledge that I had gained at the ECAFE conference. I was glad to accept this assignment, which would be a joint technical exercise with him. I revised almost all the sections of the book and it was eventually printed as a revised

textbook for students. What impressed me most was Khun Puey's gesture of displaying my name on the cover of the textbook after the names of Boontham Thongkaimook and Prapon Bunnag who had assisted him on the first edition of the book. This was an example of his genuine kindness and spirit of goodwill to his colleagues, which was incomparable.

After this, Khun Puey transferred me from the Division of Government's Extra-budgetary Management to the Budget Division headed by Siri Prakasit as its Director and Boontham Thongkaimook as its Deputy Director. I was seated next to the Deputy Director so that I could assist him in various technical matters.

The budgetary system of Thailand back in 1955 appeared to be a simple process. There were only three categories of expenditure: (1) salaries, (2) regular official expenditure like incidentals and stationery and (3) non-regular expenditure of an ad hoc nature such as construction costs or car purchases, etc.

However, this categorization of budget could not be used in economic analysis. The United Nations therefore suggested adopting the system called Economic and Functional Classification, which provided much more details and was more suitable for investment budgeting. It had clear classifications according to the main economic, social and

security sectors.

Moreover, the more serious budgeting concern in Thailand during that period was that the sole authority of the Prime Minister to approve “extra-budgetary” expenditures that he considered urgent and could not be appropriated from the regular budget. This could be done without the approval of parliament or any other council established at that time.

At first, the items being approved by the Prime Minister were limited to the occasional flood relief or drought assistance but the list kept growing until the so-called “extra budget” resulted in an increasingly serious budget deficit to the point that had been deemed unacceptable by the Office of the Auditor General for several years in a row.<sup>22</sup>

In the end, Field Marshal Sarit Thanarat staged a *coup d'état* in 1957, citing the problem of the budget deficit as one of the causes for this drastic action. He called for urgent fiscal and budgetary reforms and, inevitably, had to rely on Khun Puey who had already made the preparations. This involved the mobilization of capable personnel into the Comptroller General's Department. At the same time, the United States Agency for International Department (USAID) was approached to provide experts on an accounting system, a budgetary system and state auditing to provide advice by working with the Thai counterparts who had already been appointed.



During that year USAID sent experts in the above three areas from the Public Administration Service (PAS) to work at the Comptroller-General's Office. The Thai side appointed Prasong Sukum to work as the counterpart to the accounting experts, M.R. Chanramsirichoke as the counterpart to the state audit experts and myself as the counterpart to a budgetary expert by the name of Tom Jacoby. Tom was very skilful in budgeting matters. He had an affable temperament and worked very well with me. We worked together for nearly a year and finished our report on

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<sup>22</sup> While working at the Budget Division, I witnessed the adverse impact of the "extra budget" appropriation in at least two cases. The first was regarding Thai Airways' booking of Constellation airplanes from the Lockheed Company. When it was time to receive the planes and the payment was due, the government did not have the money to pay for and receive the planes. I was asked to draft a letter requesting postponement and to give our slot to the next airline. The second concerned the shortage of funds for the operation of the Bangkok Bank and its request to add 30 million Baht to its capital base. The government could not find adequate funds for such a purpose but if its capital were not increased, the Bangkok Bank could face dire consequences. In the end, the government solved the problem by utilizing funds from the Ministry of Economic Affairs (currently the Ministry of Commerce) from its government-to-government sale of rice in order to assist the Bangkok Bank. The Ministry of Economic Affairs therefore became a major shareholder of the Bangkok Bank, making it a state-owned bank. In short, fiscal operations in those days were ad hoc and haphazard because of the extra-budget appropriation and the government did not understand the term "fiscal discipline" at all.

improving the budgetary system just in time, prior to my departure to the USA for further study.

The document was used as an important basis in abolishing the “extra-budget funds” and in the establishment of the Budget Bureau under the Prime Minister’s Office in 1959.

### **To the land of Uncle Sam**

Before I could effectively continue to assist the work of Khun Puey, I needed to gain more knowledge to build up on my bachelor’s degree from Australia. I therefore applied for a Fulbright scholarship to pursue a master’s degree in economics. The outcome was that I was granted a scholarship to study at Columbia University in New York, one of America’s eight leading Ivy League institutions.<sup>23</sup>

The eight Fulbright scholarship recipients<sup>24</sup> departed from Thailand in 1955 to join other Fulbright students such as those from the Philippines, Japan, Vietnam, Indonesia and

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<sup>23</sup> The Ivy League schools include Brown, Columbia, Cornell, Dartmouth, Harvard, Pennsylvania, Princeton and Yale.

<sup>24</sup> The eight Fulbright scholars were Chaisaeng Sriyabhai, Jinda Singhapreecha, Malee Suvana-at, Nibhon Sasithorn, Nonglak Nakviket, Pimporn Salaene, Sermchit Singhasaene and Snoh Unakul.

Malaysia. We were given a six-week orientation designed to prepare us for our further studies in the U.S.A. We stayed at Atherton House on the University of Hawaii campus in Honolulu.

The orientation involved lectures, seminars and other activities, which were all very useful and great fun to attend. There was an election to select a representative from the participating countries in a democratic way. It was a surprise that two of the final candidates were Thais, Snoh Unakul and Nibhond Sasithorn, who later became Minister of Education. In the end, the group selected me as their Fulbright representative with the duty of coordinator and representative to talk to various groups or associations who were interested in overseas students and the Fulbright scholarship programme. It was a good training opportunity to speak in English to the public, which I found quite challenging at the beginning. It became less so after several rounds of speeches. More importantly, I was invited to speak in other Hawaiian islands which were very exotic, such as the island of Kauai which was the location for the movie "South Pacific."

After the orientation, we departed for our own respective institutions. I travelled to New York, which was full of skyscrapers as I had often seen in the cinema and newspapers. I reached the accommodation that Fulbright had arranged at



the International House (I-House in short), which was the first lodging for international students in the U.S.A. It was funded by John D. Rockefeller, the well-known oil tycoon.

I-House was a tall building next to Riverside Park on the Hudson River. It was located next to Columbia University, so it was very convenient for classes. Most of the I-House residents were Columbia University students mixed with students from a few other universities, all from a variety of countries. There were activities leading to friendship and acquaintanceship among nations as per the wishes of its founder.

The Economics Department of Columbia University was located in Fayerweather Hall. It had several famous

professors<sup>25</sup> whose books and articles I had read earlier in Melbourne. The curriculum included theoretical courses, which were compulsory and for which everyone needed to enroll. There were also elective subjects that one could choose. I selected Development Economics and was lucky to have a very good professor in this field, Professor Ragnar Nurkse, the author of the book “Problems of Capital Formation in Underdeveloped Countries” (1953). It was the first book on development in underdeveloped countries (which also included Thailand) and it was the most famous book of the era after the Second World War during which the topic was very much in vogue.<sup>26</sup>

My studies at Columbia required even more time being spent in the library. The main library, Butler Library, is one of the largest university libraries with numerous publications

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<sup>25</sup> The three professors who were later awarded the Nobel Prize for Economics were Professor George J. Stigler (1982), Professor Gary S. Becker (1992) and Professor William Vickrey (1996). One other professor, who later became the Chairman of the Board of Governors of the Federal Reserve System (1970-1978), was Professor Arthur F. Burns.

<sup>26</sup> Professor Ragnar Nurkse later moved to Princeton. Professor Albert O. Hirschman who wrote the famous book, “Strategy of Economic Development” (1958) moved from Yale to replace Professor Nurkse at Columbia. I was therefore very fortunate to have studied under these two distinguished professors.

and I spent a good deal of time in it. To relax, I would walk around the campus drinking a cup of tea or coffee before returning to the library again. I followed a strict routine and managed to finish the requirements for my master's degree within a year. It was my good fortune to be able to obtain a further Fulbright scholarship for my doctoral degree. I spent another year completing my coursework and then took the oral comprehensive examination with three professors sitting at the table asking me various questions. It was my good luck that I was able to pass the exam without a hitch.

After finishing my Master's degree, I moved from I-House to an apartment at 395 112th Street next to Riverside Drive. It was also near the campus. I shared the apartment with two other Thai students, Ekawit Nathalang, an education student at Columbia who later became the Director General of the Ministry of Education's Technical Department, and Thavee Choosup, who studied criminology at New York University. He later became the Director General of the Corrections Department, who was well known for promoting the handicraft industry in jails. Another resident was a Japanese man by the name of Hiroshi Tada, a fellow I-House resident who joined us later on.

Our apartment was quite spacious and comfortable. There were two bedrooms, a bathroom, a living room and quite a

large kitchen. Ekawit (whose nickname was Aun) was very good at cooking so he was our chef, with Thavee serving as his assistant. I was, as usual, the dish washer. After dinner, the chefs would relax by listening to music and I would carry out my chore of washing up all the plates and cooking utensils, making me feel a little sad sometimes.

Thai students living not far from New York would stop by our apartment. Some stayed with us, particularly the architecture students from Cornell University such as Professor Watanyu Nathalang, elder brother of Aun, along with Professor Saeng-arun Ratanakasikorn, Nid Hinshiranan and Jen Sakonthanaraksa, among others. These people were interested in the arts and had various artistic talents. They could discuss art from many perspectives and that prompted me, a novice in the subject, to become interested as well. I began listening to classical music and they recommended that I begin by listening to Beethoven's Symphony No. 5 as a piece that could stir one's emotions. I would like to express my thanks to these artists who inspired an economist like myself to have some appreciation of culture and the arts.

Apart from the Cornell group, Thai students from other states also stopped by as well. At times, several groups happened to visit at the same time and they needed to sleep on the carpet in the living room. Hiroshi was working for

a Japanese company called Sony whose name we had never heard of. He used to show us pictures of the Sony plant, which had a galvanized but rusty roof. That was in 1958 and the Sony Company was only just starting. Sony began to produce radio sets by ordering parts from Zenith company, the most famous producer of wirelasses and televisions in that time, which was located in New Jersey. Hiroshi was the Sony representative who had to order parts by telephone from our apartment. One day, he could no longer bear all the noise we Thais were making, so he disappeared, leaving behind his large long-distance telephone bill for us to share.<sup>27</sup>

After passing the comprehensive examination, I had to prepare my dissertation. Before that, Khun Puey had already transferred me from the Comptroller General's Department to the National Economic Development Board, which was being set up. I was to assist in economic development planning. He therefore requested a one-year scholarship from USAID for me to study at Harvard as a special student. The aim was

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<sup>27</sup> During my tenure as the Governor of the Bank of Thailand, I had the occasion to play a round of golf with Mr. Akio Morita, the founder and the first chairman of Sony. I told him the story and teased him that Sony still owed me the money for the telephone bills which would be a large sum if interest were to be included. Mr. Morita laughed but did not make any payment.



for me to study with the Public Policy Group of Professor Edward S. Mason who was the team leader from Harvard to assist development planning in underdeveloped countries. He had written several books of interest to development planners of that era.

I stayed at Room 20, Perkins Hall while at Harvard. I had an Irish- American roommate by the name of Paul (whose last name I shall omit) who studied Philosophy. He had a nimble mind and a moustache. There was never a dull moment in his presence as he always generated excitement. He was quite a lady's man and was always seen with many new girlfriends. On one occasion, he had fallen for a girl of a different faith and seemed to be quite serious about it. His parents got wind of it and quickly arranged his marriage to a girl of the same religion and I was asked to be his best man.

There was another Thai staying at Perkins Hall by the name of Chaiya Poonsiriwongs. He was an architecture graduate from Liverpool University in the U.K., who was at Harvard to continue his studies in urban planning. He returned later to Thailand and made good progress in the civil service, eventually becoming Director of the Urban Planning Office and later governor of Chiang Mai and Director General of the Public Welfare Department. During that time, there was no way of knowing that he would

eventually marry Wanida Amaranand,<sup>28</sup> the elder sister of my wife Nui, who was then pursuing her Master's Degree in Education at Harvard. Chaiya would become my brother-in-law, living in the house next door in the same Sukhumvit compound.

A special student at Harvard could attend talks by world renowned speakers who came to lecture at Harvard almost every week. The most impressive session I attended was that of Professor Milton Friedman from the University of Chicago. He came to lecture on monetary theory and there was a heated debate with a professor from Harvard who had a different view. Later I joined a seminar on development economics and development planning conducted by several renowned professors such as Edward S. Mason, David Bell and Gus Papanek. I also attended lectures on international economics by Professor Gottfried Haberler. I also had the chance to study under Professor John Kenneth Galbraith who had just written his book, "The Affluent Society", which was very well known at that time. (Several years later when I came back to work at

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<sup>28</sup> Wanida (Amaranand) Vidurathamphinet was bestowed with the title of "Khunying" by His Majesty and later promoted to the rank of "Thanpuying". Chaiya was a very able and good person but unfortunately he passed away at a rather early age when he still had a great deal more to contribute to his country.

the National Economic Department Board, I went to attend a conference in the U.K. together with Khun Puey. On the way back, the plane stopped in the Middle East for refuelling. I saw a gentleman in a white suit with very long legs reading a copy of Time magazine featuring Professor Galbraith on the cover. I was wondering who he was as he looked so much like Professor Galbraith who had then just been appointed US Ambassador to India. Upon looking closer, it turned out to actually be Professor Galbraith himself).

After finishing my scholarship at Harvard, William M. Gilmartin, who used to be the World Bank Resident Representative in Thailand and later became a senior member of staff at the Bank in Washington D.C., kindly arranged a nice office for me to conduct further research at the World Bank and at the International Monetary Fund, which was located next door. I spent the time working on my doctoral dissertation on “International Trade and the Economic Development of Thailand” for a prolonged period of time. Several friends teased me for being a professional student as I often travelled to see a special someone who was also studying in the U.S.A. at the time. Finally, I was able to present and defend my dissertation successfully at Columbia University. I obtained my doctorate in economics in 1961.

## **In love**

Three days after the first Christmas in New York, the weather was very cold and snow covered the branches of the trees and blanketed the ground everywhere. Although it was a holiday, I went to work in the Butler Library as usual. In the afternoon, on my way back to I-House, I ran into Sopit Amaranand who used to be my tennis partner in Melbourne. We were very glad to meet and greeted each other. I learned that Sopit had driven down from Boston with a few other Thai friends. They had come to New York for the holidays and to pick up one Western friend in New York. The next day, they planned to go to Washington D.C. to join the New Year party hosted by the Thai Students Association in the U.S.A.

Sopit kindly asked me to join the trip to Washington D.C. If I were to accept the invitation, I should be waiting at 8.00 am in front of the Teachers College of Columbia University the next day. I felt so glad to have the chance to get away from the library for a while and to breathe the air outside New York for the first time. So, I gladly accepted the invitation.

At 8.00 am on December 29, 1956, a green car drove up and parked by the pavement where I was standing. When the car door opened, a young lady in a milky fur-trimmed winter coat jumped out, unfurling a blue and white Columbia

University shawl<sup>29</sup> which almost hit me in the face.<sup>30</sup>

Sopit introduced me to his youngest sister whose name was Nongnui Amaranand, nickname Nui. She appeared to be a very cheerful girl, bubbly and active. She raised her hands in a wai to greet the friend of her older brother in the Thai-style manner.

I was a little surprised after getting into the car that it was able to accommodate as many as eight people. Sopit was in the driver's seat, Nui sat in the middle and the lady to the right was introduced as Ratchaneekorn Boon-long who was studying in Boston. There were five in the back including myself, so we had to sit in an alternating fashion to accommodate us all. I was the last to enter and sat on the extreme right next to Wendy Wisan. She was the daughter of a Columbia Law School classmate of Phya Vidura Thammapiet (Toh Amaranand), the father of Sopit and Nui who had been the first Thai to study at Columbia College and Columbia Law School nearly 90 years ago.

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<sup>29</sup> Nui's father, Phya Vidura Thammapiet, attended Columbia College and Columbia Law School while Nui's eldest brother, Prok Amaranand, was also a graduate of Columbia Business School.

<sup>30</sup> Doctor Prawese Wasi liked the story of my first encounter very much and the fact that I was almost hit by the young girl's shawl. Whenever we met he would tease me about this story.



*HRH the Princess Mother seated at the extreme right. As a young nursing student the Princess took a three month passage by ship to study in the U.S.A. under a scholarship program of the government which included Chao Khun Vidura (then Luang Nardbuncha, in the back row, third from left) on the same journey.*

The young man sitting next to Wendy was Chaval Chaovanich who later became Dr. Chaval and Thailand's ambassador to several countries. He was a government scholarship student studying at Harvard and would later further his doctoral studies at Yale University.

The next person was Sippanondha Ketudat, a fellow student at Triam Udom Suksa in the same batch as me. He was a brilliant student and always came first in school examinations. He was now a scholarship student undertaking his doctoral degree in physics at Harvard. He later became the Minister of Education and Minister of Industry in the Anand Panyarachun government in which I served as the Deputy Prime Minister in charge of economics affairs.

The last person by the name of Dr. Prasom Sthapitanonda was sitting at the extreme left. He was a lecturer in the Faculty of Science at Chulalongkorn University and was undertaking his post-doctoral studies at Harvard at the time. It was a tragic loss when he and his family later lost their lives at Khao Lak, Phang-nga province in the devastating tsunami.

It was amazing that all five of us could manage to squeeze in at the back. Admittedly, it was a bit uncomfortable as Wendy who was sitting next to me was not a small person. The drive from New York to Washington D.C., on the New Jersey Turnpike was fast and pleasant but it still took four hours. We stopped half way at a Howard Johnson (which is no longer there) to refill the car, warm ourselves with hot drinks and use the restroom. We were glad to have a rest stop. It was cold but the air was fresh compared to being cooped up in the concrete jungle of New York City.

I did not feel at all bored during the four-hour journey as Nui acted as a very good hostess, bringing up various topics for discussion. The others would respond in turn. There was laughter and singing. I was squeezed in the back and did not have much of a chance to interact. Nevertheless, Nui made an effort to converse with me so I managed to say a word or two occasionally.

It was my first trip to Washington D.C. It was

*Rest area at a Howard Johnson on the New Jersey Turnpike, with Wendy, Nui, Snob, Ratchanikorn and Sopit*



interesting and enjoyable driving around admiring the city's scenery and visiting the country's important landmarks. We had dinner with the Thai students who had gathered from all over the country. Quite a few were staying in the basement rooms of Ambassador Poj Sarasin's official residence. He was a very kind ambassador to us students. His four sons were all studying in the U.S.A. at that time: Pao Sarasin (who later became a police general and Director General of the Police Department, Deputy Prime Minister and Minister of the Interior), Bundit Bunyapana (who later became Permanent Secretary of Finance), Arsa Sarasin (the former Principal Private Secretary to His Majesty the King) and Supat Sarasin (now a General). Their many friends often came to stay with



*At Falls Church in Virginia near Washington D.C.*



them and they called themselves the “basement group”, and are presently some of the most famous names in various circles.

Our group rented a house to stay in. Sopit took us sightseeing at various places during the day and night. On New Year’s Eve, there was a dancing party organized by the Thai Students Association in the U.S.A. It was great fun and lasted till dawn. Our group left the day after New Year’s Day as we all had our studies awaiting us.

After two weeks had gone by with me thinking of the young girl who had almost hit me in the face with her shawl and who had suddenly injected a shot of liveliness into the mundane life of this serious student, I decided to make a telephone call to Nui at the Manhattanville College

*Nui, her father's youngest daughter*



of the Sacred Heart. I later learned that it was an all-girls boarding school offering a curriculum up to the bachelor's degree level. It had Catholic nuns as teachers and guardians. It was the college that the girls of the Kennedy clan attended, from the mother's generation of Rose Kennedy to the daughter's generation with the likes of Joan Kennedy Smith and Eunice Kennedy Shriver (Eunice's eldest daughter named Maria later married Arnold Schwarzenegger of "Terminator" fame, who later became Governor of California). The daughters-in-law, Ethel Kennedy and Joan Kennedy, also studied here. Joan was one year older than Nui. Nui ended up studying there because her father had put her under the guardianship of Mr. and Mrs. William B. Gilligan (who Nui

*Aunt Agnes and Uncle Bill*



called Uncle Bill and Aunt Agnes) who were both lawyers. Uncle Bill graduated from Columbia Law School in the same batch as Phaya Vidura and they were very close friends. Since Uncle Bill and Aunt Agnes were both Catholics they arranged for Nui to study at Manhattanville.

While chatting over the phone as her elder brother's friend, I learned that Nui was having a tough time there in her second year. She was trying very hard but her English was making it difficult for her to catch up with her classmates. Moreover, there was a theology class, which was unfamiliar to us Buddhists. However, the hardest subject was economics, which was entirely incomprehensible to Nui.

Filled with concern for my friend's younger sister, I

*Nui in front of the Castle  
at Manhattanville College  
of the Sacred Heart*



*Nui in front of Columbia*



volunteered to provide tutoring to Nui and asked her about the route to Manhattanville, which is located about 50 kilometres north of New York City. I found out that I needed to take the underground train from Columbia travelling southwards to Times Square then catch a train at Grand Central Station and travel northwards by train for about 30 minutes. After getting off the train at White Plains, there would be a 10-15 minute cab ride to reach the village of Purchase in Westchester County, which is the residential area of millionaires who travel daily to work in New York City.

In the end, it was agreed that I would tutor economics to Nui. I made a calculation of my pocket money, taking into consideration my apartment rent to be paid jointly with my

friends, food expenses and other incidentals. I found that I had enough money left for just over one trip a month. If two tutoring trips were to be taken, I would have to adjust my expenses and that would also be possible.

Getting out of the taxi in front of Manhattanville for the first time, I was impressed by the natural scenery and environment and I was not quite sure whether it was a college or the Westchester County Club. Walking further, I saw an old building that looked like an old castle, which I later learned was the former home of Whitelaw Reid, the owner and founder of the New York Herald Tribune, which was as well-known as the New York Times in those days. What is interesting for Thais is the fact that Mr. Reid had once invited King Rama VII and Queen Rambhaibarni to stay in his castle when His Majesty underwent eye treatment in the U.S.A.

After coming out to meet me, Nui took me to see Mother Bournof, her guardian, before introducing me to her friends. Then, serious tutoring would begin. I was sympathetic to Nui who had to take a course which was not of particular interest to her; nevertheless, Nui was eventually able to pass the examination.

While I was providing two tutoring sessions a month to Nui, my friends in New York were curious to know what

was going on between us. One day Prapas Chakkaphak (who later received his doctorate at New York University and started his career at the National Economic Development Board and eventually served as the Permanent Secretary of Industry) became involved in the conversation on this topic. Prapas, who owned a car, kindly volunteered to drive me to Manhattanville. Other friends quickly joined us for the ride, filling up the car. Nui gave us a grand welcome and took us on a tour around the rolling landscape. When we got to one particularly steep hill, Nui told us it would be completely blanketed with snow in winter and her friends had great fun sliding down on trays from the top of this hill. However, there was no snow, only grass, on the day we visited. So when we saw Nui suddenly roll down from the top of the hill where we were standing, we were all speechless. Some of the guys asked me, “So where is the girl who you are trying so hard to court?” They did not suspect that I was devoting all my time and energy to being little Nui’s suitor.<sup>31</sup>

In those days, foreign students like us hardly visited home unlike students these days. Nui spent seven years in the U.S.A. and had never been home, not even once. For long holidays

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<sup>31</sup> I later learned that Nui was one of the most mischievous girls in the annals of Rajinee School.

like Christmas, New Year, Thanksgiving or Easter, Nui would stay with Uncle Bill and Aunt Agnes in Queens on the other side of the East River across from Manhattan. Uncle Bill's house was an ancient structure with heritage home status and could not be altered or torn down.

Uncle Bill and Aunt Agnes were kind guardians but rather strict about having male friends come to visit or take Nui out, saying that they needed to follow the instructions of Nui's father. After my efforts in talking to Uncle Bill on many subjects, which brought us closer, or because we were fellow Columbia students, I was allowed to take Nui out to attend classical music concerts at Carnegie Hall or to watch operas at the Metropolitan Opera House. One time, I took Nui to watch the movie, "The Bachelor Party" in Times Square. When I brought Nui home, Aunt Agnes was furious with me, she said that I had done an inappropriate thing. I could not face Aunt Agnes for a very long time. However, instead of feeling upset, I was grateful to Aunt Agnes and Uncle Bill for taking such good care of Nui on behalf of her father.

A strange incident occurred during one of our dates, I took Nui to watch the famous Walt Disney cartoon "Bambi" at the White Plains movie theatre. It is the story of a little deer with pitiful bright eyes who gets separated from its mother in the middle of a forest fire. The father of the little

deer manages to rescue it in time but its mother is shot by a cruel man. The movie made us feel sad and sentimental. Upon reaching Manhattanville, we walked through the woods on campus, talking about the movie that we had just watched. Turning around, we saw a little deer who looked just like Bambi struggling. Looking closer, we were shocked and surprised that its legs had been caught in barbed wire. It had been trying to free itself and cut its leg deeply in the process, revealing its tendon. Nui quickly ran to the cottage of the groundskeepers nearby. A workman came and cut the tendon loose and told us that the little deer would be sent to a veterinary clinic for treatment. The next day, Nui telephoned me to let me know the sad news that the clinic had decided to end the little deer's suffering.

After her third year<sup>32</sup> at Manhattanville,<sup>33</sup> Nui started

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<sup>32</sup> Nearly 30 years later Nui and I returned to visit Manhattanville. We were disappointed as the old familiar environment and scenes had disappeared. The remaining nuns were wearing tight sweaters. The all-girl college had changed into a co-ed school. Entering the reception room in the dormitory in which Nui used to stay, we found a man in sloppy attire with his legs on the table smoking heavily and speaking loudly in American slang. We could both only cite the old Buddhist saying in our heart, "Nothing is permanent".

<sup>33</sup> Nui spent her summers at Georgetown University and other universities until she received her bachelor's degree from Manhattanville.





her dentistry studies at the University of Pennsylvania (Penn for short). It was the same school where the then Dean of Dentistry of Chulalongkorn University, Professor Dr. See Sirisingha used to study.

Several people, myself included, used to ask Nui about her strong commitment to take up dentistry even though she was required to study very hard for another four years. Nui replied that when she was young she had her teeth treated by a Dr. Humpf who had a clinic in his home. It was convenient, did not require travelling and allowed one to be independent. So she was determined to become a dentist one day.

In those days not many American women wished to study dentistry. In the first year, out of the 200 students in the

programme, only two girls were enrolled: Nui and Elsa Mueller, a Canadian. The two girls had to stick together tightly as they had to fight for women's rights at times.

During her first year Nui stayed with the parents of Maria Puerto, a former classmate at Manhattanville. Being reasonably well-off and wanting their children to get a good education, the whole family had emigrated from Bogota in Colombia to the U.S.A. and purchased a house. The house was located near Bryn Mawr College. (Bryn Mawr was one of the Seven Sisters<sup>34</sup> similar to the men's Ivy League). However, the house was a bit far from Penn and Nui needed to travel many blocks to catch the Red Arrow train that took 30 minutes to Bryn Mawr Station and then walk for 15 minutes before reaching home. Some days, she had to carry home a dentistry equipment box which was rather heavy. Nui must have been quite forbearing to deal with this situation.

During the same year, I purchased a 1952 Ford. It was a second-hand car sold to me for 200 dollars by a fellow Columbia student after six years of use. It was possible to drive in two hours from New York to Philadelphia every two weeks. Many Thai students there rented apartments in the Covington

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<sup>34</sup> They are Barnard, Bryn Mawr, Mount Holyoke, Radcliffe, Smith, Vassar and Wellesley.

Building near Penn. They included Vira Osthanda, Pothipong Lamsam, Supachai Wanglee and Thammanoon Prachuabmoh whom I had known earlier at Melbourne University while he was still at the Geelong Grammar School. He later enrolled at the Wharton School of the University of Pennsylvania. Thammanoon was very kind to me.<sup>35</sup> He fixed a temporary bed for me every time that I came to visit Nui. The other friends at Covington were also very nice to me and we have remained good friends ever since.<sup>36</sup>

When Nui was in her second year as a dentistry student, her elder sister, Preeya Kashemsant na Ayutthaya, came to Philadelphia and rented an apartment near the School of Dentistry. This made Nui's journey to her university much easier. Preeya was a pharmacist who had graduated from the Pharmacy Faculty of the Medical Sciences University in Bangkok. She had travelled there to marry a medical doctor by the name of M.R. Udomporn Kasemsant at the Thai Embassy in Washington D.C. During that time, Dr. Udomporn had come to study and carry out research on the heart

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<sup>35</sup> I owed a lot to Nukul Prachuabmoh in Melbourne and to Thammanoon Prachuabmoh in Philadelphia.

<sup>36</sup> When Thammanoon Prachuabmoh graduated and returned to Thailand to work, Thammanoon Wanglee arrived in his place and allowed me to use the same bed. Thank you again.

and blood vessels at the hospital of Syracuse University before returning to Thailand as a lecturer in medicine at Chulalongkorn Hospital. He was a very good and well-known doctor. He was known for his graceful manner, kind words and sympathy for his patients. Most importantly, he was chosen as one of the doctors to offer medical treatment to His Majesty the King.<sup>37</sup>

Khun Preeya came to Philadelphia to study for her Master's Degree in Pharmacology at the Philadelphia College of Pharmacy and Science. It must have been hard for husband and wife to live separately, far away from each other, meeting only occasionally. Preeya had to take care of her younger sister instead – perhaps she also had to take over the role of Uncle Bill and Aunt Agnes as Nui's guardian as well.

Upon returning to Thailand, Preeya worked in the Ministry of Public Health. She excelled in the tasks which she performed and eventually became the Director General

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<sup>37</sup> In 1983 when Bangkok encountered heavy flooding, His Majesty the King visited the people and inspected the flood control measures in the heavily flooded area of Makkasan swamp, Ramkamhaeng and Soi Soonvijai until quite late at night. Nevertheless, His Majesty paid a visit to Dr. Udomporn who was seriously ill at Prommit Hospital at the time. This was an act of boundless kindness shown to the doctor's family and to his relatives. When he passed away, the King graciously presided over his cremation ceremony at Wat Debsirindrawas on Saturday, June 23, 1984.

of the Medical Sciences Department and Secretary General of the Food and Drug Administration. She also became the first woman and the first pharmacist to be appointed Deputy Permanent Secretary at the Ministry of Public Health.

Preeya was royally appointed as a “Khunying” and later “Thanpuying” by His Majesty. She was well-known as a member of the National Anti-Corruption Committee and chairperson of the sub-committee charged with investigating the case of the false stock declarations of Police Lieutenant Colonel Thaksin Shinawatra (former Prime Minister of Thailand)

In her second year at the dental school, Nui began to practise in the Faculty’s clinic. She was a bit excited about this as she had to practise on real people instead of dummies or plaster models. So, I volunteered to help her out (again), by serving as her first patient.

It took three hours to serve as her first patient. The patient had to open his mouth wide the whole time. There was a rubber dam, which was a thin rubber sheet, clamped in place in order to show only the teeth that the future dentist would practise her skill on. While she was working on my teeth, professors and senior students had to inspect her progress periodically and provide rather lengthy comments on Nui’s handiwork. Meanwhile, the patient had to have his mouth

wide propped open the entire time. When it was over and the rubber dam had been removed, I felt as if my jaw bones had locked in place. I could not close my mouth which had been clamped open for so long.

Nui was still in her second year when I got the scholarship to study as a special student at Harvard for one year. This made the journey to visit Nui longer, requiring 6-7 hours driving each way or 12-14 hours for the round trip. The frequency of the visits needed to be adjusted from once every two weeks to once every three weeks. Sometimes the visits needed to be made on long weekends to make the visit longer. One time, while driving back to Boston after the long weekend of Christmas and New Year, it was very cold and there was snow on the road and trees. It was very quiet and I could hear Christmas and New Year songs from the various houses with their lights on and this made me feel inexplicably melancholy.

Nui was studying in her third year when I got the kind offer from Mr. William M. Gilmartin at the World Bank to provide an office for me to write my dissertation in Washington D.C. So the commuting time to visit Nui in Philadelphia became shorter, taking about three hours.

My frequent visits to see Nui and my regular long road trips became a topic for Thai friends at Penn to tease me with

saying “he who persists will rule the world”.

By the time Nui was in her fourth year, I was about to finish my doctorate and had to return to Thailand to work at the National Economic Development Board. The car that I had bought for \$200 had been in use for nine years by then and should have still been in fair working condition. However, because my friend (the previous owner) had applied salt liberally to defrost the heavy New England snow during his Dartmouth days, the body and undercarriage of the car became rusty with holes. The car had also been heavily used due to my rather frequent visits to Penn. So while I was on my way back from a trip to Atlantic City, the rusty exhaust pipe came loose and it rattled loudly all the way back. I was lucky not to be fined by the police at that point. Nevertheless, I was later issued a ticket and asked to pay the cost of hauling the car to the junk yard. After I returned to Thailand, Nui had to go to court to provide testimony on my behalf for prolonged parking. It was never clear to me how Nui ended up delivering her testimony, but the court ended up dropping all the charges.<sup>38</sup>

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<sup>38</sup> It was my mistake to follow the advice of a well-meaning Thai friend who said that a car in this poor condition if parked without moving for a certain period would be hauled away to the junk yard automatically. There were supposedly several other Thai students who had used this technique.

After returning to work in Thailand, I found the opportunity to talk to Khun Puey about my personal affairs and about my six-year courtship with Nui. Khun Puey was very kind and asked Dusdi Svasti-Xuto, Nui's eldest brother-in-law, who was then working at the Bank of Thailand to seek an opportunity for me to pay my respects to Nui's parents. After seeing Khun Puey, I visited Khun Dusdi, who was my senior at the Faculty of Accountancy at Thammasat, and his wife Thawsi, the eldest sister of Nui.<sup>39</sup> I wanted to present myself to them and start to build up our relationship in anticipation for our future ties together. They were both very kind and received me warmly. It was very encouraging for me to become better acquainted with these important people in Nui's family.

The most important person in Nui's family was Chao

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<sup>39</sup> Phya Vidura Thammapiet and Khunying Chamras had six children, namely:

1. Prok Amaranand, married to M.R. Pimsai (Svasti) Amaranand
2. Thawsi (Amaranand) Svasti-Xuto married to Dusdi Svasti-Xuto
3. Thanpuying Preeya (Amaranand) Kashemsant na Ayutthaya married to Dr. M.R. Udomporn Kashemsant
4. Sopit Amaranand married to Susan Simpson
5. Thanpuying Wanida (Amaranand) Vidurathammapiet married to Chaiya Poonsiriwongs
6. Khunying Nongnuj (Amaranand) Unakul married to Dr. Snoh Unakul



Khun Vidura with whom Khun Dusdi arranged a meeting. He introduced me as his junior in the Faculty of Accountancy at Thammasat, as a friend of Sopit and as a special friend of Nui in the U.S.A. Somehow or other Chao Khun Vidura had already got wind of our relationship but he did not openly acknowledge it. Rather, he received me as a senior person meeting the friend of his son and we talked about the activities of Columbia University, which was also his alma mater, as well as my work at the National Economic Development Board.

Later on, I learnt from a source in Chonburi that Chao Khun Vidura had visited the Samranras Bridge. Wearing a sun helmet, he walked from the “Inner House”, where I was born to the “Outer House” which belonged to Auntie Chumreon and Uncle Luang Ajchakadee who was in the same batch as Chao Khun Vidura at Suan Kularb School. I found out that they had talked about me and my family, with Uncle Luang Ajchakadee supporting me to the fullest.

Finally, the day of Nui’s return to Thailand came after an absence of seven years studying in the U.S.A. without a single visit home. Chao Khun Vidura, Khunying Chamras, Nui’s brothers and sisters, and I went to meet her at Don Muang Airport. When Nui greeted her family, she was very happy and smiled widely, revealing braces in her mouth sparkling brightly in the light. Everyone waiting there was quite impressed.

*Marriage day before the water pouring ceremony*



About six months after the return of Nui, M.L. Dej Snidwongse, Chairman of the Executive Committee of the National Economic Development Board and later the chairman of the Privy Council went, on behalf of the groom's side, to ask for the hand of the youngest daughter of Chao Khun Vidura. Meanwhile, Phaya Mahaisawan (Kuay Sombatsiri) represented the prospective bride's side. The marriage took place on August 16, 1963 or about one year after Nui's return to Thailand.

It was six years, six months and 20 days since the day we first met.







## Chapter 4



*Family life*

After the engagement ceremony, there were only six months left before our nuptials on August 16, 1963. That left us very little time to finish building our new home on the piece of land that Chao Khun Vidura had given to his youngest daughter.

Just a little over two *rai* in size, the land is located on Sukhumvit Road opposite Sukhumvit Hospital and next to Srivikorn School. In the old days, neither of these was in existence and it was just open space. The nearest home, at the mouth of Soi Kluai Nam Thai (Sukhumvit 42) across from Soi Ekkamai and Wat That Tong, belonged to Luang Pataya Kosol. He donated it to the Thai Red Cross Society. The land has now been rented out to be developed into the Gateway shopping centre.

Luang Pataya Kosol was the one who had invited his three closest friends, namely, Phya Vidura Thammapinet, Phya Prot-raja and Phra Vejyanrungsarit, to buy land next to his property. The land bought by Chao Khun Vidura was about 14 *rai* in total with one side facing Sukhumvit Road. The back of the property opens up to Soi Kluai Nam Thai with two exits at Soi Barbos 1 and Soi Barbos 2.

It was Chao Khun Vidura's wish that his six children reside in the same compound after their marriages, with each holding a little more than two *rai* of land (roughly about one acre). The eldest son, Prok Amaranand, and the eldest daughter, Thawsi (Amaranand) Svasti-Xuto, were allotted the innermost parcels of land with their exits on Soi Barbos 2. The two middle daughters, Thanpuying Preeya (Amaranand) Kashemsant na Ayutthaya, and Thanpuying Wanida (Amaranand) Vidurathammapinet, were given the middle parcels with an exit at Soi Barbos 1. The youngest son, Sopit Amaranand, and the youngest daughter, Nui, were to have the front parcels on the Sukhumvit Road. The far-sightedness of Chao Khun Vidura has allowed his children and grandchildren to remain close-knit and the family has maintained its harmony up until today.

As the land along the Sukhumvit Road was sparsely populated at the time, our house number could be selected

*The reception on the night of our wedding*



at will. So, I selected the number 1010 Sukhumvit Road with the postal area code 10110.

We were lucky to have a contractor who was able to build the house on Nui's plot just in time for the wedding. (Indeed, Nui's wedding dress even got smudged with fresh paint during the merit-making ceremony on the morning of her wedding day.) Later, a second house was built on the same plot of land with funds provided by my own parents for us to rent out to foreigners. The rent earned was supplementary income for their son whose official income was rather modest.

On the night of our wedding day, M.L. Dej Snidvongs and his wife Thanpuying Prayong kindly performed the bedsheet spreading ceremony in accordance with ancient Thai custom.



That was a great act of kindness for the young couple.

I happened to have several official tasks to attend to after my wedding so we spent our honeymoon at the seaside resort of Hua Hin, which was not very far away so we could drive there ourselves. I remember that it was awfully hot that day even though it was not summer. It was just before the onset of the monsoon season. It seemed about to rain but it did not. The heat melted the asphalt surface of the road heading to Hua Hin, making the road surface vaporous. Upon reaching the Railway Hotel at Hua Hin, our honeymoon location, it was still hot and there was no sea breeze at all.

The Railway Hotel was featured in the novel “Prisana” by Vor Na Pramuanmark (the pseudonym of the late H.S.H. Princess Vibhavadi Rangsit), which we both loved. It was therefore very romantic. However, the Railway Hotel at that point was in a state of disrepair and was unlike the new and well-equipped hotels of today. There was no air-conditioning and the ceiling fans were a bit old due to lack of maintenance and did not provide much cool air. In addition, we had to use a mosquito net. The heat made the honeymoon night less romantic to a certain degree or maybe it was because I was not as charming as the hero in “Prisana”.

I promised to Nui to take her for a second and even third or fourth honeymoon where it would not be as hot as the

Railway Hotel at Hua Hin so we could enjoy a wonderful time together but it turned out that future honeymoons needed to be postponed indefinitely because Nui became pregnant soon after. Our first daughter was delivered on May 12, 1964. I gave this child the nickname “Nung Ning” and the real name “Duangkaew”. Later she complained that her father had given her such an old-fashioned sounding name.

Just eleven months later on April 14, 1965, Nui gave birth to a second daughter. I gave her the nickname of “Nuy”. However, before a formal name could be given, the first crisis befell our family.

When Nuy was born her skin appeared greenish. Nui and I were startled and requested that a paediatrician examine her urgently. After the examination, the physician said, “I’m very sorry but your daughter has an abnormal valve in her heart. However, we will try our very best to treat her”. Although we were worried, Nui and I still had hope that our daughter would be cured. After one week at the hospital, the doctor allowed her to come home.

When nightfall came, Nuy developed serious diarrhoea so we took her back to the hospital but this time to the Children’s Hospital where Dr. Duangmanee Viseskul, a friend of Thawsi Svasti-xuto, Nui’s eldest sister, was the head doctor. Dr. Duangmanee, or Pi Pu, was very kind. She devoted

herself without sleep to look after the case very closely but the diarrhoea infection which Nuy had caught from the previous hospital was very serious. Regardless of the best efforts to treat her, it was fruitless because Nuy also had a heart defect. Our little girl left us after only ten days in the world. The sorrow of parents losing their child before them had occurred to us. The only thing that consoled us was that Nuy would not suffer any longer due to her abnormal heart valve, which in those days was very difficult to cure.

Later, on May 30, 1966, we were gladdened once again when Nui gave birth to a third child. I gave her the nickname “Ding Dong” and the real name “Duangmanee”, which was the same name of Dr. Duangmanee who spent three sleepless days and nights with us trying to save Nuy. Dong looked like Nuy and her mother was convinced that Dong was the reincarnation of Nuy because she had prayed all the time for Nuy to be reborn as our child.

Nui must have set a new record: in two years, nine months and 18 days, she gave birth to three infants.

After three daughters, we were not sure if we would have a son. We were so glad that the fourth child was a boy, born on March 22, 1968. I gave him the nickname “Ping Pong” as he was very mischievous. He loved to climb out of bed by rolling down the side of the mosquito net (maybe he loved

*Our family when the children were still small*



to roll like his mother). We gave him the name “Apinetr”, which sounded like the name of his maternal grandfather Phaya Vidura Thammapiet but with different spelling.

Our fifth child was born on August 12, 1970, also a son. I gave him the nickname “Pok Pak” and the real name “Abhinand” to sound somewhat similar to his brother’s. So, finally we ended up with four children, two daughters and two sons.

At the time there was news in the newspaper that, according to a survey, the ideal family size was six with a father, mother, two daughters and two sons. We met the specification exactly. If a new survey were to be done now for the ideal family, I suppose the family size would be much smaller.

We were very close and always spent a lot of time together. I had to acquire a three-compartment Peugeot with right-hand drive. (Normally this type of Peugeot was left-hand drive as it was produced in France). When we got in the car, we always checked to see if everyone was on board: father, mother, Nung Ning, Ding Dong, Ping Pong and Pok Pak.

When the children had grown and were ready for kindergarten, we enrolled them at the Churairatana Kindergarten in Soi Chidlom. Princess Churairatsiriman was the owner of the school and M.R. Khunying Sumarnyamongkol (Sonakul) Jotikastiara, elder sister of M.R. Chatumongkol Sonakul, the former Governor of the Bank of Thailand, was the principal. Both were very kind to our four children. If Nui picked them up late in the evening after the other children had already gone home, the princess would kindly provide snacks for our children. Our children would play with the children of Khunying Sumarnyamongkol and they became especially close.

After finishing kindergarten at Churairatana, our four children enrolled at the Chulalongkorn University Demonstration School known in short as “Satit Chula”. Our children enjoyed themselves and learned to make new friends. Both daughters performed well in school. Our eldest daughter, Ning was naughty like her mother and she was one

of the class athletes. Dong was the favourite of her maternal grandmother (Khunying Chamras) as she had slept over with her from a very young age. Pong had a difficult time with his studies and we had already resigned ourselves to whatever level of academic achievement he could manage. Yet we were still hopeful that he would improve when he grew up, just like his dad had. Pak, the youngest child, was studious, very articulate and had a distinct personality. Even in his primary school days, he knew brand name products that even his parents had never heard of.

Once they had reached secondary school, Nui and I started to discuss the important decision of whether we would send them abroad for further study and, if so, when. Both of us had spent quite a long time studying abroad but that was for college. We both felt great benefits from our foreign education. However, as we had gone there in our adulthood, we encountered significant language barriers and had to devote a lot of time to overcoming them. Although we passed all the examinations, we nonetheless felt that without the language barrier we would have appreciated the lessons more deeply and gained more from our experience abroad.

So, we gradually transferred our children from Satit Chula to the International School Bangkok (ISB) for a period of two years each, except for Pak who we sent to a boarding

school called the United World College of Southeast Asia in Singapore for two years. All this was to prepare our children by improving their English before attending high school in the U.S.A. for three or four years prior to their university education.

This decision required a substantial sum of money. However, we had both agreed to let education be the most important asset in our children's lives. We were both happy to sell off some of our inheritance in order to pool our funds to the best of our abilities to support our children's education abroad. In my own case, I decided to sell the Nongmon ricemill that had been given to me by my father. On Nui's side, she had more property and was willing to sell her land on Silom and at other locations without a second thought.

The other reason we sold so much of our property for our children's education, apart from appreciating the value of education itself, was that it also accorded with our principle of raising all of our children equally. After donating to charity, our property had to be shared equally among our children. If we wanted to send our children abroad for schooling, we would have to send each and every one. We believed that equal justice and love would lead to unity and no quarrels among them, which in turn would be reflected back in the

happiness of their parents.

