Independent Siam and Colonial Burma: A Comparative Historical Perspective

Kasion Tejapira

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INTRODUCTION

With regard to the national road to modernization, no other two neighbouring countries in Southeast Asia stand in starker contrast than do Siam and Burma, at least up to the early 1970s. Siam began its march to modernization as a juridically independent country under the absolute monarchical rule of the Chakkri dynasty after the conclusion of the Bowring Treaty with Britain in 1855. Burma was pulled violently from the starting line on to the running track of modernization by the British empire in 1824, 1852 and 1885, unfortunately, as an adjunct colonial province of the "jewel of the British crown". In the immediately post-World War II years, the running speed of Burma and Siam, as

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1 This paper was initially written for the graduate course on Burma given by Professor Khin Maung Kyi of the National University of Singapore while he was a visiting professor at Cornell University in spring 1987. It has been stylistically revised for the purpose of this publication.
measured in GNP and gross investment terms, was approximately the same. However, while Siam (then renamed as "Thailand") was run under an essentially bureaucratic authoritarian regime dominated by the military, Burma hurdled along under a parliamentary democracy through a series of incessant ethnic and communist insurgencies. Both countries passed the 1960s' marker under military dictatorship, with Field Marshal Sarit Thanarat coming to power in Siam in 1957, and General Ne Win in Burma in 1962. But whereas the Thai military regime went determinedly capitalist, the Burmese one veered resolutely socialist. The result of this parting of the ways in terms of their respective speed was statistically clear: from 1962 to 1974, while the Thai GDP index increased from 100 to 169, the Burma GDP index fluctuated between 97 and 111. Since then, capitalist Siam has taken off economically, but socialist Burma has stagnated, with the per capita GDP of Siam in 1982 being 4.5 times that of Burma.

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Understandably, the present dismal economic and political stagnation in Burma has made the "Burmese Way to Socialism" unattractive to some scholars. For instance, Professor Khin Maung Kyi has pointed out the inefficiency of the socialist economic system under the Burmese military regime in comparison with the contemporary economic system of free enterprise in Thailand.\(^5\) Similarly, but for different reasons, in one recently-published academic book on Burma in the Thai language, one Thai liberal historian poked fun at socialist Burma by citing a comic story about the economic scarcity in Burma under Ne Win, while another Thai progressive anthropologist criticized the Burmese military rulers as "oppressors and exploiters of the Burmese people in socialist disguise"\(^6\). From their different perspectives, the three abovementioned scholars all agree that socialist Burma has been a failure.

This by no means indicates a unanimous opinion among the Southeast Asian academic circle. For instance, the recent disparaging report on Burma by Ian Buruma met with strong criticism from some well-known scholars in the field, such as Benedict Anderson and Robert H. Taylor.\(^7\) From their counter-

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arguments, the socialist regime of General Ne Win seemed to be "better" in various ways than the above-mentioned scholars have argued. On the other hand, the balance-sheet of decades of capitalist development in Siam is far from a success story. In his well-known address to the Siam Society in 1981, Professor Saneh Jamarik, a leading Thai political scientist and later president of the Social Association of Thailand, pointed out, with conclusive supporting statistical evidence that capitalist economic development in Siam under the military regime has resulted in gross inequality, abject poverty and growing unemployment among the majority of the Thai population, especially in the countryside. Quoting Dudley Seers, he challenged the prevailing economistic tendency to measure national development solely in terms of per capita income, and posed the question: how could a nation be considered as having developed if the people in that nation became poorer, more unequal and less fully employed. His critical judgement has set the tone for most Thai academic works on this subject ever since.

8 I would like to stress that what I am presenting here are mere different opinions on this issue, not a conclusive knowledge. It serves only as an initial step to question a given answer, not a final step to answer the question. Looking at the present Burmese socialist regime from different and even opposing perspectives helps widen a space of intellectual manoeuvre so that one can think of other new significant questions about it. To present a conclusive judgement of the overall social conditions in socialist Burma, either in itself or in comparison with Thailand, is not what I attempt here.

