

DEFENSE ECONOMY OF THAILAND

by *Colonel Abhichart Dhiradhamrong*

National defense involves not only men and arms, but also other economic strengths. To achieve both national security and prosperity, economic and social development planning must be taken into account along with military defense requirements. Without a better understanding of economic conditions and the relationships between the national economy and defense requirements, a sound national security policy cannot be formulated.

National defense in a less-developed country like Thailand possess at least three basic problems. First, the over-all national development program must aim primarily at increasing the national income and improving standards of living. Second, there is a tendency among the people and government officials to become overly dependent upon one or another of the Great Powers for national survival, and to maintain the attitude that it is not necessary to extend their own efforts in the national defense. Finally, there is the simple question of finance: How to utilize a limited defense budget to the best possible advantage.

The purpose of this thesis is, therefore, to describe existing economic conditions concerning national defense and their trends; to discuss the problems and difficulties involved; and to suggest certain measures by which these problems may be remedied.

The thesis consists of eight chapters. Chapter I deals with basic problems of national security: military requirements, economic mobilization and organization for defense. This chapter suggests with the following:

1. Creation of an office responsible for the promotion of production, the utilization of national resources, and mobilization planning in the office of the Prime Minister.
2. Promotion of the production and utilization of national resources in support of the national defense.
3. Administration of public finances in such a way that military activities will not be impeded.
4. Further requests for foreign aid, both military and economic.
5. Execution of economic warfare.

Problems concerning manpower, raw materials, energy, industry, transportation and telecommunications are discussed in Chapter II, III and IV. The principal manpower problems in Thailand at the present time are underemployment, a lack of skilled labour, and inexperience

in industrial technology and management. Moreover, other problems will arise in wartime because of the increase of personnel in the armed forces which will deplete manpower resources for economic development. To solve these wartime problems, the writer recommends that the government increase the labour force and working hours, increase the number of skilled labours, increase production efficiency, and allocate labour in accord with the military and civilian requirements.

Concerning energy resources, the author foresees no major peace-time problems. Electric power will increase to 508,000 kilowatts by 1963. A major portion of the increase will be generated by the Yanhee hydro-electric plant. However, a plan for solving the problem of power shortages due to enemy destruction of power plants and distribution systems in wartime should be prepared. Lignite is the mine energy resource used for many power plants in Thailand. Oil production at Fang, Chiangmai is not at full capacity due to the quality of crude oil. More than 900 million baht worth of oil products is imported yearly. The 5,000 barrel refinery at Bangjak will operate very soon while another 38,000 barrel refinery is going to be constructed. The problem of an adequate oil supply in wartime is largely a problem of transportation to be arranged by allied countries which own the oil. The physical security of the refinery and tanks is a major problem requiring coordination between military and civilian authorities. Wood and charcoal are still vital energy resources for steam locomotives and household cooking. These resources will cause no major defense problem in the foreseeable future.

A major problem in most, if not all, underdeveloped countries is the need for economic diversification. Only 2% of the economically active population of Thailand is now engaged in industry, while 80% are employed in agriculture, foresting and fishing. The Thai industrialization program includes the promotion of industry by granting special privileges to investors. It is estimated that national income in the industrial category will increase 12% yearly during 1961 to 1963. The writer draws attention to certain works concerning the preparation of industrial mobilization which are the functions of the Department of Military Industry, Ministry of Defense. It is considered that, in case no National Mobilization Office is created, the functions should be broadened to the extent that the Department will be able to solve the economic and military requirement problems in wartime. In connection with industrial zoning to locate industrial facilities outside the Bangkok metropolitan area, it is pointed out that the effort is not only a social development activity but also a measure of civil defense. The writer, therefore, recommends that the representatives of the Ministry of Defense and the Department of Civil Defense should participate in the planning of Bangkok and Dhonburi Zoning.

Adequate and dependable transportation and telecommunication systems are important for both national development and defense. Priorities in economic and social development programs are roads, adequate water, power, and schools. To ensure that these improvements are acceptable for military and economic purposes, military and civilian authorities should coordinate their effort.

The writer discusses in Chapter V the defense budget, defense finances and stabilization. The defense budget, he suggests, should be based on military requirements which arised from the national defense plan. Defense expenditures should be calculated as a percentage of the national income or national product. A study of the defense expenditures of serveral nations comparable to Thailand indicates that the defense costs of Thailand are considerably less.

Defense financing by taxation has more advantages than by loan. Taxation should be applied not only for stabilization purposed, but also to insure that the burden of national defense is shared equitably. Defense financing by loan may cause inflation, and of course the loans must be repaid, ultimately through taxation. In time of war, however, it will be necessary to borrow in support of the war effort. Direct stabilization controls during wartime should include price control, wage stabilization, stabilization subsidies and consumer rationing.

Chapter VI is devoted to a discussion of foreign assistance received by Thailand. The major portion of economic aid has been provided by the United States. Military assistance furnished by the United States also has played an important role in the modernization of the Royal Thai Armed Forces. Other economic and technological assistance has been provided by the United Nations, the Colombo Plan, Germany and Japan. According to the six years national economic development plan, Thailand expects to receive 500 million baht worth of foreign grant assistance yearly.

Economic warfare is discussed in Chapter VII. The writer indicates that Thailand is already engaged in economic warfare, in particular from the economic penetration by the Chinese Communists. The only economic warfare measure executed by Thailand is an answer to this penetration. Thailand has no clear and definite economic warfare policy. The collection and processing of information and other preparations for economic warfare should be the responsibility of a permanent working group comprising representatives of the government agencies concerned.

In summary, this study deals with economic condition and problems concerning national defense. The discussion and recommendations made should be helpful to interested government agencies and authorities. National security and economic growth depend upon and contribute to one another. The success of the national defense program depends not only upon sound military

planning, the efficiency of the Armed Forces, the national product and income, but also upon the interest and sacrifice of the citizenry, politicians, government administrators and officials. A suitable defense program is not possible unless the people and administrators perceive the need for national survival and are willing to sacrifice for it.

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โดย พ.ช. อภิชาติ ชีรอำรง ร.ป.ม. (เกียรตินิยมดี)
มหาวิทยาลัยธรรมศาสตร์ 2505
(ภาษาไทย 11 + 155 + 4)

หนังสือ

หลักสหกรณ์ประเภทต่าง ๆ และวิเคราะห์การบริหารงานสหกรณ์หาทุนในประเทศไทย
โดย สวัสดิ์ เทกทัตต์ อ.บ., ศศ. บ., ร.ป.ม. (เกียรตินิยม) มี 240 หน้า ติดต่อสั่งซื้อได้ที่
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การเสริมสร้างความเจริญให้แก่ท้องถิ่นชนบทไทยด้วยกระบวนการพัฒนาการท้องถิ่น
โดย ร.ต. สุพจน์ พาณิชประไพ ร.บ., ร.ป.ม. มี 256 หน้า ติดต่อสั่งซื้อได้ที่กองปฏิบัติการ
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