With regards to the inheritance passed on to us from our parents, we always felt very grateful that they had brought us up properly in a balanced way, not providing us with too much or too little. They had no objection to spending on good causes like education or gaining good experiences. For instance, in the case of Chao Khun Vidura, he took his children, sons-in-law and daughters-in-law to travel with him around the world, which turned out to be their last trip together. He had the chance to join his class reunion at Columbia Law School. Many of his friends came, with difficulty, and one even fell down during the reunion party. When Chao Khun Vidura came back, he himself fell ill and died within six months. Later Khunying Chamras, Nui's mother, built her home in the vicinity of Sukhumvit-Kluai Nam Thai, to be near her children. She passed away ten years later. My own father Vichai passed away after his bath while watching television. It was as if he were sleeping. It was fitting that he passed away that way because he had done a lot of good deeds in his life. My mother, Neung, followed him several years later. Their passage was like leaves falling before the sprouting of new buds and tender green leaves.

When speaking of the education of our children abroad, it is unavoidable to mention one American friend of mine





by the name of Dr. Lawrence D. Stifel or Larry. I did not meet Larry in the U.S.A. but here in Thailand. Larry finished his bachelor's degree at Harvard, his M.B.A. at the Harvard Business School and earned his doctorate in economics at Cornell. Larry was interested in the economic development of Southeast Asia. His doctoral dissertation was on the Philippines and his first job was related to Burma. As problems cropped up in Burma, he was transferred to USAID in Thailand. His first job here was as an advisor to the Office of National Economic and Development Board (NEDB) on economic development planning, in other words to support me. We had connecting offices and worked very closely together. His wife, Dell, was close to Nui so they rented

a house in the property of Prok Amaranand, Nui's eldest brother, making us neighbours in the same village compound. His first daughter, Laura, was born in Burma, while the younger son, David, was born and raised here in Bangkok.

For several years at the NEDB, Larry helped me a lot, particularly during the period when the United States was building the airport and port at U-Tapao and other airports, which was a confidential matter then. Larry asked me how the Thai government would react if the US government decided to have major expenditure in Thailand in the following month. He noted that the Thai government should have a plan to receive and make use of this expenditure in order to avoid inflation in the country. We both made calculations and analyses on policies which the Thai government should adopt until late into the night. The analysis showed that Thailand would reap considerable benefits from the rapidly increasing expenditure. Nonetheless, Thailand would face inflation and social problems that would follow as a result. So we needed to put in place preventive measures to the best of our ability.

Larry's personality allowed him to get along easily with Thai people, so he had many Thai colleagues and friends. One of the more senior friends was Dr. Puey Ungpakorn. Khun Puey was planning to set up an English language master's

degree programme in economics at Thammasat University and asked for Larry's cooperation. Larry was pleased to help such a good and able person as Khun Puey. It was even more fortunate that after working with me at the NEDB Larry was also invited to be the Rockefeller Foundation representative in Thailand. He was then in a good position to assist Thammasat in setting up this programme. It was treated as an important project of the highest priority, along with the assistance to the Faculty of Medicine at Mahidol University. (The Rockefeller Foundation had provided its assistance to the Mahidol programme since its founding during the time of His Majesty the King's father, the Prince of Songkla, who represented Thailand in negotiations with the Foundation on medical sciences education in Thailand in 1921.)

The main component for the development of the Faculty of Economics's English programme was the scholarship programme, which was set up to send top performing students to pursue doctoral degrees in economics at leading universities in the USA. It appeared that Larry had the same vision as Khun Puey in human resources development. During that time, both the Rockefeller Foundation and Ford Foundation were interested in building up leading Thai personnel by providing scholarships for higher learning. Thammasat University economists who currently have

important roles in the country such as Dr. Narongchai Akarasei, Dr. Trairong Suwankiri, Dr. Plaipol Kumsup and Dr. Chirmsak Pinthong are all beneficiaries of this initiative.

After numerous achievements in Thailand, the Rockefeller Foundation appointed Larry as its Vice President in their New York headquarters. It was an important appointment and he could continue the Foundation's assistance to Thailand. Larry moved his family back to the U.S.A. and bought a house by the woods near Princeton University in New Jersey, not too far from New York City.

When Nui and I looked for suitable schools for our children,

Larry and Dell became important advisors to us. Dell, a Stanford graduate who used to be a dean of students in the past, went out to inspect various schools herself. In the end, each of our children ended up in a good and suitable school.

Ning, our eldest daughter, enrolled in grade ten at the Shipley School, which was an all-girls' school in those days. It was in front of the famous Bryn Mawr College and near the Red Arrow train station that Nui used to take when she was in her first year at the Dentistry School at the University of Pennsylvania. Although Shipley School was not pre-Bryn Mawr as people used to say in the past, nonetheless

*Ning and Dell Stifel at Ning's  
graduation from Shipley School*



*Ning went to Dong's  
graduation from  
Madeira School*



the association with Bryn Mawr helped to promote Shipley School, making it widely recognized as one of the very best girls' schools.

Dong, our younger daughter, was admitted in another well-known all-girls' school, the Madeira School, which is located on the bank of the Potomac River on the Virginia side, about 30 minutes by car from Washington D.C. It had a very nice campus and was known as the school for Southern belles or for girls from prominent old families of the Southern states. One of the activities of the school was horseback riding. If any student had her own favourite horse she could bring it to school to ride.

Pong, our third child, and eldest son had problems in

school. Dell therefore had to look for a school that paid special attention to this kind of student. We were lucky that Dell found the Hun School of Princeton which is located near their home and was suitable for Pong. Dell's close friend, Janet Keeney, happened to be a specialist in special education at the school.

The heavy investment in our children's education yielded more results than we originally foresaw. Good schools in the U.S.A. do not force students to all take the same subjects. Rather, each student is tested and suitable courses are selected in accordance with each person's own abilities. Pong's aptitude tests revealed quite varying results in different areas. The results for reading and writing showed low ability but the results for mathematics and computer applications were unusually high. Accordingly, the school arranged for Pong to take up courses that suited him. For the subjects that Pong was not good at, the school made arrangements as necessary for him, including special tutors to assist him personally.<sup>40</sup> Pong later told us that the greatest benefit he gained at the boarding school was to have a good friend by

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<sup>40</sup> Pong has shared his thoughts on handling special needs children. They should be allowed to learn what they are good at, rather than forcing them to study the subjects that they have problems with. Not only is it time-consuming but the students will feel tense and have to encounter failure.

the name of Enrique Saez from Spain, who topped the class.<sup>41</sup> Moreover, he also had a good nature and tried to assist Pong who managed to pass every year and even have some spare time to take up wrestling. In fact, Pong ended up on the school varsity team for wrestling, competing in the light weight class. In addition, Pong also had time to work in the school canteen and managed to save up quite a bit of money. His elder sister Dong sometimes telephoned to borrow money from him when her pocket money ran short.

Our greatest surprise and pride as parents was during Pong's graduation ceremony at Hun. When the names of high achievers were announced, it turns out Pong was singled out for academic distinction in mathematics and computer sciences. When Pong went up to receive his award, there was thunderous applause. After the ceremony, many parents of Pong's friends came to congratulate both of us and thanked us for Pong's kind assistance to their children.

Pong is not the type of person who talks about himself and he never told us about this beforehand. Likewise, when

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<sup>41</sup> Enrique applied to Harvard, Yale, Princeton and Stanford, which all accepted him. Enrique chose to study biochemistry at Princeton and won a scholarship to complete his doctorate at Harvard. He has been a researcher and lecturer at the Salk Institute for Biological Studies and at the Scripps Research Institute in California.

*Pong receiving his diploma  
from Hun School, Princeton*



*Pak and Andy together with  
Mr. Ammerman on the day of  
Pak's graduation from  
Mercersburg Academy*



Carnegie Mellon, well-known for its computer science programme, accepted Pong to study computer engineering, all the arrangements had been made by Pong himself without the knowledge of his parents.

Before Pong finished at Hun, Larry was transferred to be the Director of the Institute of Tropical Agricultural Research in Nigeria. We congratulated him for taking up this important post, which would be very beneficial to many less fortunate people. However, we also felt like we were losing our education advisor at the time when our youngest son, Pak, was about to continue his studies in the U.S.A. It was fortunate for us to have met a new good friend at this juncture. He was Andrew Ammerman or Andy.



When Andy knew that we were looking for a school for Pak, he recommended Mercersburg Academy in Pennsylvania, which was his former school. When Pak finished his three years at Mercersburg, Andy recommended that he study at Georgetown University in Washington D.C., which was also his *alma mater*.

Pak majored in economics like his father. During his first year, he boarded at the university. In his second year, he rented an apartment near the campus together with a few friends. When I went to attend the World Bank annual meeting in Washington D.C., I visited Pak and was impressed by his tidy bedroom. It was decorated in a very simple but artistic manner. I complimented him on having artistic talent, which we had never realized before.

After his first year, Pak went to visit his sister, Dong, at the Rhode Island School of Design (RISD) which was well-known in arts and design. Upon returning to Georgetown, he telephoned me to say that after his second year at Georgetown he wanted to transfer to study at the same college as Dong because he was interested in arts and design more than in economics like his dad.

I permitted him to study in the area of interest to him and he transferred to study architecture at RISD like his sister.

Pak's study progressed well and he enjoyed an active social

life with many friends including a lovely girlfriend, which also made us happy.

Then the second crisis occurred in our family when Pak came back home during the Christmas and New Year holidays in 1992. I was then the Deputy Prime Minister in the first Anand Government and was recuperating from my stroke.

On the night of January 5, 1992 Pak drove out to celebrate the New Year with his friends. By dawn, he had not yet returned home. The family began to worry so we telephoned all his friends. Everyone said that they had seen him driving out after the party had ended and did not know why he had not reached home yet. The family grew more worried and sent people out to search for him. Finally, we found his lifeless body at the Police Hospital. Pak's life had come to an abrupt end when his car hit an electric pole on Rachadapisek Road at the curve before the right turn into the Sukhumvit Road.

We had to arrange the second funeral for one of our children. This time it was for a son of 21 years old who was happy in his personal life and student life. We read with great emotion the various condolence letters in English that his friends in the U.S.A. sent for inclusion in the funeral book. We had to control our grief by trying to remember the teaching of Lord Buddha that, "All is impermanent, suffering

*Pong is ordained as a monk  
to dedicate merit to Pak.  
The ceremony was performed  
by the Supreme Patriarch*

*Father, mother and children  
before Pong's journey to Wat Doi*



and non-self”. Nui and I have to express our gratitude to Venerable Ajahn Ban Thanakaro of Wat Doi Dhamma Chedi, Sakhon Nakhon province where I had once been a monk after resigning from the governorship of the Bank of Thailand. The abbot had asked Yom Toh, the lay woman supporter of the temple and our old friend, to call us to provide us moral support and to convey to us that Pak was giving the two of us a lesson in impermanence, suffering, and non-self.

Pong learned the news of Pak's death while working in Silicon Valley in California after graduating from Carnegie Mellon where he was making good progress. Pong requested permission from his parents to come home to be ordained in order to give merit to Pak in his afterlife.

Pong was ordained at Wat Bovornniwet by the Supreme Patriarch Phra Yannasangvorn. He then travelled to Wat Doi Dhamma Chedi to study and practise Buddhism for three months in Sakhon Nakhon following the steps of his father who had been ordained there earlier.

After the departure of Pak, our family was left with only father, mother and three children. But life had to go on, somehow.

Ning finished her study at Mount Holyoke, which was the first all-girls' college in the U.S.A. and one of the Seven Sisters. Upon her return, she worked at the Export Promotion Centre in the Commercial Relations Department. Ning was interested in marketing. She was excited and happy to help organize trade fairs to promote Thailand's exports and to having the chance to meet Thai entrepreneurs, who were trying to build up marketing channels for various Thai products. Ning had the chance to be exposed to a wide range of experiences, which taught her invaluable lessons. She won a Canadian International Development Agency (CIDA) scholarship to obtain her master's degree in Public Administration at Carleton University in Ottawa, the capital of Canada. When she finished her studies and returned to Thailand, the Queen Sirikit National Convention Centre opened up. An acquaintance invited Ning to join the

*Ning being awarded  
her diploma*



*Ning's family*



pioneering group. Ning was involved in marketing duties of a different type; including performing manual labour by lifting tables to clear areas in time for various performances and conferences that were frequently organized since the Queen Sirikit National Convention Centre was the only modern convention centre in Thailand at that time.

While working at the Convention Centre, Ning got to know a young businessman by the name of Soonthorn Kraitrakul. He was an entrepreneur running a silk weaving factory with his siblings under the brand name Silk Avenue, as well as a carpet factory called Interkrai. Their main line of business was hand-woven carpets made from wool and the silk produced at their factory in Ban Phai, Khon Kaen

province. The products were well received and were awarded the Prime Minister's Export Award twice, the first time in 1998 and the second time in 2001.

Ning married Soonthorn on November 9, 1995. They had a daughter by the name of Nopakao, nicknamed Mudmee. The maternal grandparents gave her the name, Noppakao ("kao" meaning nine in Thai) because she was born in the reign of King Rama IX on the ninth day of the ninth month of B.E. 2539 in room 9 at 9.00 AM. There were a total of nine doctors and nurses attending her birth in the delivery room. They later had a son by the name of Natchanont or Maimon, which was quite apt as Soonthorn was running a silk business (Maimon means mulberry tree). Currently Soonthorn focuses only on carpet production while Ning runs the "Art on the Floor" shop at Promenade Décor in front of the Swisshotel, Park Nai Lert, selling carpets from Soonthorn's factory.

Mudmee and Maimon were enrolled in pre-school at Thawsi School, which is owned by Nui's sister, Thawsi, and run by her daughter, Buppasawasdi Rachatatanun, who is the principal. The Thawsi School has adopted a Buddhist philosophy in its approach to education and is a pioneer in emphasizing moral and cultural education. Its academic performance is also strong, and was ranked sixth in terms of the O-Net sixth grade examination results. (Its placement

was behind La-or Uthis Demonstration School of Suan Dusit Rajabhat Teacher's College, Rajini School, Pipatana School, the Chulalongkorn University Demonstration School and the Mater Dei School, which together topped the 50 leading schools in the Education Service Area 1 of the Bangkok Metropolitan Area). It can be said that a Buddhist philosophy school like Thawsi School can provide quality teaching comparable to the top-ranked leading schools in Bangkok.

Mudmee and Maimon later enrolled at Chitralada School. At present, Mudmee has transferred to Bangkok Prep School on Sukhumvit Road near our home while Maimon is still enjoying his studies at Chitralada School. He has many friends who love sports and they sometimes sleep over at their friends' houses under the care of their parents. He plays football for his school in matches with other schools. He also plays table tennis and once took part in a tournament at the Royal Bangkok Sports Club, with grandfather, grandmother, parents, Uncle Pong, Auntie Mon and his sister cheering him on loudly. Finally, Maimon won the gold medal making his grandparents smile, with their voices hoarse from cheering him loudly for so long.

As for Dong, she finished her studies at Madeira and followed Ning to Mount Holyoke. At first, she planned

to study dentistry like her mother but her father was a bit reluctant as that would entail studying very hard like her mother. So, Dong switched to architecture by enrolling at the Rhode Island School of Design (RISD) which is known for being rather artsy. Dong had to work hard as is normal in architecture. She had to work on design projects till late at night and sometimes had to pull all nighters. The architecture course requires five years of study but since Dong transferred one year's worth of credits from Mount Holyoke, she only needed to study another four years at RISD. Nui and I were very happy at her graduation and were highly amused as we had never witnessed any graduation ceremony as strange and playful as this one. In addition to their gowns, the graduates had the tradition of wearing some decoration of their own design and manufacture. Dong found a simple solution by wearing a Thai dancer's crown headdress or *chada* which looks quite exotic to Westerners and she received loud applause from the audience.

Dong began her career at Design 103 Company Limited, where Mr. Chatchaval Pringpuangkaeo, its chairman, was very kind to her. Dong was exposed to a range of experiences and undertook various important design commissions such as the building for the northern regional branch of the Bank of Thailand in Chiang Mai and the building of the Thailand



*Dong and Paul receiving  
the lustral water blessing  
ceremony at Chitralada Palace  
on 2 November 1990*

*Dong's family*



Development Research Institute (TDRI). Later, Dong became more involved in project management and less in design work.

Later, Dong opened up her own architecture and interior design firm called “Agora” with a friend from Design 103 by the name of Sittichai (Hong) Santichaivekin. It is a small firm which has achieved good success.

Dong married Pakorn Sukhum with a lustral water blessing ceremony by His Majesty the King at Chitralada Palace on November 2, 1990. Pakorn or Paul is the son of Dr. Prasert and Elizabeth Sukhum. He was born in England and returned to Thailand when he was six years old. He was later educated at Merchiston Castle School and obtained his bachelor’s degree at the Royal Holloway College, London

University. He returned to work in Thailand and did his MBA at Sasin, Chulalongkorn University. Previously the Deputy Managing Director of Royal Porcelain Ltd., Paul is now the Chief Executive Officer of Akara Mining which operates a gold mine in central Thailand.

Paul and Dong were married seven years before they had their only son who they named “Paron” with nickname “Plai”.

Plai also attended pre-school at Thawsi School and kindergarten at Chitralada School like his cousins Mee and Mon. Later, he transferred to Shrewsbury International School on New Road next to the Chao Phraya River. This school is a branch of the very old Shrewsbury School in the U.K., which was founded in 1552. Each class has 10-15 pupils. Almost all the teachers are British and they use teaching methods designed to spark the interest of the pupils, elicit questions and encourage them to express themselves. Nui and I were surprised and glad that after one term, Plai could speak English quite well. Soon after that he could speak the language fluently and even became a bit talkative. On the day of a school drama performance, Dong and Paul invited us to watch Plai perform. Plai spoke fluently without a trace of stage fright.

Plai’s interests have constantly evolved from the Teletubbies cartoon to astronomy, among other things. Nui and I once took Plai to the planetarium near our home on

Sukhumvit Road. While reclining and looking up at the stars, it turned out Plai was the one who explained the various stars to his grandparents. His interest later shifted to trains, airplanes, airports, the names of dinosaurs in Latin and, lately, Star Wars, which Plai looked up on the Internet with great skill although he was only eleven.

The toys for children of his age (not only for Plai but also for Mee and Mon as well) are so numerous compared to the time of their grandfather – it's beyond comparison.

Pong, our only remaining son, became a lecturer in computer engineering at the King Mongkut's Institute of Technology, Lad Krabang, after graduating from college. Later, he won a scholarship from the university to do his master's degree in software engineering at Boston University before returning to teach, eventually becoming an Assistant Professor. Pong devoted his time not only to teaching and but also encouraged his students in research and development. He set up the Embedded Systems Lab since he believes that promoting embedded systems would be one way for Thailand to produce electrical components in the country for use in the automotive industry or electronics industry, among others. At least, in the initial phase, he felt that the country should be able to produce graduates with knowledge in this field in order to work in already established factories in the country.

Pong tried to bring together experts and entrepreneurs in mostly small scale industries by forming the Thailand Embedded Systems Association (TESA) on July 11, 2002 with Dr. Pansakdi Siriratchatapongs, the then Deputy Director of the National Electronics and Computer Technology Centre (NECTEC) as its president and Pong serving as the Association's secretary. When Dr. Pansakdi was promoted to be the Director of the NECTEC he resigned as president of the Association and Pong was elected president in his place on April 28, 2007.

As president of TESA, Pong needed to do a lot of liaison work through telephone conference or via the Internet almost all day long. Being heavily involved in coordination work, his role was similar to his father's when he served as the Secretary-General of the National Economic and Social Development Board. They had a similar vision for the Thai economy. The difference was that Pong was coordinating at the micro-level while his father was operating at the macro level. In recognition of his coordinating work, Pong was appointed Innovation Ambassador by the National Innovation Agency under the Ministry of Science and Technology.

Pong's heavy workload became a new cause for alarm and worry to his parents. They were concerned that he would

remain a bachelor and they longed to have a grandchild from their son. One day Pong was on a study tour on information technology at the University of California at Berkeley and became smitten by a young lady there by the name of Montira Horayangura whose father, I learned later, was Bhanuphol Horayangura who used to work under me on the foreign assistance programme in the Overall Economic Planning Division. Bhanuphol, with his good command of English, was coordinating foreign assistance programmes with foreign agencies particularly with the World Bank, the Asian Development Bank (ADB) and various embassies that had major assistance programmes for Thailand. Later, the ADB requested the government of Thailand for his transfer to work at their headquarters in Manila. I had to endorse this although it meant that I would lose an important team member.

On one occasion while I was on a visit to ADB headquarters for a conference, Bhanuphol who was progressing well in his career at the Bank invited me to his home for dinner. I met his wife, Maleewan Horayangura (Duang), and their two cute daughters. At that point, I did not know that the elder daughter of Bhanuphol, Montira (Mon), would become my only lovely daughter-in-law.

I must admire Duang for being such an excellent mother managing to bring up two Thai daughters abroad. Mon left

Thailand when she was five months old while her younger sister, Nissara (Niss), was born in Manila. Both have Thai manners and are proficient in Thai. Another important thing was that she looked after their education very well, which led to both of them being accepted to Harvard University.

Mon graduated in economics from Harvard and earned two master's degrees in architecture and urban planning at Berkeley. While at graduate school, she was a teaching assistant and was interested in doing her doctoral degree when she met Pong. So she ended up coming back to work for UNESCO in Thailand.

Pong and Mon were married in a lustral water blessing ceremony performed by His Majesty the King at Klai Kangwon Palace, Hua Hin, on November 21, 2003.<sup>42</sup> They are both “super active” and are busy all day long, with Mon travelling abroad quite frequently for her work. After waiting nine long years, Nui and I were overjoyed when our first paternal grandson finally arrived on 21 June 2012. With dimples like his mother, he was named “Pavin” with nickname “Pan”.

Although the three children are all now married with

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<sup>42</sup> Duang fell ill just two months before the wedding of her daughter and passed away on April 6, 2008.

*Pong and Mon receiving the  
lustral water blessing ceremony  
at Klai Kangwon Palace on  
21 November 2003*



*Pong's family*



their own households, all three houses are located in the same compound as our home which was hurriedly completed in time for our wedding 50 years ago. Dong who got married first received the house built by grandfather Vichai and grandmother Neung as supplementary income for me. Dong, being an architect, refurbished it and lives in it comfortably. That home was strongly built with a good foundation on about one *rai* of land, which is spacious enough to have a big lawn and beautiful garden. The banyan trees and the rain trees planted when the house was first built are now fully grown with their many branches providing shade. There is a small pond between the parents' house and Dong's house. We built a bridge crossing the pond to facilitate crossing and visits.

Ning, the elder sister who was the second to marry, lives in the house in the adjacent lot to Dong's, which also has an area of about one *rai*. This is the home that Auntie Nid (Thanpuying Wanida) who had no heir bequeathed to her. This was a great favor on her part to Ning and to her parents since they did not need to build a new house for her. It has also allowed our children and grandchildren to stay close to each other, as was the wish of Chao Khun Vidura.

Pong, the youngest brother, was married off last. The parents had earlier wanted to give their own house to Pong as an inheritance but in order for Pong's household to have some privacy, Dong designed Pong's new quarters so that his family would have their own entry door separate from that of his parents but with a connecting door linking the two sections of the house.

We felt it was important to have this sense of privacy for our children, sons-in-law and daughter-in-law, since, without it, they might feel uneasy at times and there might be problems. Matters like home decoration, gardening and landscaping, which are part of each household's happiness and should reflect each family's own tastes. As it turns out, every household employs the same gardener so that the grounds as a whole ended up looking very harmonious. When we include the gardens of Thanpuying Preeya and Thanpuying Wanida the whole area looks like a forest in the middle of town.



In fact, the condominium buildings around our houses use our garden as part of their sales pitch to attract buyers and tenants.

Staying close together and yet maintaining some distance creates flexibility. If one wants to keep one's privacy one can do so easily but if one feels like meeting up or talking to one's neighbours it can also be easily done. If one feels too lazy to walk, there is an intercom connecting all the houses.

But all things change over time. The land provided by Chao Khun Vidura, which was considered large in the old days, is now filling up as the number of descendents has increased over the years. Eventually, elder sister Thawsi's family moved to Ekkamai not far away as they needed a larger piece of land to build the Thawsi School. Elder brothers Prok and Sopit also moved out to establish their own new families. Pok (Dr. Piyasvasti Amaranand) the eldest son of Khun Prok, who is now the eldest among the grandchildren, lives in the villa where Nui and her siblings grew up in the Devavesm Palace.

With all the children married off, Nui and I have not felt lonely because we are still together. Although the romance is not as sweet as when we first met 50 years ago, it is still delightful because Nui can always find something light and amusing to talk about. We travel together frequently around the country and abroad. Especially since my stroke affected my right limbs 22 years ago, if I travel alone I need a cane,



*On the Crystal Symphony  
Mediterranean cruise  
when Nui was 70  
and I was 76 years old*



*Unakul  
family*



*Amaranand  
family*

but if I travel with Nui she can act as my personal cane for me to hang on to. Seeing me hanging on tightly to Nui has made people comment “what a loving couple you are!”, but in fact Nui is helping a crippled person! Our friends with whom we have our monthly lunch get-togethers will sometimes tease me, “You always travel with your wife. Don’t you get tired of her?” And I always reply sincerely, “Not at all.”

Nui and I are very close as husband and wife and as soulmates. We make a good couple and I think that this is due to the fact that we complement each other well. I am a rather serious, hard-working person, while Nui is lively with a sense of *joie de vivre*. Our family life is therefore very well balanced.





## Chapter 5



### *Pioneering Development Planning*

## **Starting Work at the National Economic Development Board**

Having adequately covered my personal and family life, I will now discuss the work that needed to be tackled directly after receiving my doctorate in economics from Columbia University in the USA in 1961.

While studying for my doctoral degree, I had been writing to Khun Puey periodically to report on my progress. Every time I wrote to Khun Puey, I would always receive a reply in his own handwriting containing useful information and advice. At one point, Khun Puey wrote to inform me that the National Economic Development Board (or NEDB in

short) was to be set up with the important task of national economic development planning and coordination. After my departure for further study, the Comptroller General's Department had recruited several foreign trained students such as Dr. Amnuay Viravan and Dr. Panas Simastianra. As for Prasong Sukum, M.R. Chandramsirichoke Chantaratat and Puchong Pengsri, they had been transferred to the newly founded Budget Bureau to serve as key staff members. It was according to Khun Puey's wish, therefore, that I play a pioneering role at the newly founded NEDB. I replied that it would be a great pleasure for me to accept the task and this decision marked an important turning point in my life.

The Office of the National Economic Development Board, established on July 5, 1959<sup>43</sup> at the recommendation of World Bank experts, had as its chairman Field Marshal Sarit Thanarat, the then Prime Minister, and 45 members consisting of cabinet ministers and experts. The organization that supervised the Office of the National Economic Development Board directly and reviewed the various projects and national development plans before their submission to the Cabinet was the Executive Committee with M.L. Dej

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<sup>43</sup> In 1972, it was renamed the "Office of the National Economic and Social Development Board" (NESDB).

Snidvongs, a very senior and highly respected person in economic circles, as its Chairman.

The Executive Committee had nine members who were selected for their honesty, integrity and widely accepted social contributions. Based on the recommendation of Khun Puey, they were invited by Field Marshal Sarit to participate in national development work. These people included M.L. Dej Snidvongs, Thawee Boonyaket, a former Prime Minister who had earlier fled to Penang in exile under political pressure, Leng Srisomvongs, a former Finance Minister and governor of the Bank of Thailand with a reputation as a man of unsurpassable honesty, and Rear Admiral Chali Sinthusophon, a naval officer and former Permanent Secretary at the Ministry of Industry, who was also widely admired as an honest and exemplary person.

Khun Puey also served on the board as an Executive Committee member. With his expertise in monetary and fiscal management as well as with his ability to formulate his discussions with clarity and logic, Khun Puey played such a crucial role that some meetings had to be delayed to await his arrival before they could be declared open. According to the observations of the new generation of economists who participated in the meetings as advisors or observers, Khun Puey “made difficult issues easy to be understood” and





contributed a great sense of humour that relaxed the often tense atmosphere of this kind of meetings.

At least in the early stages, Field Marshal Sarit was able to assemble a large number of good and qualified people to help their country, in order to usher Thailand into the “development era” and lead the way towards the preparation and successful introduction of the first National Economic Development Plan (1961-1966) in Thai history. This made Field Marshal Sarit famous throughout Thailand as a leader of strong determination who possessed the capacity to mobilize people towards a good end.

The Office of the National Economic Development Board came under the supervision of its Executive Board. The first

Secretary General of NEDB was Chalong Puengtrakul. The Office was divided into two main departments namely the Planning Department and the National Income Accounting Department. The main tasks were within the scope of the Planning Department. There were various “sectors” corresponding to Ministries that were allocated large development budgets, for example, the agricultural sector, which had Dr. Thalerng Thamrongnavasawasdi as the Sector Chief. Krit Sombatsiri was Sector Chief for industry, commerce and energy, Chamlong Tohthong and Dr. Prapas Chakrapak were the Sector Chiefs for transport and communications, Manuseri Snidvongs Na Ayuthya was Sector Chief for the interior and Nongyao Chaiseri was the Sector Chief for state enterprises. The various Sector Chiefs had the task of coordinating with various ministries, departments and state enterprises under the relevant ministries. They were charged with the analysis and evaluation of various ministerial development projects, which they would submit to the NEDB Executive Committee and the Cabinet before being included in the National Development Plan. After the Plan was approved and announced, the various sectors had to coordinate with the Budget Bureau for appropriate budget allocation in accordance with the Plan. The main principle, jointly agreed upon, was that the Budget Bureau would only

allocate a budget to development projects that had been approved by the Executive Committee and the Cabinet.

Khun Puey, as the Budget Bureau Director and a member of the NEDB Executive Board, was a key person in the coordination mechanism between the NEDB and the Budget Bureau. Without this mechanism, each ministry and department would have approached the Budget Bureau directly and bypassed the NEDB altogether thus nullifying the development planning process.

The degree of execution in accordance with the development plan as laid down in the mechanism designed by Khun Puey depended on the policy and the determination and the political stability of the Prime Minister. If and when the Prime Minister lacked the will to implement development in accordance with the plan or when he was politically weak and allowed certain ministers to act at will, then the system, as laid down by Khun Puey, would be shaky and would disintegrate.

A shaky episode occurred during the second half of the Sarit Thanarat government. Suddenly, some “underground projects” that had not been through the screening process at the NEDB secretly emerged as *faits accomplis*, meaning there was no room for any changes. There was another type of project which was known as the “lightning project” – one

that had been ordered abruptly by the Prime Minister or “authorized persons” for inclusion in the plan or, if not in the plan, projects which the Budget Bureau was under orders to allocate funds.

It was rather fortunate that these two types of project were rare, thus allowing the execution of the Plans to move forward in a smooth manner. Nonetheless, at certain periods under subsequent governments, these types of projects cropped up more regularly and Khun Puey had to play the role of “blocker” on various occasions. There was heavy political pressure on him every now and then and he got away from this pressure by applying for leave of absence to teach, on one occasion at Princeton University and on another at Cambridge University.

I started my career at the NEDB by being assigned to the Monetary, Fiscal and Overall Target Sector. Friends who had been there earlier were not keen on accepting these tasks because they were not as interesting as project analysis and evaluation, which often yielded concrete results or had an impact whereas the monetary, fiscal and overall planning jobs were more academically inclined. Even the name of the sector was not clear in the minds of many people. There was no appointed chief for this sector. The Office had to borrow Dr. Vichitvongs Na Pompetch,<sup>44</sup> a professor of Economics from

Chulalongkorn University, as a part-time acting chief. About a month after I started in my job, Dr. Vichitvongs resigned and returned to full-time lecturing at Chulalongkorn University. So, I became the full-fledged chief of the Monetary, Fiscal and Overall Target Sector with just two full-time economists, namely Jiamsakdi Singharachai and Payab Payomyont. Both had earned their degrees from the Public Finance Department of the Political Science Faculty of Chulalongkorn University. Our sector was often overshadowed by the other sectors and its office was located in the basement of the old office building so whenever we experienced heavy rainfall a temporary, makeshift pathway had to be constructed so that we could get to our desks. While working, we all often encountered rain water pouring down on us from the nearby shophouses behind our office building. We later moved

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<sup>44</sup> Dr. Vichitvongs is a highly qualified economist. He earned a BA in Economics from Queensland University in Australia at about the same time as me. He finished his Master's degree at the International Institute of Social Studies in the Hague in the Netherlands. After returning to be a full-time lecturer at Chulalongkorn University, he received another scholarship to study for his doctoral degree in Economics at Harvard. He is a famed intellectual. He once told me that the most cherished thing in his life was to be a writer. Indeed he has written several bestselling books. He is currently a member of the Royal Institute in the Social Sciences branch of Economics.

to the fifth floor of the new building and the working environment improved tremendously. There were new recruits who had graduated from overseas or were about to further their education abroad: Pisit Pakkasem, Somkiat Limsong, Kasem Snidvongs na Ayuthya, Kosit Panpiemras, Staporn Kavitanonda, Bhanuphol Horayangura, Chakmon Pasukvanich, Sommai Phasee and Piyasvasti Amaranand. All were extremely hard-working and produced results which were well recognized publicly, allowing the Monetary, Fiscal and Overall Target Sector to later be elevated to become the Overall Planning Division with myself as its first Division Director.

During the time when I headed the sector, I often had to reply to various queries about what the sector was doing as its name did not make this clear. So, I decided to write an article on “Development Planning for the Monetary, Fiscal and Overall Target Sector”. It was broadcast on Radio Thailand on September 30, 1963 after the morning news programme. As soon as the reading of the article had finished, the telephone rang while I was at home. When I picked up the receiver I could hardly believe my ears. The person on the line said, “I am calling from Si Sao Theves Residence. The Prime Minister was just listening to your article on Radio Thailand while in the bathroom. He liked what he heard and

would like you to send 24 copies of the article to Baan Si Sao today. Thank you”.

It was not clear to me whether Field Marshal Sarit had actually taken a liking to my article or whether it was a close senior associate of his who wanted to support me. I was contacted a second time by the authorities at Si Sao Residence and told that Field Marshal Sarit wished me to serve as his economic advisor replacing Dr. Amnuay Viravan who had been transferred to the position of Director of the newly-established Office of Policy and Planning, Ministry of National Development. I was asked whether I would be willing to accept the offer.

It was quite natural for me, a second grade economist at the time, to be fairly excited to have the chance to leapfrog to be a special grade officer which was the top grade<sup>45</sup> without having to endure many years of gradual promotion. And this was a very special appointment because I would be economic advisor to the Prime Minister. Nonetheless, I could not help

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<sup>45</sup> According to the rule set by the Civil Service Commission at that time, even a doctoral graduate from abroad when beginning a civil service career in Thailand would have to start at the second grade and needed to serve at this rank for at least three years before being promoted to be a first grade officer. He or she must remain in the first grade for at least another three years before any further promotion to the special grade.

feeling a bit apprehensive because such an appointment would appear to be political. So I decided to bring this matter up with Khun Puey and ask for his advice at the Office of the Governor of the Bank of Thailand at Bang Khun Phrom Palace.<sup>46</sup> It was late in the evening after office hours, Khun Puey was wearing a short-sleeved shirt with a neck tie and looking at ease. I informed him that I had been approached to take on the position of economic advisor to Field Marshal Sarit Thanarat and asked his opinion. Khun Puey was pensive and, after a while, said that he did not think I should accept the offer. The reasons were that firstly, I had just commenced my work at the NEDB and there were many new tasks waiting to be initiated. My service at the NEDB would be critical. The development planning for the country was not an immaterial matter or less important than any other task. In my role as Chief of the Monetary, Fiscal and Overall Target Sector, I would be serving as secretary for the national development planning process. It was therefore an important responsibility. We were then in the middle of preparations for launching the Second National Development Plan and

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<sup>46</sup> My feelings when I went to seek advice from Khun Puey were like the day I went to consult with my father, Vichai, in Chonburi when I was under the mandatory age and was unable to enroll in Chulalongkorn University.





I would cause negative repercussions if I were to leave the post. Secondly, the post of economic advisor to the Prime Minister was attractive as was prospective promotion to the rank of a special grade officer. However, jumping several steps rapidly and particularly to a rather highly politicized post would cause imbalance in the system and would lead to too much involvement in politics. Such a rapid leap to a position involved with politics had been witnessed by Khun Puey several times and all those involved had encountered problems because their foundations were not firm. Also, the political arena changed rapidly owing to changes of personnel or even changes of view point within a single individual, who at one point might decide to only do the

correct thing but could then change his mind to do the opposite. So, Khun Puey advised against my leaving and I gladly accepted his advice. This crucial decision was an important turning point which would change my life tremendously. Whenever I was faced with important matters, I would always consult Khun Puey and he would give me his honest opinion and advice prompted by good and sincere intentions. I thought following his advice was the correct move so I declined the offer to serve as economic advisor to Field Marshal Sarit Thanarat and tried to the best of my ability to fulfill the tasks assigned to me in the post of Chief of Monetary, Fiscal and Overall Target Sector.

## **National Development from the First to the Third Plans**

The First National Economic Development Plan (1961-1966)<sup>47</sup> commenced on January 1, 1961 a mere year and

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<sup>47</sup> The First National Development Plan (1961-1966) covered a period of 5 years 9 months. This was different from other plans which had a period of 5 years. This was due to a change in the fiscal calendar from the previous cycle which ran from January 1 to December 31. The new fiscal year ran from October 1 to September 30. Hence the first year of the First National Development Plan consisted of only 9 months from January 1 to September 30, 1961. Thereafter, the new fiscal year was applied from October 1 to September 30 for a period of 5 years.

three months after the establishment of the NEDB for the purpose of formulating the plan. It was an extremely tight schedule. Those involved in the planning process, both in the Office of the NEDB and in the ministries and departments, lacked any proper experience required for the task and the economic data of the country was still quite sketchy. However, the government had earlier approached the World Bank to send a team of experts led by Professor Paul T. Ellsworth from the University of Wisconsin to conduct studies and a survey of the economic system of Thailand. A Thai panel headed by M.L. Dej Snidvongs, with Khun Puey Ungpakorn and Chalong Puengtrakul, the then Secretary General of the National Economic Development Board, as its members was established. The group of World Bank experts spent one year (July 1957 – June 1958) on the study and the preparation of a proposal, which was set out in a book called “A Public Development Program for Thailand (1959)”, that included the proposal to establish a national development planning body as well as targets and strategies towards development.

The Thai Government adopted the World Bank document as its guideline in the establishment of the NEDB assuming the responsibility of formulating the Development Plan on July 5, 1959. As mentioned earlier, the Government

also appointed M.L. Dej Snidvongs as the First Chairman of the Executive Committee of the National Economic Development Board and Chalong Puengtrakul as its First Secretary General.

Nonetheless, due to the limitation of data and the lack of preparedness of the development projects by the line ministries, departments and state enterprises, most of the “development” budget in the first half of the First Plan was the repayment of the public debt incurred by the National Economic Promotion Company assigned to set up several manufacturing companies that later had failed. Moreover, the plan formulators could not include details of development projects in the second half of the Plan during the fiscal years 1964-1966 in the Plan. All that was mentioned was that there would later be a revision of the First Development Plan in the second phase from 1964-1966.

Coincidentally, I had returned at that time to assume the post of Chief of the Monetary, Fiscal and Overall Target Sector in 1962. A working group was set up in the NEDB to revise the First National Economic Development Plan, to cover the second phase, with Secretary-General Chalong Puengtrakul as chairman. The working group consisted of various sector chiefs and me, as Chief of the Monetary, Fiscal and Overall Target Sector, serving as its secretary. In practice,

I was the one who was faced with the task of undertaking most of the work.

With the excellent cooperation of all parties and the full support of Secretary-General Chalong Puengtrakul the revision of phase two of the First National Economic Development Plan was fulfilled according to the schedule.

In summary, the first phase of the First Plan set the annual rate of growth of the national domestic product at 5% and that of the second phase at 6%. However, it must be noted that during the formulation of the First Plan, Thailand was still classified as a poor or under-developed country. It had to rely mainly on traditional agricultural products for its income. Its per capita income was low and basic infrastructure was lacking particularly in irrigation, energy and transport and communications. The First Plan, therefore, focused on the mobilization of development funds for the construction of basic infrastructure in a comprehensive and rapid manner. There were development projects with clear targets, work plans, and schedules of implementation. Development funds from the national budget, which were rather limited at that time, were clearly allocated. The government requested the cooperation of the World Bank to provide concessionary loans. Moreover, Thailand received aid from the United States both on a grant basis to build roads, starting with the

Friendship Highway from Saraburi to Nakhon Ratchasima as well as in the form of various advisors to initiate development projects in Thailand. Equally important was the provision of over a thousand scholarships for Thai officials and students to study and obtain training in the United States so that their newly acquired knowledge could be used in the running of various ministries, departments and state enterprises as well as other new organizations which were established during the development era. Apart from the United States, the United Nations and other countries had increased their aid assistance to Thailand. Under the Colombo Plan, aid agencies of developed countries provided assistance, such as the United Kingdom, Germany, Japan, France and other European countries.

The formulation of the First Plan, with its emphasis on basic infrastructure, was to make life easier for the private sector both in the agricultural and non-agricultural sectors. It was to help them to increase investment and production. This helped to lay the foundation for the Thai economy so that it might grow with stability as reflected in the motto of the First Plan, “Running water, bright lights, good roads, higher employment”.

The important impact of the First Plan was its use as a vehicle to mobilize resources in both monetary and human

terms from domestic and foreign sources and to implement the various development projects in a phased and coordinated manner for long enough period to complete these projects. This implementation with a plan differed greatly from the previous forms of implementation. Before the age of development plans, investment budget was provided on an ad hoc or irregular basis under the budgetary provision method. The previous method lacked certainty and in one year a project might obtain a budget but not in the next. This caused delay in the development of the country's basic economic foundation. At times, half-completed projects were abandoned, causing tremendous waste.

The implementation during the First Plan contributed to clear and rapid progress in the Thai economy. One could say that Thailand had clearly entered the development age for the first time. Gross domestic product increased at an average rate of 7.9% annually (higher than the target of 5-6% annually) from an economic base of 59,000 million Baht in Gross Domestic Product in 1960 to about 89,000 million Baht in 1966. The value of exports, apart from traditional exports such as rice, rubber, tin and teak, expanded rapidly. The balance of payments was favourable and the foreign exchange reserves were at a high of 924 million US dollars.

As for fundamental infrastructure projects, apart from

the acceleration of the expansion of the Great Chao Phraya Irrigation Project, there was the inclusion of two large irrigation projects, namely the Mae Klong Irrigation project and the Mae Nam Nan Irrigation project. The expansion of the irrigation network increased production in the irrigated areas. The maintenance and construction of roads nationwide in accordance with the eight-year National Highway Development Plan and six-year Provincial Road Development Plan facilitated the connection of various provinces in almost all regions. As a result, agricultural areas expanded greatly and produce could be shipped to the markets more rapidly. The generation of electricity from the Bhumiphol Dam and the lignite power plant in Krabi facilitated rapid expansion in commerce, services and investment for agro-industries and industries subject to promotion by the Board of Investment (BOI), which were largely import-substitution industries.

In the area of public health, rapid progress was achieved with the development of three medical schools at Siriraj, Chulalongkorn and Ramathibodi. The development of hospitals in large cities and secondary towns and the development of communicable disease control and basic hygiene brought about a lower child mortality rate and a clear increase of population growth.



In education, there was the establishment of regional universities beginning with Chiang Mai, followed by Khon Kaen and Songkhla. There was an acceleration in the setting up of teachers' colleges to meet the demand of an increasing student population and an emphasis on providing vocational education that was responsive to the labour market's demand for a higher skilled workforce.

There were two special matters during the First Plan period that I would like to mention as they had an important bearing on future development.

The first matter was the Cabinet decision on January 28, 1966 to modify state regulations on the commitment of foreign loans and the improvement in the work of the Subcommittee on Foreign Loans (Or Por Nor), which was a subcommittee under the Executive Committee of the National Economic Development Board with M.L. Dej Snidvongs as its chairman, Khun Puey as a member and myself as the Secretary. Its purpose was to examine the amounts and terms of repayment, as well as the debt burden in foreign exchange for both the principal and interest payments in each year so that they would be within a range that would not have any adverse impact on fiscal stability. This was because capital mobilization in national development for improved infrastructure required a substantial increase in foreign loans

and the public began to worry about our debt repayment capacity. The Or Por Nor Subcommittee, therefore, had the duty to prevent any such over-burden. The new regulations required all foreign loans, whether they were the responsibility of ministries, departments, state enterprises or local government, to have the endorsement of the Or Por Nor. Later, the Or Por Nor also provided oversight over the movements of foreign loans in the private sector. This was to oversee the impact of foreign borrowing from both the public and private sector on the national balance of payments. It can be seen that there was an effort from the start of national planning to control risks from foreign borrowing by both the public and private sector. The later neglect to further pursue this well-laid foundation was one of the reasons why Thailand had to face the major “Tom Yum Goong” financial crisis in 1997.

The second subject was the transfer of NEDB Secretary General Chalong Puengtrakul to the Deputy Governorship of the Bank of Thailand in 1963. Prayad Buranasiri, from the Bank of Thailand, came in as Secretary General of NEDB. It was fortunate that Prayad was a gentleman who showed tremendous support for the new and energetic officials and ensured that assignments proceeded in a smooth manner without any interruption.



In 1964, soon after the transfer of Khun Prayad to a new post, there was a conference of Asian leaders of national economic development planning at the East-West Center in Hawaii. Professor Benjamin Higgins from the University of Texas, the author of a famous book on planning and development was the chair of the conference. Participating countries were asked to report on their experiences of national planning. I was asked to write a paper on “Obstacles to Effective Planning Encountered in the Thai Planning Experience”. As the conference date approached, it so happened that Secretary General Prayad had an urgent official function so he asked me to present the paper on his behalf. Participants at this conference were senior top planners from

each country but I managed to get by. One important result was the meeting with the Director of the Economic Planning Agency of Japan, Dr. Saburo Okita. A kind older gentleman like Khun Puey, Dr. Okita had been posted overseas for the first time at ECAFE in Bangkok, where he received a good impression of the Thai people and Thailand. In spite of our difference in age, we got along very well. The good relationship between Dr. Okita and myself, which started in Hawaii, led to future Japanese cooperation and support for Thailand's development (see further details in Chapter 7).