9 Saneh Jamarik, "Panha kanphattana nai saphap kanmeuang thai (Problems of Development in Thai Political Setting)," Rotthasatsan VIII:3 (September-December 1982), 28-29.
However, my purpose here is not to settle account with the superiority of Burmese socialism or Siamese capitalism. Rather, I would like to look comparatively and historically at the roads Siam and Burma traversed in their quest for modernization. The periods of my comparative study will be Siam from 1855 to 1932 (from the opening of its economy to foreign colonial powers until the overthrow of the absolute monarchy), and Burma from 1885 to 1942 (from the complete occupation of the country by the British until the Japanese invasion). My objective is to compare independent Siam under the ancien regime with colonial Burma under the British regime, and examine their significant similarities and differences. By juxtaposing critical junctures in their respective development paths, I hope to recover academically opportunities lost and alternatives defeated in their histories. I believe that by a critical comparison of their conditions and processes of modernization, we can come to a better comprehension of both countries.

It is not part of my intention to hammer out which path is the more preferable.

**COLONIALISM, CAPITALISM AND MONARCHY**

After the advent of European colonial powers to mainland Southeast Asia and the integration of all countries in this region into the world capitalist economy in the 19th century, the economic structures of Siam and Burma had underwent basically similar transformations. Both countries were transformed from a self-sufficient economy to a dependent and under developed commodity producing economy in which a growing urban commercial sector acted as the mediating link between a rapidly expanding but technologically stagnant domestic agricultural sector and the manufacturing industrial centers of Europe, and gained economic surplus thereby.

The foreign trade of both countries expanded rapidly from the latter half of the 19th century onwards. Siam increased the value of exports over twenty times between 1850 and 1950 and its total imports increased over twofold from the 1910s to the 1930s. Likewise in Burma, from 1881/82 until the end of the century, imports nearly doubled while exports almost tripled. Rice was the foremost export commodity of both countries during these periods. Other major export

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items included tin, teak and rubber in the case of Siam, and timber, petroleum, lead, zinc, tin and tungsten in the case of Burma. Textiles and sugar were chief among the imported manufactured goods which both countries used to produce, or could easily have produced but for colonial economic domination.

In connection with this enormous expansion of exports, certain industries developed in Siam and Burma, such as ricemilling, timber, saw milling, tin mining, and oil production and refineries, as well as other trade-related businesses, such as finance and banking, marine transportation and marine insurance. Clearly, these industries were mostly primary and export-oriented, limited solely to processing agricultural products and extracting minerals. All these industries and business enterprises were dominated by foreign capital i.e. European and Chinese capital in the case of Siam, and European, Indian and Chinese capital in the case of Burma.\(^\text{13}\)

The extent of foreign control over the economy was much more complete in Burma than was the case in Siam. Three groups of dominant capital dominated the Burmese economic scene: British, Indian and Chinese-according to their respective order of importance. Total foreign holdings in Burma in 1940 were estimated to be 50 million pounds, of which business

investment amounted to 47.2 million pounds (excluding portfolio and rentier investment). 90% of this total foreign business investment was British-owned or controlled. In the main, five monopolistic British companies owned almost all the British capital assets in Burma: the trade in rice was controlled by the Steel Brothers; the timber trade was dominated by the Bombay Burma Trading Corporation; the river transport was largely in the hands of the Irrawaddy Flotilla Company; practically all deposits of tin, lead, zinc, tungsten, silver and other minerals were exploited by the Burma Corporation Limited; and 75% of production and 85% of all refining of petroleum was undertaken by the Burma Oil Company.

Next in importance to the British was Indian capital. For instance, the working capital of the Chettiar money lenders in Burma was estimated at 750 million rupees. If the borrowings and the deposits are excluded, the proprietors' capital of Chettians' firms amounted to some 535 millions rupees. The Indians held important positions in banking, trade and finance. They controlled more than half of Burma's rice exports, as well as the export of some other commodities, and were leading importers of many items. Moreover, they owned many saw mills, rice mills and some other miscellaneous industries. Next to the Indians were the Chinese who were mostly domestic comprador agents, rice millers, plantation owners, mine owners, petty traders and shop-keepers.

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14 Khin Maung Kyi, "Western Enterprise", p. 36.  
16 Khin Maung Kyi, "Western Enterprise", p. 37.  
We may wonder where were the Burmans in the structure of this colonial capitalist economy. Quite simply, most of them continued to do what they had done for millennia: grow rice. The few Burmese who managed to find their way into the colonial business world were at best petty entrepreneurs in small towns, dependent on the Chettiar money-lenders for capital and limited mostly to the rice milling and printing industries, and other traditional business occupations. Even the formation of the working class in Burma was largely a non-Burma affair.