The Second National Economic Development Plan (1967-1971) adopted its development strategy from the well-laid foundation of the First Plan. The Plan still aimed to mobilize resources for basic infrastructure particularly “roads, water, electricity,” by continuing projects which had been initiated in the First Plan but which remained unfinished. This was in order to reap the maximum benefit from these projects. At the same time, new dimensions were added to the infrastructure scope of the First Plan, which had mainly emphasized fundamental projects like roads. During that time, much emphasis was placed on construction of national highways connecting various regions of the country or roads connecting major cities or towns in each region. Under the Second Plan, resources were mobilized to build roads that

connected remote provinces or districts. In particular, the Accelerated Rural Development program saw the speeding up of constructing rural roads. Together with the Central National Security Office, roads were constructed in the remote and border areas that contributed towards national security. Building roads in these remote areas did not only provide jobs for the poor, it also allowed these people to increase agricultural production of additional crops to rice such as corn, sugarcane, tapioca and jute to increase supply to the domestic and overseas markets.

Irrigation brought more benefits to the farmers because the Second Plan emphasized irrigation channels that would reach farm land instead of just building dams without providing the feeder channels to reach the farmers. As the irrigation systems and management system were more effective in conjunction with the accelerated development and extension of agricultural knowledge, agriculture productivity in the irrigated areas increased tremendously. In addition, the Second Plan also placed an emphasis on people who lived in the non-irrigated areas with the focus on drinking water and water for domestic use to provide relief for them. This is because they lacked water and had to spend a great deal of time fetching water from afar. Once the village residents had more convenient access to water for consumption, the

Ministry of Public Health's Public Health Department intensified the village water supply programme and the more hygienic toilet scheme so that people had better public health.<sup>48</sup>

With electricity, the Second Plan emphasized the construction of transmission lines to reach districts, sub-districts and even villages so that rural households and rural industries, which started up during this period had electricity. Moreover, improvements were made to the national electricity grid to address the problem of frequent power outages. As such, we can conclude that the Second Plan was a plan to distribute basic infrastructure to rural areas.

As the development projects were carried out and began to bear fruit, the gross domestic product and income of the country under the Second Plan grew by 7.2% annually, which was higher than the planned target of 7.0%.

During the Second Plan, there were two events that had a fairly significant impact on the Thai economy.

The first was in 1965 when the US Armed Forces

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<sup>48</sup> My elder brother, engineer Somnuk Unakul, Head of the Public Health Engineering Division, Public Health Department, Ministry of Health, was a key person in this pioneering work before his appointment to the World Health Organization (WHO).

constructed a port and airport at U-tapao and other airports, particularly those in the northeast, to serve as their bases for the Vietnam War. This led to a rapid expansion of the construction industry. Moreover, the rest and recreation (R&R) activities of US soldiers in Thailand mushroomed. From the purely economic angle, these activities promoted economic growth but they were only temporary because by 1970-1971, or the end of the Second Plan, this US expenditure declined rapidly and was soon followed by the complete withdrawal of US Armed Forces from Thailand in 1976.

Another event occurred in 1971, the last year of the Second Plan. This was a rapid decline in foreign trade particularly due to the declines in the price of rice and rubber which were the major Thai exports at that time. Other agricultural exports such as maize and kenaf grew and industrial exports expanded so this was able to compensate for the decline in rice and rubber. Nonetheless, coupled with the decline in the U.S. Armed Forces expenditure, Thailand still suffered a decline in trade volume of 2,342 million Baht.

Moreover, the foreign investment that had grown rapidly earlier declined rapidly during this period due to conflicts within the country and because of threats from neighbouring countries. The foreign exchange reserves

declined by 287 million U.S. dollars. The economic development of Thailand, which had been growing steadily from the First Plan to the Second Plan over a period of 10 years, finally suffered a slow down for the first time in the last year of the Second Plan.

As far as the income of the people was concerned, although the overall national income increased rapidly, the income gap grew and varied according to region, particularly in the Northeastern region which had one third of the population and a large area. Although there was accelerated rural development with special attention to the Northeast and the Second Plan focused extending public infrastructure to the rural areas, nonetheless, the problem of poverty in the northeast and the remote areas could not be solved to the required extent.

The Third National Economic and Social Development Plan was drawn up for the period 1972-1976. The word "Social" was included for the first time in the Third Plan. Its main feature was the clear target to reduce the rapid population growth rate which was at 3.2% in the Second Plan Period. If this population growth rate remained unchanged, Thailand would have a population of 70 million by 1982 and this would pose a major problem to the government in providing sufficient basic infrastructure,



social services, education and public health to the population. It would also be a major obstacle to the overall development of Thailand. The important point was this rapidly increased population came almost exclusively from poor families because poor families normally had more children than the wealthy ones. However, as the saying goes, “the more children, the poorer” or “poverty produces more children”. Hence, one direct method to solve the poverty problem is to provide knowledge and services in family planning to poor families.

In reality, the attempt to reduce poverty through family planning as a national policy was already in existence during the formulation of the Second Plan. It faced strong resistance from its opponents, particularly the security departments and the Ministry of the Interior, which believed that a country with a greater population would bring security to the country at a time when Thailand was facing the most serious security threat from the People’s Republic of China which, in 1967, had a population of about 800 million.

In the preparation of the Third Plan, there were broad discussions on family planning. It was a surprise that major support came from General Netr Kemayothin, who was the Secretary to the Cabinet Office as well as Secretary General to the Education Council. This added considerable weight to the

cause of family planning. Consistent and strong supporting voices through the influential mass media were M.R. Kukrit Pramoj and Mechai Viravaidya, a former economist at the NESDB who had an unconventional method of creating public understanding of the issue.

Ultimately, there was a final conference in Chiang Mai to discuss the population issue. I, as the representative from the NESDB responsible for the Third Plan preparation, kicked off the discussion by providing data revealing the problems associated with allowing rapid population increase without family planning. This was followed by the contributions of M.R. Kukrit Pramoj and Mechai Viravaidya who supported this position. As for the opponents, the conference had arranged for two persons to join in but on the day of the debate, only one person came, Thavee Rangkam, Deputy Minister of the Interior. In the end, the meeting saw the need for such a policy and provided overwhelming support by the inclusion of a family planning project in the Third Plan aimed at slowing down population growth.

The Third Plan set a target to reduce population growth from 3.2% to 2.5% by 1976, the final year of the Third Plan. It would rely on the networks of the Ministry of Public Health, which were ready to provide assistance to poor families without any expense. In addition, the Population and

Community Association of Mechai Viravaidya also provided significant support, to the point where their activities became popular and widely known abroad. The results ended up being close to the plan's target and the policy was continued in future plans.

Another policy measure to tackle the poverty issue in the Third Plan was to allocate more of the development budget to activities that laid the economic and social foundation in poor rural areas. These included transport and communications, the provision of domestic water, irrigation, the acceleration of social services, education and public health to reach the people in the remote areas and poor people in Bangkok and other municipal areas. The spreading of these activities and a shift to providing services in these communities, instead of building big scale projects, ended up emphasizing income distribution to the poor.

Other important policy measures in the Third Plan were re-structuring the economy, increasing people's incomes, maintaining the country's economic stability, developing human resource development, creating jobs and promoting private sector participation in development. All these measures reflected efforts to adjust the national development strategy to respond to increasing economic pressures. Thailand needed to be more efficient in order to compete in the world economic

arena with a shift from an industrial policy that emphasized import substitution to more export-oriented industrial and agriculture sectors. This shift required a range of measures: fiscal measures, cost reduction, quality control and stressing the reputation of Thai brands, more export marketing channels and the promotion of the sustainable development of the tourism industry that had already begun with U.S. soldiers on R&R in Thailand.

As the political, military and economic environment was fluid, the Third Plan established the preparation of an Annual Plan to make policy adjustments annually in accordance with changing conditions.

Uncertainties occurred not only outside the NESDB but inside it as well when Secretary-General Prayad Buranasiri suddenly died from heart failure in 1970, resulting in the appointment of a new Secretary General. The working environment in the NESDB suddenly changed. Chaos emerged among officials who used to work hard and had pioneered work together for more than a decade. Since there was a need to finish the preparation of the Third Plan at this uncertain juncture for the nation, everyone was asked to be patient for the sake of the country until the preparation had been completed. After that I requested to be transferred from the NESDB, the office that I loved, to a new office that

would allow me to work for the public, albeit in a narrower arena but in an atmosphere that allowed greater freedom and peace of mind.





## Chapter 6



*The Vicissitudes of Life*

### **Deputy Permanent Secretary of Commerce**

Field Marshal Thanom Kittikachorn staged a *coup d'état* against his own government in 1971 and appointed four of his coup deputy leaders to oversee security, administration, social and economic matters. Field Marshal Thanom invited Pote Sarasin to be in charge of overseeing the economy. Pote in turn appointed Dr. Amnuay Viravan as Director of the Economic Office and seconded various officials from concerned economic ministries and departments to assist in the work. At the same time, Pote invited several trusted senior economics-related officials to be his advisors, for example, Pachara Issarasena Na Ayutthaya from the Commerce





Ministry and me from the NEDB.

I accepted the post as advisor to Pote out of personal respect for him and with the feeling that, at the same time, I might have the chance to make useful proposals that could benefit the country as a whole.

Pote appointed a deputy who was responsible for the economy by the name of Prasit Kanchanawat with whom I had no prior relationship but whom I knew to be a friend of Chin Soponpanich and a board member of the Bangkok Bank.

Prasit was a congenial, good tempered person. He would engage us in lively but rather candid conversations. He told me that he had long been a dental patient of Dr. See Sirising, who had now handed over his patients to Nui, who worked

in the same clinic. It appeared that this patient loved to tease the talkative dentist.

Prasit sometimes invited Nui and me to visit and have lunch at his residence at Tambon Bang Kanak by the side of the Bang Pa Kong River in Chachoengsao province, thus strengthening our relationship.

Prasit, upon hearing that I was uneasy with the work at NEDB, asked me in his signature bantering way, “Why don’t you join me at the Commerce Ministry? I am about to be the new Minister there.” I suddenly became interested in what I was hearing and thought about the export plan that had just been included in the Third National Development Plan. Being at the Ministry of Commerce, which was responsible for the action plan, would be acceptable as I had already been responsible for planning on behalf of others for more than 10 years. A switch to the operating office would add to my expertise. I told Prasit that I would be interested in joining the Ministry of Commerce if I could work in an area of my interest, that is, export planning and development. Prasit was very kind and assigned me to be the Deputy Permanent Secretary of Commerce (for technical matters). It was a newly created post and it did not trespass in any way on any existing posting in the Ministry. I was given this position by royal appointment on December 15, 1972.

My office was located right next to that of Vicharn Niwatwongs, the Permanent Secretary of Commerce, and my work was closely related to his. My opportunities to see Minister Prasit were few and he was very busy at that time due to the first oil crisis (1973) when the oil price had increased fourfold, pulling other prices with it. All these matters came under the direct responsibility of the Minister of Commerce.

In putting the export plan into practice, I focused on three units at the Ministry of Commerce.

The first unit was the Commercial Attaché Division under the Commerce Secretariat Office. Upon closer examination, it appeared that attachés in various important embassies abroad were commercial advisors to the ambassadors. Their major task was mostly official relations work. While there was some export promotion work, this was rather limited and of an inoffensive kind. Examining the tools employed to promote export work, which was basically data to support importers, I found them to be very slight. Several commercial attachés had to rely on the yellow pages of the telephone directory that contained various types of commercial undertakings. So I concluded that there was a need to build up a complete and modern database on goods as well as exporters and importers within the Ministry of Commerce.

The second unit that I paid a visit to for a considerable

length of time was the Business Economics Department which had a young and dynamic Director General, Prayoon Thalerngsri, who shared my views. In particular, Prayoon had just returned from a conference in Brussels, Belgium where an international agreement among member countries had been concluded to improve the reporting of export-import data by providing greater detail that would be useful for practical analysis. In this endeavour there was a need to coordinate with the Ministry of Finance and the Customs Department who were the authorities on the subject. With my prior experience at the Ministry of Finance and the NEDB as the coordinator in the preparation of the export development plan, I knew and had worked quite well with officials in the Ministry of Finance and the Customs Department. I was, thus, in a good position to coordinate this matter on behalf of the Business Economics Department directly with the Customs Department without waiting for the official release of data that might delay for another two to three months. In addition, the Customs Department was in the process of switching to computer data collection which was then a new phenomenon. I therefore assisted the Business Economics Department to adopt computerized reporting as this would significantly speed up the export data and other data being sent to the Business Economics Department.

The third unit that I visited and with which I also spent a considerable length of time was the Commercial Relations Department, a body that most people thought was tasked mainly with organizing trade fairs. In fact the Commercial Relations Department was at the heart of export promotion at the Ministry of Commerce and its other functions apart from organizing trade fairs were not generally known to the public. It was lucky that the Director General of the Commercial Relations Department at the time was Chare Chutharatnakul who was a very capable and flexible man. He understood the significance of the additional functions very well. Export promotion work was the key function of the Ministry of Commerce and so, in 1990, during the term of office of Director General Chalor Fuengarrom, the Trade Relations Department was renamed the Export Promotion Department.

I received cooperation from Sukon Kanchanalai, another Director General of the Commercial Relations Department, until the arrival of the eight year government under General Prem. In 1981, Prime Minister Prem led a joint public-private sector committee to solve economic problems, generally known as the Gor Ror Or, to visit Japan to encourage trade and investment promotion between the two countries. Director General Sukon prepared the construction plan for the

“Export Promotion Center” at Ratchada Phisek Road. It was not only an export goods promotion venue that many people later visited to buy “export quality goods at Thai prices” but was also a venue for trade negotiations and various training programmes connected to export development.

I included this project as a high priority project for the Thai Delegation to seek assistance from Japan and I acted as the head of the party to negotiate with the Japanese counterparts. The negotiations were successful and the Export Promotion Department built the “Export Promotion Center” on Ratchada Phisek Road and it has served usefully in this capacity until this day.

Apart from my efforts in export promotion that took up most of my time, I carried out other tasks as and when the Permanent Secretary would assign them to me.

Once, in October 1973, the Permanent Secretary for Commerce sent me and the Director General of the Internal Trade Department to a meeting at the Government House on the rice shortage problem. This shortage had resulted from the severe oil crisis, which had led to the soaring price of other products as well as to a shortage of commodities in the market, especially rice, the staple of the diet of Thai people.

When the meeting started, the chairman, who was considered to be one of the most influential people in the

country, proposed that all rice-related matters be transferred to a special suppression unit under his responsibility. Everyone remained silent as the proposal (which was more like an order) was not on the agenda. Eventually, with nobody offering a view, I stated my opinion that suppression measures alone would not be the right solution and there was a need for other measures that the Ministry of Commerce had been contemplating to make it a success. The atmosphere of the meeting that day was akin to Armageddon. The chairman, not accustomed to having his views challenged, expressed his dissatisfaction and abruptly adjourned the meeting. The next afternoon, my department staff brought me a hand-written letter which stated that, following my opposition at the meeting, any further talk elsewhere would be an inexcusable act. I was warned that if I did not stop talking, I would face dire consequences.

That day I continued working until evening. When I opened the door, I saw a large dark complexioned person, whom I had not seen before, standing in front of my office. Nothing happened. I walked downstairs, got into my car and went home as normal.

The next day, as a member of the legislative council and as Secretary General to the Thai Parliamentary Union Secretariat, I set off with a group to the annual Parliamentary Union

meeting in Washington D.C. Upon my arrival I turned on the television and saw the alarming scene of a building on Rajdamnern Avenue, which I later learned was the building of the Government Lottery Office, on fire and the sky turning red. There were many people on the avenue and the announcer said that there were demonstrations in Bangkok. I telephoned other members of the group, many of whom were senior army officers, who had already left the hotel. Two days later, the Prime Minister and his party, including the chairman of that day's meeting, left Thailand. It could be said that I had been saved by the bell for the first time!

### **First Appointment as Secretary General of the National Economic and Social Development Board**

The problems created by the administrator of the NESDB that forced me to leave to take up the position of Deputy Permanent Secretary of Commerce for over a year affected some other NESDB officials as well. Initially, it was confined to some officials but it spread to others, so much so that the NESDB could not function as required by the government and as prescribed by the legislature. So, the professional staff and planners at the NESDB saw it as essential to end the matter and remove the root cause from office through a public vote for



the first time in the history of the NESDB. The professional staff and planners no longer wanted this particular administrator to be the Secretary General of the NESDB.

At the same time, there was a change of government. Professor Sanya Dhammasakdi was appointed Prime Minister by His Majesty the King for the first time on October 14, 1973. The leaders of the public referendum brought the overwhelming result of the voting to the attention of the Prime Minister who oversaw the work of the NESDB.

The Prime Minister was probably already aware of the movement of NESDB officials as well as news related to the behaviour of the NESDB administrator. Therefore, he did not wait for a long time to make the right decision to ensure that the important work of the NESDB could be continued, particularly on those problems related to economic, social and political forces in and outside the country, which were attacking Thailand on all fronts. It was important for a body like the NESDB to have the spirit and the will to work with other government units to solve the immediate economic and social problems. At the same time there had to be measures to improve the Third National Economic and Social Development Plan through the annual planning mechanism that had already been stipulated in the Third Plan. The Prime Minister therefore consulted the

leaders of the public referendum and asked, if the administrator was to be replaced for some well-defined reason, who they thought would be a suitable person to take up the position. Subsequently, the leaders of the public referendum recommended that Snoh Unakul return to the NESDB as the Fourth Secretary General.

The above story was made known to me following a Prime Ministerial order appointing me to be the acting Secretary General of the NESDB on March 15, 1974 before the formal appointment of the next Secretary General.

The reason I did not learn of the above appointment was because I had been devoting all my attention to the work of the Ministry of Commerce, which required me to shoulder a heavy responsibility because of the increase in commodity prices resulting from the four-fold increase in oil price and the fact that former friends at the NESDB who had taken part in the public voting had not made any contact with me.

Upon my appointment as acting Secretary General at the NESDB, I reported to the Prime Minister as my direct supervisor. Upon seeing him, he congratulated me and referred to the time when he had worked with my father, Vichai, in the Buddhist Association and referred to my father's kind offer to provide the Venerable Buddhadasa with our residence in Bangsaen as his resting place. The Prime



Minister said to me, “Father Vichai made good merit and he has, therefore, a good son to contribute to the nation”. I prostrated myself on the floor paying respect to him with a supreme sense of gratitude. He had shown kindness to me ever since my childhood in Chonburi.

The first thing I needed to do upon assuming the position of Secretary General of the NESDB was to revive the spirits of the professional staff and planners within the NESDB after several years of maltreatment by the previous administrator. It was not a challenging job as we shared “the same heart” and had faced the problems together earlier. We were sympathetic to each other and the important point was that we had pioneered work as a team together for more

than 10 years and so we could commence our work again almost instantly.

The issue was how to lay down the strategy and the role of NESDB in the context of a world economic crisis that was impacting severely upon the Thai economy with high inflation and prices creeping up rapidly. There were also political changes in Thailand and the neighbouring countries causing a slowdown in consumption and investment in industries and services. The economy was in a recession while the working age population was rising rapidly due to the high population growth rate since the commencement of the development era over 10 years before. In addition, the drought had brought in rural labourers seeking employment in the urban areas. This had resulted in a worrisome level of unemployment in urban centres. Apart from unskilled labour, there were two groups which needed special attention, namely the employed that had become unemployed due to the closure of businesses owing to low investment and the closure of U.S. military bases in Thailand and the other rapidly growing group of highly and medium educated people who had remained unemployed after graduation.

In the course of mapping the role of the NESDB to solve the severe economic crisis there was a change in the political arena. Professor Sanya resigned from the premiership on May

22, 1974, although he reluctantly returned to assume the position for a second time on May 27, 1974. While he was selecting suitable people to be in his second cabinet, he invited me to see him at the Government House. He asked me to take up the position of Deputy Minister of Commerce as he knew that I had earlier been the Deputy Permanent Secretary of Commerce. I was, once again, thankful to Professor Sanya but, this time, I declined the offer because I had only assumed the position of NESDB Secretary General a little over two months previously. I was in the process of reviving the spirit and will of the NESDB staff to solve the economic slowdown together and it was an important task for the country. If I were to leave the NESDB at this particular point, it would have negative repercussions. Even if I were allowed to hold two positions simultaneously, I would still seek only to hold one because it was by itself already a fairly heavy responsibility. If I assumed two posts, it would bring good results to no one. The Prime Minister showed his understanding and sympathy but, at times, teased me saying, “Khun Snoh was not willing to join my Cabinet”.

After that I focused on the role of NESDB in solving the economic slowdown by proposing to the Cabinet on June 11, 1974 the appointment of a working group on planning a long-term solution for the country's labour force. This was

later raised from the working group level to become a Cabinet committee with a change of name to the Committee for Planning to Prevent and Solve Economic Crises. The Minister of Finance was the Chairman while the Secretary General of the NESDB served as both a Committee member and Secretary. My role was to arrange professionals and planners to carry out work at the secretariat in order to prepare various issues to be presented to the Committee and the Cabinet. Once the Cabinet approved any items, there would be a follow-up so that it could be implemented accordingly.

The first item to be presented to the Committee was a problem related to delays in the expenditure of funds for projects funded by the national budget and by foreign loans. The price of goods and materials for construction had gone up significantly creating an impact on the costs of various construction firms and resulting in the subsequently higher cost of development projects. It had also led to losses, strikes and the abandonment of work on a large scale. It was therefore necessary to adjust pricing for these firms to be more comparable to the actual costs in order to be fair to the Government and the contractors. These costs were to be worked out jointly with the Committee on the Consideration of National Public Construction and Permanent Objects. It took a considerable time to find a formula that was

acceptable to all parties. In the end, a compromise was reached leading to the gradual decline in work stoppages and abandonments, particularly in the highway sector.

As for the next item, Sommai Huntrakool, the Finance Minister who was Chairman of the Committee for Planning to Prevent and Solve Economic Crises submitted a proposal to the Cabinet on September 24, 1974. This summarized the Committee's findings and proposed measures to solve the public expenditure problem by speeding up withdrawals and achieving the faster redemption of public bonds in order to release more money into the economic system more quickly. In the export sector, there would be more tax rebates on high tax items that faced export problems. Rebates were applied to the textile sector first as it faced the greatest problems. Other measures were monetary measures taken by the Bank of Thailand to solve the deflationary problem and, indirectly, the unemployment problem in both urban and rural areas. These were the elements to which the professional staff and planners at the NESDB contributed.

Another important activity assisted by the professional staff and planners of the NESDB was the Third Plan's mid-plan review. It appeared that the world economic recession and Thailand's slowdown had led to the below-target performance of the Third Plan in the area of economic stability and

production expansion as well as under-target income and the distribution of economic services to rural areas. These could be divided into economic services to boost agricultural productivity, to transport goods to the market along with social services and public utilities, particularly the distribution of education facilities and health facilities to achieve a better social balance. Most of the implementation that had been carried out had not yet achieved their target but one that had nearly done so was the reduction of population growth through family planning. The results were close to target as was demonstrated in the increasing number of people making use of family planning services in accordance with the Third Plan.

After learning of the progress of the mid-plan review of the Third Plan, there was an urgent need to carry out the Annual Plan for the 1975 fiscal year. This was in order to revise the plan's targets and to solve various problems.

A general election in early 1975 resulted in the Social Action Party together with other parties forming a new government replacing the Second Sanya Government on March 17, 1975. The Social Action Party had its own clear policies and economic and social development plan. These were implemented swiftly, in particular, the "money transfer" plan, which involved the transfer of government funds directly



to rural areas without routing them through official channels.

The role of the NESDB was much reduced at this juncture. The staff of the NESDB had to admit this as a fact of life. The conditions were described as an “Inflate-Deflate” cycle and this was viewed as quite normal. During the “Deflate” and “Unemployed” cycle, some NESDB officials made use of the time to gain knowledge through leaves of absence for training or further study. Those with higher degrees of knowledge sought leaves of absence to work temporarily at the World Bank or ESCAP.

I received a telephone call from Dr. Amnuay Viravan, Permanent Secretary for Finance, saying that the Prime Minister, M.R. Kukrit Pramoj, and Boonchu Rojanasthien, the Minister of Finance, wanted me to take up the position of Governor of the Bank of Thailand, replacing Pisut Nimmanhaeminda who was due for retirement shortly. Chalong Puengtrakul, the Deputy Governor, had resigned due to a conflict of views over the construction of the Bank of Thailand Headquarters Building.

I was fairly excited and felt that the position of Governor of the Bank of Thailand was important to the development and the maintenance of monetary stability for the country. It was a position of great honour because Dr. Puey, the former Governor, had built up its reputation. So I accepted the offer

to be Governor of the Bank of Thailand on May 24, 1975, when I was just over 43 years old, the youngest governor ever.

### **Governor of the Bank of Thailand**

I received the royal appointment that made me the ninth Governor of the Bank of Thailand on May 24, 1975. Governor Pisut Nimmanhaeminda kindly organized a dinner party to welcome the new Governor at the stately Bang Khun Phrom Palace on the banks of the Chao Phraya River. It was a way of introducing me to the senior staff of the Bank many of whom were already known to me. That night, former Governor Puey was also kind enough to attend the function.

The first thing I did as Governor<sup>49</sup> was to visit the various units in the Bang Khun Phrom area to receive their various views on their jobs. The first thing I noticed was the condition of the work places of various departments in temporary wooden structures built long ago. They were forced to work there while waiting for the new Headquarters

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<sup>49</sup> Much of the information in this section has been adapted from the article “Dr. Snoh Unakul, the Ninth Governor of the Bank of Thailand” which was compiled by Navaporn Ruengskul. I would like to express my thanks to her here.



Building to be built at Bang Khun Prom. The construction faced various delays for a number of reasons. The last delay, in spite of the open bidding, was due to strong protests and the Cabinet demand for a review of the bidding for the Headquarters' construction prompting the Deputy Governor Chalong Puengtrakul, a gentleman of strong principles, to tender his resignation immediately.

The working environment of the staff of the Bank of Thailand (BOT) was rather problematic. This was particularly so when compared to the offices of the commercial banks under the supervision of the BOT which were vastly different. For example, when I visited the Banknote Issue Department which was located on the ground floor of a wing of the Bang



*H.R.H. Crown Prince Maha Vajiralongkorn graciously presided over the foundation stone laying ceremony for the new Headquarters Building on June 3, 1977*

Khun Phrom Palace, the staff were counting the banknotes by hand under weak electric bulbs that provided inadequate lighting. The room was hot and staff had to turn on electric fans to provide some ventilation but the air circulation blew away the notes being counted so the staff had to lay bricks on them. I asked the Administration Department to solve the problem with the provision of efficient automatic note-counting machines and stronger bulbs to provide adequate lighting as well as the installation of air-conditioning units so that there would be no need for electric fans and an end could be put to laying bricks on paper banknotes.

When I visited the Technical Department which had a not too old wooden house as its office I found that the staff

and technicians had increased significantly and included scholarship students of the Bank who were now returning in different batches largely to the Technical Department. The problem was that the Technical Department had numerous documents and they were piling up on the floor. Their weight was sufficient to tilt the structure of the house and staying much longer here might pose a security problem to the staff. The Foreign Department was also facing a similar problem.

I decided to spend my initial period on solving problems, which were related to the construction of the new Headquarters Building which had become stalled. The solution was dependent on the bidding and the selection of contractors based on past experience.

In the end, with excellent cooperation from all parties, the signing with the contractor was carried out. His Majesty the King designated the Crown Prince to act on his behalf at the foundation stone laying ceremony for the new Headquarters Building on June 3, 1977.

The important task that needed to be tackled in parallel was the correction of the structure of Thai commercial banking. It was a problem that had received great attention from the public and academics particularly after the October 14, 1973 student uprising.

The critical problems of the Thai commercial banking

structure were twofold. The first had to do with the oligopolistic nature of Thai commercial banking at the time. Thai commercial banks were owned by a few wealthy families. Credit was largely extended to members of the families, their relatives or friends. Secondly, such commercial banking structure at that time had led to unbalanced development. Namely, deposits were mobilized from people all over the country but credits were mainly extended to commerce, services and industries in Bangkok and its periphery. Agriculture and small businesses in the rural sector and the provinces that made up the majority of the population received little support from commercial banks. Commercial bank lending, therefore, led to the concentration of development projects in Bangkok and its surroundings. The Third Plan, which I had prepared not too long before that, considered this to be an important problem that needed to be addressed.

By assuming the position of Governor of the BOT, I was in the position to solve this important problem. I began solving this problem by taking two measures, namely: 1) setting up a working group to examine issues that required revision in the Commercial Banking Act B.E. 2505 that had been in use for the past 13 years without any update or improvement, and 2) while awaiting the revision of the Act,



setting out measures for commercial banks to extend credit to the agricultural sector. At the beginning, this would be 5% of the total credits extended. If some banks lacked the expertise or adequate experience in providing agricultural credits, they could channel funds through the Bank for Agriculture and Agricultural Co-operatives (Tor Kor Sor).

The target for lending to the agriculture sector had been revised from a percentage or proportion of the total credit to a proportion of total deposits. It was gradually increased from 2% of total deposits to ultimately stop at 13% in 1979. At this target, credit for rural business could be included and the programme was renamed as Credit Extension to Rural Areas.

At the same time, measures were established for

commercial banks that wanted to open branches in the Bangkok Metropolitan area, which had high competition due to good profits. The new measures demanded that they also open branches in districts in the rural areas where profits were less good. All this was in order to spread the commercial banking services more evenly. In order to build up the understanding and experience of commercial bank executives, who were all based at their Headquarters in Bangkok, I organized a seminar and visited progressive farming areas in Singburi, Ang Thong and Chai Nat provinces. Here, officials explained the progress of irrigated agriculture from the First Plan to the Third Plan whereby farm ditches were built to channel water to the farmers in their own fields and there were groupings of farmers for collective guarantee. All of this was aimed to provide commercial bankers with the confidence that these farmers would be good customers in the future.<sup>50</sup>

Subsequently, there was another seminar on the development of agriculture in the rural Northeast at the BOT Khon Kaen branch to provide information to executives of

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<sup>50</sup> While doing field survey in Singburi, Ang Thong and Chainat, I did not see any advertisements of commercial banks on any buildings. Later on, while passing through the same area, I saw signboards of commercial banks all over the place.



commercial banks that, even in the Northeastern part of Thailand where the majority of farmers were still poor, a large number of farmers were reaping benefits from development activities and would be in a position to borrow agricultural credits from commercial banks in the future.

All of this demonstrated that the BOT did not use measures that would be adverse to the security of the banking system. On the opposite, the BOT tried to provide information to commercial bank executives who did not have prior knowledge or interest, even though there actually existed opportunities to expand credit in a way that would be beneficial to the operations of their banks and to the development of the country as a whole.

The attempt to revise the Commercial Banking Act (1952) would take much longer than expected because the draft act had two important new stipulations that might affect the interests of commercial bank owners, namely: 1) commercial banks must have a role in providing capital to support the greater economic development of the country, and 2) commercial banks must allow the public to have the opportunity to participate in the ownership of banks too. The draft act, therefore, provided stipulations to solve the oligopolistic nature of ownership by just a few families. There would be a distribution of shares from major

shareholders to small shareholders and the public at large would be co-owners of these commercial banks since it was stipulated that, within five years of the enforcement of the act, new shares to raise capital would be sold to ordinary people who were not shareholders of a bank at no less than 25% of the new shares issued. The shares were to be sold to each individual not exceeding 0.5% of the total shares sold. Ordinary people had to hold shares no less than 50% of the shares sold.

Moreover, in order to address the concentration of economic growth and others factors in the Bangkok Metropolitan area that caused economic and social imbalances, the new Act empowered the state to allocate credits for economic growth more equitably at a level not exceeding 20% of total deposits.

Because the draft Act had an impact on the interests of several groups of people, there was resistance. Thailand at that time was facing political instability. There were several *coups d'état* with four changes of Prime Minister. So the task of moving this Act ahead step by step faced various delays. Nonetheless, it was eventually proclaimed as the Second Commercial Banking Act on March 7, 1979.

The four changes of Prime Minister sometimes involved some pretty dictatorial administrations. When facing economic

recession or slowdown, they would seek a person outside the government who had enough prestige to speak to certain quarters of people. The pressure then fell on me as the Governor of the BOT. It was suggested that I take part in a television programme on which I had to say that the economy was doing fine and the people should have confidence in the government. I replied that it would be improper for the Governor of the BOT to support the government in such a way. If I were to speak, I would speak only the truth. If there was a problem, I had to say so and I could not say otherwise. I declined to take part in their programme and later learned that the Prime Minister was furious that the Governor of the BOT would not obey the commandment of the Prime Minister. Thus, there was a plan to remove me from my post the next day.

The next day, there was a meeting of the Committee on the Exchange Equalization Fund (EEF) with the Foreign Minister as one of its members. The Foreign Minister came to inform me quietly, “Governor, you are lucky that the bell has saved you in the nick of time. There will be a change of Prime Minister today”. This was the second bell to save me after the first bell at the Ministry of Commerce.

During my tenure as the Governor of the BOT, I noticed that there were rapid changes in the economy of Thailand

and outside. The BOT, as one of the economic pillars of the country overseeing the economic stability of the country, needed to adapt to change, or rather, adapt itself before any situations arose. Therefore, I initiated changes in the way of working internally at the BOT. Many measures were implemented to a degree of success, but some other measures were not continuously implemented or faced delays, with consequences for the stability of the country's economy and finances and, in the end, for myself as well.

To make simultaneous changes in operations on several fronts would require “good and able hands” to accomplish the task in time and meet the various challenges. I noticed that there were many staff members sent by Khun Puey to various outstanding universities in the U.S.A, the U.K., the Netherlands and Japan on BOT scholarships who had already returned to Thailand. Several of them were already working at the BOT and many others were gradually returning but these foreign graduates were often not doing important work in accordance with their training. So, I put these qualified scholars in key positions. Those who were already holding key positions such as Vichit Supinich and Ekamol Kiriwat at the Foreign Department and Navaporn Ruengskul at the Domestic Banking Department remained in their current positions but were assigned more responsibilities.



Dr. Olarn Chaipravat, Dr. Chaiwat Wibulswasdi, Dr. Supachai Panichpakdi, Staporn Chinachit, Dr. Pisit Leear-tham and other scholarship students in the Technical Department with few responsibilities were promoted to higher positions and were gradually posted to other units.

The rather fast promotion of scholarship staff this time prompted a reaction from BOT staff who had been working there for a long time. There were leaflets posted everywhere with a cartoon caricature of the Governor feeding hot dogs into the mouths of these foreign-trained youngsters or ‘farang’ youths.

One area that had undergone rather significant change was the Office of the Governor itself. Formerly, there had

been only secretaries and administrative staff to assist the work of the Governor, but since the work that I initiated generally involved new pioneering undertakings, there was a greater requirement for technicians in the Governor's Office. Prateep Sonthisuwarn, one of the first batch of scholarship students from the Technical Department was transferred to become the Director of the Governor's Office and there were a number of professional staff who joined in a supporting capacity. Prateep had a major role in assisting the work of the Governor and it was unfortunate that, soon after my departure, he passed away with liver illness at an age when he still could have contributed greatly to the work of the BOT and the country. I was pleased that the next Director of the Governor's Office was Dr. Supachai Panichpakdi, who later became known for his stellar performance and fame not only in Thailand but throughout the world as well.

The next problem that needed to be tackled was the severe lack of liquidity in the commercial banking system that had resulted from the fallout of the Vietnam War. After the Vietnamese victory over the United States in the Vietnam War and the unification of North and South Vietnam in 1975, Vietnam sent troops into Cambodia in 1978, conquering that country. Vietnamese troops eventually reached the Thai border. Many Thais were alarmed that there might be savage

genocide similar to what had happened in Cambodia. Thais of good financial standing were amongst the most alarmed group. So they migrated to other countries in large numbers. A significant amount of money was transferred abroad and, more seriously, foreign banks began to lose confidence in Thailand and began to recall their funds or reduce the credit lines that had been extended to Thai commercial banks thus creating a severe liquidity problem in the country.

The liquidity problem was coupled with the problem of major customers of the banks facing losses due to higher costs. In addition, there were also labour problems and sluggish markets in the country and abroad, particularly in the textile sector. The largest bank in the country, which was also the biggest creditor, thus faced its most severe liquidity problem ever. It came to the Governor of the BOT for assistance. The Governor promised to help that bank urgently in order to prevent a detrimental domino effect on the entire banking system.

It was lucky then that there was no problem finding collateral for loans because commercial banks in Thailand held quite significant amounts of bonds as required by the BOT and thus had enough collateral assets for securing loans from the BOT. The situation gradually improved. It should be noted that the BOT genuinely performed its role as a central

*The first 500 Baht note with the serial number 01 Nor 000001*



bank by extending loans as a last resort to commercial banks and was thus able to solve the liquidity crisis of commercial banks on this occasion.

The main principle that the BOT gleaned from the impact of the rapid changes in the country and abroad was the need to create flexibility in the foreign exchange market and the domestic monetary market so that the BOT could use monetary measures more, namely through the domestic interest rate and the foreign exchange rates.

March 8, 1978 was an important day in my career at the BOT as it was the day that the termination of the Baht parity's with the U.S. dollar and gold was announced. Instead, the Baht would be fixed against a number of



currencies generally called the “basket”. This new value of Baht fixing was to bring more flexibility to the foreign exchange rates of Thailand and the Baht would no longer be tied to any single currency as before.

The domestic exchange rates could vary a little on a day-to-day basis, based on the daily fixing system adopted since November 1, 1978. The Exchange Equalization Fund with commercial banks would jointly determine the exchange rate between the Baht and the U.S. dollar every day. This would create equilibrium between the demand and supply of foreign exchange on that day and the Exchange Equalization Fund would intervene and propose a suitable rate in accordance with the current policy. The Fund would increase the demand for or the supply of foreign exchange to the market according to the prevailing situation. This daily fixing was used until 1981 before the adoption of a new method by the Exchange Equalization Fund to fix the rates independently based on demand, supply and current policy.<sup>51</sup>

After the foreign exchange market was able to fluctuate on a daily basis, I turned my attention to the domestic monetary market in order to creating greater flexibility in implementing monetary policy through interest rates in the market. It was necessary to have a more efficient money market with more flexible interest rates to reflect the real demand and supply

of various financial institutions.

During that time, the money market in the country consisted of the treasury bill market and the inter-bank borrowing market. Both markets were small and narrow and they could not support the monetary policies of the BOT. Inter-bank borrowing was also facing problems because the sizes of commercial banks varied a great deal and they were also limited in number, leading to lending and borrowing being very uneven on some days. In order to solve this problem and to promote the short term money market in the country, the BOT developed the repurchase market in 1979.

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<sup>51</sup> Starting at the end of 1978, I was involved in dealing with the crisis of the finance and securities businesses, while also pushing forward the second Act on commercial banking (1979) and the Act on the undertaking of finance business, securities business and credit foncier business (1979) before the close of the session of the legislative council. The first act came into enforcement on 7 March 1979, and the second one on 9 May 1979. As a result, I did not have the time or the energy to promote the plan to enhance flexibility in the foreign exchange market which had a three-step process: (1) undertake Daily Fixing to allow the exchange rate to adjust a bit, (2) move to Crawling Peg or Wider Band to allow for more movement, and then finally (3) Managed Float.

Ending the Daily Fixing regime and reverting to a fixed rate while allowing for free flow of foreign capital must have been one of the causes of the Tom Yum Goong crisis which saw the major devaluation of the Baht and led to the sudden floating of the Baht in 1997.

The idea behind the repurchase market was that the buyer and seller need not to know each other and they need not to worry about trustworthiness because government bonds would be used as the medium and the BOT would be the go-between for the borrower (seller of bond) and the lender (buyer of bond). Financial institutions that needed money would sell their bonds on the market and make an agreement to purchase the bonds back within a fixed period such as one, three or 15 BOT working days. The BOT would purchase the bonds and any financial institution with surplus funds that wanted to invest in the short term would therefore be able to offer to buy the bonds. The BOT would then sell the bonds. On a normal day the buying and selling of BOT bonds through the repurchase market would be equalized. However, on days when the BOT would like to exercise monetary policy to influence new interest rates, the BOT may buy more bonds than it sold or sell more bonds than it bought.

Hence, the repurchase market became a channel for greater short term money market circulation efficiency. At the same time, it allowed the BOT to enjoy monetary policy implementation through open market operations. The repurchase market opened on April 9, 1979. It was an important development through which I and the staff of the Domestic Banking Department, particularly Navaporn

Ruengsakul, launched our monetary market in the country.

After dealing with numerous problems, it turns out that problems with finance and securities companies ultimately became the big issue that ended my life as the Governor of the BOT.

The problem cropped up when the monetary system in the country underwent major changes. There were many new finance and securities companies mushrooming by borrowing from the public and then lending out. The volume was so large that the Government, through the Ministry of Finance, had to find measures to control it by issuing Decree No. 58 from the Revolutionary Council dated January 26, 1972. The Minister of Finance was to be the one to issue permits to owners of finance and securities companies and the Minister had the authority to set rules and control regulations. There were numerous companies that applied for these permits as announced by the decree of the Revolutionary Council. The Ministry of Finance issued permits periodically until the total number of companies reached 100.

When I assumed the position of the Governor of the BOT on May 24, 1975, I was a little heavy hearted and worried when the Ministry of Finance authorized the BOT to be the body to control and regulate the operation of these companies, which were new business in the monetary system

of Thailand. These companies could mobilize funds from the public for the extension of their credit in the same way that commercial banks did. If they were left on their own, with only the permits and regulations of Decree No. 58 of the Revolutionary Council, it would be insufficient. If these companies developed problems, this would have an adverse impact on the monetary system in the future. Therefore, I ordered the drafting of an act on the undertaking of finance business, securities business and credit foncier business in order to establish careful control over them with clearcut measures that could be presented to the legislative council. However, problems led to the delayed passing of the act as in the case of the second draft Commercial Banking Act mentioned earlier. It passed into law only in 1979 when the finance and securities business crisis had already occurred.

The reason why the finance and securities business crisis had an especially high impact on myself was because the cause of this crisis began at the Raja Finance Company Limited where Seri Subchareon, my close friend at the Thammasat Accountancy Faculty in the old days, was managing director and a major shareholder and he was the main culprit. Moreover, there were several other friends of mine involved in this case too. The press therefore attacked the BOT saying that it tried to rescue the Raja Finance Company Limited

from bankruptcy because I was a personal friend of Seri. I came out to refute the accusation because I had to separate friendship from public responsibility as the Governor of the BOT who had to oversee and solve the financial crisis of these companies for the economic and financial stability of the country. In order to make everything transparent, I handed over all Raja Finance Company Limited matters to be under the absolute responsibility of Deputy Governor Sompong Thanasophon without my involvement at all.

The crisis had begun with profit speculation on the capital market or, in the street parlance, “share spinning”, which led to an unprecedented high price of shares without any solid backing. In the end, the value of shares plunged suddenly causing losses to the extent that many people became insolvent and several were even driven to committing suicide. This had a great impact on my psychological state since I felt that I had committed a sin by not being able to prevent the growth of this crisis which had a great impact on business and the lives of many people. I suffered from an increasing sense of uneasiness but, at the same time, I needed to do all that I could, including the pushing forward of the draft act on the undertaking of finance business, securities business and credit foncier business before the close of the session of the legislative council at midnight on April 21, 1979. The draft

act passed in just in the nick of time before midnight and it was proclaimed on May 9, 1979. Two days later I was able to use the powers under that act to control the Raja Finance Company Limited. Its permit was withdrawn on August 7, 1979 with an order to arrest Seri Subchareon for infringement of the act whose creation I had pushed for.

The day that Raja Finance Company Limited fell, I sought an appointment with the Prime Minister and Finance Minister, General Kriangsakdi Chamanand, to accept my responsibility for the case by resigning from the Governorship of the Bank of Thailand.

When I arrived at the Prime Minister's front office, I met Lt. General Chalermchai Charuwas, a Cabinet Minister of the Government House. Lt. General Chalermchai informed me that the Prime Minister was in a meeting and asked if there were anything he could do for me. I replied that this was unlikely since I had come to seek permission to resign from my post as Governor of the BOT. Lt. General Chalermchai was speechless for a while and then said, politely, that he had a few unclear points in his mind and whether he could ask for clarification. I answered in the positive. He then asked that if I were to resign who would be filling in my shoes. I thought for a while then replied that any senior Ministry of Finance official such as Permanent Secretary Chanchai

Leethavorn or the Comptroller General's Department Director General Nukul Prachuabmoh were suitable persons to replace me. He then asked if I were to leave the post today, wouldn't I be leaving the problems to my successor. This question left me numb. His last question was that if I were to resign on account of the fall of Raja Finance Company, then wouldn't any future governor need to resign too if another finance company fell. These last two questions made me feel dizzy and I did not know how to reply properly. In the end, Lt. General Chalermchai politely asked me not to resign immediately. After the problem had been partially resolved, then the resigning issue could be reconsidered.

I left the Government House without seeing the Prime Minister and Finance Minister and felt very tired, a little like an exhausted marathon runner approaching the finishing line, who then sees the line being moved much further away, forcing him to run on further. Nonetheless, I did not abandon my intention of resigning and becoming ordained as a forest monk in a far-away temple to repay the karma that I felt I had committed.