According to available data, by the years 1938-39, the Burmese made up only 36.7% of the skilled workforce, as against 58.4% for the Indians and a smaller percentage for the Chinese. Among unskilled workers, the Burmans constituted 29.7% of the labour force and the Indians 69.5%. Moreover, the larger and more advanced is the business enterprise at which we look, the fewer Burman faces we tend to find.

No wonder that capitalism became visibly indistinguishable from colonialism in the eyes of the Burmans. For whenever they looked at capitalism in their country, they saw mostly unfamiliar, alien faces.

Khin Maung Kyi has acutely pointed out that it was by no means the lack of entrepreneurship, capital or technical skills on the part of the Burmans that allowed the foreigners to monopolize the colonial capitalist economy; rather, it was the extensive patronage and subsidies so generously granted by

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19 Becka, op. cit., p. 31.
20 Khin Maung Kyi, "Western Enterprise", pp. 4-6.
the British colonial state to these foreigners that effectively underdeveloped the Burmese business community. In this respect, the economic situation in colonial Burma stood in stark contrast to independent Siam. There the absolute monarchical state did substantially promote a group of Siamese capital. Not any group of native commoners’ capital though, but only the Thai royalty’s capital. Thus the dependent and underdeveloped capitalist economy in Siam was jointly dominated by three distinct groups of capital i.e. 1) the European trading houses; 2) the Chinese tax farmers, merchants and rice millers; and 3) the Royal Family, faithful aristocrats and high class bureaucrats.

Therefore, although no Thai people (read Thai commoners) played any significant role in the capitalist industries and businesses which were then under European and Chinese control, the Thai royalty did. The Thai royalty evidently had no comparative advantage comparable to the other two groups of dominant capital in purely economic terms, be it capital volume, technology, entrepreneurship, or access to foreign or domestic markets. On all of these counts, the European and Chinese caoutak fared better. The few independent attempts at self-managing business ventures made by some members of the royalty usually ended up in failures. Only when they invested jointly with European and Chinese capital did their businesses become successful. In essence, their real comparative advantage over the European and Chinese capital was political by nature for they pos-

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sessed the one most effective and invaluable lever in economic endeavours which the Burman entrepre-neurs on their part lacked i.e. the state.\textsuperscript{22}

We should bear in mind the crucial historical difference between Siam and Burma with regard to colonialism i.e while Burma was directly colonized by the British, the European colonial powers only imposed a colonial situation on Siam without directly colonizing it, thanks to the agreement between Britain and France in 1896 to jointly guarantee the independence of Siam.\textsuperscript{23} Hence, whereas the Burmese monarchy was abolished, the Konbaung dynasty overthrown, and King Thibaw shamefacedly banished to Bombay by the arrogant British,\textsuperscript{24} the Siamese monarchy was retained and the rule of the Chakkri dynasty continued, King Rame IV and his successors had only to cede judicial and economic sovereignty, together with some large pieces of territory, to the British and French colonial powers in exchange.\textsuperscript{25}

\begin{footnotesize}
\begin{enumerate}
\item\textsuperscript{23} David K. Wyatt, Thailand: A Short History (New Haven and London: Yale University Press, 1984), pp. 204-205.
\item\textsuperscript{24} Maung Htin Aung, Prawatsat Phama (A History of Burma), Trans, Pechari Sumitr (Bangkok: Social Association of Thailand, 1976), pp. 166-167.
\item\textsuperscript{25} Wyatt, op. cit., pp. 183-184, 201-208.
\end{enumerate}
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Though the price of political independence was high, the Chakkri dynastic state was more than compensated by the new political and economic opportunities colonialism provided. With the aid of the imported modern colonial technology of statebuilding, the Chakkri kings were able to consolidate their state power domestically, build up a semi-modernized and more effective state apparatus, and centralize the state administration to an unprecedented degree. Colonialism thus helped make the previously semi-absolute monarchy in Siam more absolutist than ever before.26