The feeling of having committed a sin was painful. My urge to be a monk increased day by day. What I could do, however, was to read books on the forest monastery without actually being there. So I asked the advice of Dr. Chao Na



Sylvanta who knew several abbots in the forest monkhood lineages. At the time he was an executive member of the BOT Board. Learning of my wish, Dr. Chao demonstrated his true friendship by volunteering to accompany Nui and me to meet the Venerable Ajahn Cha at Wat Nong Pa Pong monastery, Amphoe Warin Chamrarp, Ubon Ratchathani Province. We arranged to meet at Hua Lampong Railway Station on Friday evening and we sat and slept in the rail car all through the night reaching Ubon Ratchathani the next morning. Disembarking from the train, we took a bus to Wat Nong Pa Pong. On arriving there we saw numerous trees all around, with leaves glistening with raindrops after the recent rain. The environment at the Wat Nong Pa Pong was refreshing to the heart and the soul and this reduced my mental tension.

The Venerable Ajahn Cha knew ahead of time that Dr. Chao would be accompanying the BOT Governor to pay him a visit to hear a sermon from him. After paying my respects to him in his room, he asked us to move to the temple hall where he sat on the platform in front of the image of Lord Buddha. We three sat below on the floor in front of him. He preached in the Northeastern dialect and his words were short, simple and easy to understand. He told us that everything is Dhamma. His main point was about knowing



how to “lay down a burden”. If shouldering it made it heavy, laying it down should make it light. His many Dhamma teachings were impressive and I need to express my gratitude to Dr. Chao for bringing me there as a true friend to be introduced to forest monastery teachings for the first time in my life. After the sermon, we returned by train to Bangkok that night and reached Bangkok’s Hua Lampong Railway Station on Sunday morning. What I received from the Venerable Ajahn Cha was feeling of ease, a deep impression of him and an increased interest in the forest monastery tradition.<sup>52</sup>

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<sup>52</sup> This follows his teaching: “not experiencing suffering would not bring one closer to Dhamma”.

One month later, I had the opportunity to pay my respects to the Venerable Ajahn Mun's lineage of forest monkhood in the upper part of the Northeast. This time, my brother Sanong and his wife Lertlaks acted as true friends by bringing Nui and me to pay our respects to and listen to teachings from the Venerable Ajahn Maha Bua at Bantad Forest Monastery in Udon Thani province. We also paid our respects to the Venerable Luang Pu Khao at Glong Pail Cave Monastery in Udon Thani, as well as to the Venerable Ajahn Thes at Hin Mak Paeng Monastery in Nong Khai province. I found each monastery outstanding in its own way. The Bantad monastery has the characteristics of an original Northeast forestry monastery: the centre of the compound is the wooden sala or pavilion with a wooden floor polished to high sheen and large wooden logs holding up a roof made of natural materials. It made us feel as if we had gone back in time to when the forest monastery was not as widely known as it is in the present day. The Glong Pail Cave Monastery has numerous caves and various stones as the name suggests. It has numerous trees providing shade as befitting a forestry monastery. The Hin Mak Paeng monastery has a special feature. It is located on the banks of Mekong River and during the flooding season, with the rapid current coursing over the stones in mid-river, it is beautiful and rare sight with a deep feeling of serenity.

The Venerable Luang Pu Kao was elderly and had stopped giving sermons but Abbot Thes and Abbot Maha Bua still gave Dharma talks. I had never heard talks which gave such fundamental insights about the Dharma until I heard these two senior monks speak, and my inclination to be ordained in the forest monkhood in the Northeast multiplied several fold.

Going upcountry and listening to Dharma talks from these senior monks helped to cool me down and strengthened my resolve to tackle the problems of finance and securities companies facing problems from the plunging stock market and, specifically, the fall of Raja Finance Company Limited. However, solving the problems of these finance companies was more difficult than solving the liquidity crisis of commercial banks. An indirect solution had to be sought because these finance companies did not have bonds or other securities to enable the BOT to provide loans to them. After a period, the problems subsided when several commercial banks cooperated by taking some of the problematic finance companies into their hands.

Later came the establishment of the capital market development fund allowing the securities market and other parts of the capital market to be at a higher standard similar to those found in more developed markets.

When the above problem had been solved to a certain

extent, a new problem emerged. This time, it was the very high interest rate crisis along with creeping inflation that resulted from the second high oil price, a worldwide phenomenon. The interest rate in Thailand hit a ceiling of 15 percent. The Technical Department of the BOT suggested three solutions to solve the crisis: 1) raise the ceiling higher than 15 percent allowing interest rates to vary according to the market mechanism, 2) reduce or waive the tax collected from the deposit income of banks so that people would have higher interest incomes, or 3) a combination of the two, that is, raising the interest ceiling and reducing tax.

I reviewed the proposal from the Technical Department and requested that they clearly study the merits and demerits together with the efficiency of each measure. However, the news that the BOT was considering a reduction of tax on deposit interest income spread and certain members of the media protested. What struck me most was that a large number of leading economists proffered their names to the newspapers and protested that the BOT was considering a reduction in tax. A number of reasons were given, in particular, the social equity issue, which was an interesting viewpoint. What hurt me most was that the list contained a number of leading economists, many of whom had once been my colleagues and were intimate acquaintances. Why did they have to publish their names

in the newspapers in protest against me? Why couldn't they have come and discussed the matter with me face-to-face in a direct manner? I would most likely have agreed with them because, as mentioned earlier, I had a policy of making the monetary market more efficient and the interest rate more elastic. The most serious accusation in the newspapers was that good BOT Governors in the past would have resigned to show their responsibility when they disagreed with the government or when their decisions had a negative impact on the country but this Governor was tightly holding on to his position and was showing no responsibility for the fall of the Raja Finance Company Limited!

I must admit that I felt extremely disappointed after reading the reports in the newspapers and my blood pressure rose rapidly making it necessary for me to see a doctor to check my health. The doctor prescribed me medicine to reduce my blood pressure since it could not be left unchecked for any length of time or there would be the danger<sup>53</sup> of a brain haemorrhage or clot.<sup>54</sup> I needed to reduce my work load and avoid things that might increase the tension.

I returned home and went to bed feeling depressed. I could not sleep and needed the aid of sleeping pills. One day, while I was sleeping deeply in the bedroom, a house staff came to me saying that Nukul Prachuabmoh had come to visit.

I got up, still feeling groggy and sleepy, to wash my face and got dressed so that I could meet Nukul in a refreshed mood. We talked as normal demonstrating that I was not in a serious condition. When Nukul had left, I went back to sleep. I could not sleep for most of that night in spite of the fact that I had made up my mind to resign from the governorship of the BOT the following morning. I was thinking hard which reasons I would give for my resignation. If I went back to the root cause and tried to be as straightforward as possible, I felt I had to resign to shoulder my responsibility for the

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<sup>53</sup> I had suffered from the symptoms of a sudden rise in blood pressure when I went to the Annual Conference of the World Bank and the International Monetary Fund in Belgrade, Yugoslavia in 1979. When the plane touched down at Frankfurt Airport, Germany, I felt dizzy. After I stepped down from the plane, I could not walk any further. The party that went with me had to take me to the airport medical unit. The doctor was alarmed as my blood pressure was unusually high. They immediately injected me with medicine to reduce the blood pressure. I felt better after a while but needed to rest at the airport hotel. At first I thought I might have to return to Bangkok. The next day, I felt better and decided to fly on to Belgrade.

<sup>54</sup> My elder sister Arunee Thavornchit and elder brother Somnuk Unakul both passed away due to a brain haemorrhage. My elder brother Sanong Unakul passed away due to complications from a blood clot in the brain. I myself suffered from a blood clot in the brain in 1991 at the time when I assumed the position of Deputy Prime Minister in charge of the economy in the first Anand Government.

fall of the Raja Finance case. However, I kept on returning to the two points raised by Lt. General Chalermchai earlier. The point concerning taking care of problematical finance and securities companies had seen improvement but the point concerning leaving problems to the next Governor remained since the affair had lasted for a considerable length of time. If I had wanted to show responsibility, why hadn't I resigned when the Raja Finance Company Limited collapsed and other finance companies were bearing the fallout? In the end, I decided to resign on account of my health, which was in a really bad state.

The next morning I telephoned Prok Amaranand, Nui's elder brother, who was the then Deputy Minister of Commerce and was fairly close to Prime Minister and Finance Minister Kriengsak Chamanand. I told him about my uneasiness of body and mind and my rankling feelings and asked that he arranged an appointment for me to see the Prime Minister that morning so that I would be able to definitely resign regardless of any argument or protest.

Khun Prok telephoned back saying that the Prime Minister and Finance Minister could see me at 10:00 that morning. I went to see him as appointed and told him the reasons for my resignation due to health reasons and on my doctor's advice to rest otherwise I might develop a brain



haemorrhage or blood clot.

The Prime Minister must have heard the story from Khun Prok because he did not say much apart from commenting on my intention to be ordained. He accepted my letter of resignation and wished me good luck in my ordination.

I became free of my position as Governor of the Bank of Thailand on November 1, 1979, after a total of 4 years, 5 months and 8 days in that position.

Years later, when an officer of the BOT came to interview me in order to collect information to be kept in the monetary museum of the BOT, he asked me, as a last question, the principle which guided my work. I replied, “My principle in working is to work with honesty, use my ability to the utmost to develop the work so as to achieve higher efficiency and quality and do what is correct and just. This is my work ethic”.

### **Entering the monkhood**

After my resignation from the position of Governor of the Bank of Thailand on November 1, 1979, I took some time off to rehabilitate my body and mind which were weary from hard work since my school days to the pioneering work at the NEDB, Ministry of Commerce and Bank of Thailand, particularly over the previous year where events had led me to

think that I had sinned against other people and numerous close friends. I had the firm intention to repay the sin by entering the monkhood and seriously studying Dhamma teachings in the forest temple lineage of Venerable Ajahn Mun in the upper Northeast where my brother Sanong had already accompanied me to pay respects to various Venerable Abbots at Wat Pa Bantad, Wat Glong Pail Cave and Wat Hin Mak Paeng at the end of my tenure as Governor of the BOT.

This time I had Choochart Pramoolpol, the then Permanent Secretary to the Prime Minister's office, as my true friend on this journey. Choochart knew the forest monasteries in the Northeast well and he brought me and Nui by plane to Udon Thani province and we then went by Peugeot station wagon along the road between Udon Thani and Sakon Nakhon, where several forest monasteries with abbots renowned for their practice were located.

The first temple where we passed the night was Keo Chumpol forest monastery at Amphoe Sawang Dan Din, Sakon Nakhon province with the Venerable Ajahn Singthong as the abbot. Venerable Ajahn Singthong was not very old and he delivered sermons in a simple Northeast dialect which had created a deep impression. He preached about the way to lay down burdens and purify one's mind. We travelled a short

distance the next morning and reached the Noen Vivek forest monastery of Venerable Ajahn Supat which was located right on the Udon-Sakon Nakhon Road, making it appear less like a forest monastery than the others that we had seen so far. We travelled onwards to pay our respects to Venerable Ajahn Wan and spend the night at Abhai Damrongtham Cave temple at Amphoe Song Dao, Sakon Nakhon province. When we arrived there, the abbot was delivering a sermon to villagers at the entrance to the temple. Many people were attending his talk and it looked almost like a political rally. The abbot was notable since he looked like a general in the old army with a strong, huge and muscular body, a loud, bell-like voice, and a strong air of leadership. On this occasion, I was fortunate to have an audience with His Majesty the King who was visiting the people in the area and had come to pay his respects to the Venerable Ajahn Wan.

From the temple of Venerable Ajahn Wan, we took a different road to pay respect to and pass the night at the temple of Venerable Ajahn Juan of Phu Tok forestry temple, Nong Khai province. This temple is special in that it is located on a steep mountain slope. We needed to climb the wooden staircase to reach the temple and the monks' quarters. The scenery was beautiful and we sat and meditated at the edge of a cliff. The abbot said this was a good way to practice

meditation because, if one fell asleep, he or she would fall off the cliff. Venerable Ajahn Juan seemed to have somewhat European facial features and colouring.

The last temple where we passed the night was the furthest. We needed to drive through Sakon Nakhon towards Amphoe Nakae, which was then a battle ground between the army and police and Communist insurgent groups. Before reaching Nakae, we took a right turn and travelled for about 10 kilometres to reach Wat Doi Dhamma Chedi with the Venerable Ajahn Ban Thanakaro as its head. I had once asked Dr. Chao who, among the monks, would serve as the pillar of the next generation. Dr. Chao replied that it would be Venerable Ajahn Ban, abbot of Wat Doi Dhamma Chedi.

Wat Doi Dhamma Chedi also had different geographical features from those we had seen earlier. It is located on high ground, with various volcanic rocks, both big and small, scattered all around. There was a forest but it was not thick as the trees needed to grow in stone crevices and where there was enough topsoil. It had a clean environment befitting a forest monastery.

Venerable Ajahn Ban preached in the Northeastern dialect but his voice was weak since he was none too well at the time. The most surprising thing that occurred was that I met Sirirat Satrabhai (Yom Toh) who had been the bridesmaid of Jane-



jira Vikitses during her marriage to Nukul Prachuabmoh in Washington D.C. some 20 years before. I had been Nukul's best man. It was amazing that both best man and bridesmaid, who had never met since, had run into each other in this far flung place, in the forest monastery of Wat Doi Dhamma Chedi in Tambon Tongkob, Kok Srisupan district, Sakon Nakhon province. I learned that Yom Toh had been practicing Dhamma at Wat Doi for a long time and acted as a laywoman looking after the worldly needs of the sangha (*yom upatthak*). She had set up a kitchen to prepare additional food for the monks and novices who received alms in a remote and barren area where the people were poor and could only give glutinous rice, which was not enough for the monks who consumed

only “Ae-ka” or a single meal a day.<sup>55</sup>

Meeting Venerable Ajahn Ban who was a good practitioner of Buddhism and followed a strict monastic regimen gained my deep respect. Meeting Yom Toh made me feel happy in the thought that even though if I would only receive glutinous rice as alms, Yom Toh would provide supplementary food. I was determined that after my ordination in a temple in Bangkok, I would come to study and practice Dhamma at Wat Doi.

Two months after resigning from the governorship of the BOT, I was ordained on December 27, 1979, at the age of 48. The ordination was performed by the Supreme Patriarch at Wat Bovornniwet with Than Chao Khun Phra Thep Kavi of the Green Bovorn order (who happened to be a relative of Lertlaks, the wife of my elder brother Sanong) as the accompanying chanter. He appointed his disciple Than Thavorn (currently Than Chao Khun Thavorn) to look after me to ensure proper wearing of the robes and other new practices of the new monk during the seven days before I would proceed to study Dhamma at Wat Doi in the Northeast. The

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<sup>55</sup> While Monk Snoh consumed the “Ae-ka” meal while at Wat Doi, Yom Nui also ate her only meal for the day, which she has done during the Buddhist Lent period for almost 30 years.

*The Supreme Patriarch was the preceptor at my ordination*



new monk was named “Supakaro”, which mean one who has performed good deeds.

The mind of the new monk did not calm down instantly. I was still quite restless in the beginning as I had to adapt to a new way of life, like the wearing of robes which kept slipping rather often. Moreover, I missed my family particularly during the New Year’s Eve. These were unwholesome thoughts that I needed to be rid of.

While staying at Wat Bovorn, the Supreme Patriarch gave me a book “Navagovart”, a handbook for new monks that is required to read and memorize. I also received an introduction to meditation, which were summaries of his talks over the Or Sor radio station in the book. The other

book was “Mahasatipatthana 4” considered to be a work of great complexity which requires considerable time to read through thoroughly. After going through it, I felt I better understood the concept of meditation to achieve concentration and wisdom. These three books were considered “Krueng Yu” in the new life of a monk.

On the first day of alms round, my son (Ping Pong) served as my disciple. We went through Banglampoo market then proceeded to Prachatiptai Road. We walked bare footed making us realise that roads in Bangkok were not easy for walking as there were numerous obstacles. There was dog excrement, broken glass and patches of oil. The second day we went to the Bang Khun Prom Palace side, at the intersection where the BOT is located. My former members of staff drove by and did not recognize me. Stopping to look at the office of the Governor in the Bang Khun Prom Palace made me feel that everything is impermanent and made me see vividly the eight *Loka Dhamma* or worldly vicissitudes (fortune-loss of fortune, rank-obscurity, praise-condemnation, happiness-pain). Everything is Dhamma.

After a week's stay at Wat Bovorn, I made my way at dawn on January 3, 1980 to Wat Doi Dhamma Chedi. Nui and the children came to see me off at Wat Bovorn. We set off in a very modern way for forest monks: by our



three-compartment Peugeot station wagon. There was a roof rack to transport things that Nui had prepared for the kitchen at Wat Doi. This was mainly supplementary food to be given to the monks, including this new monk. The group included Than Thavorn, my caretaker monk. We set off after dawn with Thavil, a driver from the BOT, and Sakarin Changlor, my former staff at the BOT who had taken leave to send me off. It took a long time to exit Bangkok as the traffic was very heavy in those days and many roads were under construction and there were no expressways. We made a stop in front of the Siam Cement Plant at Amphoe Kaeng Khoi, Saraburi. We laid a mat under a tree to rest and have breakfast.

After that we had another rest stop for our pre-noon meal at Amphoe Ban Phai, Khon Kaen province in the shade with a mat covering the ground as before. We reached Wat Doi quite late in the afternoon. Venerable Ajahn Ban, having seen our car, mentioned that the modern forest monk practice seemed to allow many belongings, thus making me feel a little embarrassed. The Abbot arranged for me to stay at the *Krai Srom kuti* (monk's quarters), which was located at the second ring layer of the temple compound. This had been built when the Supreme Patriarch came to reside at the temple. The last monk to stay there had been Soruj Sucharitkul, the former Secretary General of the Civil Service Commission.

*Krai Srom kuti (monk's quarters)*



The buildings and *kuti* of the monastery were arranged in several circular rings. The topmost ring held the reclining Buddha. The second topmost ring was the location of the main assembly hall in a cave with the residence of Venerable Ajahn Ban at the back. The next was called the first layer ring and it was surrounded by wooden residential huts for the monks. The Krai Srom *kuti* was located just below that. This *kuti* was made of wood with a big stone slanting down at the front. The shelter under the stone was used as a place for meditation. There was also a walk way for meditation at the side. The next rings were the third and fourth layer rings which were far off and suitable for experienced monks and those who prefer greater solitude.

There were concrete walls around the temple to mark its perimeter and to fend off hunters who often set fire to the forest in order to hunt animals. In those days, the area was deemed to be a red area. The walls still had bullet holes from the fighting between state officials and the Communist insurgents.

The weather was very cold and the Krai Srom *kuti* had a floor of wooden planks with spaces in between which the wind blew through. There were two geckos under the roof and soon they became my friends. Than Thavorn, who had come with me said that he had never been anywhere that was so quiet like this after dark. It was so quiet that a falling leaf on the roof sounded like a piece of falling stone.

During my stay at Wat Doi, the Venerable Ajahn Ban emphasized that the daily temple practices were very important and considered as a part of Dhamma practice. After getting up, one had to sweep and clean up the area, put on one's robe and go out for the alms round. The monks were divided into three groups. The first group was led by the Abbot with senior monks and they went to Ban Huey Heep, about one kilometre from the temple. The second group with Monk Snoh would go to Ban Na Si Nual, about three kilometres from the temple or six kilometers for both directions. The first section of the path was stony and was followed

by a gravel path. We started our alms round at 6 a.m. The monks walked very fast and performed walking meditation along the road. We returned just after 7 a.m. The food given by lay people was largely glutinous rice but sometimes we got bananas and insects as the people were rather poor there though they had a strong faith in Buddhism.<sup>56</sup> The third group consisted of young monks who were still strong and they went to a village further away to receive alms.

My feet were sore after the first day of alms round at Wat Doi and by the following day, they were bleeding. But this was considered to be a way to practice contemplating one's suffering. According to Buddhist principles, monks needed to go for alms round every morning and however painful it was they had to bear with it, keep walking and the bleeding would stop. The wounds under my feet soon were replaced by hard callouses making the walking less painful later on. When I was new there I tried to help hold the bowls of senior monks on a few occasions but later stopped doing so because this particular new monk was also rather advanced in age and

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<sup>56</sup> Venerable Ajarn Ban and his disciples from both the public and private sectors took a good care of poor villagers through their education, health, occupational and other social services so that living conditions of the villagers are now much better off than before.

holding alms bowls on both sides was rather inconvenient. So the stronger and younger monks helped instead. After returning to the temple from our alms round, we washed our feet, took our robes off and put them in the sun. After that the younger monks would help arrange the food with the supplementary food from Yom Toh and other people. Each monk would put his food all into one bowl, to be eaten with one hand. Before starting the meal, the Abbot would preach to the monks and lay people and give blessings to those who had provided the food and other things. The bowls would be cleaned after the meal and laid in the sun on a yellow cloth to cover the stone. The interiors of the bowls were exposed to the sun. Then, the door of the assembly hall would be closed. When the bowls were dry, they would be put in individual carrying bags and each monk would carry his own bowl back to his *kuti*, have a short rest and then practice Dhamma on his own. While meditating, we changed positions from sitting to walking every 45 minutes.

Some days, the meditation was calm and the time might exceed 45 minutes. Around 3:00 p.m., there would be a break to drink some water at the hot water hall followed by sweeping and cleaning the areas in two locations, near one's own *kuti* and, then, the common area. In the evening we took a bath and then returned to our *kuti* to sit in meditation and then walk



*Preparing for the alms  
round at Wat Doi*

*Sweeping the temple*



*Walking in meditation*



*Seated in meditation under a rocky outcrop*

in meditation in front of the *kuti*. We listened to Dhamma tape recordings until 10 p.m. then went to sleep on the floor with thin bamboo matt. If the bell rang at night it meant a call to assembly and all the monks would gather in the hall to listen to a sermon from the Abbot.

It was not the Buddhist Lent period when I was at Wat Doi so there were not many meetings. There were only a few monks and it was very quiet. The abbot strictly monitored the practices of the monks. We were not allowed to talk. We had to keep to ourselves and we needed to get up at 4.30 a.m. to perform our daily practices as mentioned earlier. After that, we read books using flashlights because the *kutis* had no electrical supply. Time permitting, we would listen to tapes using battery power. Normally, the lineage of monks who emphasize Dhamma practice does not encourage the reading of too many books but the sources of knowledge for this new monk were based on reading. If I could not read books or listen to tapes, I would not develop concentration or wisdom. So I read the books of Venerable Ajahn Maha Bua. I sat in meditation and walked and then listened to tapes. These tapes were always extremely useful regardless of the time, whether it be 1 a.m. or 5 a.m. In the middle of the forest, I invited the visit of the Supreme Patriarch via tape. He gave me a talk every time, never refusing at all. I was extremely fortunate to

be sitting in meditation, walking in meditation, listening to tapes, reading Dhamma books and then going back to walking in meditation. It was a major physical adjustment to pass several months in this way, in a state of extreme solitude.

My practice was largely based on the contemplation of the breath or *anapanasati*, which strives to take note of the inhaling and exhaling of breath. On many occasions, I also did *kayanusati*, which is the contemplation of the body. I would do so by starting with the outer layer of the skin wrapping the body, then removing the skin to contemplate the connective tissue, then removing the connective tissues to contemplate the blood and the internal organs, then looking into the internal organs to see the things which are unclean and not beautiful, which would lead to finally to the contemplation of death, or *morananusati*.

My own practice seemed like a cycle. I needed to exercise extreme effort before my mind calmed down consistently. I tried for three weeks before reaching this stage. Reaching it gave me a wonderful sense of joy. My hairs stood up, I felt light and felt a sense of ecstasy that I had never experienced before. Feeling this ecstasy gave rise to defilement since I craved it again at the next day's practice. This led to problems as I would be restless again and had to start my practice all over again. I had to have endurance. Sitting was very painful



in the beginning but the Venerable Ajahn Ban taught that pain is part of the *khanda* of *vedana*, or sensation. It is *anicca*, impermanent, so it appears, exists, then disappears. If one remained patient and maintained one's mindfulness, contemplating one's pain in a neutral manner, after a period of time the pain would disappear.

Three weeks later I again encountered extreme peace and felt great happiness and ecstasy for a second time. This time, I tried not to think about it or crave for it but I could not resist, so my mind became restless once more and I needed to start all over again. On the third occasion, three weeks later, my mind was very peaceful and it lasted long enough for me to see what was going on in my mind. When something came up in my mind, I would contemplate it mindfully and then it would disappear after a while. Shortly after, another thing would come up, and again, I would contemplate it mindfully, until it passed. This made me see mindfulness that occurs, exists and then passes away. It could be said that what Lord Buddha had taught on *Tilakkhana* or the Three Characteristics was being witnessed by "my inner eyes" this time.

After a long period at the Wat Doi, the people there began to become aware that I was the former BOT Governor who was trying to develop rigorous Dhamma practice. Some people wanted to be my disciples. One man, still young, called Tid

Hun came to tell me an interesting story about Lup Huey Kor valley. He suggested that after cleaning the alms bowl and returning to the *kuti*, he would invite me to take a walk to Lup Huey Kor valley. I did not know what came over me. I followed Tid Hun and disobeyed the monastic rule by going out of the temple bounds without the permission of the Abbot. I ventured towards the back of the cave of Abbot Fun on the fourth ring and passed the volcanic stones yard with its many flowering plumeria trees. It was located opposite to the “Big Cave”, which Tiang Sirikan, a former member of the House of Representatives and a leader of the Free Thai Movement in the Sakon Nakhon area, had used as a base during World War II. We needed to climb the steps to get over the temple wall. We walked through the forest, up and down hills for a long time before reaching Lup Huey Kor, which could not be seen from afar because of thick forest. We had to descend by climbing down a considerable way. There were holes all around, some with traces of use. Tid Hun said that the comrades (meaning the Communists) had only recently left the place. I did not know how he knew that! Tid Hun cut a tree branch to use as a walking stick to help while climbing. I had to climb down about 100 metres. At the bottom was a cool running stream with numerous butterflies. After sitting in meditation for a while we went back. We were heavy-hearted as we looked

up and wondered how we were going to climb up the steep valley. We had to steel ourselves and then climbed up step by step without counting. Finally, we made it to the top and walked back. It was late in the afternoon when we reached the *kuti*. One monk came to inform me that the Venerable Abbot Ban wanted to see me. Sitting together, he asked if I had been out of the temple grounds. Probably, he wanted to reprimand me for going out without his permission and he probably knew that I had been to Lup Huey Kor valley, which was a very dangerous place because it was under Communist control. I, Monk Snoh, had to prostrate myself and seek his pardon for acting without thinking properly. The Abbot was very kind and forgiving and asked me not to do it again.

After practicing Dhamma for a certain length of time, I gradually began to distribute my belongings from Bangkok to villagers. I had less attachment to things but more to the village folk. The villagers asked me to continue to serve in the monkhood. They did not want me to depart and this made me hesitate over whether I should return or should continue to practice at Wat Doi. However, when I thought of my family and my duty, I made up my mind to do what I had decided earlier: to return to Wat Bovorn and leave the monkhood after three months had elapsed.

Before the day of my departure from Wat Doi, Nui, my



brother Sanong, Lertlaks and my sister Arunee drove up in the Peugeot to pick up me and bring me home. Before my departure, Venerable Ajahn Ban asked me to quit alcohol so that I could keep to the five precepts in a pure manner. Monk Snoh replied to him that normally I did not drink any liquor, only at parties and with friends when I did consume some red wine which doctors recommended as medicinal. I said I would not exceed two glasses of red wine. The Abbot asked, “Are these friends your father?” Monk Snoh did not respond and did not accept the request since I didn’t want to break my word to the Abbot.

Monk Snoh paid my respects and took leave of Venerable Ajahn Ban with a feeling of deep gratitude for his kind

teaching and training and for giving his permission to stay in his comfortable and tranquil temple that had been most suitable for Dhamma practice for the last three months.

Monk Snoh bade good bye and expressed his appreciation for Yom Toh who had taken good care of the new monk by arranging supplementary food for the “Ae-ka” or one daily meal as well as for her advice, recommendations and tips on the Dhamma.

On the way back from Wat Doi to Bangkok, we stopped by temples that we had visited earlier such as Phu Tok Forest Monastery of Venerable Ajahn Juan in Nong Khai province. Venerable Ajahn Juan was kind and noted that I had been in the monkhood for the past three months. He arranged for me to stay in solitary confinement on the other side of the mountain. I was to be in a *kuti* in the cemetery on the cliff that cantilevered out into the air. It was very lonely and fearsome. That night, the villagers set fire to the forest and the flames emitted crackling noises from the burning bamboo like bursting bombs all night. It was a night that tested my will after my considerable length of time in the monkhood.

Next morning, our car left Wat Phu Tok and travelled northwards to the cave monastery of Phra Phu Wua, Amphoe Seka, Nong Khai province, bordering Laos. Our group included a rather elderly white-robed layman who assisted

the monks. This time he guided Monk Snoh, elder brother Sanong, Lertlaks, sister Arunee and Nui to a meditation place on PhuWua where Venerable Ajahn Mun used to meditate. At Phra Phu Wua temple, we met a Western monk from the International Forest Monastery. We had met earlier when he went to practice Dhamma at Wai Doi. We paid our respects to him and then walked into the forest. We saw the elephant path and as we went deeper in we sensed the thick forest as the humidity increased. We walked further up the hill and saw a wide stone yard with numerous pools of water like the *Anodard* pools in the fairy tale. It was a natural sight that we could not have imagined to exist in Thailand. Our party sat in meditation around the pools. After a while, we heard the noise of footsteps approaching. When we opened our eyes, we saw ten strong young men, holding AK-47 guns, walking out of the forest. The white robed man whispered in my ear saying, “Comrades, comrades”. The party from the forest asked Nui where we had come from and Nui was quick to answer from Sakon Nakhon. Seeing that Nui was continuing to engage the “Comrades” in conversation, the man in the white robe quickly cut in, saying in Northeastern dialect that it was time for us to leave for Phra Phu Wua monastery. He drew Nui from the group to safely rejoin our party. It was a rare experience. We were not afraid but we were cautious.

We did not see the Western monk again at Phra Phu Wua monastery but, later, about three years ago, Nui and I went to visit the Thai temple in Perth in Australia and went to pay our respects to the Abbot who was a Westerner. He said to me, “Dr. Snoh, we have not met for a long time since our encounter at Phu Wua temple.” I was surprised and glad to see him again as I had thought that he had died because we had heard news that the Communist insurgents had killed a Western monk at Phra Phu Wua monastery. We were very happy to see each other again. Later we learned that he was the Venerable Ajahn Brahmavangso who had graduated in nuclear physics from Cambridge University. He is a practicing monk and a disciple of Venerable Ajahn Cha. He was very good at preaching in both Thai and English. He had a great sense of humor, which was his personal touch. He has given Dhamma talks in Singapore where the crowds had been huge. He has written Dhamma books in English, including many with various entertaining stories in them, and has a readership all around the world. Nui’s niece (Srivara Issara) got permission to translate one which was called “Chuan Muan Chuen” in Thai and it has become very popular among Dhamma practitioners.

After another night at Phu Tok Temple, the pilgrimage group journeyed to pay its respects to the Venerable Ajahn

Maha Bua at Bantad Forest Monastery, Udon Thani. The group then departed for Bangkok while Monk Snoh stayed there for another five days. On the alms round in the morning, I felt through my feet that the gravel on the roads in Bantad Forest Monastery was more refined than that at Wat Doi. The Venerable Ajahn Maha Bua gave excellent Dhamma talks and he was very strict. He would walk around at night and check if the monks and novices were practicing. The forest near the temple had strange animals. There were a number of Western monks practicing there, each staying over 10 years. Monk Snoh tried to discuss Dhamma with the abbot and got very interesting view points from him.

Upon returning to Wat Bovorn for a few days, the Venerable Than Chao Khun Phra Thep Kavi, the head of the Green Bowon order, performed the disrobing ceremony. Disrobing is easier than ordination as there is no need for a preceptor monk and there is no ceremony in the hall. After disrobing, I wore a laymen's outfit. My trousers almost slipped down as I had lost more than 10 kilograms. I was thin and dark from sunburn. On the day of the disrobing, Nui and the children came to collect me. The children were excited as my feet had become thick from going on alms round at Wat Doi. Thick and sharp skin stuck out. We had to use a big pair of scissors and a razor blade to remove it.



Towards the end of my monkhood at Wat Doi, my former colleagues at the NESDB, led by Kosit Panpiemras, came to see me without forewarning. Lifting up my gaze from meditation, I saw them walking towards me in a column. There was Somchai Krusuansombat, widely known by his penname “Zoom” in the Thai Rath newspaper. Zoom was impressed that Monk Snoh managed to practice so well in such a secluded place. He wrote a column upon his return in his “Zoom Sok Sack” column and this brought several more groups to visit me but we missed each other as I was on my way back to disrobe at Wat Bovorn at that moment.

Ordination made me understand the teachings of Lord Buddha much more deeply than before and I now use them to judge world affairs, by not being overly serious in life and work and accepting the impermanence of all things with their birth, being and passing away in the end as the normal process. This reduced my holding on fast to various matters and was useful to me in both life and work later on.





## Chapter 7



*Eight Years with  
the Prem Administration  
(1980-1989)*

## **Second appointment as Secretary General of the National Economic and Social Development Board**

During my time in the monkhood at Wat Doi Dhamma Chedi, one thing I was determined to do for the monastery after I left was to improve the two ponds at the centre of the compound. They could not retain water for very long after the rainy season. The water dried out rather quickly as the ponds were not well built and full of leaks. The trees around the ponds also dried out during the dry season leading to forest fires in the monastery and unbearably high temperatures. While I was a monk there, I used to assist the other monks in the difficult task of extinguishing the fires with gunny

sacks and other materials. Therefore, following the end of my practice period at Wat Doi and after I disrobed from the monkhood, I requested permission from the Venerable Ajahn Ban to organize a *kathin* merit-making ceremony to solicit donations for the improvement of both ponds so that they would be able to hold water for year-round use. This would increase the moisture in the air and make the trees greener. It was also a way of preventing future forest fires in the monastery grounds. Later, Venerable Ajahn Ban installed a pipe bringing water down from the hills, making Wat Doi more lush, quite unlike the time when I was there.

After leaving the monkhood, I remained at home for a while before going to Chiang Mai to rest there. Upon my return, as we flew over Nakhon Sawan, the plane suddenly began to shake severely. The noise in the plane was loud enough to suggest that we were encountering some problems but, nonetheless, we flew on without a hitch. Once we reached Don Muang Airport, we found out that there had been a plane crash just moments before our arrival, resulting in the deaths of several high-ranking Buddhist monks. I later learned that the monks who had passed away were the Venerable Ajahn Wan, Venerable Ajahn Singthong, Venerable Ajahn Supat and Venerable Ajahn Juan. I was in total disbelief because I had just been to pay my respects to them and had stayed

in their temple only a few days earlier. In addition, another casualty was Venerable Ajahn Boonma who I had never had the chance of meeting. It was the greatest of losses to the forest monkhood lineage. All of a sudden, I was asked to identify the bodies of these monks at the Bhumibol Hospital together with Dr. Chao Na Sylvanta, who had lost his wife, Khunying Khaisri, in the same incident. When identifying the bodies, which were charred almost beyond recognition, I needed to compare the physique of each monk as I remembered him. It was yet another major lesson in the Dhamma: impermanence, suffering and non-self.

Since I had been ordained and had a chance to practice Dhamma, I was invited to speak at various important functions. One of these was an invitation to give a talk at a seminar on “Buddhism and Development in the New Era” on May 15, 1984<sup>57</sup> at Bovornniwet Temple. I gladly accepted this invitation as this provided an opportunity for me to participate in the affairs of the temple that had hosted my ordination. I was asked to talk on the subject, “Is Buddhism an obstruction to development?” The short and simple reply was “no” if one followed the true teachings of the Lord Buddha. I applied the

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<sup>57</sup> After my return to serve as Secretary General of NESDB for the second time.

principle that one should avoid misconduct, perform good deeds and keep one's mind calm. It appeared that my talk was quite well received since the producers of a journal entitled "National Identity", published by the Prime Minister's Office, asked for permission to publish my talk, which was also translated into English.

Another invitation for a lecture came on June 26, 1985 at the Rural Dhamma Study and Practice Forum at the Welfare Unit of the Bank of Thailand. The topic was "Dhamma and Economic Problems" and the Deputy Governor, Chavalit Thanachanand, and Dr. Supachai Panitchpakdi attended. After my talk there was much discussion.

After more than six months outside the monastic life, I was involved in many more activities including taking Nui on our second honeymoon – keeping a long overdue promise from the Hua Hin Railway Hotel after the passage of 15 years and the birth of five children.

Our second honeymoon began with our trip to Vancouver, a medium-sized city set in the midst of very beautiful natural surroundings. We visited the Butchart Gardens where flowers bloomed in profusion. After two nights in Vancouver, we

boarded the double-decker sky train. The upper level was designated as the dining area and had a transparent roof that afforded a view of the landscape. We passed rapid streams all along the route. The train snaked along hillsides; from where we sat we could see the last bogey of the train still passing through the previous bend. We passed the night on the train before reaching Banff where we spent the night at the railway hotel, a building resembling an old castle. Looking out of the window, we saw a huge waterfall on the left and three snow-capped mountains known as The Three Sisters. It was an unforgettable sight. We bathed in a mineral water pool and walked through the woods by streams and waterfalls. The next morning we rented a car and drove in a leisurely fashion to Lake Louise with its large hotel on the banks of the emerald waters. Looking through the mountain channels, we saw an ice field in the middle. We drove onto the Columbia Icefield. The icefield has become shorter by several kilometers in recent years and was used to illustrate the impact of global warming by former American Vice President Al Gore in his documentary, "An Inconvenient Truth", which helped earn him the Nobel Prize. After three nights in Banff we continued by plane to the U.S.A. heading for Jackson Hole in Wyoming. It is a very small town but we managed to rent a car to drive to Yellowstone National Park, America's first national



park. Driving along the asphalt paved road without a single car in sight we felt as if we were in the movie “Big Country” with its scenes of endless pastoral landscapes devoid of a single human being. Driving on until dusk descended we turned and looked at each other, both thinking, if this car breaks down, then how long would we need to wait before seeing another soul or maybe a bear would see us first?

When we reached Yellowstone National Park, it was already dark. We had to drive on for a long time before we saw the lights on the various containers that were used as lodgings by students who earned part-time pocket money while working at our hotel.

The next morning we left the hotel to watch Old Faithful,<sup>58</sup> which is a hot water geyser that spouts water into the air every few minutes. We drove along the route, which had designated rest stops for us to stop to admire the view and observe animals en route. We marvelled at how well and efficiently the national park was managed.

After two nights, we found it difficult to leave Yellowstone National Park. We drove back to Jackson Hole and found lodgings near the Grand Teton, which is a majestic mountain

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<sup>58</sup> Coincidentally, on the day I wrote this section of the memoir, President Obama took his daughters to visit Old Faithful.

*At Columbia Icefield*



*At Old Faithful,  
Yellowstone National Park*



of sublime beauty.

We ended our trip together feeling joyful and refreshed and flew on to Chicago for a small family reunion with my younger sister Paew, who had moved to the U.S.A. a long time before with her husband, Varoon, and our niece, Kathy.

While staying with Paew in Chicago, I received a telephone call from Thailand and was surprised to hear a voice saying to me, “Noh, this is Amnuay speaking”. Dr. Amnuay Viravan, the Finance Minister, was calling to inform me that the NESDB was in the middle of preparing the Fifth National Economic and Social Development Plan (1982-1986). Thailand was facing several problems and was in need of a leader to draft the plan that would address these problems

and lay out a clear approach for future development. The Prime Minister, General Prem Tinsulanonda, the Deputy Prime Minister, Boonchu Rojanasthien, as well as Dr. Amnuay agreed that I needed to return to resume my position as the Secretary General of NESDB.

I pondered the idea because I had ended my stint as Governor of the Bank of Thailand one year before that. I had fulfilled my wish to enter the monkhood and had rested for about nine months. Now that the nation was facing problems and if the Government thought that I could be of some assistance, then I should not decline. So I said yes to Amnuay and returned to the post of Secretary General of the NESDB for the second time on November 25, 1980.

After my official appointment as Secretary General of the NESDB, I returned and sat in Cabinet meetings as before.<sup>59</sup> Observing the various personalities and discussions that went on in the Prem cabinet, I could see that there were conflicts among the major political parties in the coalition government. One of the major parties was the Social Action Party,

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<sup>59</sup> In those days there were three permanent civil servants sitting in cabinet meetings, namely: the Secretary General of the National Security Council, the Director of the Budget Bureau and the Secretary General of the NESDB

headed by Boonchu Rojanasthien, the Deputy Prime Minister, who had earned himself the nickname of “Economic Tsar” overseeing economic affairs.<sup>60</sup>

As I had been approached by the Deputy Prime Minister to return for the second time as Secretary General of NESDB, various Cabinet ministers who were in conflict with the Social Action Party had the preconceived notion that I was his lackey and suspected that I would be working for the benefit of that particular political party. I also noticed that the Prime Minister seemed uneasy about this too. So, I saw the need to seek a private meeting at his Si Sao Theves residence which he kindly agreed.

I told him sincerely that during my entire working life, including the period as Governor of the Bank of Thailand, which I had accepted after being approached by Boonchu, I never allowed personal relationships to tarnish my work and my pursuit of the greater good, righteousness and justice. I re-affirmed my honesty before the Prime Minister. He looked at me in the face for a while and then told me to continue to work in the manner I had described and I thanked him for that. He then asked about the preparation of the Fifth Plan

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<sup>60</sup> The leader of the then Social Action Party was M.R. Kukrit Pramoj who was not a cabinet member.

that was a major task that needed to be dealt with urgently, inquiring whether I had a chance to look into the matter yet. I replied that I had already reviewed and consulted with colleagues at the NESDB who had worked together with me on earlier plans. We had concluded that we wanted to ensure that the Fifth Plan would set forth policies and guidelines to solve the various problems which had been raised by the people:

- 1) With higher level of development, why have deficits also increased, with higher trade deficit, higher current account deficit, and higher budget deficit?
- 2) With higher level of development, why do people seem to be getting poorer?
- 3) With higher level of development, why does it seem to be concentrated only in Bangkok?

The most important was to ensure that after finalization, the Fifth Plan would not just be “*ning*” (still)<sup>61</sup> and exist only on paper but would actually be put into practice.

The Prime Minister spoke only briefly as per his usual style, saying, “If it can be carried out this way, then that’s good”. After touching on other matters for a while, I begged my leave. Prime Minister Prem ended with these parting

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<sup>61</sup> A wordplay on the English term “planning”.

words, “Thank you, Khun Noh, for coming to work with us”.

After that the Prime Minister referred to me as “Khun Noh” (my nickname) at all times whether outside or inside Cabinet meetings.

### **Fifth and the Sixth Development Plans**

I returned to my position as Secretary General of NESDB for the second time at a time of overall political stability although there were occasional conflicts among the political parties at times. The Prime Minister asked me to establish an economic management system<sup>62</sup> because the lack of political stability during the five years between 1975-1979, with as many as seven administrations taking office, had resulted in rather shaky economic management.

During that period, the NESDB had the confidence of the head of government, who assigned it the role of providing economic and social policy recommendations, screening various policies and projects and identifying which crucial issues required a Cabinet decision at the highest level.

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<sup>62</sup> Boonchu Rojanastien ended his post as Deputy Prime Minister in charge of economic affairs when the Social Action Party withdrew from the Prem Administration in March 1981.

It was with immense pride that I was now back at the helm of NESDB once again.

The first few days of my return at the end of 1980 coincided with the preparation for the drafting of the Fifth Plan and the second oil crisis which resulted in high inflation worldwide and a subsequent recession.

Thailand was also affected by this. In fact, it had already faced an on-going trade deficit and a current account deficit even before the oil crisis. Thailand was in the throes of monetary and fiscal instability and a balance of payments deficit which required urgent remedy.

In addition, Thailand was concerned about threats from Vietnam and Cambodia because Vietnamese troops had already advanced to the border at Aranyaprathet and there were indications that they might cross over into Thai territory. At this time, the “Domino” theory was well known all over the world. People were alarmed and morale was low. Many Thais and foreigners residing in Thailand emigrated overseas, leading to heavy capital flight and Thailand’s capital reserves shrinking even further.

The start of the Fifth Plan happened during one of the most critical periods when we had to think about the survival of our country. How would Thailand avoid bankruptcy and how could we reduce our dependency on oil? There seemed

to be problems everywhere. At the same time, we could not simply focus on problems and become discouraged. We needed the determination to prepare Thailand to become stronger once again. Hence the issue was how to devise a National Development Plan that would be able to solve the various accumulated problems and also address the conundrum of the greater the development, the more the deficit; the greater the development, the more serious the poverty and the concentration of development in the Bangkok area. The most important thing was to make the Fifth Plan realistic and implementable.

So, the Fifth Plan had to be deployed with “defensive” or reactive and “offensive” or pro-active strategies. The reactive position involved solving economic problems that were causing great instability and poverty. At the same time, the country could not afford to sit still. In other words, we needed to turn crisis into opportunity. We needed to have a pro-active plan to chart the course for the country’s future.

The “reactive plan” was the plan to solve the various urgent problems of the country and the various issues already raised earlier. The first plan was to solve the deficit problem and inflation, in particular, problems that had resulted from the concurrent trade deficit, the current account deficit as well as the serious budget deficit. The plan would aim to



bring back the country's economic and social stability by strictly adhering to monetary and fiscal discipline, cut down expenditure and reduce borrowing from domestic and foreign sources. This would address the country's economic downturn and avoid the need to declare bankruptcy as had happened in the Philippines.

The second plan involved the development of poor rural areas because, in the past, higher level of development resulted in greater income disparity. Rural development had been done in a piece-meal manner in the past. Therefore, this problem had to be tackled by pinpointing the areas to be developed and by formulating a new approach for rural development. It was the first time that Thailand had identified and selected poor villages all over the country and then determined development measures by asking all the concerned agencies to take action simultaneously. It was also the first time that we had introduced this idea in the national plan framework with the involvement of four key ministries, namely, Ministry of Agriculture and Cooperatives, Ministry of the Interior, Ministry of Education and Ministry of Public Health. These were the ministries which most closely related to the lives of the people in the area so they needed to collaborate to develop various projects jointly in a more synchronized manner. At the village level, there needed to be some kind of strong

institutions to help in the implementation. Capacity building, for instance by teaching basic accounting, would help to increase the knowledge of residents and allow them to be more self-dependent. An information centre for poor villages would be set up at Thammasat University using computers and information specialists to tabulate village survey information into the Kor Chor Chor 2 Khor national database with an information system indicating basic minimum needs (Jor Por Tor). This would be a way to synergize efforts of various organizations both vertically and horizontally. Later on, two other agencies joined this effort, namely the Ministry of Commerce and Ministry of Industry.

Eventually, the Development Plan for Poor Rural Areas was completed and put into action in 1982, the first year of the Fifth National Development Plan, with a speech by Prime Minister Prem showing that he placed great importance on rural development:

“My government and I have made several resolutions. One area that is the most important and a task that must be accomplished, which we have tried to do in the past and which we must continue to do, is to alleviate poverty and improve the standard of living of the people. I assure you that I will spare no effort in this task and I am sure that all of us feel the same way. We may fail in other areas but we must not fail the

poor people so that they can live a better life. We shall join our hands in this matter and we also hope the people will join us too. Our efforts will require endurance, persistence and unwavering determination. This is the promise we have made to the people particularly these poverty stricken people in the rural areas.”

Later, the Development Plan for Poor Rural Areas was put into practice and it was later followed by the Progressive Village and Major Urban Area Development Plan. It was further expanded to serve the policy of distributing growth to the various regions of Thailand.

While solving all these problems, we also made preparations for laying a solid foundation for the country by taking a pro-active strategy with the third plan, namely, the Plan for the Development of Key Cities and the Eastern Seaboard. This plan aimed to distribute growth from Bangkok to the major regional urban centres commencing with Chiang Mai, Songkhla, Khon Kaen and Nakhon Ratchasima. These communities would be strengthened and the people in these areas would not need to migrate to Bangkok.

In addition, the Fifth National Development Plan had the important task of creating an effective environment for cooperation between the public and the private sector with a view to expanding development opportunities. This was

to smoothen the rocky relationship between the two sides. Government officials often accused the private sector of being extortionists and selfish, not making sacrifices for the country and ready to escape during times of crisis. The private sector, on the other hand, accused government officials of being inefficient, no better than social parasites and using their authority for self gain instead of for the common good. Therefore in order to build up a stronger private sector, the public sector had to change its role from controlling mode to promoting development, with the private sector playing a leading role in development.

Nevertheless, the most important plan that brought widespread recognition to Thailand, even from abroad, and which helped boost its economic recovery was the Eastern Seaboard Development Plan which needed immediate implementation. I compared Thailand to a small grocery store in a narrow lane. At the time we only had Klong Toey port which is a small facility, thus cargo had to be transferred to bigger vessels in Singapore. Klong Toey port could accommodate ships of ten thousand tonnage, but if the water level was low, the ships could not cross the sandbars. Moreover, having the only port at Klong Toey worsened traffic congestion in Bangkok. With more development came more cargo and worse traffic congestion. So, I tried to find alternative access to the

sea to build a deep water port. This would raise the economic status of Thailand from being merely a grocery store in the narrow lane to being a department store on a major route.

We needed to open our country by building two deep sea ports, namely, Laem Chabang for general and export industries and Map Ta Phut for heavy industry, particularly petro-chemicals. Natural gas had just been discovered in the Gulf of Thailand which prompted Prime Minister Prem to coin the catchphrase “*Chote chuang chadchaval*” (meaning “bright illumination”). Once the gas pipeline was built, the natural gas would be separated for different uses, with some chemicals to be used as the raw materials for the petrochemical industry and the rest being used for fuel to generate electricity.

I came under heavy criticism at the time, even at the Thailand Development Research Institute where I was Chairman of the Council of Trustees and the Chairman of the Board of Directors. People opposed this matter as they saw that Thailand was running out of options. How could we get involved in such a large operation, on a scale that we Thais had never done before? Wouldn't this lead the country towards collapse?

At that time, we needed to work very hard. We needed to solve the economic problems of the country and at the same time we needed to launch new initiatives for the future

of the country. It was lucky that I had a senior friend, Dr. Saburo Okita,<sup>63</sup> who was the Chairman of the Overseas Economic Cooperation Fund (OECF) and Minister of Foreign Affairs of Japan at that time. Through Dr. Okita, I was able to contact the Japanese government to provide an OECF loan on concessionary terms with a low interest rate and a long repayment period. The loan was used for surveying, design and construction of both ports as well as an industrial estate, a water reservoir, water pipes, etc. More importantly Prime Minister Prem was a strong head of government and the Cabinet felt obliged to him. He supported me as Secretary General of the NESDB who upheld the principle that all work was for the common good and not for personal gain. Everything needed to be done in an aboveboard manner with nothing under the table. This was the main principle applied during the eight years of the Prem administration.

In fact, there were several other plans in the Fifth Plan designed to move the country forward on various fronts in a pro-active manner. However, when the time came, various situations and conditions dictated that we mainly acted in a reactive way. The main economic problem was Thailand's

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<sup>63</sup> Dr. Okita was head of the Japanese mission to study the Fifth and the Sixth National Development Plans to find appropriate channels for development assistance.

struggle for survival and to avoid bankruptcy. We needed to tighten our belts, slash the budgets and tighten credit control. We exhausted all avenues until we had to resort to the only option left—the devaluation of the Thai Baht in 1984.

In announcing the crucial decision to devalue the Baht, there were several key people all of whom made sacrifices. The first was Prime Minister Prem, who by virtue of his position, was the first to be attacked. The next was Sommai Hoontrakul, the Minister of Finance, who suffered extensively. There were several others whose names are not mentioned. It was a great burden but it was necessary. The NESDB agreed with the position of the Ministry of Finance. Although we wanted to move ahead and we wanted to develop, when the nation faced problems, we had to stop and find solutions.

Sommai assumed the position of Minister of Finance in the Prem Administration on March 11, 1981 a year when there were wide-spread rumours that the Ministry of Finance was near bankruptcy and could probably not even afford to pay the salary of civil servants. This was due to a deepening budget deficit, which increased from 25,278.7 million Baht in the 1981 fiscal year to 40,069.8 million Baht in 1982.<sup>64</sup>

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<sup>64</sup> “The Way of the Brave: The Lord of the Exchequer, Sommai.” *Manager*, August 1983.

Sommai used the devaluation of the Baht as a weapon. The exchange rates were adjusted three times: the first time from 20.775 Baht to 21 Baht to a U.S. dollar on May 12, 1981; the second time from 21 Baht to 23 Baht to a U.S. dollar on July 15, 1981; and the third time from 23 Baht to 27 Baht to a U.S. dollar on November 2, 1984.

The devaluation of the Baht was a major move and the government was reluctant to employ this measure because the people felt that a devaluation of our currency was tantamount to a reduction in the economic status of the country. When the third devaluation was announced on the evening of the Loi Krathong Festival on November 2, 1984, it generated major debates on the television and was a major political issue for several days. This should be recorded as an important event in the chronicles of Thai monetary and political affairs because the Thai Baht was devalued by as much as 14.81 percent against the U.S. dollar. This devaluation prompted serious political repercussions and had a tremendous bearing on the stability of the government as a whole.

Sommai became the target of harsh attacks by the military and the banking sector. The military was not happy on two accounts. Firstly, the purchase of F16 fighter planes from the U.S.A. by the air force was vetoed. Secondly, in June 1985, there were arrests relating to the infamous “Mae Chamoy



Shares” pyramid scheme that deceived the public and resulted in many people, including some men in uniform, losing a considerable amount of money.

Khunying Somsri Hoontrakul, the wife of the Minister, related how “the family faced tremendous antagonism. We received a number of threats by telephone to the extent that we needed to change our telephone number. Wherever we went, the Prime Minister would assign security guards for our protection. We often needed to change where we slept or sometimes we had to sleep at friends’ houses”.<sup>65</sup>

As far as an explanation for the devaluation<sup>66</sup> at that time is concerned, it can be summarized thus. In the foreign exchange system, the Baht’s value was tied to the U.S. dollar and although the Baht looked stable, this system did not fit with the economic conditions at the time. Major currencies such as the Japanese Yen, the Deutschmark and the Pound Sterling were all in a floating system. These currencies fluctuated a great deal. So, although the Baht was tied to the U.S. dollar, the exchange rates between the Baht and other major

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<sup>65</sup> “The Way of the Brave: The Lord of the Exchequer, Sommai.” *Manager*, August 1983.

<sup>66</sup> “4 April: A Statesman by the Name of Prem.” Bangkok: J. Plus Image Publishing Ltd, 1995.

currencies fluctuated all the time according to the value of each major currency. The Baht was, therefore, unstable against all other major currencies except the U.S. dollar.

The value of the Baht would vary according to the value of the U.S. dollar but the value of the Baht did not follow the economic fundamentals of Thailand. At a later period the value of the U.S. dollar climbed against other major currencies. Over the three year period from 1981-1983, the value of the Baht went up 35 percent against the Pound Sterling, 20 percent against the Deutschmark, 6 percent against the Japanese Yen and 27 percent against the Hong Kong Dollar. The value of the Baht rose by an average of 15 percent against the currencies of our major trading partners.

The over-valued Baht hurt the economy of Thailand in several ways. Firstly, it encouraged more imports than usual and at the same time, it increased the prices of exports. We had more difficulty exporting our goods, leading to lower prices for domestic agricultural products, which seriously affected the income and well-being of farmers. During that period, the Thai people suffered greatly from the devaluation of the Baht but it saved Thailand from bankruptcy.

For a period after the devaluation of the Baht, the economy worsened although the four main organizations controlling Thai monetary economy, namely, the Fiscal Policy Office, the

Budget Bureau, the Bank of Thailand and the NESDB, had jointly set the policy. This system was put in place owing to the insightful and far-sighted vision of Khun Puey who had set the four agencies working jointly together to prevent the monetary system from getting too far out of control, which would put undue pressure on the Bank of Thailand, the last bastion protecting the economy of the country.

Nonetheless, the various measures and policies were not sufficient to cure the monetary instability of the country, particularly the problem of the trade deficit, the current account deficit, the budget deficit and the problem of low domestic savings. The government therefore announced further measures for three additional initiatives as captured in the catchphrase in the Prime Minister's 1985 New Year's speech: "Be thrifty. Buy Thai products. Let's all export". The NESDB needed to translate this into practical measures within 30 days. These measures were later called the "24 measures to revive the economy" with work plans, implementation steps and designation of responsible agencies being presented in a clear cut way and in great detail in the three main areas as outlined by the Prime Minister.

After 1985, economic conditions improved as international monetary policy witnessed changes through the "Plaza Accord", which introduced a more flexible exchange

rate system resulting in the rapid devaluation of the U.S. dollar.

Up until that time, Japan had been strenuously promoting industrial exports by maintaining the Yen at a low rate. Now, Japan was forced to revalue its currency greatly and this resulted in the need to relocate its industrial bases to new locations overseas. Coincidentally, Thailand was developing the Eastern Seaboard under the Fifth Plan with a deep sea port and industrial estate suitable for housing Japanese industrial bases.

I went to Japan several times to promote and provide details on the Fifth Plan. The last time was to explain why Japan should select Thailand more than any other ASEAN country. The explanation was very well received by the public and the private sector in Japan and I felt very good that I had been able to do something for the country. In order to coordinate the work, the NESDB invited the Japanese Development Planning Agency (JDPa) to send two officials to Thailand for “training” purposes at the NESDB. The intention was to let our Japanese counterparts know that Thailand was serious about national development particularly the Eastern Seaboard Development project. The Japanese officials undergoing “training” reported to their government that they were surprised to see Thai officials spared no effort

working day and night and even over the weekends for the project, noting it was “as if Thailand were in a state of war”. Later on, the Japanese government sent their senior officials at the Director General level to visit us. Once they were more confident, they sent people to negotiate on the basis of their earlier investigations and belief that there would be real development here. Finally, we had the chance to welcome the Minister of International Trade and Industry himself. Japan announced officially that economic cooperation between Thailand and Japan would be further promoted. I noticed that the Japanese officials relied a great deal on official documentation in their work so I initiated a “white paper” to establish the details of economic and technical cooperation in two papers during the Fifth Plan and the Sixth Plan, which greatly facilitated the work.

I must mention an important person behind the promotion of the successful economic and technical cooperation between Japan and Thailand and the selection of Thailand as a base for the relocation of Japan’s industrial production. That person was Dr. Saburo Okita, my senior colleague and friend.

I first become acquainted with Dr. Okita in 1964 at the Asian economic planning conference held in Honolulu. Dr. Okita first worked overseas from 1952-53 heading the Economic Analysis Section of ECAFE which was located in

*Reception for Dr. Okita at our house, with  
Dr. Chirayu Isarangkun Na Ayuthaya taking part*



Bangkok. Consequently, Dr. Okita had a particular affinity to the Thai people and Thailand especially.

When we first met in Hawaii, we both felt a friendly connection between us even though there was a vast difference in our ages and positions. We maintained this friendship despite these differences and our close relationship, both personally and between our families, developed over time.

Dr. Okita held a high rank in the Economic Planning Agency (EPA) of Japan. He resigned from government service in 1963. The following year he held the position of Chairman of the Japan Economic Research Center and between 1973 and 1977 he was the Chairman of OECF which provided

concessionary loans to developing countries. From 1979-80, Dr. Okita served as Japan's Minister of Foreign Affairs in the government of Prime Minister Masayoshi Ohira. He participated in the sixth G7 Summit in Venice, Italy from June 22-23, 1980 on behalf of Prime Minister Ohira. Later from 1980-1981, Dr. Okita was the Japanese government's representative in external economic relations and after that he was the President (1982-1987) and the Chancellor (1987-1993) of the International University of Japan.

While Dr. Okita was working at the EPA, he was responsible for the "Doubling National Income in Ten Years" plan with the major project of building 10 deep sea ports together with industrial estates throughout the Japanese islands. This was a key strategy in turning Japan into an economic powerhouse and became the model for Taiwan, Hong Kong, Singapore and South Korea. They all subsequently emerged as Newly Industrialized Countries or NICS.

Dr. Okita told me about this initiative, and the Japanese government invited me to see this project in Japan where he himself kindly acted as my guide. I witnessed the general port development, the industrial port development and many other industrial developments around the port areas.

I was able to take note of the efforts on environment protection. There were measures to maintain the standard

of environmental protection in industrial estates with the construction of buffer zones, which were green areas between the industrial plants and the community. I was actually able to see fish swimming in the water around the industrial plants.

Dr. Okita also recommended that I look at the developments in the Kaohsiung Port in the south of Taiwan which had been transformed from a dirty sea of mud into a deep water port and industrial town, as if by magic. It was the second largest population centre after Taipei. In addition, I also went to look at the development of the port and industrial estate at Jurong in Singapore.

I synthesized key lessons from these experiences in designing the key component of the pro-active development strategy in the Fifth and Sixth Plans. I received support from Dr. Okita for Thailand in the form of concessionary loans from OECF helping to turn my dreams into reality.

In 1985, in the middle of the Fifth Plan, the Plaza Accord was reached. My earlier concern was that if Thailand invested heavily but the use of the port and industrial estate turned out to be under-capacity then there could be a problem. In the end, my concern and worry disappeared when Japan selected Thailand, and in particular the Eastern Seaboard, as a base for relocating its industrial production facilities. After that, Taiwan, Hong Kong, Singapore, the U.S.A. and Europe



would follow in Japan's footsteps in investing in Thailand.

Because we had needed some time for land acquisition, survey and design, by the time construction was completed, the Fifth Plan had already ended and we had moved into the Sixth Plan (1987-1991). During that period, the economic counselor at the Japanese Embassy in Bangkok frequently telephoned to enquire about the completion date because we were taking a longer time than it would have taken in Japan. In the end the Japanese telephoned to apologize saying that the Japanese industries needed to be relocated like a "pregnant woman in the ninth month". They could wait no longer and requested to relocate their industries along the Bangna-Trad Highway first which was the industrial estate of Siam Motors Company under Thavorn Pornprapa and at other sites situated along the same highway.

The fact that we were able to make Japan feel confident in selecting Thailand as its new economic base despite fierce competition from other ASEAN countries was due to the joint efforts of Dr. Okita and myself. In addition, Dr. Okita was appointed by the Japanese government to be the head of their delegation consisting of representatives from various ministries to study both Thailand's Fifth and Sixth Plans and to report back to their government about the need for more economic and technical assistance to Thailand. Due to the



systematic step-by-step nature of the process and the good rapport between myself and Dr. Okita, it was not difficult for the Japanese government to decide to select Thailand as its economic hub in Southeast Asia. (In April 2010, at the Imperial Palace in Tokyo, Emperor Akihito graciously bestowed upon me Japan's highest decoration, the Grand Cordon of the Order of the Rising Sun, for playing a crucial role in bringing the Thai and Japanese economies closer together for the benefits of both the Thai and Japanese people).

Dr. Okita passed away after a heart attack while he was speaking on the telephone at his house in Tokyo on February 9, 1983. Thailand had lost a Japanese friend who genuinely loved Thailand and the Thai people.

At the end of the Fifth Plan (1982-1986) and during the Sixth Plan (1987-1991), it became clear that Thailand had survived the dire consequences of the economic crisis. It was reasonably stable in terms of politics and in its international economic dealings. It had been accepted by various countries with an improved credit rating and it enjoyed a better reserves position exceeding 3 billion dollars. It would be true to say that this was the first success based on the hard work and joint efforts of various parties. Success was not achieved easily and we had to make great sacrifices and suffer immensely. Many business establishments had gone bankrupt particularly those in the import sector but this was something we needed to accept based on our belief that small sacrifices were necessary for the greater good.

Hence, by the time we had reached the Sixth Plan things appeared to be looking up for us as the country had made investments and tremendous sacrifices. The monetary situation had become more stable and we were now out of danger. The main task of the Sixth Plan was to continue the work of the Fifth Plan, which had laid the ground work and provided solid foundations such as the plan for rural development for poverty stricken areas, the plan for the development of the Eastern Seaboard and the plan for joint public-private efforts to tackle economic problems. These various plans

were not yet completed, but it was a period to harvest the benefits from our sacrifices in the early part of the Fifth Plan. Recovery was only just beginning at the end of the Fifth Plan but results became quite evident in the Sixth Plan. At the start of the Sixth Plan, economic growth accelerated as the earlier rapid monetary out-flow became a rapid inflow. What we had earlier built started to bear fruit in areas that included investment promotion, export and tourism, which we had initiated in the Fifth Plan.

In the interim period between the Fifth and Sixth Plans and after the devaluation of the Baht and the announcement of the 24 economic measures to revive the economy, apart from the need to increase savings because of the continual decline of national savings, the country also needed to promote the use of Thai products. At the time, Thailand could not export these products. To encourage Thai people to use Thai products, the quality of the products needed to be improved, entailing a shift from quantity to quality of production. We needed to do everything possible in order to compete effectively with other countries.

The emphasis in the Sixth Plan on “from quantity to quality” meant that we wanted to improve quality in all areas. For instance, in providing roads, electricity and water supply all over the country, it was important to ensure good quality elec-

tricity and water supply. In addition to a concern for quality, it was also important to promote collaboration among agencies in a systematic and comprehensive manner. Likewise, there were 10 work plans, each of which had to be implemented. These were not detailed plans, but rather strategic plans modeled along the lines of the Eastern Seaboard Development Plan and the Development Plan for Poor Rural Areas.

Of the 10 work plans, the plans that were regarded as novel and had never been part of earlier development plans were the State Enterprises Development Plan, the plan for Production, Marketing and Employment, and the Plan for Management Improvement and Reviewing the Role of the State. The work Plan to Develop Production, Marketing and Employment was especially regarded as part of the pro-active measures that would speed up the development of the national economy in the agriculture, industry and service sectors. In addition, it also emphasized domestic and foreign markets. Particularly in the foreign markets, due to the slump facing the six traditional agricultural exports, the country therefore needed new export crops to replace the old ones. Thailand also needed to export more industrial products.

As for the Plan for Management Improvement and Reviewing the Role of the State, this work plan proposed the revision of various rules and regulations which remained

obstacles to development in order to reposition the state so that it could more effectively promote development to the greatest extent possible. As the Sixth Plan called for the private sector to play a major role in development, the state had to also adjust its role accordingly.

The Sixth Plan's development approach was systemic and brought together government agencies, state enterprises and the private sector in an integrated manner. An analogy would be that of an electrical circuit: if the circuit is not complete, then electricity will not flow. Hence the approach would differ from that of the past when each party worked on its own tasks independently. Moreover, the Sixth Plan called for an adjustment to people's attitudes towards work, to overcome the feeling of "me and mine", which was like pillars standing individually without being connected by horizontal beams, making it impossible to build a house.

The Sixth Plan also included a Natural Resources and Environmental Development Plan, which was the subject I gave a lot of attention to at the time since Thailand was changing from an agricultural country to an industrial and service-oriented economy. The benefit was that the people would be assured of higher income and the poverty level would decrease significantly but, at the same time, the drawback was negative environmental impacts. This led me

to initiate this plan. Later, when I was appointed Deputy Prime Minister in charge of economic affairs in the Anand Panyarachun Administration, I pushed for the first National Environment Act. Hence, one must not think that NESDB concentrated only on economic matters and was not interested in environmental matters. In fact, NESDB gave importance to this matter but at that time economic concerns and the welfare of the people took precedence over environmental matters. Perhaps this imbalance lasted too long and problems began to emerge later on.

Another plan that appeared as part of the Sixth Plan was the Production, Marketing and Technology Plan and this was the first time that a technology agenda had appeared in the National Development Plan. Its inclusion signified the realization that Thailand would be unable to compete in the world arena without technological support. The first national Information Technology Committee was set up, with me as Chairman. Later, it was to become the National Science and Technology Development Agency, also known as NSTDA. These initiatives in the Sixth Plan represented a continuation from the Fifth Plan, with the addition of elements which the Fifth Plan lacked. In addition it improved the approach to development by using a model that was based on work plans instead of just undertaking standalone projects.

Apart from these new plans, other plans which had been initiated earlier, such as the Human and Social Development Plan, the Urban and Specific Area Development Plan and the Rural Development Plan were still as important as they had been in the past and were still regarded as important elements of the Sixth Plan. We had to deal with these problems, by promoting continuous growth and utilizing workers who would join the labor market.

It might have been a coincidence but, during the consideration of the direction of the draft Sixth Plan that was discussed three times during the Cabinet meetings, one of the ministers died leading to widespread debate on the Sixth Plan both in the media and amongst the public at large. There were more than 100 articles in the daily and weekly newspapers and over 40 essays or critiques in the month of August 1985 alone. After that there were still periodic comments on the direction of the Sixth Plan and over half of these articles centred on the issue of “unemployment” with the question “how could the Sixth Plan solve unemployment”. It was the single most raised concern.

To sum up, it could be said that the Fifth and Sixth Plans tried to restructure economic development in a significant manner. This was unprecedented. It was a re-structuring from an agricultural economy to an agricultural economy with the



addition of the industrial and service sectors. In the Fifth Plan, for the first time, the percentage of the GDP from the industrial sector had exceeded clearly that of the agricultural sector and exports of industrial goods had exceeded those of the agriculture sector. Formerly, Thailand's main exports had been rice, rubber, tin, maize and tapioca. Subsequently, the export of industrial goods outpaced agricultural exports markedly and continuously.

I disagreed with the restructuring of the Thai economy from a basically agricultural one to an industrial economy to join the ranks of the NICs (Newly Industrialized Countries). I preferred to use the term NAISE (Newly Agro Industrial and Service Economy). I have always maintained that Thailand is not an NIC. We are not simply a Newly Industrialized Country but must be a "Thai-style Newly Industrialized Country" because of our fundamentals, our people and our natural resources. Thailand is more diverse than Singapore, Hong Kong or even South Korea because we have agriculture as an important base. We cannot discard this. Our agricultural sector must be of high quality and should form the basis for a variety of agro-industries, e.g., moving from rice or rubber to processed meat, shrimp, chicken which has higher value-added. Hence agriculture will remain the main pillar. Thailand is also very good in the service sector, and is world

renown particularly for personal service. What we needed to develop more is technical and technological services. Thus, we cannot simply be an industrialized country. This is the special characteristic of the Thai economy and society. The Fifth Plan and Sixth Plan tried to bring about this transformation in Thailand in all sectors from agriculture to industry and service. They were all important and we had to develop them to the advantage of our people and nation to the greatest extent possible.

### **New form of economic administration and important achievements**

When I assumed the position of Secretary General of NESDB for the second time, I informed Prime Minister Prem at his Si Sao Theves residence that I would not allow the Fifth Plan and the continuing Sixth Plan to become just a pile of papers. I would try to adapt the economic policy decision making process in order for the plan to be implemented in a serious and practical manner. Because of the constant volatility of external and internal factors, adjusting the plan using the annual planning mechanism, as in the past, would not be able to keep up with the ever-changing situation and would take up all the manpower of the NESDB and line agencies.

Therefore an idea was floated to set up a new body to make decisions and issue guidance for action during the implementation period of the plan. After steps were taken, implementation reports should be made to this body before any new directives were issued. Hence this new body had to exist for an adequate length of time to ensure that the implementation was yielding results.

In order for this to work, the involved personnel and agencies needed to be strong and diverse enough. We had to try not to work on all issues but rather take on certain tasks and see them through, thereby building up expertise in executing the tasks within the specified timeframe.

Therefore, priorities were established for which activities to include in the plan and only the important ones were selected for the Fifth and Sixth Plans. The key was that there had to be one person who could grasp the big picture of all these various initiatives, design policy bodies and supporting units, and put in place personnel who were appropriate and up to the task. This person would have to act as “an all around coordinator” at the policy level as well as with the heads of concerned agencies including the heads of various NESDB units and line agencies. This person was unavoidably going to be the Secretary General of the NESDB at the time.

I proposed the above idea to Prime Minister Prem with

the recommendation that six national committees be established as follows.

### **1. Economic Ministers Committee (Ror Sor Gor)**

Prime Minister Prem was of the opinion that the weekly Cabinet meeting was a management mechanism that should be efficient. He felt that the NESDB was sufficiently neutral and had a technical and analytical base with enough technical staff that he could rely upon. So, he asked me as Secretary General of NESDB to offer implementation measures which I did in recommending the setting up of a national level committee.

Prime Minister Prem and the Cabinet agreed with the proposal. So, the Economic Ministers Committee or the Ror Sor Gor was set up in 1981 with the role of central policy committee responsible for economic and financial stability, in particular, solving the problem of “the higher level of development, the more the deficit” which was most urgent. At the same time, key policy measures affecting such areas as investment, exports and tourism were corrected and improved. This would lead to economic expansion when the measures promoting stability took effect. Moreover, the Ror Sor Gor would consider policies that did not fall within the remit of

other committees.

The Ror Sor Gor was chaired by the Prime Minister and its members, included economic ministers as well as main central bodies such as the Budget Bureau, the Bank of Thailand and the Ministry of Finance. As Secretary General of the NESDB, I was a committee member and the secretary, with Kosit Panpiemras and Staporn Kavitanont as my assistants effectively coordinating various matters, in addition to screening, prioritizing and preparing various agenda items for policy approval and other complex measures that needed the cooperation of other ministries. This approach allowed us to see problems from all angles leading to a holistic solution. More importantly this mechanism allowed for prompt decision making and issuing directives since the resolutions of the Ror Sor Gor were to be regarded as cabinet decisions.

Matters to be considered by the Ror Sor Gor came from various sources. For example, the Prime Minister might send a certain matter to the Ror Sor Gor or other official authorities might submit matters to the Ror Sor Gor directly. From my experience, there were three types of matters for the Ror Sor Gor to consider.

The first type was the overall economic policy that needed careful consideration and which would result in policy

guidelines for various agencies to implement and to follow up on the outcome. These matters were, in fact, included in the Fifth Plan to a certain extent, for instance, the fiscal policy calling for cutbacks in budget expenditure in order to address various deficits including the trade deficit, the current account deficit and the budget deficit. Other issues included the adjustment of the exchange rate or “the devaluation of the Baht” to promote exports and to reduce imports and the use of monetary policy to maintain economic stability with the adoption of a high interest rate policy. In addition, it also included the acceleration of agricultural goods exports through the trade system by promoting a more free and flexible trading system so that the farmers could gain the optimum benefit.

Because of the rapidly changing economy, NESDB, which already prepared the Fifth Plan and followed up on the economic situation regularly, needed to present matters to the Prime Minister in order to bring cases for consideration by the Ror Sor Gor.

The second type were matters presented by line ministries which were large projects containing a great amount of detail which had to be carefully considered, like the construction of basic infrastructure or the purchase of planes by Thai Airways International.

*Prime Minister Prem as team leader conducting economic cooperation activities abroad with the participation of three private institutions to build up confidence in the Thai economy*



The last type was inter-ministerial matters requiring close coordination so as to achieve success. This included the setting up of the “Office of the National Energy Policy” (Sor Por Chor) to improve the management of the national energy policies with increased autonomy. Another issue was tax collection measures by bringing outsiders who did not pay taxes into the system for the sake of fairness in tax collection. This also included the use of value-added tax, which required a great number of documents and evidence before its adoption and thus needed careful examination.

These last two types were matters that NESDB, as a member and secretary, were authorized to bring to the attention of Ror Sor Gor. NESDB officials prepared the

documentation to facilitate the analysis based on facts and data.

During the earlier days, the Ror Sor Gor meetings were rather informal. Sommai Hoontrakul, Dr. Phaichitr Uathavikul, several others and I tried to use the official government mechanisms for optimal economic management. We reviewed the overall economic situation in 1981 and found that it was in a rather dangerous state. So, I summarized the economic situation to report to the Ror Sor Gor every three months along with suggested solutions. The first measure to reduce the trade deficit was to promote more exports. This matter was no less important than the devaluation of the Baht but people talked less about it.

One measure to promote exports was to send trade delegations to various countries and to build up the confidence of foreigners. However, firstly, an understanding had to be created among Thais ourselves. If they had no confidence in their own economy how could foreigners have confidence in it? Representatives of various foreign chambers of commerce in Thailand were briefed in order to convince them to see the attraction of investing in Thailand. As a complementary measure, teams were also sent abroad to promote investment in Thailand. Prime Minister Prem was the leader of the delegation tasked to negotiate trade, export, investment



and tourism. I also requested the representatives of foreign chambers of commerce in Thailand to join the delegation so that they would talk to their own people and build up more confidence. On the Thai side there were representatives from three private institutions, namely, the Thai Chamber of Commerce, the Federal of Thai Industries and the Thai Bankers' Association, as well as three public institutions, namely, the Export Promotion Department, the Board of Investment and the Tourism Authority of Thailand. Those who were interested in joint investment could contact the team. I arranged for the chairs of the three private institutions to join every trip. The first trip was to Canada, and later, to other important countries such as the United States, Japan, South Korea, Australia, New Zealand and other countries in Europe. These arrangements received great attention and excellent responses.

These were all comprehensive and systematic arrangements with coordination at all levels. We went as a team and everyone spoke with a single voice to allow our foreign counterparts to understand Thailand better and help them to decide to invest in Thailand. The joint efforts were an important force in moving the Thai economy forward at that time.

In addition, the Ror Sor Gor set up an Export Development Committee as the main mechanism to move forward export

policy which came under the responsibility of the Ministry of Commerce. The Committee was set up under the Import-Export Act. This committee had the Minister of Commerce as its chairman. The Commercial Relations Department, later known as the Export Promotion Department, acted as the Secretariat with the Secretary General of NESDB serving as a member along with representatives from concerned entities in the public and private sectors. Because the Secretary General of the NESDB acted as a member and secretary of the Ror Sor Gor and the Joint Public-Private Committee for Solving Economic Problems (Gor Ror Or) which was also a national level committee, I also had a key role in the Export Development Committee, in terms of ensuring that policy recommendations and export promotion measures were well synchronized with the direction of the national development plan at each phase. I also had a role in coordinating public and private sector efforts to expand exports.

During the first three years of the Fifth Plan, Thailand faced economic slowdown nationally, a world monetary crisis and economic recession forcing it to devalue the baht in November 1984 as mentioned earlier. The Export Development Committee was an important mechanism in activating the economy after the Baht's devaluation. There were restructuring and management improvements to achieve higher efficiency, the most important of which were as follows.

1. The status of the Export Development Committee was upgraded from ministerial level to national level. There was a Prime Minister's Office Decree to restructure the Export Development Committee with the Prime Minister or a Deputy Prime Minister, authorized by the Prime Minister, as its Chairman in lieu of the Minister of Commerce. The Export Promotion Department remained its secretariat with the Secretary General of the NESDB as a member. This restructuring was instrumental in increasing the Committee's efficiency. The working relationships among ministries, bureaus and departments in the public sector and the coordination between the public sector and the private sector achieved better results with better integration. In particular, the Ministry of Finance adjusted the taxation structure to promote exports and enacted other measures to provide incentives for exports. Meanwhile, the Ministry of Transport and Communications through Thai Airways International reduced freight tariffs and allocated cargo space for the seasonal export of vegetables and fruits.
2. Marketing processes were improved from being designed around projects and small activities to being based on strategic plans. Marketing plans were drawn up for one-year and three-year periods. Marketing targets were fixed and products were clearly identified so that evaluations

could be carried out to measure results vis-à-vis the set targets and to identify obstacles. In addition, the three private institutions and specific private groups were involved in the preparation of marketing plans and promotion efforts in a more systematic manner.

3. In order to achieve proactive export measures effectively, an important tool was the setting up of an export promotion fund (later called the International Trade Promotion Fund). This fund was to support those public sector units and those in the private sector that were directly involved in export promotion. It was a fund created by the cooperation of the private sector. The government provided seed money of 300 million Baht from a 0.05% import duty on certain products, with the exception of basics and necessities, mostly agricultural commodities like milk and maize. Only the interest earned would be used and this amounted to 30 million Baht annually in the beginning. The fund expanded to 2 billion Baht and 3 billion Baht later on. Since there was now an enlarged export marketing plan to promote greater unity and better integration, various units in both the public and private sectors which had a role in export development and promotion were able to submit work plans and projects for support

from the Export Promotion Fund in addition to support from the Ministry of Commerce as in the past. Procedures and regulations for accessing the fund were prepared so that the use of the fund would be more systematic, transparent and easy to monitor.

4. Apart from adjusting the management mechanism to make it more efficient, the Export Development Committee also had the important role of introducing measures to solve export bottlenecks, such as: the reduction of steps in applying for export permits for important commodities like canned pineapple from 36 steps to eight; the development of Electronic Data Interchange (EDI) for the Customs Department; and various incentive measures for exporters to reduce costs in order to compete in the world market, such as monetary measures, taxes, and benefits. In addition, institutions to support exports were created, such as, the Export-Import Bank of Thailand (EXIM Bank) and the Council of Marine Exports of Thailand. Regrettably, the Export Development Committee was later abolished. Its duties were to be taken up by the International Economic Policy Committee, leaving a gap in the mechanism for the development and promotion of exports particularly when Thailand was faced with another export crisis later on.

An important long term export promotion measure was the revision of taxes and duties to reduce the burden on exporters allowing the domestic industrial production base to increase markedly and the development strategy of the country to shift from import substitution to export orientation. It was therefore necessary to keep the costs of production low so that our exports could compete internationally. The appropriate measure was to abolish business tax and apply value added tax, a move that was successful during the First Anand Administration when I was the Deputy Prime Minister in charge of the economy. This matter was handed over to me and resolved without delay.

Apart from export promotion, the promotion of investment was another important component in the development of the Thai economy. Previously there was only the agricultural sector as the main economic pillar. A diversified industrial sector arose, including both industries which added value to existing ones as well as new industries. In addition, the service sector also came about, making the Thai economy more progressive.

In the early period of investment promotion the emphasis was on import-substitution industries to meet domestic demand. Industries that were created during this period were consumer industries, construction-related industries,

mining and associated industries, such as oil refineries, services and agro-industries.

After import-substitution industries had been developed for a certain period, export promotion industries followed, because the import substitution industry had only a domestic market which was rather small and could not cope with the high economic growth of Thailand. Markets needed to be expanded and goods needed to be exported through investment in export-orientated industries which relied on the rich resource base of the country.

Important export industries were set up during this period, namely, the canning industry, the yarn-spinning industry, the garment industry, the glove and sock industry and the electronic component industry. The agro industries that received high investment promotion were large-scale farming, oil-palm planting and fish and shrimp farming. In addition, investment promotion was also given to certain new import-substitution industries particularly those for intermediate goods needed for other industries such as the electrical parts industry, synthetic fibre, pulp and paper and chemicals.

The incentive policy for investment attracted foreign investors particularly from Japan which moved its production base to Thailand in industries such as the automotive industry,

which in some cases, enlarged its investment to include both assembly and parts production, and is on-going to this day. With regard to investment promotion during this period, apart from offering various benefits, there were also a publicity campaign and various services to attract investors from abroad because we needed to compete with neighbouring countries which also needed to attract investments.

Apart from the promotion of investments for exports, the government also asked the Board of Investment to provide incentives to investors who invested in labor intensive industries as a way of reducing the unemployment problem. This improved the employment situation and the current account deficit began to shrink. The Ror Sor Gor also approved for BOI to promote the NPC1 and NPC2 Rayong Olefin petrochemical project which had set up its plant in the Map Ta Phut industrial zone.

As for tourism promotion, the Ror Sor Gor decided on several measures which laid an important foundation for the sustained growth of the tourism industry in Thailand. Looking back at the growth rate of tourism after the introduction of these measures, it turns out that the growth in the number of tourists during the three years between 1986-1988 averaged at 20.21% per annum, which is the highest in the past 30 years.



The important Ror Sor Gor decisions related to tourism were the merger of Thai Airways Company (Bor Dor Tor) which was the state enterprise operating domestic air travel with Thai Airways International which operated international flights. This aimed to achieve savings and enable international travelers to directly book domestic travel in Thailand from their home countries and connect to important domestic destinations, thus increasing Thailand's opportunity to become the hub of tourism in this region.

Additionally, during the devaluation of the Baht in 1984, the Ror Sor Gor had made the resolution to take any profit from business establishments resulting from the Baht's devaluation and allocate it as a special budget for the Tourism Authority of Thailand in the amount of 100 million Baht to be used for enticing tourists to Thailand. In those days the Tourism Authority of Thailand had a budget of only 400 million Baht annually. This 100 million Baht figure would be used by the Budget Bureau as a base to allocate more funds to the Tourism Authority of Thailand in subsequent years. This was the genesis of the "Visit Thailand Year" 1987 project which drew many visitors to Thailand and served as a model for many other countries to follow.

Moreover, the Ror Sor Gor considered various policies to develop and promote tourism. Awareness was raised about

the importance of the tourism industry and its potential contribution to the country's economy. For example, in the development of tourism in Phuket, mining in the sea, formerly an important revenue source, would be terminated because it created an environment hazard at various beaches in Phuket due to the muddy particles from the mining. Other policies included the reduction of obstacles faced by tourists and the expansion of the Asian tourist market.

Apart from export promotion, investment promotion as well as tourism promotion, which were all pro-active measures, the Ror Sor Gor also paid attention to policies that solved the accumulated problems which had made the economy unbalanced. In particular, the price control policy was targeted, which artificially depressed prices making them lower than the actual market prices. Substantial subsidies were needed to maintain these low prices since it was feared that if prices followed the market rate, this would cause political instability. The problem became an increasingly heavy fiscal burden until it reached the point where it threatened the overall fiscal situation of the country. The Ror Sor Gor therefore had to put in place strict "fiscal discipline" to recover the fiscal situation of the country. This required strong political will to adjust diesel prices and agricultural prices such as for maize and cassava to a more appropriate level.

Moreover, the rice premium was lifted, which faced opposition from the Ministry of Commerce. But it was necessary to carry this measure out for the benefit of the farmers who were the majority of the country.

Finally, the Ror Sor Gor also made a provision to reduce support to state enterprises, a move which would also increase the state's revenue. The Committee endorsed the increase in utilities rates, such as electricity, water supply, bus tickets, and postal service. It set up a central coordinating body to regulate and monitor all the state enterprises.

## **2. National Rural Development Committee (Gor Chor Chor)**

The National Rural Development Committee (Gor Chor Chor) was tasked with setting policy and coordinating measures to solve the problem of “the higher level of development, the more serious the poverty”. It relied on lessons learned from the First to the Fourth Plans (1961-1981) which saw the rapid growth of the Thai economy due to the provision of basic physical infrastructure and social services like education and health by the state.

Enabling private businesses and farmers to take advantage of the increasingly comprehensive physical infrastructure

systems like roads, electricity, water and irrigation allowed those who could access such infrastructure to live a better life and escape poverty. However, there were still almost 10 million people who lived in remote areas who did not have direct access to these public services and reaped no benefits from the country's development. They remained trapped in poverty. Thus it was imperative to set up the Gor Chor Chor to address this problem directly.

Coincidentally, Prime Minister Prem set up the Prime Minister's Advisory Group with General Sunt Chitpatima as its chairman. The General set up an ad hoc working group to study rural problems, with Professor Saneh Chamarik, the then Deputy Rector of Thammasat University, as its chairman and many qualified persons as its members.

On the part of NESDB, I appointed Kosit Panpiemras, Assistant Secretary General at that time and concurrently an advisor to the Prime Minister, to join the working group together with Dr. Sumet Tantivejkul and Somchai Krusuansombat who was responsible for development analysis. I would like to express my appreciation to all of them, as well to those whose names I did not mention here, for their far-sightedness. They carried the beacon of hope for another dimension of development which we called "rural development in poverty stricken areas". Prime Minister Prem later seized this as

one of the principal policies of his administration and even proclaimed the decade of rural development later on.

I fully agreed with the approach and recommendations of the working group in terms of rural development, in particular, with the need to understand the root causes of poverty. These causes were 1) lack of know-how to overcome various problems, obstacles and exploitation by stronger parties; 2) lack of the four basic needs (food, clothing, shelter, medicine) as well as lack of factors of production, equipment and tools, and land; and 3) widespread illness in rural areas, inadequate public health services and malnutrition among children. All these were the root causes of poverty, which we summarized as “ignorance-poverty-illness” which became our catchphrase in our work on rural development.

After the working group presented their findings on rural development, the issue that followed was how to bring about results quickly. I remembered Kosit and his team came to see me and reported that this matter had to be brought to the attention of the Prime Minister in order to set aside a budget. During the initial period, the central budget would be used and the requested amount was not very large. This would allow for the implementation of 16 projects to tackle the three root causes of poverty.

I suggested that the plan for rural development in poverty

stricken areas also be included in the Fifth Plan so that it could be continuously developed for at least five years. I therefore tabled this to Prime Minister Prem who wholeheartedly supported it and suggested drafting a long-term development plan and proposing a concrete direction for policy-level management and coordination at the implementation level which I will dwell on later.

One important issue in preparing this plan was how to determine which area was poor and which indicators would be used in measuring poverty. The best way was to conduct a field study and survey. However, this would need substantial manpower and financing within a limited time period.

Coincidentally, the World Bank Resident Representative came to see me at the NESDB and I took that opportunity to inform him about our plans and sought his assistance. He was interested so I asked Kosit to prepare the proposal to him. We received a favorable response from the World Bank which agreed to provide funding to undertake a survey of poor villages for the whole country. At the same time, on the occasion of Prime Minister Prem's visit to Japan, he negotiated to receive assistance from Japan in setting up an Information Center for Rural Development. He asked me to discuss the details with the Japanese officials to set up this center at Thammasat University. It would serve as the center to compile

*The signing of the cooperation agreement in setting up the Information Center for Rural Development at Thammasat University*



and assess information about rural development. Rural development, according to the plan, was therefore shaping up.

Our philosophy for rural development in poverty stricken areas was considered ground-breaking as it placed importance on area development and participation of rural residents in identifying their problems and their requirements through a learning process and bottom-up coordination.

Administrators at the policy level had to have a clear development framework, which is compatible with the environment and the actual condition of the country. However, past development efforts encountered problems which mostly derived from the lack of understanding and real participation of all stakeholders. The old system used the

provincial development plan as the framework for development and for budget preparation, which ranked priorities according to the activities of various departments while the priorities of the people were only secondary. Moreover, the provincial plans of certain provinces were not seriously implemented. The new approach to rural development changed the management system and the plan development process by putting people at the center. Their opinions and their needs were solicited through a bottom-up approach process, starting from the villages and working up to the sub-district, district then province level. At the same time, national policies would be conveyed from national bodies through ministries, down to departments then to the provinces. The province was then the coordinating point to make the government policies more synchronized with the needs of the people in order to prepare the provincial development plan in accordance with the needs of the people as much as possible.

As the preparation of the plan would need the cooperation of all sectors, the Prime Minister therefore signed a Prime Minister's Decree on the Rural Development Administration (1981) on July 25, 1981. This would be considered as the beginning of a new approach to rural development called the "Gor Chor Chor System" with the setting up of various bodies at different levels. At the national level, the Gor Chor



Chor Committee itself was established.

The Prime Minister was the chairman of the Gor Chor Chor. Ministers and Permanent Secretaries from four main ministries, namely, the Ministry of Interior, Ministry of Agriculture and Cooperatives, Ministry of Public Health and Ministry of Education served as committee members together with representatives from other concerned agencies. I, as Secretary General of NESDB, served as a committee member and secretary to set the policies and monitor the overall implementation. At the same time, a mechanism for coordination and implementation was put in place, to ensure smooth coordination both vertically and horizontally. Vertical coordination meant coordination within the same agency from the central level to the regional level, down to the province, district, sub-district and village.

As for horizontal coordination, this meant coordination of various agencies at the same level to work together on various projects, i.e. among different ministries or among representatives of various agencies at the provincial level. In addition, a National Center for Coordination of Rural Development (Sor Por Chor) was set up for the first time in the NESDB in order to act as secretariat and central coordination center among all concerned agencies for rural development for an integrated and systematic approach.