This colonialism-awarded absolutist state27 the Chakkri kings wisely used to promote, patronize and subsidize the 'Thai' royal business community. For instance, the Siam Lands, Canal and Irrigation company, set up jointly by members of the royalty and European capitalists in 1888, was granted a "Special Royal Permission" by King Rama V to hold a prior right over all other companies in canal construction in any locality throughout the country. Moreover, the king allowed the company to own unusually large tracts of land on both sides of any canal it constructed. The largest share-holder of the company, Phra Patibatrajprasong (literally meaning 'Sir fulfilling royal wishes' who was in fact an Austrian named Erwin Muller), obtained over half of his investment funds (330,000 out of a total of 522,000 baht) by borrowing

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27 For a detailed discussion about the definition and application of the "absolutist state" concept to the study of the Siamese state, see the Appendix 6 at the end of this paper.
from the Ministry of the Treasury in the name of Queen Sriphacharintra, King Rama V's consort.\textsuperscript{28} The \textit{Siam Commercial Bank}, set up jointly by royal, Chinese and European capital in 1906, survived three major financial crises in 1913, 1914 and 1931 mainly with the financial assistance of the Privy Purse Bureau in various forms, amounting in total to over 4.5 million baht.\textsuperscript{29} The \textit{Siam Cement Company}, set up jointly by royal and Danish capital, was able to take over and monopolize the domestic cement market only because after the First World War the government of King Rama VI limited the import of cement into the country to 8\% of domestic demand.\textsuperscript{30} In contrast, in 1912, when a group of Thai-Chinese merchants petitioned King Rama VI to grant teak concessions to them, referring to the fact that teak, being one of the most important commodities of the country together with rice, was then mostly handled by European companies, their petition was rejected on account of their lack of knowledge and capability for the industry concerned. However a concession was granted to the \textit{Sriracha Company}, producing plywood, which was owned by the Royal Family.\textsuperscript{31}

The above-mentioned economic policies of the Siamese absolutist state strongly remind us of the so-called 'laissez-faire' economic policies of the British colonial state towards the \textit{Irrawady Flotilla Company}, the \textit{British India Steam Navigation Company}, the \textit{Bombay

\textsuperscript{28} Sungsidh, \textit{op. cit} pp. 45-48.
\textsuperscript{29} Sungsidh, \textit{ibid.}, pp. 55-61.
\textsuperscript{30} Sungsidh, \textit{ibid.}, pp. 51-52.
\textsuperscript{31} Suehiro, \textit{op. cit.}, pp. 2-25 to 2-26.
By and large, they were basically the same. The only difference was that the main beneficiaries of these policies in the Siamese case were the Thai royalty, while those in the Burmese case were non-Burman capitalists. Meanwhile, the opportunity for both the Thai and Burman common people to achieve socio-economic mobility by means of capitalist economic enterprise was severely restricted by their respective states.

However, one thing is clear. The Chakkri monarchs were really better off to appear as Thai. Moreover, King rama VI devoted all his talents for propaganda precisely to impressing the reality-effect of this appearance on the mind of the Thai people and to conflating the monarchy with the Thai nation. And as the Thai royalty was better off in this respect, so was capitalism in Siam. For it was totally impossible for the Siamese to see what the Burmans readily saw i.e. capitalism as identical with colonialism and hence in opposition to the nation. In this light, the Siamese royalty actually performed one crucial function of being the most powerful, visible ideological armour of capitalism in Siam.

32 Khin Maung Kyi, "Western Enterprise", pp. 30-32.
Stae-Promoted Economic Dependency and Underdeveloped Native Commoner Bourgeoisie.

The foregoing part of this paper has attempted to show that although capitalism in independent Siam had *a different facial appearance* from that in colonial Burma, their essences were *the same structures of economic dependency*, produced and reproduced by similar state economic policies in favour of foreign interests and at the expense of native commoners. In this part, we shall subject this hypothesis to a further test by considering a broader range of policies of the Siamese absolutist state and the Burmese colonial state concerning immigration, tariff system, and state expenditures and revenues, as well as their effects upon the native commoner bourgeoisies. We shall later compare and evaluate the conditions and status of the Thai and Burman commoners by examining the bureaucracy and peasantry in both countries in the next part.