The mandate of Sor Por Chor was to prioritize old and new projects that would have direct impact on poverty alleviation and to explain the issues to numerous interested people in various circles particularly academicians and the media. There were three frequently asked questions that touched on the suitability of the selected areas, the selection of various types of projects and the mechanism for coordination among different ministries to ensure that the work would be well-coordinated. Sor Por Chor had to work closely with technical specialists both within and outside the government sector to draft proposals to Gor Chor Chor for endorsement.

Frankly speaking, at the beginning, the new approach to rural administration did not receive much cooperation from certain government agencies. Likewise, some politicians also did not agree with the new system as it shifted the power in developing projects and allocating budgets. Under the old system, government agencies under the supervision of politicians prioritized projects and allocated budgets to their constituencies. The new system required an analysis about the actual needs and coordination of various units working in the same area. It was a great challenge for those of us who worked in the Sor Por Chor tasked with improving understanding and coordinating effectively in the new spirit of rural development as announced by Prime Minister Prem.

As mentioned earlier, rural development was an undertaking that involved a large number of people. Just counting the implementing officials in both the center and the regions yielded a total of 10,000 persons. As our goal was to meet the needs of more than 80% of the population, this was not a small task. Creating a shared understanding of the new philosophy, principles, and ideas was therefore of utmost necessity.

I consulted Kosit who was then the Director of Sor Por Chor about how we would get all the involved parties to reach a common understanding and adopt the same direction. He suggested organizing meetings to clarify issues for all concerned parties. Meetings would be conducted in each region and filtered down to the provincial level with the cooperation of the Ministry of Interior who oversaw officials in various provinces. We received excellent cooperation. During that period we traveled almost every week to the provinces while we also needed to attend to other duties. Nonetheless, it was very useful. Not only did we reach an understanding with officials, but we also met people at the grass roots level which helped us to understand the actual situation more fully.

The Gor Chor Chor identified the four ministries as the key agencies in rural development work as their roles and

duties were directly related to all aspects of people's well-being from cradle to grave. Moreover, the four ministries have their staff operating at all levels, from province to district, sub-district, and village. It was an important strategic move, which enabled the coordination and implementation of the plan to achieve satisfactory progress. During the course of implementation in this period, we devised various tools to help our work, an information system of basic minimum needs (Jor Por Thor) and a database of basic data at the village level (Gor Chor Chor 2 Khor) which were used in planning, setting targets and assessing progress. The provincial development plan was used as a tool to devolve power to the provinces for them to identify their own target areas.

The rural development plan under the Fifth Plan was the first step for Thailand to lay down the foundation for achieving success in development using the philosophy of self-reliance. The poor got access to social services from the government in health and education, as well as knowhow for earning a livelihood in all poverty stricken areas, allowing them to catch up with communities outside these areas.

After the implementation of the plan was completed, we at the NESDB, through the Sor Por Chor, evaluated the plan's development impacts. In this evaluation we did not use the old project evaluation methodology which focused only

on project outputs. Rather, we focused more on the impacts that actually occurred in the target areas. The direct project outputs were only a preliminary measure, but did not reflect the actual impacts on uplifting the standard of living for people in the poverty stricken areas.

The assessment methodology was based on the data collected by the Information Center for Rural Development at Thammasat University which had a poverty index at the district and the village levels. After the development projects in the plan were completed, we carried out another round of assessment to compare with the baseline index to see how much target areas had changed. From the point of view of development, this method yielded better evaluation results.

According to the assessment at the end of the Fifth Plan (1988), poverty density at the district level saw an improvement by 58%. The Northeast improved by 46%, the North by 76% and the South by 80%. At the village level, it was found that the changes were for the better as well. This work continued in the Sixth Plan (1987-1991) with more emphasis on prioritizing target poverty stricken areas by classifying them into three levels: lagging, average and progressive. The allocations of resources were mostly for those in the lagging and average categories. At the same time, the private sector was encouraged to invest more in the progressive category. In addition,

people were encouraged to solve their own problems and community problems by adopting the Jor Por Thor criterion.

In conclusion, the rural development work using this new system that my team at the NESDB and I pushed through was a rather difficult task at the beginning. We were very proud that by the end we received excellent cooperation from various state agencies particularly from the four core ministries. I considered this as a good omen. I still remember how the Permanent Secretaries of the four ministries supported us fully while we worked together as a team. The planning director and planning officers of each ministry worked closely with us to pave the way for a more integrated style of administration in later years.

I would like to express my heartfelt gratitude here to all those involved particularly to Kosit Panpiemras, Assistant Secretary of Gor Chor Chor and head of the coordination team, and to Somchai Krusuansombat, deputy head of the coordination team, and to all others who took part in this important endeavor.

### **3. Office of the Royal Development Projects Board (Gor Por Ror)**

His Majesty the King was interested in and carried out

numerous projects to alleviate the poverty of his subjects. He made the effort to personally visit and provide assistance to people in remote areas. His Majesty showed a deep understanding of their problems and was therefore able to address them directly. This necessitated the need for the government to set up a central body responsible for all the royally initiated projects. Hence, the Gor Por Ror was set up to work in parallel with the Gor Chor Chor.

I considered it the highest honor and my good fortune to have the opportunity to work with the Gor Por Ror to support His Majesty's royal projects.

Prior to the establishment of the Gor Por Ror in 1981, the government was well aware of His Majesty's development activities, which aimed at improving people's standard of living in rural areas. However, the government activities to support His Majesty's initiatives were not carried out in a systematic manner. Many of the activities lacked coordination and were independently carried out for the most part. For example, the government agency in charge of road construction might encounter delays in obtaining a budget allocation, whereas the agency in charge of development work which needs road access might receive the budget first but still could not start its work as the road had not been built yet.

As such, the implementation often faced unnecessary

delays. As a result the benefits to the people, in accordance with His Majesty's wishes, were also delayed. Moreover, it was found that each agency also conducted its own monitoring and evaluation independently; there was no evaluation of the overall impacts of the projects.

The government therefore initiated efforts to improve the system to support His Majesty's projects in a more efficient manner. Prime Minister Prem asked me in my capacity as Secretary General of NESDB to work out this system given that NESDB was the central agency with the direct responsibility to conduct studies, analysis, work plans, and coordination with other agencies in accordance with the national development plan. I consulted and requested Dr. Sumet Tantivejkul to draft the work plan. At that time, Dr. Sumet was the Director of the National Economic Preparedness Planning Division who was responsible for national security in rural areas where there were royally initiated projects.

Dr. Sumet and I consulted many experts including the Office of the Principal Private Secretary. Finally the Prime Minister's Office Decree on Royal Development Projects (1981) was issued. This decree provided the basis to set up a national level body called "Office of the Royal Development Projects Board" or "Gor Por Ror" to serve as a neutral body for the implementation of all royally initiated projects.



The Gor Por Ror was tasked to support all stages of work, starting with initial studies, project analysis, review and approval of budget, coordination with government agencies and state enterprises up until project evaluation. In addition, it undertook supervision to ensure that the royally initiated projects moved quickly and accomplished their objectives with maximum efficiency.<sup>67</sup> Actually, this kind of work was the main responsibility of NESDB in any case. Therefore the Secretariat of Gor Por Ror (called Sor Nor Gor Por Ror) was housed at the National Economic Preparedness Planning Division of the NESDB<sup>68</sup> with Dr. Sumet Tantivejkul as member and Secretary of Gor Por Ror as well as Director of the Sor Nor Gor Por Ror. The staff of the Division also served as the staff of Sor Nor Gor Por Ror.

The royally initiated projects commenced upon receiving a royal command. This would be recorded in writing, a process which had never occurred before. Having a written record facilitated more systematic implementation with greater efficiency<sup>69</sup> and allowed implementation to be audited more efficiently. Next, the Sor Nor Gor Por Ror would check if

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<sup>67</sup> Sumet Tantivejkul. "Royal Development Projects in Supporting National Security in Rural Areas of Thailand". Bangkok: National Defense College, 1986.

any agency had already been undertaking projects that were relevant to the new royal initiative. This was to avoid possible duplication. If there was already an existing agency, the Sor Nor Gor Por Ror would accord higher priority for the project, and speed up the implementation with greater efficiency.

If the royal initiative had no existing agency working on the issue, the Sor Nor Gor Por Ror would then draw up a plan and implementation measures on a case by case basis. The initiatives can be grouped into three main categories.

The first group was specific initiatives with clear activities and designation of implementation agency, such as the building of irrigation ponds which falls under the responsibility of the Royal Irrigation Department or the Office of

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<sup>68</sup> The Secretariat of Gor Por Ror was upgraded to be the Office of the Royal Development Projects Board (Gor Por Ror Office) later on. It was still with NESDB until 1995 but as royal development projects expanded more widely, the cabinet under Prime Minister Anand Panyarachun approved the resolution to separate the Gor Por Ror Office and to upgrade it to department level under the Prime Minister's Office with a Secretary General as head of office. This was to be effective in 1993 according to the Administrative Reform Act (ninth copy) (1993). Currently the Gor Por Ror Office is not under the Prime Minister's Office or any ministry, but is as an office directly under the command of the Prime Minister according to the Administrative Reform Act (2002). (Source: [www.rdpb.go.th](http://www.rdpb.go.th) (website of the Gor Por Ror Office))

<sup>69</sup> From an interview with Dr. Sumet Tantivejkul on August 10, 2009.

Accelerated Rural Development.<sup>70</sup> The Sor Nor Gor Por Ror would then coordinate with the respective agency. Each agency worked according to its own procedures, starting by undertaking land surveys and feasibility studies. If the proposal was found feasible then the matter would be referred back to Sor Nor Gor Por Ror for consideration and to prepare the budget request. Sometimes the agency's own regular budget might be used. Upon receiving the project proposal, the Sor Nor Gor Por Ror would analyze the extent to which the proposed project was in accordance with His Majesty's initiative or with the national development plan as well as the expected impact of the proposed project. If it was found suitable and everything was ready, then the project proposal would be submitted to Gor Por Ror for approval and budget allocation.

The second group came about when His Majesty had a broad idea such as a certain geographical area should be developed. The Sor Nor Gor Por Ror would then dispatch officials to conduct a field survey, sometimes in conjunction with other agencies, in order to acquire a better idea of the area in question. The information would be used in planning

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<sup>70</sup> The Office of Accelerated Rural Development was abolished in 2002 according to the Administrative Reform Act of 2002.

and setting up of working groups or a joint committee to draft the project work plan with the Sor Nor Gor Por Ror as the central body. When the plan was completed, it would then be submitted to His Majesty for review. After all these steps, the Sor Nor Gor Por Ror would then submit it to Gor Por Ror for approval.

The last group was the case of big projects with large investment such as the building of a dam like the case of the Yan Hee Dam (Bhumibol Dam). In this case the Sor Nor Gor Por Ror would submit it to NESDB for normal consideration as in other cases.

When the project was approved and was under implementation, Gor Por Ror and Sor Nor Gor Por Ror would monitor the progress, problems, and bottlenecks and would then report them to His Majesty every four months. They would also evaluate various impacts to report to His Majesty. The monitoring and evaluation of the Sor Nor Gor Por Ror was highly acclaimed by external agencies for its efficiency and continuity.<sup>71</sup>

The work of Gor Por Ror and Sor Nor Gor Por Ror went smoothly and achieved good results. From 1982-2008, there were as many as 4,404 royally initiated projects under the

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<sup>71</sup> From an interview with Dr. Sumet Tantivejkul on August 10, 2009.

responsibility of the Sor Nor Gor Por Ror. They could be classified into various categories, including water resources development, agriculture, environment, occupational development, public health, communications/transportation and social services.<sup>72</sup> These projects were greatly successful and each was able to address the problems at hand directly and effectively.

One finding which emerged was that the royally initiated projects not only brought material progress to the people but also spurred their spiritual development as well. During the initial period, the government and the NESDB tried to advance national development plans with a view to national well-being by mobilizing capital to build up basic infrastructure like roads, dams, electrification, and water resources development. Very little attention was paid to social services. When basic infrastructure had been provided to a certain extent, the government then paid more attention to social services. There were accelerated rural development activities and more serious mobilization of resources to the rural areas. Nonetheless it appeared that no matter how much attention the government paid to the rural areas, the needs were not fully met. Sometimes, assistance was not correctly provided and

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<sup>72</sup> Source: [www.rdpb.go.th](http://www.rdpb.go.th) (website of the Gor Por Ror Office)

not properly targeted due to the lack of basic understanding on rural development. But this matter received great attention from His Majesty the King and he himself acted upon it, receiving more detailed briefing information about the various areas over a longer period time than any government agency or even development specialists.

For me, I had the great fortune to have personally seen His Majesty's strenuous efforts to reach the poor people in remote areas. At the time, I was about to be ordained as a monk after resigning from the governorship of the Bank of Thailand. I had the opportunity to stay in various temples in the upper Northeast before deciding on which temple to stay at during my ordination. One of the temples where I stayed was the Abhai Damrongtham Cave temple of Venerable Ajahn Wan in Song Dao District, Sakon Nakhon province. This temple was located in a strategic area between Phu Pan mountain range and Phu Reo mountain range, adjacent to a "red area" occupied by the Communist forces. During that time, there was constant heavy fighting between the Communists and the authorities.

One night as I was doing my evening chanting, I felt there were irregular movements and moving lights in the temple area. It turns out that His Majesty had come to pay a visit without prior notice to the Venerable Ajahn Wan after

His Majesty's visits to the area and to the local residents. His Majesty together with the Venerable Ajahn Wan, a monk highly revered by the people, planned the temple as the local center of development. The people of the area faced great poverty and hardship. I still remembered that a police station not far from the temple had just been burned down by the insurgents that day, with the smoke still billowing in the air. But His Majesty was not alarmed by the potential danger. His Majesty went everywhere. His Majesty sought out all the senior monks in the remote communities in the Phu Parn and Phu Reo mountain ranges who were regarded as the leaders of local people. It is the good fortune of Thailand to have a monarch who has made such great sacrifices and worked tirelessly in order to become close to and assist his subjects.

Apart from visiting his subjects by himself, His Majesty deeply understood development in all aspects. He remarked that we first needed to understand the phrase "*bhumi sangkom*". The word "bhumi" meant we should first look at the basic elements in our surroundings: soil, water, wind and fire. How could we create stability and balance from the existing elements given that each area has its own characteristics. The North was one way, the Northeast another, the South had peat, while the Central region was mostly low-lying plains. Hence one needed to respect the underlying geographical factors of

the area first before executing any action. The word “sangkom” or society meant that one must respect that people as human beings have rich and diversified culture. They have different ways of living, thinking and decision making. We might find that for the same incident, the northerner would decide in one way, and southerner another way. Hence in development, we must be cognizant of all dimensions, including physical attributes, people, geography and the socio-cultural aspects.<sup>73</sup>

The royally initiated projects aimed to develop rural areas so that the people would “have enough to live and eat” and be self-reliant through various Thai-style methods. The development used modest means suitable to the area and the background of the people. It prompted collective action by the villagers to work together for community development. These various measures were later adopted by the government and NESDB as the foundation for the new approach to rural development in poverty stricken areas.

His Majesty the King created balance in the country’s economic development. His Majesty’s activities were critical in drawing attention to rural development, natural resources and environmental development and sustainable and socially just development. These developments were parallel to the

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<sup>73</sup> From an interview with Dr. Sumet Tantivejkul on August 10, 2009.



development of export, investment, tourism and various economic facilitation networks, and this dual approach has continued to this day.

I would like to come back once again to the work of Gor Por Ror and Sor Nor Gor Por Ror. They would not have achieved smooth results if they lacked the good management and staff of Sor Nor Gor Por Ror. Though there were only 12-15 people during the initial period, there were as many as 50-60 ongoing projects annually. These people managed to deal with this volume of projects effectively and with a sense of self-sacrifice. They worked in a manner which could be described as “ready to bring their luggage to stay for months”. These people had to be ready to follow His Majesty to the countryside for the greater half of a year to ensure that the work progressed smoothly and in a timely manner. Ready results were important as several of the royally initiated projects were of an urgent nature, acting like antiseptic ointment used to heal the people’s wounds quickly, for instance, when they faced trauma following natural disasters.<sup>74</sup>

Moreover, on a personal level, I had known Dr. Sumet for some time before the setting up of the Gor Por Ror. I appreciated his temperament and capabilities. When the

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<sup>74</sup> From an interview with Dr. Sumet Tantivejkul on August 10, 2009.



Gor Por Ror was to be established at a time when I had substantial responsibilities as a member of and secretary to five committees, I needed to select a suitable and reliable person; I therefore asked Dr. Sumet to work for the Gor Por Ror.

I had full faith in Dr. Sumet during our period of working together at the NESDB and he did not disappoint me. He worked very effectively making the newly established Gor Por Ror work efficiently and smoothly, fully serving the wishes of His Majesty as planned.

#### **4. Committee for the Development of the Eastern Seaboard (Gor Por Or)**

The Gor Por Or was considered to be part of the pro-active plan to establish a new economic hub and community base. It would address the problem of “the higher level of development, the greater the concentration in Bangkok” by supporting the policy to distribute development outside Bangkok and allow Thailand to restructure its economy. At the time, the Thai economy was based on the export of a few agricultural commodities and import substitution Industries. This move would create a “Thai-style Newly industrialized Country”, which had industrial development but did not neglect the agricultural sector. On the contrary, the agricultural sector would see greater value added by emphasizing agro-processing industries and developing Thailand into the “Kitchen of Asia” or even “Kitchen of the World”, a phrase I coined after the preparation of the Fifth Plan in 1982, perhaps the first time this term was used.

Back in 1982, the capacity of Klong Toey port was highly saturated. Only small ships could enter the Klong Toey port, requiring trans-shipment of cargo at the port of Singapore, resulting in costly shipping. Ships had to wait in increasingly long queues at the Klong Toey port. The traffic around the

Klong Toey port was heavy, which caused Bangkok traffic to be congested too. Hence there was a need to build a new deepwater port to relieve Klong Toey and to accommodate bigger ships with greater depth requirements. It was an urgent project. Nonetheless the development of the Eastern Seaboard was a big undertaking on a scale that had never been carried out in Thailand before. There was, therefore, the necessity for a policy body that could coordinate various projects in the area to ensure complementarity and achieve success. This was the impetus to set up the Gor Por Or.

The development of the Eastern Seaboard was a pro-active strategy in development which was initiated in 1981 when I was in my second term as Secretary General of the NESDB. The project sought to provide Thailand with new opportunities by shifting away from the previous agriculture-based economy to industrial development that could compete in the world market. It was also meant to distribute progress and economic activities away from Bangkok in a systematic manner. It would set up a new economic hub and industrial base for the country and also would open up new access to the world's shipping lines without having to pass through Bangkok. This would prepare Thailand to attract industrial investment from abroad and link the Thai economy with the international economy.

In adopting this strategy, as with others, we had to

understand the local economic and social conditions and seize the opportunities presented there. Thus, the strategy for the development of the Eastern Seaboard set itself the target of making the area a new economic and social base which was large and quick-moving enough to raise the level of new industrial development, upgrading Thailand's status as an industrial nation.

This industrial development was carried out in phases. The Eastern Seaboard development was initially part of an industrial development plan that would allow us to just progress from "primary school" to "secondary school", with no higher ambition. However, at the "secondary school" level, we would have to have key industries without which we would be stuck with only basic industrial activities like assembly activities, which only use imported components. As such, we branched out from finished products to industries producing industrial materials and components. Even so, these industries had already reached their limit and could not be developed further. As a result the economic system started to stagnate because we could progress no further.

Thus, there was a need to develop industries at the higher level. They would mostly be located on the Eastern Seaboard as all the facilities were available. Building up the petrochemical industry was clearly identified as the key goal, among one of

several goals related to the Eastern Seaboard development. Another goal was that the Eastern Seaboard development would create a beachhead for development in the Northeast and the North. This would open up the Northeast and the North without the need to pass through Bangkok.

In addition, there was a plan to slow down growth which at the time was only concentrated in Bangkok, the only center of growth in Thailand. There had been a great deal of urban migration into Bangkok, which created various problems such as traffic jams, overcrowding, and shortages of public utilities. So there was a need to consider an alternative area to serve as a hub for economic expansion and industrialization in Thailand. The Eastern Seaboard had the appropriate setting, adequate land and location not too far from Bangkok, making it ideal as an industrial hub that could compete in the world market. More importantly, the Map Ta Phut area in Rayong province was the area where natural gas from the Gulf of Thailand was piped ashore, making the area suitable for the development of industries which use natural gas as a raw material.

Next, a master plan for the development of the Eastern Seaboard was drawn up. The Laem Chabang area in Chonburi province was identified to be the site of Thailand's new port, a deepwater port of international caliber, as well

as the location for medium and small scale industries that were non-polluting. The Map Ta Phut area in Rayong Province would be a modern industrial town and the location of industries that use natural gas as a raw material such as the petrochemical industry and related industries.

The Eastern Seaboard development was a large scale project that required huge investment. It required coordination between the public and the private sector. The public sector had to take the lead in the development of basic infrastructure for industries including the deepwater port, industrial estates, roads, railways, water, electricity, communications and telecommunications, so as to facilitate the rapid development of industries that could compete effectively in the world market. The private sector was to take the lead in investment in such areas as industrial plant, housing, hotels and golf courses.

The NESDB had the opportunity of initiating work on the development of the Eastern Seaboard, considered an important strategic move in Thai development at that time. This would open up a new channel for the export and import of goods by sea, avoiding the bottleneck at the Klong Toey port. Without the development of the Eastern Seaboard, without the Laem Chabang port, without the port at Map Ta Phut and without the numerous industrial bases in the

east, our economy would not be in its present shape and we would still be stuck at the Klong Toey port, which was no longer workable.

The Eastern Seaboard development aimed at restructuring the development of the country by moving Thailand into a new era, able to compete in the international economic arena. When we speak about international economic competition, we need to touch on several matters in terms of industry, logistics and management.

The other reason for this development was to be a model for industrial development with a concern for the environment. This project had many dimensions. It was not just the construction of the ports or expansion of industry per se. In reality, we were developing our country to be an exemplar for sustainable development that could compete internationally while building up the country's economic foundation.

It was to be the greatest planning initiative ever done in Thailand. During the planning process, consideration was given to the environment from the very first steps of selecting the site, comprehensive urban planning, zoning, land use planning and buffer zoning between the industrial estate area and the community. It was the first time that Thailand had issued legislation designating a specific urban plan at Map Ta Phut by zoning areas for industry, housing, agriculture



and buffer zones. There was a master plan for environmental management with a concern for wind direction and sea pollution, setting up air and water quality monitoring stations along with equipment to monitor changes in the environment as well as provisions for risk management. Community and social development action plans were drawn up. Educational facilities were established to attract people to work there by setting up an international school and developing the Srinakharinwirot University at Bang Saen into Burapha University. At the same time, the area was designated BOI Zone 3 to reap the highest tax benefits. Later on, there was a follow-up plan to extend the development area to cover all eight provinces in the eastern region.

As for NESDB, its first task was to deal with the state decision making process to ensure that all the concerned agencies, such as the Port Authority of Thailand and the Highway Department, worked on the same work plan and coordinated their processes. The only body that could make all ministries and departments cooperate was the Cabinet but we could not bring all matters to the Cabinet as it had to consider so many other matters and could not review this plan, which was full of detail.

A Prime Minister's Office Decree was issued in 1985 about the Eastern Seaboard Department. It appointed the



Eastern Seaboard Development Committee (Gor Por Or) as the national mechanism responsible for supervision, policy making, and approval of projects and plans. The Gor Por Or was special because it was made up of all the agencies concerned with the Prime Minister as its Chairman, concerned ministers and heads of agencies as committee members and myself in the capacity of Secretary General of NESDB serving as a committee member and secretary. The Secretariat was the Eastern Seaboard Development Committee Office (Sor Por Or) or the Analysis and Plan Coordination Centre (Sor Wor Por) which was a unit within the NESDB that followed up and monitored the work of various agencies. I invited

Dr. Savit Pothivihok from the Royal Irrigation Department to be director of this office.

As a committee member and the secretary of the Gor Por Or, I set the meeting agendas leading to the adoption of decisions aimed at making the work move ahead. The resolutions of the Gor Por Or were equivalent to Cabinet decisions and we reported to the Cabinet periodically. This was the key to our effective implementation, as our work was time-sensitive and involved many related organizations, thus requiring a dextrous decision-making system. It enabled the smooth and successful implementation of the country's policies and important projects.

During the coordination of the action plans, everything had to be brought into the overall plan, then presented to the joint meeting so that everyone's thinking would be in the same line. There were questions and answers and clarifications. Everyone had their own duty and also a shared responsibility as well. There was on-going monitoring. Everyone would be aware of what happened in every organization. In the meeting there was an open forum where issues could be raised. Thus, we were fortunate to be able to step out of the silo mentality where each agency was isolated and instead join hands with a shared target within the framework of a national plan. In many cases, this was not easy but it was ultimately accepted.

The public might have debated the suitability of the plan or projects but they never accused the committee or secretariat of corruption, self-interest or lack of transparency. This was the factor that allowed this project to move forward.

The most important consideration was the financial plan. At the beginning, the Eastern Seaboard plan faced numerous problems. At the time the world faced an economic slow-down. The monetary and fiscal condition of Thailand was not conducive; we had a budget deficit and debts. Hence there was a need to adjust the plan by selecting only urgent projects and dividing the construction into phases. The project size was trimmed down. With foreign loans of almost 30 billion Baht, the project later faced difficulty and was almost terminated because it contributed to the foreign debt burden. The project had to be reviewed for its suitability.

While the project garnered both criticism and support from various parties, the Cabinet under Prime Minister Prem decided to move forward, without trimming down the project at all. In the end we were able maintain the core elements of the project including the port, the industrial estate at Map Ta Phut, Laem Chabang and the water pipeline. These were ranked according to their priority.

As the Eastern Seaboard development was a national strategic project, Sommai Hoontrakul, the then Finance

Minister had a significant role to play. The Ministry of Finance had a direct role in foreign borrowing. We came to an agreement with him beforehand that the loans would be secured from Japan. Sommai had studied in Japan and enjoyed a cordial relationship with the Japanese Minister of Finance.

It could be said that the Eastern Seaboard development plan was the most successful cooperation between Japan and Thailand. There were several factors leading to the success of this project, starting with the political factor because the decision making process was the most important element. The Cabinet under Prime Minister Prem was in power long enough to allow this project to happen because a work plan of this nature could only succeed if there were continuity. A second important factor was the civil servants.

At that time, the status of civil servants was high. Civil servants had integrity and many were highly respected technocrats. Many were accepted by society as being honest and devoted to their country. The third factor that was important to this project was the private sector. After the completion of the port and industrial estate by the government, success would depend on the private sector's level of investment. The private sector in this case meant not only Thais but also foreign investors with advanced technology and large amounts of capital.

The government had to reach an understanding with the private sector on a few main issues: firstly, the government would provide full support for basic infrastructure; secondly, the government would look into the conditions and mechanisms that would enable the private sector to invest, particularly with regard to investment privileges; and thirdly, the government would need to convince the private sector that the government would conduct business using international standards and in a transparent manner. Everything would be on the table with no dealings under the table.

The Eastern Seaboard Development Plan had evolved from a concept to real practice, with the involvement not only of domestic parties but also garnering significant international attention as well. The following observations may be made.

Firstly, the Eastern Seaboard development was not the only initiative to develop industrial hubs and new urban developments, even though it was a major initiative. The plan was part of a nationwide effort to set up industrial and urban centres and to develop their surrounding regions which served as the base context for these urban centres, each of which had its own characteristics.

Secondly, the Eastern Seaboard development did not aim to develop only large scale key industries that required massive investment. Rather, it aimed to develop a variety

of industries at a variety of scales in a harmonious manner. If we relied only on key industries, employment in the area would be limited. So there had to be support industries, small industries and export industries that were labor intensive and generated employment. This combination would lead to a stable industrial structure and be beneficial to industrial development of this region. So the Eastern Seaboard development required systemic development. The system was meant to be put in place before actual development occurred instead of just starting development activities which might lead to problems in the future.

Thirdly, the Eastern Seaboard development did not cover only industrial development. Social and environmental development and the improvement of the quality of life of the people in the area were major concerns. In terms of education, Burapa University was developed as the main pillar to become a leader to develop human resources and society and promote arts and culture in tandem with economic expansion.

Lastly, during this period many were concerned that the government only cared about the Eastern Seaboard and foreign investment there, thus neglecting the development of poor rural areas. However, in fact, both were important components in the Fifth Plan. If we implemented only the rural development plan it would have been a reactive move

only. There also had to be a pro-active plan to allow Thailand to be strong and progressive.

Indeed, there was a need to build up our economic momentum so that we could divert resources to help address rural poverty. Although the idea was to tackle everything in parallel, this did not mean that there would be two completely separate streams of development. In fact, there would be periodic overlaps and intersections; the Eastern Seaboard development plan could synergize with the plan for rural development in poverty stricken areas. The Eastern Seaboard would attract foreign resources which would help uplift the country's status as a whole and direct more assistance to the underprivileged.

During that period it can be said that NESDB, particularly the Analysis and Plan Coordination Centre (Sor Wor Por) with Dr. Savit Pothivihok as its director, successfully implemented the Eastern Seaboard development plan. No one can deny that the plan had a great impact on Thailand's economy and was an important step in uplifting the country's industrial development. However, the project did have some problems in terms of timing. As a large scale project, it required lengthy project preparation to seek budget approval from the national budget and financing from the OECF of Japan, following the planning, feasibility study and design



phase. Moreover, land acquisition took time since property had to be expropriated. The project also had to overcome resistance from people in the project area.

By the time the plan began to yield concrete results, the Fifth Plan was almost over. The projects that were completed during the Fifth Plan were the Doggrai-Map Ta Phut water pipeline and the gas separation plant. The plan outcomes were more clearly seen in the Sixth Plan period (1987-1991) with the completion of the Laem Chabang port and industrial estate that allowed the vital automobile, motorcycle, and electrical appliance industries to greatly expand, the Nongkor-Laem Chabang water pipeline, the Map Ta Phut industrial estate and the petrochemical industries. It was fortunate that the government was in power for eight continuous years, allowing the projects to make considerable progress.

For me, the important achievement was the provision of modern and complete infrastructure. This includes deepwater ports with the Map Ta Phut port serving the country's largest-scale industries and Laem Chabang serving as the principal commercial port for cargo shipment which was world-class. In addition, the plan resulted in modern industrial estates, water reservoirs, water pipelines, road networks, railways, telecommunications system, electricity and a water supply which facilitated industrial investment and economic

*Laem Chabang port is a large commercial port*



growth. It has also promoted the distribution of growth out of Bangkok, which has continued until today.

Nowadays the Eastern Seaboard is the centre of economic activity and the country's most important industrial base, particularly with regards to the petrochemical industry, energy industry and automotive industry. Growth has been continuous, at about 10% annually between 1986 and 1995 and later at about 8% annually. It became an important generator of jobs, employing more than 1.75 million people in 2007 in the eastern region. The population has also expanded from 1.6 million in 1981 to 2.5 million in 2007.

In conclusion, the Eastern Seaboard Development met its objectives of diverting growth away from Bangkok and

building a major economic and industrial base that could compete effectively in the world market. Indeed, it exceeded expectations at that time. However, rapid development with continuous heavy investment beyond the planned targets has overwhelmed the government's management capacity and created enormous environmental problems. These require serious attention and close monitoring to create a better balance and improved welfare for the local people in terms of health, environment and standard of living in a just manner. The business establishments in the area should display social responsibility of an international standard as a condition to allow them to continue with their operations.

## **5. National Energy Policy Committee (Gor Por Chor)**

In 1973, Thailand was facing a severe oil shock crisis because the country was heavily dependent on oil. The possibility of initiating a nuclear power plant was raised and the Electricity Generating Authority of Thailand proposed a nuclear power plant project to NESDB. After the potential impacts were assessed, particularly in terms of the environment and safety, a decision could not be made and the subject is still up for debate up to this day. Later, lignite was found in Lampang but only in small amounts, enough only for generating

12.5 megawatts. So, in the Fifth Plan, there needed to be an energy plan in order to diversify the sources of energy. It was fortunate that between 1980 and 1981, while the Fifth Plan was under preparation, natural gas was discovered in the Gulf of Thailand.

Nonetheless, a second oil crisis occurred and so the government appointed an ad hoc committee to look into this issue with Flying Officer Suli Mahasanthana, Minister at the Prime Minister's Office, as Chairman. This committee concluded that there was a need for a neutral body to deal with energy policy. NESDB and the National Energy Office were requested to draft a National Energy Plan. NESDB took care of this matter up until the drafting of the Sixth Plan as the demand for electricity was steadily increasing by 7-8 percent, spurring heavy investment in energy development and increasing Thailand's energy production reserve.

The two energy crises within a short span created major socio-economic and political impact worldwide, including in Thailand. Every country needed to start paying serious attention to its energy management, making it a national agenda item of the highest priority. In Thailand, even with the new-found natural gas, which was used partly as raw material in the petrochemical industry but mainly used for energy because it was cheaper than oil, the country still had problems using coal and nuclear energy.

The problems were related to policies on production, sales and pricing and needed to be addressed using technical economic measures. But first, the National Energy Policy Committee was set up, with the National Energy Office as its secretariat.

Later on, the Sixth Plan measures on energy management were completely different from those pursued earlier. The government believed that national energy policy and management were important and inextricably related to the country's economy. This subsequently led to the setting up of the Gor Por Chor with the Secretary General of NESDB acting as a committee member and secretary, leading to the successful achievement of various policies and measures related to energy.

The energy policy in the Sixth Plan emphasized the role of the public sector changing from being an operator and regulator to controller, allowing the private sector to play a larger role. The plan also called for the restructuring of the energy business to be more competitive and less monopolistic. Price mechanisms and the market mechanisms were to be important tools in energy management. Revisions in the law and other regulations would help promote investment. Clear policy measures were introduced to achieve planned targets which relied on economics tools, the market mechanism, competition and the role of the private sector in initiating

change. This line of thinking used in developing the energy plan under the Sixth Plan became the foundation for energy policy that has survived to the present day.

The important policy measures during the Sixth Plan were: revision of the Law on Petroleum to facilitate the policy of accelerated exploration and development of petroleum; an agreement with the Malaysian government and the companies that won concessions for petroleum development in the Gulf of Thailand; the abolition of pricing compensation; the abolition of dual pricing for gas; and the floating of prices for petroleum products. Furthermore, the pricing for natural gas was to be set in accordance with the principles and base prices for other forms of alternative energy. This was done by establishing measures for setting the structure and the cost of transport via pipeline in a clear and transparent manner. Direct negotiations between natural gas producers and consumers were promoted. New laws were supposed to be enacted on the conservation of energy for industrial plants and buildings. Improved coordination of the overall plan and policies on energy in the public sector was undertaken in a unified manner. The government would encourage private sector investment in oil refineries and allow the free importation of petroleum products.

My involvement in advancing energy policies and



measures allowed me to understand the reason why the energy policy could not be implemented effectively and the energy sector's work could not be implemented smoothly or quickly as it should be. The reason was that the energy sector's work was spread over several agencies and ministries. Thus, to rectify the lack of unity in managing the energy sector, Prime Minister Prem signed the Prime Minister's Office Decree on the National Energy Administration Policy on October 16, 1986 to set up the Gor Por Chor with the Prime Minister as its chairman, relevant ministers as committee members, and the Secretary General of the NESDB as a committee member and secretary. Dr. Phisit Pakkasem and Dr. Piyasvasti Amranand were my valuable assistants in this matter.

The Office of the National Energy Policy Committee (Sor Por Ngo), a division-level office in the Prime Minister's secretariat, acted as its secretariat. It was decreed that the Sor Por Ngo should be upgraded later to be a department-level body in the Prime Minister's Office and report directly to the Prime Minister. Subsequent to that, all energy related agencies were to be combined to form an Energy Ministry if deemed appropriate. All the mechanisms in every phase have now been achieved.

The setting up of the Gor Por Chor enabled more unified and flexible energy management. This enabled Thailand to set energy policy in a more pro-active manner. It could now advance several energy policy measures, some of which bore fruit in later governments.

The various energy policy measures that I mentioned above allowed Thailand to become more successful in the energy sector than had been targeted in the Sixth Plan.

Since then the policy measures have yielded on-going impacts, particularly the buying back of energy concessions from the Texas Pacific Company, the revision of the Petroleum Act and the Petroleum Revenue Taxation Act, still in force to this day and proven to be very effective, providing just benefits to both Thailand and investors and promoting the development of additional petroleum fields in Thailand.



## **6. Joint Public and Private Sector Committee to Resolve Economic Problems (Gor Ror Or)**

Previously, there were efforts to build a system to bring together the public and the private sector to achieve a stronger development process. This had begun with the Second Plan wherein the Private Sector Development Committee was set up in the NEDB. It was split into three subcommittees namely, the trade, industry, and finance subcommittees with the chairmen of three institutions which are the Thai Chamber of Commerce, the Federation of Thai Industries and the Thai Bankers' Association taking part. However, it appeared that the cooperation system, which I myself had written for inclusion in the Plan had not quite succeeded.<sup>75</sup> Instead of cooperation, it often led to clashes and the

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<sup>75</sup> Some concrete achievements happened under the Financial Institution sub-committee with Sommai Hoontrakul as chairman and myself as secretary. This sub-committee set up a working group to study the establishment of a capital market in Thailand with myself as head of this working group. This working group consisted of five technical staff from the Bank of Thailand: Sugree Kaewcharoen, Paiboon Watanasiritham, Pakorn Malakul na Ayutthaya, Prayoon Papat and Supot Kittisuvann. The working group invited Professor Sidney Robbins from the Columbia Business School to be its advisor and the author of a report which became an important document in the setting up of the securities market in Thailand.



atmosphere before the Fifth Plan was one of serious distrust on both sides.

I had faced this problem all along but I was not the Secretary General of the NESDB earlier as I was now. So, I tried to find a new way of improving cooperation between the public and the private sector, particularly at a time when the country was facing acute economic problems. I proposed the setting up of the Gor Ror Or, which occurred with a Cabinet resolution on June 30, 1981. The Prime Minister was the chairman and the committee members from the public sector were from the various economic ministries and the heads of the concerned agencies. The private sector representatives were from the three institutions, the Chamber

of Commerce of Thailand, the Federation of Thai Industries and the Thai Bankers' Association. Sataporn Kavitanonda and Chakramon Pasukvanich served as my assistants and the Committee had a strong Secretariat that has continued to work until today. That said, some updates might be needed as the overall situation now has drastically changed from back then.

In the past, communication between the government and the private sector did not happen easily because there was a deep sense of mistrust between the two sides. The public sector accused the private sector of being purely profit making, without any concern for the common good. The private sector blamed the government for being inefficient, slow and seeking ill-gotten benefits. It took great efforts to bring the two parties together to jointly solve the economic pitfalls of the country against the background of the two oil crises, the fall of Vietnam and a lack of confidence on the part of the people.

The setting up of the Gor Ror Or facilitated consultation between the public sector and the private sector in finding measures to solve the economic problems and ensuring that there was cooperation between the two sides in actual implementation both at the central and the regional levels. Private institutions were to be strengthened. Awareness had

to be raised on the merits of cooperation for the greater good. The Gor Ror Or was tasked with providing advice on policy measures to address the economic crisis; it was not a decision-making organization and could not issue directives. The Gor Ror Or simply accelerated problem solving about economic obstacles; acquisition of foreign exchange through expanding production, trade, services; human resources development and job creation in rural areas.

It can be said that the Gor Ror Or was a new type of economic management machinery. With this joint public sector and private sector mechanism, the solving of various bottlenecks moved very quickly and directly addressed the central issues thus promoting the export of industrial goods and the rapid economic growth of the country, particularly between 1985 and 1995.

That the public and the private sector had the opportunity to consult each other directly enabled them to solve various problems directly, quickly, in a timely manner and with greater efficiency. This model of cooperation was expanded to the various regions, leading to the establishment of Gor Ror Or at the provincial level, with the Ministry of Interior as the main agency for coordinating and each provincial governor as chairman. They were tasked with proposing policies and measures for solving economic problems, particularly

those within the responsibility of each province, and for improving economic development in the provinces. This was a process of making proposals and finding solutions to solve economic problems at the provincial level. The provincial Gor Ror Or therefore had an important role in the development of private institutions at the provincial level and strengthened them more systematically in both trade and industry.

Throughout his time as head of the government, General Prem attached very high importance to the development of the Gor Ror Or. Meetings would be called every month except when he was travelling abroad. As a result, the Gor Ror Or work progressed smoothly with concrete outcomes. There were jointly developed projects such as the Energy Conservation Centre of Thailand that provided recommendations and advice on energy saving to private sector businesses, the Small Industrial Credit Insurance Project that provided credit to small industrial entrepreneurs and the Tourism Promotion Project that designated 1987-1988 as the Visit Thailand Year.

The important feature was that it was the first time that the government and the private sector had consulted each other closely to improve various legal measures, rules and regulations to be more business friendly. Investment support centers were set up at the Industrial Factory Department and

the BOI so that applicants could apply to set up or expand a plant through a one-stop centre. The centers established clear cut steps and timeframe for the process. Rules for establishing foreign representative offices in Thailand were revised, along with the revision of rules and the administration of revenue collection.

In addition, issues related to various sectors were also addressed, with a view to achieving improved results. This included the acceleration of exports, setting up a fund to develop exports, improving the transport system for goods particularly the high cost of transporting export goods by studying the use of the container system, the development of agro industries, the development of an action plan for agro industries by controlling the export of tiger prawn breeders and young prawns, the review of conditions to promote the establishment of slaughterhouses for meat export, etc. As for the job creation project of training rural technicians, the Ministry of Industry set up a working group together with the Federation of Thai Industries to prepare a training plan, starting in two areas, namely, small engines and electrical appliances.

At the provincial level, there was the development of chambers of commerce and the provincial Gor Ror Or to achieve greater efficiency in achieving results. For better

coordination of the provincial Gor Ror Or, the Policy and Planning Office of the Interior Ministry was authorized to oversee this. The Interior Ministry improved the working of the provincial Gor Ror Or secretariat so that it could supervise the work of all the provincial Gor Ror Or work. A subcommittee for coordination and promotion of the provincial Gor Ror Or was set up, with the Minister of Interior as the Chairman.

Under the Gor Ror Or, the various subcommittees included: the subcommittee to solve practical problems related to customs; the subcommittee for tax revenue coordination work (Gor Por Or); the joint subcommittee between the government and the private sector for solving tourism problems; the ad hoc subcommittee for policy and measures review on the use of oil, natural gas and coal; and the Gor Ror Or public relations subcommittee. Each subcommittee produced concrete results.

Cooperation between the government and the private sector was not limited only to channels under the various subcommittees appointed by the Gor Ror Or but it expanded to other agencies with the establishment of joint committees to consider various sector issues. The important joint committees were: the joint committee between the government and the private sector to develop education for jobs (Gor Ror Or

Por Or); the joint committee for cooperation in agricultural development between the government and the private sector (Gor Ror Or—Agriculture); and the joint committee for public health development (Gor Ror Or—Public Health).

The development of Gor Ror Or in various regions occurred when the central Gor Ror Or achieved results at a certain level, leading to the policy to expand to the regions as well. The first regional Gor Ror Or meeting was held in the North at Chiang Mai, the second in the South at Songkhla and the third in the Northeast at Khon Kaen.

In addition, in order to accommodate people from the private sector who were not directly involved in the Gor Ror Or and encourage them to participate in the process, consultative meetings were held with concerned parties in the form of Gor Ror Or talks. The talks covered nine areas namely: (1) communications, transportation and private sector business enterprises, (2) the new face of Thai tourism, (3) the Thai investment atmosphere through the eyes of foreigners, (4) foreign affairs strategy in solving economic problems, (5) the role of the mass media in promoting understanding and cooperation between the public sector and private sector, (6) the development of the capital market to revive the economy, (7) measures to accelerate the recovery of the Thai economy, (8) the development of engineering industries



in the Sixth Plan period, and (9) cooperative measures between the public and the private sector in small-scale business development.

People often asked me how it was possible to make the Gor Ror Or forum successful in drawing the private sector and the public sector together to discuss various problems and solutions in both the short term and long term. I maintain that the success of the Gor Ror Or depended on two factors. Firstly, the Prime Minister chaired the meetings himself every time except on the occasions when was travelling abroad, so there was the push from the leader of the country. Secondly, we had a strong team at the NESDB secretariat that facilitated the work of the Gor Ror Or on a continuous manner. It was able to organize meetings and draw conclusions in a concrete manner every month.

I would like to make the observation that contacts between the public and the private sector in the past had not been straightforward as there was deep distrust between the two parties. To bring the two together to solve the national economic problems required a Herculean effort and proved to be exhausting.

In addition, there were four other important factors or components that made the Gor Ror Or successful. They were: social psychology, politics, institutional capacity and

administration. I would like to elaborate briefly on these four.

Social psychology: the successful establishment of the Gor Ror Or and its evolution over time was predicated upon the leadership of Prime Minister Prem who placed great importance on this issue. In the beginning, the emphasis was on the building of mutual trust between the public and the private sector, demonstrating mutual sincerity and nurturing an atmosphere of trust in the determination to work together for the common good of the country.

Politics: the Gor Ror Or process was fully supported by the country's highest leadership. The Prime Minister was the chairman of the Gor Ror Or and he saw the importance of working within the Gor Ror Or framework and demanded concrete results on a continuous basis. Moreover, political stability and a continuity of political leadership were important factors in solving the country's economic problems.

Institutional capacity: institutions in both the government and the private sector were strengthened. In government, there were clear regulations, orders and policies for public administration. In the private sector, the three participating bodies (Chamber of Commerce of Thailand, the Federation of Thai Industries and the Thai Bankers' Association) joined together to become a strong force that was able to fully represent the private sector in terms of benefits, problems

and constraints as well as expectations. There were new organizational methods, new personnel arrangements and appropriate budget allocations to implement the work effectively.

Administration: a framework and guidelines for cooperation were put in place, along with rules. In the Gor Ror Or's working process, there would be two levels of screening to identify the economic problems that would be addressed. First, the private sector itself had a screening process, which required consensus amongst its various constituencies as to which issues were considered important by everyone. The other screening process was between the public and the private sector, with an emphasis on policy level issues, problems that affected many parties, and issues that affected the common good. This process required a strong secretariat, which had the capacity to plan, analyze, assess problems, coordinate and monitor implementation continuously.

This has been a rather long exposition. What I wish to emphasize is that the improvement of the economic management of the country by proposing the setting up of six national committees to Prime Minister Prem must be regarded as a very bold and challenging move. I needed some time to study the matter and then to reach an understanding with the Prime Minister also took a long period because the Prime

Minister was very careful in contacting private business people. I needed to emphasize to him that “the work of the Gor Ror Or would benefit the common good, and not for individual benefit” and “the work of the Gor Ror Or would be strictly aboveboard”. When this understanding had been reached, he allowed the Gor Ror Or to proceed. On the other hand I also needed to reach an understanding with my colleagues in the NESDB who were unsure about NESDB’s ability to fulfill its support functions effectively. I needed to explain to the executives of the NESDB that if we did not do it, the country would face great difficulties and it was absolutely necessary for the NESDB as a central body to volunteer to tackle this major task. I met with an excellent response from the staff of the NESDB so I marshaled our troops to take on this mission.

Looking at it superficially, the six national committees would seem no different from other committees set up by hundreds in the public sector. But if examined carefully, one can see great differences in terms of substance.

Firstly, the six national level committees (with the exception of the Gor Ror Or being set up by a cabinet resolution) were set up by the Prime Minister’s Office decree, which was more legally binding than a cabinet resolution. More importantly, they were more flexible and long-standing than

*The swift and continuous success in decision making and plan coordination was because General Prem chaired all six committees himself*



committees set up by cabinet resolutions, which would be dissolved at the same time as the cabinet. A committee set up by the Prime Minister's Office order could still proceed without interruption even if there was a change in the government or cabinet. In the eight years of Prime Minister Prem's administration, the government changed five times but the six committees carried out their work continuously. They were able to undertake the lengthy process of laying foundations, and could work and make decisions in a continuous and effective manner.

Secondly, as mentioned earlier, the six national committees were all chaired by Prime Minister Prem with the Secretary General of the NESDB as a committee member and secretary

except for the Gor Por Ror where Dr. Sumet Tantivejkul, a member of staff of the NESDB, was a committee member and secretary.

The success in swift and continuous decision making and plan coordination was because General Prem chaired all the six committee meetings himself. This prompted all the ministers and heads of departments and state enterprises to consider their participation in the six national committees meetings as an important task and they felt they had to attend in person unless there was an important excuse that they could offer to the chairman. The continuity resulted from the First to Fifth Prem Administrations being in power for an uninterrupted eight years, long enough to push a great number of policies, projects and important plans towards successful completion.

Thirdly, all six national committees had strong secretariats with each assistant secretary being heads of departments, namely, Kosit Panpiemras and Staporn Kavitanont who served as assistant secretaries and heads of the Ror Sor Gor secretariat as well as the director of National Rural Department Coordination Centre; Dr. Sawit Pothivihok, as assistant secretary and director of the Eastern Seaboard Development Committee; Dr. Phisit Pakkasem as assistant secretary of the National Energy Policy Committee and, later, as Secretary succeeding me; Dr. Piyasvasti Amranand<sup>76</sup> as an assistant

secretary and Sataporn Kavitanonda as an assistant secretary and director of the Gor Ror Or Secretariat with Chakramon Pasukvanich later taking over this position.

I was extremely lucky to have a large group of economic experts as my able assistants, who were knowledgeable and possessed the moral integrity and determination to work for the common good. I did not work alone. I always told them that they each had to be more capable than myself as each one was responsible for a certain area while I was the one handling all kinds of work. In truth they were really more capable than me and they all progressed very well later on in their official careers.

In each secretariat, there were NESDB staff who devoted themselves to working as a team. They cooperated and coordinated with line agencies and state enterprises that were responsible for the projects and would be recognized for the results. This allowed for the preparation of the main substance and detail of the policies and plans and proposal of issues for the various committees to take decisions on in a timely manner. I needed to coordinate on all fronts, always

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<sup>76</sup> Dr. Piyasvasti worked at the NESDB until 1986. A year later, he became Director of the Office of the National Energy Policy under the Prime Minister's Office.

upholding the principle of “no self, not mine”. This was not my work; it belonged to the relevant ministries, departments and state enterprises. Each partner had its own responsibility but the credit would go ultimately to the main agency in charge of each scheme. I worked behind the scenes and not many people saw me. I adopted the Buddhist principle of not holding to “me and mine”, always giving credit to others, giving opportunities to others and supporting them if they could do the job. If it was something they wanted to do, they would do their best. Hence, we needed to coordinate to let them work together.

During that period, there were frequent meetings because there were several committees. For example, every Monday was the meeting day for the Ror Sor Gor. Each committee would act on behalf of the Cabinet, which speeded up the work of government. It was the first time that the NESDB had had such a role. At the same time, because we needed to solve the deficit problem, there was a trimming of the budget so that there would not be any extra projects outside the plans. This created great pressure from concerned ministers. If they agreed and supported undertaking only the projects included in the plans, then that was fine. But some ministers wanted to do special projects on their own, which were usually not supported by the NESDB. So, criticism arose, with accusations



that the NESDB was a “mafia” agency. I needed to clarify all the time that the NESDB was not a mafia agency. We merely coordinated and the work belonged to each agency, which was part of the coordination group. Hence, the work could progress well as long as the Prime Minister was still in a stable situation politically. It was fortunate that Prime Minister Prem remained in his position for a period of eight long years. It was in these eight years that, I believe, Thailand gained from the continuity of the Fifth and Sixth Plans.

Fourthly, I should not neglect to mention Minister Suli Mahasanthana in the Prem Administration. He was a very capable person who did not mind working behind the scenes as per the Thai saying “Putting gold leaf on the back of the Buddha image”. Almost no one realized he was behind the success of the economic policies and management of the Prem administration.

Minister Suli, apart from being a member of the five national committees (with the exception of the Gor Por Ror), was the key “link” that enabled the smooth operation of the five committees. Few knew that Minister Suli was the only Minister who had an office in the Thai Khu Fah Government House near the office of the Prime Minister and he regularly lunched with the Prime Minister. Minister Suli’s close association with Prime Minister Prem went back to the time



when they were schoolmates in the same batch at the Suan Kularb Academy. Being a very prudent person with a cool disposition, he gained the confidence of the Prime Minister and was appointed the cabinet minister attached to the Prime Minister's office.

As I was a member and secretary to the five national Committees chaired by the Prime Minister who attended every meeting and I also needed to attend every Cabinet meeting as the Secretary General of the NESDB, I had to summarize the important issues to the Prime Minister before each meeting. So there was a need for good time management to not take up too much of the Prime Minister's time, as he had to oversee other matters such as politics, internal and

*Executives of NESDB who assisted the work of the five national committees call on the Prime Minister for the last time at Government House*



external security, social issues as well as the economy.

It was my good fortune that Minister Suli provided me with many opportunities to consult with and report to the Prime Minister through him, except on those especially important topics, of which there were quite a few, for which I needed to see the Prime Minister directly. Oftentimes, Minister Suli and the concerned heads of agencies that were directly responsible and advisors to the Prime Minister would also be in attendance. I knew that the Prime Minister liked to listen to different views from all parties before he would make a final decision and approve further action.

I felt good and was encouraged to work hard in a system where the leader of the government had moral integrity,

ethics and honesty and worked for the benefit of the nation and the people, as expressed in his vow to His Majesty the King.

In spite of the numerous achievements, political pressure forced the Prem government to come to an end. Prime Minister Prem announced that he would not seek the premiership any more. I brought the senior officers of the NESDB who had assisted in the work of the five national committees headed by the Prime Minister to call on him for the last time at Government House. The Prime Minister thanked the NESDB staff very fulsomely. His words are recorded below.



**A speech by Prime Minister Prem Tinsulanonda**  
delivered on the occasion when the NESDB Executives  
called on him on August 4, 1988 at Government House  
to bid good bye to him upon his leaving office

*....I will touch on two points: Thank you and apologies.  
I shall later explain why I offer my apologies.*

*I am pleased to have worked with the NESDB, which is  
an important institution and which has greatly protected the  
interests of the country and the government... I have been  
Prime Minister for eight years, five months and one day as  
of today. Until I became Prime Minister I had no knowledge*

*of the work of the NESDB. After working together, I have learnt that it is an office with knowledgeable technocrats who have always provided useful recommendations. Those who have participated in the Cabinet meetings know well that I adopted NESDB advice all the time in my decision-making and administration. I am a lay person and do not have technical knowledge like you people here. So, I would like to thank you for assisting me in my work and allowing me to gain the knowledge that enabled me to perform my task as Prime Minister....*

*....throughout the time that I have worked with Khun Snoh and you people here, I have seen good work that has tried to protect the interests of the masses. During my time as Prime Minister, we have worked together to revive the economy from a very critical state until it is now making progress. Even though I have not visited your office, I know that you have all worked hard as I have been following your work. I know that you worked almost non-stop regardless of whether it was a normal working day or a holiday. There has been no return on your work except pride, and it is necessary to have pride in ourselves and in the work that we have accomplished....*

*....I have a view which might be wrong and inaccurate. I am of the view that henceforth the NESDB will have a*

*heavier burden and will need to work with politicians. So the NESDB must be steadfast and make proposals without bias and based on technical principles and correctness.*

*.... The reason I want to beg your pardon is for any disappointment that I may have caused you in my work though I think there might not be any. I have worked without any other thought except for the common good of all and for the nation. I work by holding to the principle of sacrifice so that people will escape from poverty. I therefore ask you all to perform your task well to protect our land. If we cannot safeguard our economic status, we will not be able to maintain our country's stability.*

*....I thank you and bless you all. May you have long life, good status, robust health, happiness and progress in your lives.*

Transcribed from memory by Anuparb Soon-anand



In fact, I should be the one to say thank you to Prime Minister Prem for the following reasons:

Firstly, he supported my proposal and efforts to have a system to convert the essence of the Fifth and Sixth Plans

into practice by setting up the six national committees. An important factor was that throughout the eight years that Prime Minister Prem was head of the cabinet, he attended all six national committee meetings in person thus allowing for smooth policy setting, coordination and implementation according to the Fifth and Six Plans and leading to successful results.

Secondly, his honesty, desire to work without any personal interest and devotion to the country was an inspiration and a magnet to attract planners, technocrats and officials in great numbers to participate in the First to Fifth Prem administrations with a sense of pride. It was a great mobilization effort and showcase for “technocrats” involved in the socio-economic development of the country.

Thirdly, the Prime Minister was able to successfully guide his five administrations through numerous political problems, including coup d’ état attempts, an assassination attempt on him and personal attacks from his former colleagues. The Prime Minister still managed to run the country continuously for over eight long years. This was his highest achievement that allowed for the re-structuring of the economy from traditional agriculture to one of Thai-style industrialization that saw successful developments in agriculture, industry and service.

The great contributions of Prime Minister toward his

country made me proud and I sincerely thank him for giving me the opportunity of working closely with him for eight years.

With the end of the Prem administration, the Chatichai government took over on 4 August 1988 and I experienced a situation like flipping “from the palm to the back side of the hand”. My role as chief of staff to set policy for the country’ economic management was gradually trimmed, first with the order to change from directly reporting to the Prime Minister to reporting to the minister of the Prime Minister’s Office. Later, there was an order for the three officials attending the Cabinet meeting to be able to offer views only with the permission of the Prime Minister.

In fact, I was prepared to resign at any time after Prime Minister Prem remarked that he had had enough and did not want to accept the Premiership any more. I had been waiting for the appropriate moment to resign, but after seeing the conduct of the Cabinet meeting, which was completely different than under Prime Minister Prem, I reached the point where I was sure that I had been there far too long. So, I began to think about a new Secretary General of NESDB to succeed me. I must admit that it was quite a difficult task for me as among those who worked closely with me, there were many competent, capable and good people. In the end, I decided



to support Dr. Phisit Pakkasem who was the most senior and was already the Deputy Secretary General of NESDB. I told Dr. Phisit privately that I supported him as he was capable and good but I requested one thing that he would run the NESDB with the four Buddhist principles particularly the one of “loving kindness” which Dr. Phisit promised me to uphold.

After that, I went to the Prime Minister’s Office to meet the Prime Minister’s Secretary General to inform him of my resignation from the position of Secretary General of NESDB. Later, I saw Prime Minister Chatichai on the same matter and conveyed my view to support Dr. Phisit as my successor. The Prime Minister replied<sup>77</sup> in a regretful tone that he was sorry we would not be able to work together and agreed to the appointment of Dr. Phisit as my successor.

I held a press conference at NESDB on my departure on April 24, 1989. There was a large media turnout, more than I had expected. I said briefly that I had been working in the service of the nation for a long time and it was time for me to leave the civil service and that I wished to take this

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<sup>77</sup> Personally, Prime Minister Chatichai was a likeable person. He was friendly and humorous. He used to see Nui for dental work. Every time he saw Nui, he would laugh and touch his mouth with his hand, making a painful expression as if he had just had some dental procedure performed.

opportunity to thank the press who had been doing a good job reporting about NESDB all along.

The morning after the press conference, almost all the newspapers published the news about my departure from the position of Secretary General of NESDB. Almost all of them reported in the same manner that they understood and sympathized with my situation and felt a sense of loss. There was a poem composed by Asanee Haruethai published in the Naew Na Newspaper, entitled “Fallen Leaf”.



### **Song of the Fallen Leaf**

*(1) In the middle of the forest, one leaf has fallen*

*How could it affect the forest?*

*When it's merely following the law of Karma*

*There is birth and then there is death*

*(2) The fallen leaf named Snoh Unakul*

*Has disappeared while still alive and well*

*It is one episode of a leaf falling*

*In the ocean of time*

*(3) Only virtue, grace and purity remain*

*Honour to be carried into the far future*

*On the road of officialdom that has passed  
One brave man did not yield and bend  
(4) Up against the strong political tide  
Like announcing the honour of a fighter  
A man using his knowledge  
Could either stay or leave.*

*(5) If he stays, he must stay with honour  
Honour of a long term administrator  
Honour of an important leader  
Accepted as such in all circles*

*(6) Accepted for his honesty and clean hands  
Accepted in his administrative excellence  
Leaving us his name, his life and his work  
To be recalled, to be valued, to be grieved*

*(7) When the virtuous way was being crushed  
A good man could not bear to stay  
When the immoral rule with might  
Then one has no choice but to leave*

*(8) This is the road of officialdom  
One has to pass through the thicket of thorns  
When thorns often pierce the flesh of good men  
Then officials must take their leave*

*(9) Pay tribute to gentlemanliness  
One who dares to stop fighting, like the brave*

*Only his development work will remain  
As a memory and as a legend  
(10) Like a bridge crossing a mighty river  
Like a torch to light the way forever  
If one wishes to be an official  
One must remain in the system with patience  
(11) Never ask for help when in a fight  
With knowledge, you can be anywhere  
When politics becomes the major force in the land  
Never shed tears when you are defeated  
(12) When this leaf fell in the forest  
Who would seek justice on his behalf  
It was just another fallen leaf  
All remains quiet in this dry forest.*



After that Dr. Phisit and I called upon Prime Minister Chatichai at his office to officially introduce the new Secretary General of the NESDB although, in reality, Prime Minister Chatichai and Dr. Phisit knew each other well. I took the opportunity to ask the Prime Minister to support Dr. Phisit so that he could work effectively for the benefit of the nation by reporting directly to the Prime Minister.

Dr. Phisit was gracious enough to come down to the car and see me off. I waved to bid farewell to the new Secretary General and to my life as a civil servant right in front of Government House.

### **Founding of TDRI**

Looking back on the years between 1980-1989 when I was the Secretary General of the NESDB for the second time, we can see that Thailand witnessed many changes in its transformation from an economy dependent upon agriculture as its core to a semi-industrialized country trying to generate employment and catch up with the world's economy. The problems we faced were quite complex; our natural resources and environment were destroyed to a large degree and there was the oil crisis and numerous other problems.

At the time, the government needed to exercise the utmost care to deal with these problems so that the country could get through this period in the smoothest possible manner, with the least problems. The policy decision making process therefore should be supported by comprehensive research. However, at that time, Thailand did not have a research organization to conduct such policy studies in a systematic, timely and consistent enough manner to support planning

for the development of Thailand in the long term.

During the Fifth Plan period, NESDB did engage academicians and professors from universities to conduct various studies but researchers at that time were much in demand on the domestic market. Each researcher had to do several jobs and he could not devote sufficient time to study one specific area. Some researchers were engaged to do other work half-way through a project, leading to inconsistent studies without follow-up or depth.

After consulting with several people, I thought about setting up an independent research institute, like a think tank, to carry out research, data gathering and knowledge acquisition in many fields. This was in order to guide development planning for Thailand. This institute would have to be independent in technical matters and self-reliant financially so that it would not be influenced by state organizations or the private sector.

As Secretary General of NESDB, I asked the Thai University Research Association (TURA) to carry out a feasibility study for the establishment of a policy research institute with funding from the Ford Foundation. The outcome was satisfactory and yielded useful findings for preparations to establish the future institute.

When drawing up the structure and conducting a feasibility study for the establishment of this policy research institute,

I started to look for sources of funding. I felt that asking for financial support from the government at that period would be difficult because the government itself was facing economic problems. Moreover, if this policy research institute was to be under the care of the government, it would face the usual problems: lack of independence, lack of flexibility in its work, lack of a supportive environment to conduct research and inability to recruit qualified personnel who would devote their time to research work.

In the initial period, while the government was negotiating Structural Adjustment Loans (SAL) with the World Bank, there was an attempt to borrow a portion of it for the establishment of the institute. Later, it was advised that the SAL were only for government agencies and discussions ended.

It was fortunate that, in 1982, the Canadian government under the leadership of H.E Pierre Elliot Trudeau, the Prime Minister, was considering providing assistance to developing Southeast Asian countries by selecting a core country to help. So I contacted and coordinated closely with H.E. John Lawrence Paynter, the Canadian Ambassador to Thailand. In the end, Thailand was selected as the core country to receive assistance from the Canadian International Development Agency (CIDA).

After that, Prime Minister Trudeau scheduled a state

visit to Thailand with a Canadian government delegation as guests of the Thai government on January 6, 1983. I asked a NESDB official to coordinate with the Canadian Embassy to draft a funding proposal for establishing the policy research institute. It appeared that the Canadian government had experience in the establishment of policy research institutes having established the Institute for Research on Public Policy (IRPP) in Montreal in 1972. It did work that was useful to the policy setting of Canada and the Canadian government was glad to support Thailand in establishing a policy research body along the lines of the IRPP.

After this encouraging response from the Canadian government, I quickly took several steps to present the project to the two sides during the forthcoming visit of the Canadian Prime Minister to Thailand.

Firstly, a name had to be given to the institute and I got the idea from the Korean Development Institute (KDI), which was known as a good model. At first, I thought of the name the Thailand Development Institute but in order to avoid the impression that it was an executing development agency and to make sure that it was a development policy research institute, the word “research” was added. The name of the institute therefore became the Thailand Development Research Institute or TDRI in short.



*The signing ceremony for the agreement between CIDA and TDRI in Ottawa, Canada on April 11, 1984*



*The opening ceremony at the Rajapark Building on November 5, 1984*



Secondly was to register the Thailand Development Research Institute as a non-profit foundation working for the benefit of the public. Endorsement was sought from Gor Ror Or to set up the institute as a foundation. The private sector, consisting of the Federation of Thai Industries, the Thai Chamber of Commerce and the Thai Bankers' Association, jointly provided the sum of 150,000 (one hundred fifty thousand Baht) as initial seed money for the establishment of the institute.

During the state visit of the Canadian Prime Minister to Thailand, an understanding was reached that the Canadian government would support Thailand in the establishment of a policy research institute and an initial sum of 4.48 million

Canadian dollars was granted for the first five years of TDRI's operation.

On March 23, 1984, the Thailand Development Research Institute was officially launched as the first policy research institute of Thailand. It had the status of an independent organization, not a government agency, and was registered as a non-profit foundation. Dr. Anat Arbhabharama, Dr. Ammar Siamwalla, Dr. Narongchai Akrasanee, Kosit Panpiemras and I were appointed as the first Board of Directors. I was appointed chairman of the TDRI Foundation (March 23, 1984-present), chairman of the Board of Directors (July 6, 1984-June 11, 1992) and chairman of the Council of Trustees (December 2, 1984-June 11, 1992), with Dr. Anat Arbhabharama as the first president of TDRI.

Later, between April 8-12, 1984 Prime Minister Prem led the Gor Ror Or on a visit to Canada as guests of the Canadian government. On April 11, 1984 a signing ceremony took place for the grant assistance agreement between CIDA (represented by the Deputy of CIDA) and TDRI (represented by myself as Secretary General of NESDB) in Ottawa with the prime ministers of Canada and Thailand as witnesses.

From the beginning, TDRI faced a few problems. It had to endeavor to maintain its freedom and individuality. Although the research funds came from government bodies

and the research results were used for the policy formulation of the government, TDRI was not to be controlled or be under the influence of the government. A balance had to be struck.

Nonetheless, it must be said that results of the initial period of operations were recognized as satisfactory. TDRI organized various research activities. We were extremely lucky to have Dr. Anat Arbhabhira as our first president (November 1, 1984-July 24, 1987). Dr. Anat laid down a solid foundation, from securing suitable premises at the Rajapark Building, Asoke Road to building a qualified research team, which was the most important matter. Dr. Anat invited the top brains of the country, like Dr. Ammar Siamwala, Dr. Virabongsa Ramangkura, Dr. Narongchai Akrasanee and Dr. Chalongphob Sussangkarn, to join the TDRI. Several were researchers in famous research institutions abroad but were glad to come back and conduct research work for Thailand once there was an institute like TDRI to accommodate them.

Later on, we got another capable person, Dr. Phaichitr Uathavikul, to be our second president (July 25, 1987-August 31, 1990). At the time financial support from the CIDA for the first five years was coming to an end so Dr. Phaichitr solved the institute's financial crisis by assiduously studying its future needs and explaining to our circle of contacts until they accepted our deduction of operation fees. He was also



able to secure an extension from CIDA for an additional five years of financial assistance. Thus, the financial position of TDRI gradually became more stable.

Later, during the period of the third presidency under Ammar Siamwalla (September 1, 1990-December 31, 1995), the most notable achievement was academic excellence and an adherence to independent research. With his character as a straight-talking academician, the image of the TDRI was solidified and trust in TDRI's work grew, with the public believing that TDRI's research was conducted by academics who upheld righteousness and impartiality. Moreover during the term of Dr. Ammar Siamwalla, TDRI had a five storey permanent office building constructed at Ramkhamhaeng



*H.R.H. Princess Maha Chakri Sirindhorn graciously presided over the new TDRI building opening ceremony on November 2, 1994. Anand Panyarachun was then the Chairman of the TDRI Council Trustees.*

Road Soi 39.

Later, Dr. Chalongphob Sussangkarn became the fourth President (January 1, 1996-March 8, 2007) after Dr. Ammar Siamwalla stepped down to devote all his time to technical matters. Dr. Chalongphob played an important role in improving TDRI's structure to systematically promote the development of more professional researchers and in increasing their remuneration to provide greater incentives. There was a greater inflow of research work during this period. As the political situation changed at this time, the connection between TDRI research work and officials directly in charge of policy making became an unsuitable proposition. Dr. Chalongphob forged a new linkage between TDRI research with policy



making by connecting TDRI researchers with mid-rank officials in charge of policy. With this approach, the TDRI still had a role in presenting development approaches through the drafting of plans and policies. In addition, Dr. Chalongphob expanded the research network at the regional level and abroad. From August 1, 2004 onwards, TDRI became the Secretariat for the East Asian Development Network (EADN) which was a subsidiary of the Global Development Network (GDN). As secretariat to the EADN, the TDRI had a role in increasing capacity for conducting quality policy research work at various research bodies in developing countries in East Asia.

Dr. Nipon Poapongsakorn served as the fifth President of TDRI (October 1, 2008–30 September 2012). Shortly after

assuming the Presidency, he drafted a workplan to determine the institute's approach for policy research and dissemination. There are two important points. Firstly, support policy research targeting major national issues on topics that have not been covered so far or have no funding support. TDRI will use part of its accumulated fund for this work. Secondly, TDRI will carry out public relations work and disseminate its policy research work to bring about a greater impact whether by igniting interest on major issues or adapting TDRI research work for policies, which will actually be implemented.

When Dr. Nipon came to see me before assuming office, I told him frankly that the role of the TDRI was still far from the vision I had before its establishment. If we look upon the life of TDRI as the life of a human being, I have been closely watching TDRI gradually grow from its infancy until adulthood. Throughout this time, the TDRI has adapted itself to various situations. Sometimes it has transformed itself and some of these changes have made TDRI different from what I had in mind. I had wanted it to be the think tank of Thai society, able to amass knowledge in a deep and continuous manner in order to support the formulation of the country's development policy in a sustainable manner.

After that, Dr. Nipon and his research team presented the work plan on the direction of the institute's research to

the TDRI Council of Trustees and Board of Directors. The important research topics were the reform of economic policy to reduce political conflict, monitoring of the macroeconomic situation resulting from the global financial crisis, the ageing Thai population, the effectiveness of the Thai legal system, industrial upgrading, the quality of Thai education and the impact of climate change.

TDRI has undertaken research on the first four topics and the Board of Directors approved the use of TDRI funds for them. As for the monitoring of the macroeconomic situation resulting from the global financial crisis and the ageing Thai population, this will build models and a new data base for policy research in the future. As for economic reform to reduce political conflict, this is the research work the TDRI is working on with academic partners in order for Thailand to survive its current economic and political crisis. The academic institutions that work closely with the TDRI are the King Prajadhipok Institute, the Office of the Public Sector Development Commission, the Thailand Research Fund and the Thai Health Promotion Foundation. The results were presented in part at the 2010 year-end conference on the theme of reducing inequality and building economic opportunities, which I consider one of the best year-end conferences ever organized by TDRI.



Dr. Nipon came in at the right moment when TDRI entered a new era. He has ensured a smooth transition. He played a critical role in laying down the foundation for priority research under the new business model that TDRI adopted later on.

I admired Dr. Nipon in being a researcher through and through. He devoted all his efforts in research work without any reservation. Several important research works with impact on government policy were undertaken during this period, particularly on rice, a subject on which Dr. Nipon has been accumulating expertise for a long time. The then government adopted TDRI research in formulating its policy. When the next government later on adopted the policy to guarantee the purchase of rice at a much higher price than market price, Dr. Nipon also played an important role in criticizing the government's policy in order to protect the public interest.

The current President of TDRI is Dr. Somkiat Tangkitvanich (1 October 2012-current). I first heard the name of Dr. Somkiat from my son when they were both studying in Japan.

Dr. Somkiat has an excellent academic record, so I was particularly glad to learn that he chose to return to work in Thailand with TDRI. As he was not directly trained as an economist, this has diversified TDRI's personnel base. As a development research institute, TDRI needs to have staff



with a range of knowledge in order to respond to the various problems the country is facing aside from economic ones.

Although Dr. Somkiat's academic background is in science and technology, he has a personal interest in a broad range of subjects particularly economics and law. He has been able to propose major issues such as the investigation of corruption at the policy-level among politicians or the advocacy of laws which are beneficial to the country such as the law to set up public media organizations, which led to the founding of Thai PBS.

Being an academic with broad interests, creative ideas, skill in building up networks and moral courage, Dr. Somkiat could accomplish major and difficult work. These are rare

qualifications. As one of the contributors in founding TDRI, I consider Dr. Somkiat as the most suitable person in leading TDRI into a new era. In the beginning, several people were worried that Dr. Somkiat being an activist might make some outsiders question the neutrality of TDRI. I personally thought that if we worried too much about the neutrality of TDRI, TDRI may end up doing nothing. What is needed to be done for the good of the country must be done.

When Dr. Somkiat assumed the presidency of TDRI, such worry subsided as he carried out his functions in an appropriate manner. He can effectively balance the generation of quality research work with the protection of public interest.

Dr. Somkiat has developed a new business model in order to bring TDRI to a new level. The new business model will be comprehensive covering from upstream to mid-stream to downstream. In the past, TDRI concentrated on mid-stream work with a focus on quality research with little activity upstream or downstream. From this point onwards, TDRI will work more on upstream and downstream issues.

Upstream work involves gathering ideas from diverse stakeholders in order to formulate key research topics for the country. Then comes the mid-stream work focused on quality research. TDRI has identified four main research areas known as priority research, as follows.

First is a new model for developing Thailand's economy, focusing on sustainability, justice, greater public participation and environmentally friendly. This research scheme emphasizes on macro economics and monetary and fiscal policies as well as strengthening the production sector.

The second priority research area is fighting corruption, while the third is on education reform.

The fourth priority research area is strengthening fiscal discipline by setting up a budget analysis unit to support parliamentary scrutiny of the budget. Throughout this research process, TDRI will disseminate its knowledge to the public, which is a form of downstream work. TDRI has set up a knowledge management and public media team to be solely responsible for this work.

I am of the view that the push for policy recommendations needs the support of the public. This support would come only when the people are knowledgeable. The dissemination of knowledge to the public and building up networks with civil society is another function of TDRI. Without societal support, it would be difficult for the policy recommendations to become a reality. If the people remain ignorant, society would be too weak to supervise the exercise of power by the policy makers.

It is admirable that TDRI is now giving more emphasis

to providing knowledge directly to the public. This is being done through regular monthly seminars, creating a knowledge portal about public policy by collecting TDRI's research work and disseminating them through the institute's website to the public and digesting these works into an easy-to-understand format for the public through newspaper articles, infographics and online television programs available through the TDRI website.

Currently, I am still the chairman of the TDRI Foundation. I resigned from the position of chairman of the Council of Trustees and the Board of Directors after being in these positions for over eight years because of health problems in 1992 that prevented me from performing my duties fully. I requested Anand Panyarachun, who was then the Prime Minister, to assume these positions after me. Although he was heavily burdened, he kindly consented and served a long period of 15 years, 7 months and 24 days (June 12, 1992- February 5, 2008). During this period, Anand made the TDRI well known to the private sector and the public at large. He served as a role model and emphasized that TDRI should be true to its academic principles to produce real quality work for society.

Currently, the Chairman of the TDRI Council of Trustees and Board of Directors is Kosit Panpiemras (February 6, 2009 - present). I entrusted the hope and future of TDRI

to Kosit and I believe that he will be able to steer the TDRI to success in the future as expected.

After nearly 30 years, TDRI has achieved a certain degree of success. It has produced research works that are well-accepted by society and has been able to attract many talented people to work together. Most importantly, it can still maintain a good degree of freedom in its work. For me, I think that an organization like TDRI needs to bring knowledgeable people in Thai society to work together. If we want to introduce changes in Thai society, working separately would not be effective; what is required is to build a mechanism to bring together enough able people to achieve a critical mass so as to bring about transformation in the end.

If there is any reservation on my part it is that TDRI's research work is still scattered in response to the narrow demands of various government agencies and the institute has not networked with other organizations that have a role in pushing public policies in response to the critical problems of the nation. Moreover, it is important to maintain the quality of our research work and to build up our knowledge resources continuously so that TDRI's research work will be of good value, useful and have an impact on real social change.

I hope that TDRI will develop itself to remain relevant and up-to-date in order to deal with changes in various areas



in the country including economic, social and political affairs as well as external challenges. It should be a research institute where new researchers like to work so that TDRI will remain an important force in undertaking research work to support Thailand's development, in keeping with its name.







## Chapter 8



*The First Anand Administration*  
(1991-1992)

I first got to know Anand Panyarachun in 1955, about 58 years ago. At that time, we were both assigned to assist the work of the Southeast Asia Treaty Organization (SEATO) at its first conference in Bangkok. My initial impression was that Anand had good complexion, with a pinkish glow that made him look like a Eurasian, and that he carried himself with perfect composure like the TV stars of those days. I had no idea then that one day this friend of mine would become one of the best prime ministers that Thailand has ever had.

After that, we occasionally ran into each other at various functions. We met more often after he left government service and was appointed Deputy Chairman of the Federation of Thai Industries (FTI). He later became the Chairman of

*The First Anand Administration celebrated the King's Birthday on December 5, 1991 at Government House*



the FTI and was one of the members of the Joint Public and Private Sector Committee to Resolve Economic Problems (Gor Ror Or) with myself as a member and secretary. In 1984, when the Thailand Development Research Institute (TDRI) was founded, I invited Anand to be a member of the Council of Trustees and we were very fortunate that he accepted the invitation and offered TDRI his strong support in all respects.

On March 2, 1991, Anand was appointed Prime Minister by royal proclamation after a military *coup d'état* staged by the National Peacekeeping Council (known by the initials Ror Sor Chor). He began forming the team of the First Anand Administration, since an important condition, he had set for accepting the premiership was to select his

own cabinet members. Otherwise, he felt he would not be able to contribute gainfully to the nation and the people. Nonetheless, he left it to the coup council to propose names for consideration as well.

In the meeting on the setting up of the First Anand Cabinet at Suan Ruenruedee with Anand, Staporn Kavitanonda and myself, we looked over the list of suitable names who were qualified in economic and social matters. Anand set the criteria that those joining his government must be honest and speak “the same language”; namely their philosophy and line of thinking must be similar and based on freedom of thought, and they must have experience in government because the First Anand Administration had only one year in office. We brought the list of TDRI Council members for initial consideration as the names therein had been previously screened based on similar criteria set by Anand. In the end, several people such as Dr. Anat Abhabhira, Dr. Phaichitr Uathavikul, Amaret Sila-on, Dr. Sa-nga Sabhasri, Dr. Saisuree Chutikul, Kosit Panpiemras, Dr. Virabongsa Ramangkura and Mechai Viravaidya were invited to join the government.

Earlier on, Anand had planned to offer me the post of Minister of Industry but later on he appointed me as his first Deputy Prime Minister overseeing all economic affairs instead. One important reason was to ensure the acceptance

from foreign governments of this government otherwise there would be problems because the perception was that this government was the product of a military takeover. Police General Pao Sarasin served as the second Deputy Prime Minister overseeing security matters and Meechai Ruechubhand was the third Deputy Prime Minister overseeing social and legal affairs.

The coup council proposed some of their senior military officers for the portfolios of Defence, Interior and Communications. Anand accepted the first two appointments as they were related to national security but the Ministry of Communications and Transport was more of an economic ministry so he selected the minister himself. Eventually he approached Nukul Prachuabmoh, the former Bank of Thailand Governor and former Deputy Director General of the Highways Department to serve as Minister but two military officers in the Ror Sor Chor were appointed as Deputy Ministers of Communications. He then selected Dr. Sippanondha Ketudat to be the Minister of Industry instead of me and Staporn Kavitanonda was appointed Secretary General of the Prime Minister.

During the First Anand Administration, we encountered no major political storms as it came right after the coup. There were no rough economic waves either. There was only

a temporary rise in oil price. There were no major crises to worry about and it was certainly an opportune time.

In October 1991, in spite of being the government installed after the Ror Sor Chor coup d'état, Thailand was honoured to play host for the 46<sup>th</sup> World Bank and International Monetary Fund (IMF) annual meeting. This was an important conference and more significant than any other conference held so far in Thailand. The participants were Finance Ministers, Governors of central banks, representatives of commercial banks, bankers and mass media representatives from 155 countries, totalling over 10,000 people who assembled to exchange views on the economy and to set directions for monetary policy. Thailand managed to finish the construction of the Queen Sirikit National Convention Centre in time to host the conference. Participants from various countries were resounding in the praise they lavished on Thailand for being able to organize a conference of this scale, which proceeded very smoothly. The clear benefits were that various member countries had greater confidence in the Thai economy and this led to increased investment in the country as well as the promotion of tourism and other businesses.

While I was part of the First Anand Administration, I thought all the time that we had only one year in office to do useful things. The first order of business was to select

appropriate people. The Prime Minister had the courage to select and fight for good people suitable for the tasks at hand. After this, we needed to work for the common good. I devoted myself fully to three major issues, which were already in my mind from my eight years with the Prem Administration. They were: the revision of the tax code, the revision of laws and official regulations that were causing bottlenecks in economic development, and the issuance of laws and measures to improve the degraded environment resulting from rapid economic development for which I was also responsible. Other matters that economic ministers presented to me as chairman would receive my fullest attention.

In tax matters, I relied heavily on Dr. Suthee Singsaneh, Minister of Finance, and Bundit Boonyapana, Permanent Secretary of Finance, in the revision of the tax code in order to improve social equity and avoid multiple taxation, which was a major problem as the domestic supply chain was growing increasingly complicated.<sup>78</sup> It was decided to use Value Added Tax (VAT) instead of business tax which was much complained about. VAT was announced on January 1, 1992 with a rate

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<sup>78</sup> "Supply chains" cover all steps in the production process from the procurement of goods and services up until delivery of final goods and services to the customers.

of 7 percent including municipal tax. In terms of equity, the main advantage was that those earning less than 600,000 Baht annually were not be included in this new taxation scheme. Those whose incomes ranged from 600,000 Baht to 1.2 million Baht could choose for themselves whether to pay business tax at a rate of 1.5 percent or to pay the 7 percent VAT.

The introduction of VAT caused the Government to lose about 13 billion Baht in revenue at the beginning but it made taxation more clear and equitable. There was a mechanism to prevent tax evasion so tax collection was more comprehensive. It helped raise the state's tax revenue in the long run, which would be beneficial to the economy as the market mechanism could work more effectively and multiple taxation would be greatly reduced. This would have a bearing on improving Thailand's economic production. It would also promote Thai exports, thus benefitting all entrepreneurs. It would also ameliorate income distribution, for instance, through the waiving of VAT for farmers as well as VAT on essential goods and services, which would essentially reduce the tax burden for low income people. At the same time, luxury goods would be levied an additional excise tax. In the beginning, various parties were worried that VAT would increase the prices of commodities, but since VAT



allows for the deduction of the cost of goods and services used in production, the decrease in production cost ensured that the prices of goods did not rise.

In addition, there were improvements in excise tax collection to complement the new VAT system. There were revisions to five Acts namely the Excise Tax Act, the Excise Tax Tariff Act, the Alcohol Act, the Tobacco Act and the Playing Card Act. There were also revisions to local taxation systems such as improvements in excise tax tariffs from oil and oil products for local tax revenue collection and improvements in the customs regulations to ensure coordination with VAT.

In order to improve the stability of the economic system the government took measures to correct the current account deficit by increasing savings. In the public sector, a strict fiscal policy was introduced by adopting a balanced budget. For savings in the business sector, there were measures to reduce the tax burden on dividends for companies; the dividend tax rate was reduced from 15 percent to 10 percent. Legislation on asset evaluation was also revised for cases of mergers and acquisitions.

Measures to promote savings were implemented by adjusting the tax rate on personal income and for legal entities. A married couple would receive a tax deduction of 30,000 Baht from the previous rate of 20,000 Baht and each child would

obtain a deduction of 15,000 Baht instead of the previous rate of 10,000 Baht. Life insurance premiums, mortgage interest and contributions to the social security fund increased from 10,000 Baht to 15,000 Baht. This new tax structure allowed all parties to benefit more or less equitably. Low income people would benefit from the larger reductions, on the average to the extent of 30-40 percent. Another reason for the tax reform was to make Thailand more competitive with its neighbours on the economic front.

The next issue was the revision of laws that out-dated or posed an obstacle to the country's development or to open competition. This entailed the improvement of various laws and official regulations to shift from a system of control to a system of supervision, monitoring and promotion. A mechanism was set up for systematic, on-going and rapid updating and improvement of legislation. All concerned parties were invited to take part in group consultation meetings at the Prime Minister's Office under the overall supervision of Deputy Prime Minister Meechai Ruechubhand. As a result, the government managed to revise over 200 laws and official regulations within the short span of one year. Of particular importance was the revision of almost 40 laws pertaining to the abolition or reduction of monopolies or the protection of various industries. This included the abolition of the ban

on the importation of automobiles not exceeding 2,300 c.c. and the abolition of the policy to ban the establishment or expansion of factories in the textile, tapioca, petrochemical, sheet metal, glass bottles industries. In addition, the cap on the number of taxis in Bangkok was also lifted.

In addition, laws were revised to reduce various excise taxes, such as the reduction of stamp duties for ASEAN countries, the reduction of levies on medical film, gold, metal rods, metal bars, computers, automobiles and many other goods. The reduction of business tax and numerous excise taxes left producers with lower costs and higher production efficiency so that they could improve the quality of their products and better compete with foreign brands. The measures also aimed to promote fair competition resulting in greater benefits to consumers.

At the same time, the government revised the laws to abolish the control over 49 types of goods by the Ministry of Commerce of which 31 were import goods and 18 export goods. Moreover, the setting of deposit rates and borrowing rates of commercial banks was lifted. In addition, a Commercial Bank Act (third edition) 1992<sup>79</sup> was also promulgated.

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<sup>79</sup> In particular the ban on the sales of shares to small shareholders was abolished, in accordance with law on public companies.

The work on legislation governing securities businesses and the securities market continued from earlier initiatives from when I was the Governor of the Bank of Thailand. They were completed during the First Anand Administration with the promulgation of the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business (third edition), which was proclaimed on March 12, 1992. Legal reform was also carried out to improve the efficiency of civil servants in order to avoid overlapping of work, streamline procedures and plug legal loopholes. This included the revision of the law on public administration procedures to reduce duplication of work and to establish the scope of authority of provincial governors as appropriate. Land legislation was revised, and taxation regulations updated in order make the collection of fees and income tax more clear. In addition, legislation was revised to allow the entry of the private sector into various activities that used to be under government monopoly, such as laws related to communications, telephones, electricity and land survey.

In those days, any criticism concerning economic development was inevitably directed at me. In fact, many thought that the government was only concerned with economic development. However, in reality, we always took into consideration social and environment aspects. Nonetheless,

it must be admitted that the economic dimensions were dominant. But once the economy is well-established, we also need to address social and environment issues as well. This is the nature of the development process in almost all countries. In the early stages of development, things may look rather dirty, similar to a construction site. After construction is completed and income has increased, then one can make things look better. At the same time, there should be an effort to keep pollution to a minimum as with the development of the Eastern Seaboard where we tried to minimize environmental impacts. Apparatus to check air quality was installed, the prevailing wind direction was analyzed so the community would not be affected, and a buffer zone between the industrial estate and the Map Ta Phut community was set up. However, after eight years of the Prem Administration, succeeding governments changed the land use plan and allowed the private sector to set up industrial estates in the buffer zone. So while this project began reasonably well, it ended up causing environmental problems due to the system that became known as the “buffet cabinet”.

The Minister attached to the Prime Minister’s Office, Dr. Phaichitr Uathavikul, who had a key role, and I pushed hard for the Enhancement and Protection of National

Environmental Quality Act 1992. It was finally enacted during the First Anand Administration. Moreover, other environmental laws were also strengthened, including laws to strictly regulate forests, wildlife and marine life. A total of ten national parks and conservation forests in different regions were proclaimed, along with seven wildlife sanctuaries. An additional 113 species were added to the list of controlled wildlife species. The exportation of ornamental marine animals was regulated, along with trade in certain forms of marine life such as various coral species. A master plan for forestry development in Thailand was prepared as a guideline for the development, management and conservation of forest resources in accordance with national forestry policies and policies governing the development of other national resources.

In the area of the environment, apart from the revision and issue of various laws, the First Anand Administration also carried out several specific tasks of importance. This included the recovery of the Khao Yai National Park in order to improve the conservation of the natural environment and wildlife to the maximum extent possible. Housing on Khao Yai was prohibited, and had to be relocated to the foothills. Only a limited number of office buildings were allowed as necessary and golf course businesses were

terminated. Mechai Viravaidya, the Minister attached to the Prime Minister's Office, was the one to see this matter through, even though it was against the interests of the Tourism Authority of Thailand, which he also supervised.<sup>80</sup>

Another important project which Dr. Phaichitr spearheaded was the transformation of the Bangkachao area opposite Klong Toey port, an area of about 9,000 rai, into a public park, botanical garden, forest area and tourist destination. Protecting this space as a green area was not the same as constructing a new public park like Lumpini Park or the Rama IX Park, but was rather an augmentation of existing natural resources. The government did not expropriate any land from local residents or orchard owners, rather, land acquisition was done on a voluntary basis. Moreover, the First Anand Administration asked the Ministry of Finance to move the Thailand Tobacco Monopoly out of Bangkok so that the vast area of land in the city centre could be turned into a public park. Benjakitti Park has since been opened to

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<sup>80</sup> There was another important achievement of the First Anand Administration in the area of social development. Prime Minister Anand and Minister Mechai worked together to advance AIDS prevention and protection as a national agenda item. The successful implementation on this front led to Thailand being lauded as one of the countries with an effective AIDS prevention system.

the public (although up until now it has not been possible to move out all the buildings of the Thailand Tobacco Monopoly). In addition, Dr. Sa-nga Sabhasri, the Minister of Science, Technology and Energy, was the main driving force behind the preparations and securing Cabinet approval to set up the Queen Sirikit Botanical Garden in Chiang Mai.

In terms of poverty reduction and rural development, which was under the responsibility of Dr. Anat Abhabharama, Minister of Agriculture and Cooperatives, and Deputy Minister Kosit Panpiemras, the rural development system was improved to become more flexible and delegate more authority to the regions and local authorities. The provincial authorities were to initiate projects that were in accordance with government policy in three areas, namely, the provision of household water, occupational development for income distribution and the conservation of natural resources and the environment. The government allocated 6 billion Baht from its 1992 fiscal year central budget for use by the provinces.