**IMMIGRATION**

The first and foremost fact to be borne in mind regarding the political status of pre-independent Burma is that it was not simply a British colony, but unfortunately also a 'second-class' colony—that is to say even as a colony, it had no administratively autonomous status of a separate colonial country within the British Empire in its own right. Burma was annexed to the Indian Empire by the British and was administered by the Indian Civil Service as an Indian province until the dyarchical system was introduced in 1923. Naturally, the administrators of colonial Burma were recruited from among the British service trained in India who brought with them subordinate, familiar, English-speaking Indian civil servants. Burma's earlier isolation
further contributed to the influx of Indians into its economy, and its previous self-sufficiency contributed to the economic disadvantage of the Burmans. With the growth of the rice export trade in the last quarter of the 19th century, the demand for labour in the new rice mills rose. The British colonial administration decided to encourage the immigration of Indian labourers with, initially, a subsidy for their transportation. The subsidy was withdrawn in the 1880's, but recorded arrivals of immigrants continued to increase from 84,000 in 1883-84 to over 400,000 in 1927.35

The British colonial administration's policy to import Indians into Burma en masse can be accounted for in terms of objective requirements and subjective preference. Objectively, the establishment of a colonial state apparatus and the creation of a colonial capitalist economy in Burma required a substantial corps of qualified personnel, equipped with knowledge of modern technical and legal matters and the English language, to function as administrative and economic intermediaries between the British colonial masters and the Burman subject population. For this task, the Indians were ready at hand while the Burmans initially were not. Subjectively, the British preferred to import and deploy the Indian immigrants rather than to train and recruit the Burman natives because the former were not only more familiar to them but also more politically reliable than the latter, given the fact of widespread Burman resistance during the first decade of British rule. That Burma was administratively an adjunct province of India only facilitated the free influx

of Indian petty officials, merchants and labourers into Burma. Thus, by 1931, out of the total population of 14,667,000 in Burma, 9.74% were aliens and 6.95% were Indians. The racial composition in large towns was even more striking as Burmans accounted for only 36% of the population in large towns while another 49.6% were Indians. It might not have been uncommon for European tourists in those days to mistake Rangoon for Bombay.36

The impact of the British immigration policy on Burmese society was the transformation of Burma into what J.S. Furnivall called a "plural society", in which the racial division of the population coincided more or less with the social division of labour. Hence most of the Indian immigrants became minor civilian and military officials, merchants, money-lenders, manufacturers and workers, whereas most of the Burman natives remained peasants. This "plural society" situation played directly into the hands of the British, whose "divide and rule" policy aimed at undermining the unified political strength of the Burmese nation. That the Burmans could not prevent it seemed to be due to their loss of political independence and sovereignty.37

As the Thais were able to retain their political independence and sovereignty in the hands of the monarchy, it would seem plausible to expect the Siamese absolutist state to have avoided that kind of anti-nationalist immigration policy and to have prevented the creation of a "plural society". However, the opposite was the case.


Systematic importation of Chinese immigrants first became a major element of state policy in the reign of King Rama III from 1824 to 1851. But it was the expansion of the Thai economy after the conclusion of the Bowing Treaty in 1855 that greatly increased the demand for manual workers, and eventually led to the recruitment of the Chinese for coolie labour in Siam. Mass migration began in the 1880s. The Siamese absolutist state persistently pursued this immigration policy until it was overthrown in 1932. The subsequent constitutional regime of the People's Party began to put an administrative check on this influx of Chinese immigrants in 1935 by imposing literacy and age requirements, and eventually put a strict limit to this influx in 1947 by imposing an annual quota of ten thousand Chinese immigrants into the country. However, the result of the Siamese absolutist state's immigration policy towards the Chinese was that from 1882 to 1931, a total of 951,200 Chinese immigrants arrived and settled in Siam. Thus, by 1932, out of the total population of 13,087,000 in Siam, 1,592,000 were Chinese who accounted for 12.2% of the population. Therefore, in comparative percentage terms, there were nearly twice as many Chinese in Siam as there were Indians in Burma i.e. 12.2% : 6.95%. Or, in other words, the Chakkri monarchs imported more Chinese into independent Siam than the British imported Indians into colonial Burma i.e. 1,529,000 : 1,019,350.\[38\]

Further socio-economic consequences of the Chinese influx into Siam were parallel to those of the Indian influx into Burma. Most 19th century observers attested to the fact that the Chinese outnumbered the Thai in Bangkok—the Thai capital city. One may likewise imagine an European tourist to wonder whether he was in Bangkok or Shanghai. More and more towns in the interior of Siam also took on a Chinese cast during the latter half of the 19th century. As to the social division of labour, in the 1860s, a Western observer attempted an exhaustive list of the commercial crafts in which Thai people were to be found and concluded that practically the entire industry of Siam had by then passed into Chinese hands.\textsuperscript{39} So, most Thai commoners remained peasants, as most Burmans did in Burma. The paradoxical conclusion is inevitable: a "plural society" could and did emerge in Siam in spite of political independence and sovereignty.

Why did the independent Siamese absolutist state pursue the anti-nationalist immigration policy that precisely paralleled the one of the British colonial state in Burma, that created a similar kind of "plural society", and that caused the same problems of minorities and national integration in the long run? The answer is simply because it was in the immediate 'dynastic' interests of the Chakkri state rulers to do so. Firstly, the Chinese did the Chakkri royalty an identical service to that which the Indians did the British colonialists in Burma i.e. performing effectively as economic intermediaries between the royal treasury and business enterprises on the one hand and the native

\textsuperscript{39} Skinner, \textit{op.cit.}, p. 82, 88, 117.
population on the other. As tax farmers, merchants and rice millers-in short, as comprador bourgeoisie, the Chinese filled the gap between royal and colonial capitalism and the Thai customer-producers. Secondly, the Chinese immigrants were a new and valuable source of cheap, effective and exploitable labour. As they were vulnerable, ignorant, youthful, single and mobile, they provided a better and more reliable manpower than the Thai peasantry who usually sought to evade the traditional Sakdina system of corvee labour. Chinese coolie wage labour was thus used extensively by the absolutist state, instead of the less efficient Thai conscripted labour, in canal and railroad building, tin-mining, stevedoring and other port work, rice-milling, saw-milling, and on Chinese commercial plantations. Suffice it to say that the construction of Siam's railroad system, which was essential to the centralization of the absolutist state, would have been impossible without Chinese labour.40

Finally, the Chinese labour force had also become a lucrative source of state revenue which the absolutist state used not only to pay its wage but also to finance the general expansion of the state itself. The following system was established to lure money out of the Chinese pockets: 1) poll taxes were kept very low to encourage Chinese immigrants to stay in Siam 2) opium addiction, gambling, prostitution and alcoholism were encouraged within the Chinese community, to ensure that the Chinese labourers stayed put and spent their wages locally, rather than

40 Benedict Anderson, "Studies of the Thai State", pp. 219-21; Suehiro, op. cit., pp. 2-11 to 2-12.
remitting them to their families in China. This was very effective as is proven by the fact that in the 1920s the average Chinese coolie in Siam spent 50% of his earnings on opium alone, but not one in 50 among them had been an opium smoker before arrival in Siam, according to a League of Nations survey. The indisputable proof of the absolutist state’s success in this regard is that the opium, gambling, lottery, and spirit farms together provided 40-50% of the total state revenue during most of the second half of the 19th century.41

**TARIFF SYSTEM**

Being an adjunct province of India up to 1923, Burma was consequently part of the Indian tariff system. This tariff arrangement continued even after that, until 1941 in fact, when an Indo-Burma Commercial Agreement was signed. But it did not have time to go into effect before the Japanese invasion. Hence Burma had had free trade with India right from the time it was added to the British Empire until as late as 1941. According to the Indian and Burmese schedules, import duties on commodities from Empire countries were rather moderate, ordinarily around 10 to 30%. While duties on non-Empire goods were approximately 50% higher.42

This tariff arrangement naturally favoured Burma’s trade with the United Kingdom and India over

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all other countries. Thus, from 1868 to 1940, Burma's trade had been tied to these two countries: imports from India and the United Kingdom formed 88% and 72% respectively of the total imports in the years 1868-69 and 1939-40, and, likewise, exports to India and the United Kingdom had always been the bulk of the total exports throughout the period. However, Burma's trade with India tended to gain more and more ground over trade with the United Kingdom so that by 1939-40, India had become Burma's biggest trading partner, accounting for 55.4% of its imports and 60.9% of its exports.43

What did Burma sell to and buy from India? Trade statistics for the last four years before the Japanese invasion help indicate the answer. According to the statistics, rice was chief among Burma's exports to India, accounting for 43% of total exports throughout the period. Teakwood, kerosene and other oils, and petroleum products were the other leading exports. As for imports, cotton textiles were the largest item, accounting for 38% of total imports. Considerable quantities of iron and steel, coal and coke, flour, fish tea, cigarettes, and jute gunny bags were imported from India as well.44