In order for all regions and all provinces to be developed in a uniform and efficient manner benefitting both rural and municipal areas, the Prime Minister's Office issued a decree on rural development in 1991. A number of rural development programs were improved. In particular, the program to generate employment in rural areas (Gor Sor Chor) was better



integrated with other related rural development initiatives in order to be more unified, use budgets more efficiently, and allow development to be spread out more evenly. There were efforts to improve access to agricultural credit. The Bank for Agriculture and Agricultural Co-operatives (Tor Gor Sor) and commercial banks were encouraged to provide more agricultural credit in the medium and long term. The credit system was improved from being based on goods and projects to being geared more to the farmers' production plans. A start was made in guaranteeing medium and long term agricultural credit and a central provident fund was set up to assist farmers in production and marketing.

In terms of industry, Dr. Sippanondha Ketudat, Minister of Industry, signed and approved numerous licenses for industries that had not been approved by the previous government. The process for issuing licenses was streamlined. Licenses to establish or expand industries were to be approved by the Industrial Factory Department within 15 days of receiving complete documentation in compliance with official procedures, in the case of non-polluting and non-hazardous industries. For industries that might be polluting or hazardous, licenses were to be approved within 48 days. In addition, for large scale projects with substantial funding and private sector participation, the government allowed the engagement

of experts from within the country or abroad to provide advice so that the consideration of the projects would be conducted in a comprehensive and timely manner and the state would reap a fair return and avoid monopoly either on a *de facto* or *de jure* basis. The Act for the Small Scale Industrial Finance Corporation 1991 was also fast-tracked for approval.

Another success of this government was the establishment of the ASEAN Free Trade Area (AFTA). Prime Minister Anand, Arsa Sarasin, the Minister of Foreign Affairs, and Amaret Sila-on, the Minister of Commerce, worked together as a team that was well-accepted by the other ASEAN countries. Prime Minister Anand was of the view that as the direction of the world economy was moving towards more free trade, the Thai economy also needed to move in the same direction. The Thai economy was going to rely increasingly on exports and face greater competition; hence there was a need to make the Thai economy more open and to expand into to other ASEAN countries. There was only one way to do this and that was to grow the market size. However, the market could not be enlarged all at once, it needed to grow gradually. At the very least, the direction and time frame for this growth should be clearly established at the outset. At the same time, it had to be recognized that some proposed measures might have an impact upon domestic industries while others might

### *The signing of AFTA*



affect industries in other countries like Indonesia or Malaysia. In implementing these measures, one could not just think about the benefits in the short term, one needed to think about the benefits for all in the long term. At the same time, the government should also make provisions to assist those affected industries for fairness's sake and to allow these measures to be broadly accepted. The AFTA would draw greater investment from abroad as foreign countries would be interested in setting up their production base in ASEAN because then they would have a larger ASEAN market.

That Thailand was very successful at the ASEAN leaders' summit in Singapore between January 27 and 28, 1992 when the proposal for AFTA was adopted was due to meticulous

and detailed planning. At first, there was resistance from civil servants of various countries. An understanding had to be established within our country first so that all the officials concerned would comprehend that this was an important policy move that would be beneficial to the country as a whole. When understanding was reached internally, then the various ministers were sent off to talk with their ASEAN counterparts. Most of them agreed with the principle of a free trade area and supported it at the policy level, but when it filtered down to the civil servants, countries like Indonesia, Malaysia and Singapore were in opposition.

In the end, it was agreed that negotiations had to be carried out and a consensus had to be reached within each government first, so that each government could then issue directives for the civil servants to carry out. Thailand revised the details of its proposal and tabled it to the ASEAN economic ministers' meeting, after which detailed documents, draft official statements and implementation plans were presented to the ASEAN leaders' summit in Singapore. The meeting accepted the proposed measures and a very useful consensus was reached.

In the education sector, I pushed for the establishment of more international schools and for these schools to admit more Thai students. This way, Thai parents who had the means

could educate their children in Thailand and need not spend a great deal to send their children to study abroad at a young age, which would also be one way to conserve our foreign currency reserves. The National Security Council resisted the idea because they were apprehensive that China would open many schools. After World War II, China had been on the victorious side and was one of the five countries on the UN Security Council with veto power. The Chinese in Thailand had instigated mass protests in the Yaowarat area leading to their suppression and the closing of all Chinese schools nationwide by the then Security Council. As a result, Chinese children had to attend schools with Thai curriculum with the result that they became assimilated as Thais, with many not even being able to speak Chinese. Thus, there was no need to worry about unrest on the scale seen 60 years before. In the end, the Security Council approved the opening of more international schools including those that taught Chinese. With that push, international schools blossomed and Thailand became the hub for international schools in this region.

In the transport and communication sector, Nukul Prachuabmoh, the Minister, proposed to Cabinet the acceleration of the second international airport at Nong Ngu Hao that had been delayed for over 10 years. It was to be located in

the sub-districts of Bang Chalong, Raja Thewa, and Nong Preu in Bangplee district, Samut Prakan province. At the same time, the Cabinet also approved a long term airport development plan (1991-1997), which included the views of the private sector. The Committee for the Management of Land Traffic Act 1978 was revised. The Committee was upgraded to work at the national level with the responsibility for land transport master plan's preparation. Moreover, the upgrading of telephone infrastructure was accelerated by reaching an agreement with CP Telecommunications Company Limited to add 2.6 million telephone numbers in the Bangkok area and its periphery. With the main principle of maximizing national interests, this negotiation resulted in 70 billion Baht of additional state income during the 25 years of the concession (October 29, 1992 – October 29, 2018). The government was able to address the monopoly problem, resulting in more bargaining power for the state in the future, and also secured 1 million new telephone lines in rural areas.

Moreover, there was an expansion of the telecommunications network internally and internationally particularly in the Eastern Seaboard economic zone at Laem Chabang and Map Ta Phut. The private sector was encouraged to participate in joint investment by setting up 3,000 international terminals, 5,920 signalling channels and 10,000 domestic terminals.

The government also had a policy for Thailand to have its own national telecommunications satellite for domestic use, to allow rapid expansion of telecommunications services to remote rural areas. It could also be used to provide back-up capacity when needed. The volume of satellite communication had increased rapidly and we relied on subscription to foreign satellite channels. With limited options for orbits for telecommunications satellites in those days, and a paucity of slots appropriate for providing coverage for Thailand, if nothing were done, Thailand might not be able to secure an appropriate satellite telecommunications orbit in the future. The Government therefore agreed to the Shinawatra Computer Company Limited, getting the concession for domestic satellite communications services with eight years of investment guarantee and a concession period of 30 years.

In the energy sector, Dr. Piyasvasti Amranand, Secretary General of the National Energy Policy Committee, played an important role, continuing from his work during the Prem Administration. He proposed that the Committee enact several important policies for reducing environmental impacts. This included the introduction of lead-free petrol for sale from May 1, 1991, the reduction of lead content in petrol from 0.40 gram per litre to 0.15 gram per litre, and the Ministry of Finance's abolition of the import tax on the importation of

catalytic converters for installation in vehicles since September 17, 1991. Moreover, improvements were made to the quality of benzine and diesel to reduce air pollution from their emissions, in particularly carbon monoxide (CO), nitrogen oxide (NO), hydrocarbon (HO), ozone (O<sub>3</sub>), lead (Pb) and dust. This was achieved by proclamation of the Ministry of Commerce in its Second Edition (1992) on Setting Quality for Benzine and in its Third Edition (1992) on Setting Quality for Diesel for High-velocity Motors.

In the Cabinet meeting on May 21, 1991, there was a decision to abolish the control of fuel prices. In the beginning, the abolition of retail price control was done as a “partial float”. There was a weekly announcement of wholesale prices in front of refineries; these wholesale prices were set by the government based on the market prices in Singapore in order to prevent overcharging. After the introduction of the “partial float” for two months, it appeared that the transition had gone quite smoothly, so a “full float” was introduced for benzine, gas, diesel and bunker oil from August 19, 1991 onwards. At the same meeting a decision was made to invest in oil transportation by pipeline (Bangchak-Don Muang) to relieve congested road transport, to improve the security of the oil supply to Don Muang Airport and to increase competition in the sale of aviation fuel. More importantly, the transport



of oil via pipeline was cheaper than via road transport by 5-10 percent. Additionally, it would save truck fuel used in oil transportation to the tune of about 10 million litres a month.

In the construction and expansion of petroleum refineries, agreements were concluded after a delay of about one year between the Ministry of Industry and the Shell Company for the construction of a refinery at Map Ta Phut with 145,000 barrel per day capacity and with the Caltex Company for a refinery with 120,000 barrel per day capacity, also at Map Ta Phut.

In order to encourage greater private sector involvement in the generation and sale of electricity, the National Energy Policy Committee approved a draft proposal for the purchase of electricity from small generators and a draft proclamation for the purchase of electricity from small generators (phase 1). It also undertook the improvement of the purchase agreement for natural gas and bunker oil between the Electricity Generating Authority of Thailand (EGAT) and the Petroleum Authority of Thailand (PTT) to put in place more commercial terms, in order to encourage competition and to ensure that transactions were conducted on a more level playing field. There were adjustments to the electricity rates to reflect the nearest economic cost and to promote more efficient use of power. The Electricity Generating Authority of Thailand Act

1968 was revised to allow EGAT to engage in joint ventures with the private sector and to let the state enterprise have more flexibility in its operations with effect from 1992. This has resulted in Thailand currently having nearly 200 large and small private power plants. Moreover, there was the issue of the National Energy Policy Committee Act 1992 and the Energy Development and Promotion Act 1992 which have had very great impact on energy conservation and alternative energy development up to today.

During my time as Deputy Prime Minister in charge of economic affairs, I devoted myself to my work fully to make the most of the one-year term. Everything needed to be finalized quickly so I worked until late almost everyday, so much so that Deputy Prime Minister Police General Pao Sarasin (who ended up acting as the first Deputy Prime Minister after I suffered a stroke) would warn me that Nui had telephoned telling me that it was time to go home.

After being in the position for about three months, one day while reading documents in the car on my way to opening the Telecommunications Education Centre supported by the Government of Finland at the Asian Institute of Technology (AIT), I felt the right side of my body turn numb and the documents in my hand slipped out without my knowledge. The car reached AIT at that moment and it was my good

fortune that Emily, the wife of Dr. Sippanondha, who was working at AIT, and some other people rushed over to bring me out of the car and into the receiving room. I felt as if I were dying at that moment as I could not breathe. Emily gave me first aid and placed a telephone call to the Prime Minister through Dr. Sippanondha. The Prime Minister kindly asked Dr. Atthasit Vejajiva, his Deputy Minister of Public Health and an expert in cerebrovascular disease, to bring me in an ambulance for treatment at Prommitr Hospital. That afternoon, Big Jod (General Sunthorn Kongsompong), chief of the coup council (Ror Sor Chor), came to pay me a visit. At that moment, I could already breathe better but I needed to straighten up my hospital attire as there were numerous journalists from T.V. stations and newspapers taking photographs and reporting the news. Even though I was unwell, I had to put up a good front for the sake of appearances.

The next morning, Prime Minister Anand came to visit and seeing his friend lying still must have evoked his sympathy. He tried to soothe me by saying, “Relax, don’t think too much. Cheer up. Once you are better we’ll work together again”. It was surprising that I did not think of anything much at that point, except for the future of TDRI, which I had helped establish and of which I was the first Chairman of the Council

of Trustees from the beginning. I therefore asked the Prime Minister, as a friend, to take over the TDRI chairmanship from me so that I would not have any worries as I would know that TDRI was in “good hands”. The Prime Minister agreed with his bedridden friend at once, saying, “Don’t worry, I’ll take care of it”. The Prime Minister was the TDRI Chairman for the next 15 plus years after me and he contributed greatly to TDRI, allowing it to have an opportunity to contribute to the socio-economic development of Thailand.

After I left Prommitr Hospital and returned home, undergoing physical therapy for a period of time, I was ready to resume my duties as Deputy Prime Minister in charge of economic affairs. The first day that my car went back to the Prime Minister’s Office, I was deeply touched that Prime Minister Anand had ordered workers to build a wheelchair ramp for me to access my office. I believe this wheelchair ramp might have been the first ramp for handicapped persons in the history of the Government House in Thailand.

I was fairly lucky that although my stroke occurred in the brain command centre for thinking, memory, speech and the movement of limbs, the main impact was on my right arm and leg, while my thinking, memory and to some extent, my speech was not greatly affected so I could still perform my tasks as the cabinet chairman

in charge of economic affairs. In the beginning, when my body had not fully recovered, the Prime Minister kindly allowed me to work at home. Meeting around my dining table, we accomplished several important projects like the elevated train (BTS) for Bangkok Metropolitan Area and the preparation of the Securities and Stock Exchange Act (1992) for presentation to the cabinet. All this was made possible by the kindness of Prime Minister Anand and other cabinet members as well as the staff of the Deputy Prime Minister in charge of economic affairs led by Dr. Boonyarak Ningsanonda, Deputy Secretary General of the Prime Minister's Office as head of the team. So the First Anand Administration produced numerous initiatives, as mentioned above, and I wish to express my appreciation to everyone once again.

Working closely together with Prime Minister Anand that year allowed me to witness his good leadership, his vision, his resolute and unwavering decision-making and also his kindness to all co-workers. He was an excellent communicator, easily approachable, and always selected suitable people for the task at hand. All of these qualities made Prime Minister Anand the perfect Prime Minister. I felt deeply impressed by him and fortunate to have been a part of his government.





## Chapter 9



*Growing Old Gracefully*

### **Post-stroke recovery**

After the First Anand Administration ended its term on March 22, 1992, I devoted most of my time to receiving treatment for my stroke which had not yet been fully treated as I had been heavily occupied with my work in government. Now free of those duties, I sought out stroke treatment specialists in Thailand, the U.K. and the U.S.A. upon the advice of Dr. Preeda Peongpradit who Dr. Atthasit Vejjajiva, Deputy Minister of Public Health, had assigned to look after me. Dr. Preeda was Dr. Atthasit's best student. Practicing at Ramathibodi Hospital, he had received training in cerebrovascular diseases from Oxford University and was a very personable doctor.



Dr. Preeda said those who suffered from this disease also needed to take care of their emotional state as some patients were prone to become ill-tempered or depressed. The doctor recommended traveling as part of my treatment. Traveling would keep me alert as I would be exposed to new things all the time. Every time we met, the doctor would ask me which places I had visited over the past month. I would cheerfully recount my various trips, mostly to Pattaya, Hua Hin or nearby places which were not difficult to reach. The result was that my recovery was faster and I have continued this practice until today.

The doctor later advised me to see Dr. Cameron who was his professor at Oxford University and an expert in this disease. At that time Dr. Cameron had moved to teach at the University of Edinburgh in Scotland so Nui and I went there to pay him a visit in 1992. Dr. Cameron gave us his assurance that Dr. Preeda's treatment was working well and should be continued.

The trip to meet Dr. Cameron was a good opportunity for us to tour Scotland to take in the spectacular scenery with mountains, sea and lakes. It was April at the time and the air was crisp and cool. Wherever we looked, there were low bushes with golden flowers all over the fields. We learned later that they were mustard plants and the farmers had received

support from the European Common Market to plant them. We were lucky to visit Scotland during its most beautiful season and we took pleasure in the splendor of the fields and the scenery around us. That period coincided with spring break for our children who were furthering their studies in the United States at the time so they also joined us in Scotland.

After driving around Scotland for five days, we proceeded to England through the Lake District located in the north-western part of the U.K. which also has lovely views. We drove south until we reached Kent which has a magnificent cathedral. We continued on to Manchester where we met Police Lt. General Prachong Sitthichai, one of my close friends from the Accountancy Department at Thammasat University who had already retired from the Police Department, and his wife Ood (Suchada), who was then the representative of the Thai Export Promotion Department based in Manchester. After that, we went to London for a few days before saying goodbye to our children and headed back to Thailand.

This trip was very special, travelling with our family in a very beautiful setting, free from the burden of work. It helped my healing process greatly. Upon reaching Thailand we reported in detail to Dr. Preeda as always.

Even though my condition had begun to improve somewhat, I continued to search for other treatment methods.

The major problem was that my right ankle was very weak. If I walked using my cane, my leg would bend and the ankle would twist. In addition, I could not straighten my fingers and I could not hold anything. I was lucky to meet Chai Sophonpanich, the Chairman of Bungrungrad Hospital. He had the view that it takes a professional to run a hospital and not necessarily a doctor. The hospital has collaborated with the National Medical Enterprise (NME) of the United States to improve its medical services and has now become world famous.

At the request of Chai, the staff of NME tried to find hospitals in the U.S.A. which specialized in treating those suffering from strokes where I could go for treatment. Finally, we learned that we should go to the Rehabilitation Hospital at San Ramon near San Francisco. This hospital specialized in this type of treatment which was not yet available in Thailand, so I made plans to contact the hospital.

Coincidentally, the domestic political situation took a turn after the First Anand Administration. The short-lived government of General Suchinda Kraprayoon was forced to resign. Dr. Arthit Urairat, Chairman of the House of Representatives, presented the name of the Prime Minister candidate to His Majesty the King. At that point there were several heads of major political parties who were convinced

that they would get the nomination so they made full preparations. However, it turned out that the royal proclamation on June 10, 1992 appointed Anand Panyarachun as Prime Minister once again.

After the royal proclamation, while I was sitting at my dining table the next day, Anand telephoned me to invite me to assume the position of Deputy Prime Minister again. I was most appreciative to Anand for his kind gesture but I declined the invitation in order to devote myself fully to the improvement of my health. He understood and was sympathetic, showing the true spirit of a good friend.

After declining the invitation, I contacted the Rehabilitation Hospital in San Ramon to set up an appointment and left Thailand with Nui accompanying me. On arrival we found that the hospital is on a hill top, set in a large complex with groups of buildings and lovely scenery. We stayed at the Residence Inn, part of a small hotel chain offering long-term rentals at a reasonable price. Our unit had a kitchen, two bedrooms and a guest area. My elder brother Somnuek and my younger sister Paew whose family is based in Chicago came to stay with us to provide help during my operation and recovery.

The treatment there was very interesting. When I arrived, the hospital arranged for me to meet four specialists to evaluate

the kind of treatment I required. One was a medical doctor concerned with the overall treatment and the rest were specialists assigned to the treatment of legs, arms and speech. After the assessment, it was decided that my right foot needed to be operated on and my right leg needed bracing.

Foot surgery was not a simple matter. I had to move from the Residence Inn to stay at the hospital for pre-operative preparations, while my relatives stayed on at the hotel. Luckily there was a shuttle bus between the hospital and the Inn which was convenient for both the patient and his relatives.

The specialist operated for four to five hours on my foot. The doctor chatted with me and administered anesthesia before the operation. Normally the big toe of the foot has two main ligaments but there were three in my case. The purpose of the operation was to pull the main ligament from the big toe on my right foot to tie it to the ankle and then to the little toe, so my foot would not be pulled inwards so much. Later, during my recovery in the ward I felt great pain after regaining consciousness. The hospital gave me a buzzer in my left hand and whenever I felt great pain, I could press the buzzer and morphine would be released making the pain disappear almost instantly and putting me in good spirits. After several times, I became rather addicted to it and pressed

*My sister-in-law Pratin Unakul and Pong came to visit after the operation*



the buzzer whenever I felt pain. In truth the patient was supposed to bear the pain to the utmost before pressing the buzzer to release the morphine. When I tried to get out of the bed to go to the toilet, as soon as my foot touched the floor, I felt a sharp pain as if I were stepping on the blade of a knife. I could not bear it and almost fainted. I was taken back to my bed and the doctor prescribed more morphine.

While on morphine, I forgot about my pain and was in a jovial mood and drank in the natural scenery. No wonder California was dubbed the Golden State because when the sunshine touched the meadows, they became bathed in a golden glow. After a few days, it was discovered that I was overdosing on morphine so the doctor withdrew it. This was

*Drop your hip,  
bend your knee,  
and step forward*

*Practicing walking  
in a cast*



very painful and I vomited like a drug addict in the process of withdrawal. Sometimes I felt as if my heart was about to stop beating. It took several days to get used to being morphine-free, as I felt strange and was hallucinating all the time. The doctor who oversaw the overall treatment monitored me closely and arranged for me to stay in a special ward. After recovering from the withdrawal of morphine, two other specialists came to rehabilitate my limbs while I worked on speech therapy by myself mostly.

In the beginning the physiotherapist who specialized in rehabilitation, particularly of the legs, gave me instructions for walking: “Drop your hip, bend your knee, and step forward.” At first, there was a guard rail to hold on to as

if I were learning to walk anew. I felt it was very hard as I struggled to follow the instructions.

Later, the occupational therapist who specialized in the use of the hands trained me in moving my fingers. In spite of my best efforts, my fingers would not move. I must admit that the occupational therapist was very skillful and applied several methods of treatment which was different from the approach in Thailand which mainly emphasized a lot of exercise in order to build up strength and sometimes required using the wrong muscles. Here they would examine which muscle was needed for each movement and they would activate that muscle to work. Patients would be taught to activate only the problematic muscles. I tried to apply this technique but did not manage to do so successfully, so I had to follow the other techniques of the specialist which gave me deeper understanding about occupational therapy.

I stayed in the hospital for one week during which we looked for an apartment which was not too far and close to a shopping mall so that the caretakers would have something to do and not become lonely as we had to stay together for three months. During that time I rented a car for my siblings to drive me to and from the hospital and to visit other places. Finally we got a three-bedroom apartment with a guest area and a dining room. It was very convenient and suitably priced.



This was a very special time because I was being closely looked after by Nui, my elder brother and younger sister.

I needed to wear a cast for four weeks. Later it had to be cut open by a machine that looked like an electric saw. When the cast was removed, I was startled because my leg was very thin. Up until today my right leg is thinner than the left one. After the cast had been removed, I went for physical therapy every day. One day a local newspaper reported that an ex-deputy prime minister of Thailand had come to recuperate in their township so some journalists came to take photographs and conduct interviews.

During my stay at the apartment, I watched my brother Somnuek walking around after meals which made me think how amazing and beautiful the act of walking is. Our body has the mechanism to control the taking of steps and lifting of legs. I was hoping that one day I would be able to walk normally again like my brother. After a period of treatment, I felt that my foot was able to touch the ground, but the hospital did not permit me to place my foot on the ground yet. A square box was tied to my foot at all times. I assumed that this was to protect it from infection. Two weeks later an official from the Dole Company which produces canned pineapple who knew me invited me for a meal at the Pacific Club located at the well-known Fisherman's Wharf

in San Francisco. I was in a wheelchair with my foot encased in the box. As we entered the restaurant, many people turned to look because the box was clearly visible. I pretended not to be aware of this and enjoyed my lunch instead.

At the town of Fremont near Silicon Valley, there was a Thai club. They were kind to me and we were frequently in contact. One day my elder brother and younger sister drove Nui, Pong and me to Lake Tahoe located between California and Nevada which has beautiful emerald-green water. On the Nevada side, there is a town called Reno with numerous casinos, second only to Las Vegas. Nui tried the slot machines. She hit the jackpot and a large stream of coins gushed out attracting people nearby to look at the nearly 200 dollars worth of coins. Nui donated these coins to the Thai temple in Fremont, as the saying goes: “making merit with sinful money”. The Thai people there were impressed upon learning of this and thanked Nui for her kindness. It was another happy incident in a life dominated by my struggle against physical handicap.

Three days later we drove south passing through Seventeen Mile Drive which runs along the Pacific coast. We drove on until we reached Pebble Beach Golf Club, which is one of the most famous golf courses. As we sat eating our meal at the Club House, I looked out at the golf course with

dismay as golf is my passion but I could play it no more. It made me feel like my life was missing something. At least I got to enjoy the sight of this beautiful course.

Throughout the three months of my physical therapy and recovery in California, Nui took great care of me. In the daytime she accompanied me to the hospital to learn about the rehabilitation process and the physical therapy conducted by specialists so that we could later practise by ourselves in Thailand. As Nui is someone who falls asleep easily, she often fell asleep after watching for a while and we would need to wake her up. I felt that we would just try to do as best as we could manage. After four weeks, we removed the box and I could practice walking some more. My walking had improved but I needed to carry a cane and get a new pair of shoes because my right foot had become swollen, making it one size larger than my left foot. In the end I needed a special pair of custom-made shoes designed for those suffering from this handicap.

The medical bill ended up being rather high prompting Nui to negotiate with the hospital officials as the hospital had charged fully for all items. Nui's negotiations were quite successful and they gave us a reduction in the bill.

Finally, I returned home with a thinner right leg but I was able to walk with a cane better than before. It was a pity that

during those days we had very few occupational therapists here; as a result my right hand is less useful than it could have been. I think that if I had continued my treatment in the United States, my right hand would be in a better condition because occupational therapy is a very delicate matter. Until this day, the steel bracing my toe has remained. I thought that medical services in Thailand were quite advanced but in terms of physical rehabilitation we are still behind the U.S.A.<sup>81</sup> I am thankful to Chai Sophonpanich, Chairman of Bumrungrad Hospital, and NME for taking care of me and recommending a hospital and specialists which resulted in my relatively satisfactory situation.

When I returned to Thailand I was over 60 years old and had retired from office. I was free from work after devoting myself so long to my official duties. So I thought that I should spend my twilight years in a more balanced manner. One limiting factor was my physical handicap and the doctor would not allow excessive strain on my brain. I needed to find a better balance in life and work only moderately. I was still the Chairman of the Bank of Asia, Chairman of the Premier Group and a board member of Dole (Thailand) Limited. I

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<sup>81</sup> Currently I receive physical therapy at Chulalongkorn Hospital and have found that the standard and techniques of physical therapy in Thailand have greatly improved.

tried to work to my full capacity but mainly in an advisory role making recommendations and giving policy guidance rather than in a hands-on manner.

### **Siam Cement Group**

I had received an invitation from Professor Sanya Thammasak to join the Board of the Siam Cement Group Public Company Limited (SCG) since before I became Deputy Prime Minister. After retiring from my post in the Anand Government, I was invited once again to be a member of the Board and have continued serving until the present day.

I like the organizational culture of SCG which I think is difficult to find in other organizations in matters such as honesty and a concern for the benefits of all stakeholders, particularly the staff, which are regarded as the most important resource of SCG. In their recruitment process SCG seeks out capable and good people with knowledge, talent and morals, without giving any thought to special connections.

After recruiting staff, SCG arranges intensive training at every level. This includes the provision of scholarships for them to study in leading universities in Thailand or abroad. High potential staff who are material for senior management posts in the future are trained and groomed in accordance with a management development plan. This process builds

up a feeling of security and a sense of bonding with the organization. Staff develop a love for SCG and have confidence in their future career prospects. SCG is regarded as one of Thailand's leading organizations in human resource management. In times of economic crisis, all staff unite to overcome various obstacles, making SCG even stronger afterwards.

I think that the thing that has made the SCG progress steadily for 100 years is by holding steadfastly to its ideals and ethics in conducting business. SCG strives to abide by codes of good governance in a tangible manner and to serve as a model for other organizations. Moreover, the company also cares about the environment, communities, society and the nation. These values are constantly upheld by the Board, management and staff at all levels. Every member of staff is encouraged to be a good citizen and to be useful to their community, society and the environment.

I also serve as chairman of the SCG Donation Committee which also oversees the SCG Foundation. The responsibilities focus on reviewing the annual donation policy and plans, including the screening of applicants, in order to ensure that they are compatible with the sustainable development plan of SCG which emphasizes business growth along with care for the environment, community, society and the nation. Funds are donated to foundations and public philanthropic

organizations that work hard for the benefit of society in the fields of environment, sports, education, public health, the arts, culture and religion, for instance, the Ananda Mahidol Foundation, Stem Cell Research Centre at Chulalongkorn University's Faculty of Medicine, Thailand Association of the Blind as well as various programmes organized by the mass media for the benefit of society. I have the opportunity to constantly visit and monitor the work of various foundations, thus enabling me to learn about the real problems and to help support these organizations in contributing to the greater common good and better quality of life for Thai people.

The company has set its vision as: "SCG will be well recognized as an innovative workplace of choice, and a role model in corporate governance and sustainable development." Sustainable development has widened the scope of work which now requires coordination between three dimensions (economy, society and environment). As a result the SCG Donation Committee has been renamed the Committee for Corporate Social Responsibility for Sustainable Development, with me remaining as the chairman.

The approach of the Committee can be considered novel, as it takes a strategic approach to activities with the involvement of people at all levels in the company. This is considered sustainable and in conformity with global best practice. The Dow Jones Sustainability Index has ranked

SCG the top company in pursuing sustainability as part of its business practice in two successive years (2011-2012) in the construction material sector.

### **Crown Property Bureau**

My greatest pride was when, by royal appointment, I became a member of the Board of the Crown Property Bureau (CPB) starting in 1993 up until the present day. I felt gratified that I had gained His Majesty's confidence so I worked to my full capacity as part of the Board to update the CPB's working policies and land management system in a manner that would increase efficiency and benefit to society as a whole.

An important tool for enhancing the efficiency of the CPB's work was the improvement of the information system for land management. The appropriate software and competent staff were assigned to the task, resulting in an information system which is comprehensive, up-to-date and able to be used quickly. At the same time, the structure, staffing and operational procedures of the CPB were also reorganized, under the leadership of Dr. Chirayu Isarangkun Na Ayuthaya, the current Director-General of the Crown Property Bureau

CPB has changed its rental policy, by classifying tenants



and adjusting the rents accordingly. That is, government agencies and state enterprises will pay rent in accordance with the Cabinet decision. For foundations and associations working for social well-being, smallholders and communities, the rent will be low. Commercial tenants, who constitute merely 7% of the total leasable area, will be charged near market rate.

CPB considers it of high importance to take care of long-term tenants, by allocating financial compensation for relocation at a higher rate than normal and putting in place measures to facilitate their return to their original units after refurbishment. This has resulted in good cooperation from the tenants and increased their satisfaction.

Property development plans are drawn up with the well-being of society at large in mind, in terms of reducing environmental impacts and traffic congestion, rather than maximizing profits. Furthermore, a number of properties have been turned over for public use instead of commercial use. For instance, land along the Chao Phraya River near Tha Tien market has been redeveloped as the Nagabhirom Park. Likewise, the 40-plus rai plot of land next to Wat Pathumwanaram near the Rachaprasong intersection is now the Pathumwanarak Park.

The CPB's operations have made great strides in other areas, particularly in community development, historic

conservation, youth and the dissemination of Buddhism. The CPB has put in place a policy for developing communities with low income, using a participatory approach. It seeks to improve quality of life and orderliness and to make available good infrastructure, common areas and hygiene facilities. In terms of conservation, the CPB now takes a pro-active approach to restoring properties that have architectural or historical value and support, while also supporting the restoration of religious monuments affiliated with the monarchy.

In order to upgrade its property management even further, CPB has set up two subsidiary companies Wangsinsap Company Ltd. to manage real estate and the CPB Equity Company Ltd. to handle investments. The latter plays an important role in improving social well-being, for instance, in setting up the Honorary Professor His Majesty Bhumibhol Adulyadej Fund for advancing Thai surgery. It also invests in social enterprise, such as its partnership with Mahidol University to set up the Siam Bioscience Ltd. which aims to produce biopharmaceuticals in Thailand.

### **Siam Bioscience**

Since 2009, I have been involved in a major initiative to develop the biopharmaceutical industry in Thailand. Siam

Bioscience Co. Ltd. was set up in August 2009 through cooperation between the CPB Equity Company Ltd. which provides start-up capital and Mahidol University which provides the staff and infrastructure for research and development in biopharmaceuticals. I serve as the Chairman of the Board, with Apiporn Pasawat, the former Managing Director of SCG Chemicals, serving as Chairman of the Executive Committee and Dr. Songpon Deechongkit as the Managing Director and the key man behind operations. The goal of the company is to develop Thailand's capacity in the biopharmaceutical industry in a holistic and comprehensive manner, from research and development to manufacturing ready-to-use drugs.

Biopharmaceuticals are protein-based pharmaceuticals. At the moment, only chemical-based pharmaceuticals are produced in Thailand and their effectiveness in treating certain serious illnesses is still limited. Lacking the capability to produce biopharmaceuticals has resulted in Thai patients having to shoulder heavy costs of imported medicine and some not able to access such medicines at all.

This initiative is very critical as Thailand transforms into an aging society. The burden of medical care will increase and the costs associated with importing biopharmaceuticals which we cannot yet produce ourselves will skyrocket.

Developing the country's biopharmaceutical industry

will not only ensure that Thai people will be able to access high-quality drugs at reasonable prices, but will also build on Thailand's leading position in health care provision. It will also lessen Thailand's financial burden by reducing expenditures for importing drugs and the government's expenditures resulting from the comprehensive health care policy. Furthermore, the establishment of the biopharmaceutical industry will also catalyze research and development in biomedical science and promote transfer technology from research into industry, thus linking research with commercial manufacturing.

### **Country retreat**

Being fully aware that I have involved myself in too many activities again, I am now trying to find more time to rest and relax. In recent years, Nui and I spend many of our weekends up at our house in the Thawsi Country Estate in Pakchong district, Nakhon Ratchasima province which was developed by Thawsi Svasti-Xuto, Nui's eldest sister. It seems that the group of houses belonging to the children of Chao Khun Vidura at Sukhumvit has been transplanted to Pakchong because the siblings, nephews and nieces of Nui have also built country houses near each other in this compound, which is only two hours by road from Bangkok. Although it is not right next

to Khao Yai, we can see the whole Khao Yai range from our house, with five or six layers of mountains which makes for a very scenic backdrop. The weather is good because it is 420 metres above sea level.

The soil at Pakchong is rich and everything thrives. We have plenty of space for planting trees and flowers in large numbers. This has a spiritual value because we can commune with nature. We plant fewer fruit trees as we like to support villagers by buying their agricultural produce. Each day, we go around trimming tree branches in the mornings and evenings as a way of exercising. Recently, I bought a second-hand golf car from Suporn Pradpreong, an old friend from Chonburi school days. Now I can drive around the garden every day. I drive using only my left hand. We added a wooden slab to the cart floor so that my right foot can touch the accelerator and my left foot can step on the brake pedal. I enjoy looking after and giving directions in planting our kitchen garden and Thai flowers such as leelawadee, pang puay and ban buri which now fill up our garden.

The main feature of the Thawsi Country Estate is Dhamma practice. We have invited the Venerable Ajahn Jayasaro to stay at a hermitage within the estate called Chana Mara since 2002 to practice Dhamma and to work on the second volume of teachings of Ajahn Chah.<sup>82</sup> He is the former Abbot of the International Forest Monastery, a British

*The Venerable Ajahn Jayasaro with Dhamma practitioners at the Thawsi Country Estate*



monk and a disciple of Venerable Ajahn Chah of Nong Pah Pong monastery in Ubon Ratchathani province. Venerable Ajahn Jayasaro usually maintains solitary practice, not seeing laypersons except on Friday, Saturday and Sunday when we go to donate alms at his residence. Every first and third Sunday of the month, he gives Dhamma talks at the “Baan Bun” of Nongnard Penjhati from 8.30-11.00 A.M. with morning chanting, a meditation session and a Dhamma talk. Sometimes there are meditation retreats for three, five or seven

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<sup>82</sup> While I was recuperating in the U.S.A., every night before bed time, Nui read the first volume of the biography and Dhamma teachings of Venerable Ajahn Chah, entitled “Upalomanee”, written by Venerable Ajahn Jayasaro in Thai.

days. There are also special sessions for overseas Thai students who are visiting home during the school break to give them the opportunity to practise Dhamma and to appreciate Thai culture more deeply.

The teachings of Venerable Ajahn Jayasaro are easy to follow, containing a bit of humour while conveying the essential Dhamma principles. There are many devoted followers who drive from Bangkok to attend each time. It is gratifying that in addition to senior citizens, younger people are attending the sessions more and more, indicating the future potential of teaching Buddhism in a way which is more easily understood while retaining its substance.

The Venerable Ajahn Jayasaro also performs various religious functions for the benefit of the greater public, particularly by acting as an advisor on Buddhist philosophy of education for kindergarten and primary students at the Thawsi School in Bangkok and at the secondary school level at Panyaprateep School located near the Thawsi Country Estate in Pakchong.

Within the Panyaprateep school compound, the Phaya and Khunying Vidura Thammapiñet building was built with donations from their sons and daughters. The first building of the school, it can hold 75 pupils and consists of a library, a science laboratory, a music room, a computer room, an arts

hall, classrooms and a dining hall. The opening ceremony of the building was conducted on July 18, 2009.

### **Charitable work**

In addition to work, travel and Dhamma practice, Nui<sup>83</sup> and I have always undertaken merit making and voluntary work. I also conduct merit making through important philanthropic organizations such as the Toyota Foundation (Thailand) with Police General Pao Sarasin as its Chairman. Since 1998, its main activities have been the provision of scholarships to needy school children in various regions so that they can have continuous education. This is to increase the potential of Thai human resources and improve the

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<sup>83</sup> Nui is diligent in voluntary work. She used to be Chairperson of the Foundation for the Welfare of the Crippled (for which she is still an advisory member) and she was president of the Rajini School Alumni Association for three terms. She is currently serving a second term as the Chairperson of the Housewives' Voluntary Foundation, which produced T-shirts with pictures of the tsunami which were sold in great numbers to support people affected in the Andaman Sea. As president of the basic support programme of the Women's University Education Council, she helped to create jobs for slum dwellers in the Wat Phrayayung community through sewing and producing crochet panels for muumuus which have also been sold in large numbers. In addition, she is a volunteer at the Chitralada Shop at Vimanmek Palace every Tuesday.



quality of life and of the environment for communities in remote and barren areas all over the country. Support has also been provided to various other philanthropic organizations that provide real benefits to society, e.g., to help those born with cleft palates and to undertake various activities to improve the potential of people and communities around the country.

I have also been involved with the establishment of the Buddhadasa Indapanno Archives, which aims to preserve the documents of Venerable Ajahn Buddhadasa and has now become a centre for study, research and dissemination of his teachings and other prominent Buddhist teachers. I serve as the Deputy Chairman of the Foundation.

As for the Thailand Development Research Institute Foundation of which I have been Chairman from the start, it emphasizes providing information and dissemination of policy research papers which is considered academic philanthropy and is meant to provide great benefits for all.

Other work is carried out through the Dr. Snoh Unakul Foundation at Burapha University which provides scholarships to needy students and scholarships for students with strong academic performance and good conduct, who have leadership potential and a willingness to contribute in three areas, namely, technology, social sciences and health. SCG

*The last time Pak pushed my wheelchair at Doi Tung*



*Father pretending to push the wheelchair for mother and the children at the Greek islands*



*On a cruise with friends*



*18 Robe Street, St. Kilda,  
my first home in Melbourne*



*Visiting Ormond College*

underwrites the scholarships in the technology area, the Sahapat Group supports the social sciences area while the Dr. Snoh Unakul Foundation deals with the health sector. Moreover, I was honoured to be the first Chairman of the Burapha University Council at the time when I was the Deputy Prime Minister and had the opportunity to lay down the foundations for the development of Burapha University<sup>84</sup> to achieve its target of becoming a quality university for the eastern region.

### **Twilight years**

Now that I am 82 years old, I am determined that as I get older, I will spend more time undertaking Dhamma practice. There are several Dhamma books that I would like to read such as the teachings on “Awareness of Death” by His Holiness the Supreme Patriarch, “Dhamma for Readiness” by Venerable Ajahn Maha Bua, books by Venerable Ajahn Ban and Ajahn Jayasaro, along with the book, “Physically Ill but the Mind is at Ease” by Dr. Amara Mallila.

The older I get, the more I think about death, in order

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<sup>84</sup> This can be considered part of the outcomes emerging from the Eastern Seaboard Development Plan.

*The statue dedicated to  
Professor Dr. Puey Ungpakorn*



*As chairman of the ceremony to unveil the statue of  
Professor Dr. Puey Ungpakorn on March 9, 2002  
at Thammasat University, Rangsit*

to come to terms that this is the natural course of things: beings are born, exist and then disappear. In the past few years I have seen this more vividly as very close friends since our early days at work have disappeared from our monthly luncheon meeting one by one, while the rest are increasingly dependent on their canes.

We friends may be considered the first group of “young bloods” which Khun Puey and Boonma Wongsawan<sup>85</sup> created in those days. We took on the burden of responsibility for Thailand’s economy and, even though over 50 years have lapsed, we still maintain a great sense of love and unity, having lunch together once a month in the name of the “101 Group”. Those who are still with us and join us regularly are Charnchai Leethavorn, Nukul Prachuabmoh, Amnuay Viravarn, Prasong Sukhum, Chamlong Tothong, Bundit Jenkarnkit, Puchong Pengsri, Panas Simasathien, Charn

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<sup>85</sup> Khun Boonma, former Permanent Secretary of Finance and Minister of Finance, was a person of great honesty and knowledge about the fiscal management of Thailand. He was also very able in running the greatest industrial enterprise in Thailand namely the Siam Cement Group. He was modest and did not show off in the public so he was not widely known. But for the “young blood” group which Khun Puey and Khun Boonma built up, we considered him a “great personality” similar to Khun Puey, with Khun Puey being macro-oriented while Khun Boonma was micro-oriented.

Vongssathorn and Snoh Unakul. Those who are still with us but no longer attend the luncheon are Vicharn Niwatwong, Prapas Chakrapas and Prakob Juangpanich (and this list will get longer over time). Those who have passed away are Thalerng Thamrongnavaswasdi, Chavalit Thanachananda, Phisit Snitvongs Na Ayutthaya, M.R. Chanramsirichoke Chantaratat, and Sompong Thanasophon. Those who passed away earlier were Bundit Bunyapana and Krit Sombatsiri.

In leading my life in my twilight years, there is a phrase which I like and would very much like to aspire to: “How to grow old gracefully and how to die peacefully.” To my mind, this means how to live happily when one gets old, in an appropriate and sufficient manner, without too many luxuries or comforts. The more we practice Dhamma, the less we need such material objects. In the end, the question remains: *how to leave this world in peace?*

This question still has no answer.









# Profile



Date of birth	July 24, 1931
Birthplace	Muang District, Chonburi Province, Thailand
Nationality	Thai
Marital status	Married to Dr. Nongnuj (Amaranand) Unakul DDS With four children (two daughters and two sons)

## Education

1945	Secondary School certificate, Chonradsadornumrung School, Chonburi
1947	High School certificate, Triam Udom Suksa School
1951	Diploma in Accountancy, Thammasat University
1954	B.Com, University of Melbourne, Australia
1957	M.A. (Econ), Columbia University, U.S.A.
1961	Ph.D (Econ), Columbia University, U.S.A.

## Present Positions

Chairman, Thailand Development Research Institute Foundation  
Deputy Chairman, Buddhadasa Indapanno Archives Foundation  
Director, Crown Property Bureau  
Director, Siam Cement Public Company Limited  
Director, Dole Thailand Company Limited  
Director, Crown Property Bureau Equity Company Limited  
Chairman, Siam Bioscience Company Limited  
Chairman, Apexcela Company Limited

## Positions Held

1992-1995 Chairman, Bank of Asia Public Company Limited  
1991-1992 Deputy Prime Minister

1991-1992 Chairman, Council of Trustees, Burapha University  
1989-1991 Executive Chairman, Bank of Asia Company Limited  
1980-1989 Secretary General, Office of the National Economic  
and Social Development Board (NESDB)  
1975-1979 Governor, Bank of Thailand  
1974-1975 Secretary General, NESDB  
1973-1974 Deputy Permanent Secretary of Commerce  
1968-1973 Director of Economic and Social Planning Division,  
NESDB  
1966-1967 Assistant Secretary General, NESDB  
1964-1965 Senior Economist, NESDB  
1960-1963 Economist, NESDB  
1955-1959 Economist, Ministry of Finance

### **Other Former Positions**

Senator  
Founding Chairman, Thailand Development Research Institute  
Chairman, Society for International Development, Bangkok Chapter  
Chairman, Australia Thailand Business Council  
Chairman, Council of Trustees, National Institute of Development  
Administration  
Chairman, Nominating Committee, Board of Trustees,  
Asian Institute of Trustees  
Chairman, International Advisory Council, The Thailand Fund  
Vice Chairman, Thailand Environment Institute  
President, Economic Society of Thailand  
Secretary General, Inter-parliamentary Union, Thailand Chapter  
Member, Governing Council, National Defense College of Thailand  
Member, Governing Council, National Research Council of Thailand  
Member, Court of Directors, Bank of Thailand  
Member, Policy Advisory Council, Australian Centre for International  
Agricultural Research  
Member, Board of Trustees, International Food Policy Research  
Institute

### **Decorations and Awards**

- 1981 Knight Grand Cordon (Special Class) of the Most Noble Order of the Crown of Thailand
- 1982 Knight Grand Cordon (Special Class) of the Most Exalted Order of the White Elephant
- 1987 Royal Cypher Medals
- 1987 Most Outstanding Government Official of the Year
- 1992 Grand Officier de l'Ordre de la Couronne (Belgium)
- 1993 Knight Commander (Second Class, Higher Grade) of the Most Illustrious Order of Chulachomklao
- 1996 Citation as "One of 50 Thais Who Helped Shape Thailand in the Past 50 Years", Bangkok Post Fiftieth Anniversary, Special Edition, August 1, 1996
- 2004 Citation as Most Outstanding Alumnus on the Occasion of Seventieth Anniversary of Thammasat University, December 10, 1994
- 2006 Citation as "One of 35 Most Influential Thais Over the Past 35 Years", The Nation Thirtieth Anniversary Special Edition, July 2006
- 2008 Citation as Most Outstanding Alumnus of the Faculty of Commerce and Accountancy, Thammasat University, November 22, 2008
- 2009 Grand Cordon of the Order of the Rising Sun, Japan

### **Honorary Degrees**

- 1984 Doctor of Economics, Chulalongkorn University
- 1985 Doctor of Commerce, Thammasat University
- 1988 Doctor of Social Sciences, Srinakarinwirot University
- 1989 Doctor of Economics, Thammasat University
- 1991 Doctor of Economic Development, National Institute of Development Administration
- 1993 Doctor of Economics, Burapha University
- 1996 Doctor of Economics, Khon Kaen University