Evidently, the terms of trade between the two countries were more favourable to India than Burma. While Burma's exports to India consisted mostly of agricultural products and raw materials, Burma's imports from India were mainly manufactured goods. As Burma's trade with India represented more than

43 Khin Maung Kyi "Western Enterprise", p. 47.
half of the country's total trade, whereas *India's trade with Burma amounted to only 7% of Indian total trade*, *India enjoyed much greater flexibility and more bargaining power in its commercial dealings with Burma*. Furthermore, the pricing arrangement was also unfair to Burma. Whereas Burmese rice and several other commodities received no advantage in the Indian market and merely sold at the world price in that market, *Burmese purchasers were forced to buy cloth and many commodities from India at prices above those pertaining to the world market*. By means of the protective tariff schedule of the two countries, the Burmese consumers had willy-nilly made contributions amounting to millions of rupees annually to the industrial development of India. It is difficult to find any corresponding gain. And the few industries in Burma which benefited by the protective tariff were almost invariably owned by non-Burmans.\(^{45}\)

Meanwhile, this same protective tariff system had also effectively *impeded* the development of the pre-colonial native industries in Burma, such as textile and sugar production, by subjecting them to competition from cheaper imported manufactured goods. Any attempt by patriotic Burmans to set up a national industry to compete with foreign interests was also *thwarted* by monopolistic colonial business enterprises, such as in the cases of U Mhoon Taw and the Burma Spinning and Weaving Company.\(^{46}\)


Again, in the case of Siam, despite its political independence, or rather in order to retain its political independence, Siam had to concede its autonomous jurisdiction over tariff matters to the colonial powers in exchange. The Bowring Treaty, which was concluded by King Rama IV and the British in 1855 and which could not be abrogated without the consent of the latter, laid down that the duty payable on goods imported by the British into Siam would be limited to 3% ad valorem, while export duties were to be paid according to fixed rates. The British subjects in Siam were not liable for any taxes other than customs revenue, unless these had first been approved by the consul. Moreover, any privileges granted to other countries must likewise be extended to Britain. Soon, other countries began to demand rights comparable to those granted to Britain from Siam. Siam was subsequently obliged to sign similar unequal treaties with France, the United States, Denmark, Portugal, the Netherlands, Germany, Sweden, Norway, Belgium, Italy, Austria-Hungary, Spain, Japan and Russia. After World War I, on the initiative of King Rama VI and with the crucial aid of American advisors, all these treaties were partially revised for the benefit of Siam. According to the treaty revision, Siam was then free to set the scale of its taxes, but certain limitations still remained. For instance, in the revised treaty with Britain, import duties on textiles, iron and steel, or manufactures thereof, were to be limited within 5% ad valorem for a period of ten years. Only in the late 1930s were all the unequal treaties abrogated by the constitutional regime of the People’s Party and new equal treaties with foreign countries concluded. From then on,
Siam was able to regain its absolute sovereignty in this area.\textsuperscript{47}

Therefore, the tariff system in Siam, as in Burma, was imposed by colonialism at the economic expense of the Siamese nation. The difference between the two was that while the Burmese system was explicitly designed in favour of the British Empire and more specifically in favour of India, the Siamese system opened her economy to all foreign economic interests alike. In this regard, Siam seemed to be better off than Burma as it enjoyed wider and more flexible choices of economic transactions. Nevertheless, for various reasons associated with the political and economic advantages of the British in this region, British colonial capitalism came to attain economic predominance over all other foreign business enterprises in Siam, especially in such important areas of economic activity as the teak industry, the import and export trade, and insurance and shipping services.\textsuperscript{48}

All in all, the commercial and industrial situation in Siam was similar to that in Burma. Siam also became essentially an exporter of agricultural products and raw materials, and an importer of foreign manufactured goods. The pre-1855 local industries, such as the textile industry and the sugar industry, also suffered a distinct decline at the hands of foreign competition. Whereas Siam had previously exported locally manufactured sugar, after 1869 sugar exports ceased altogether, and it had to


\textsuperscript{48} Suehiro, \textit{op. cit.}, pp. 2-14 to 2-26.
import refined sugar for domestic consumption. This decline in the local sugar industry can be attributed to two major factors i.e. the various taxes levied on the growing of sugar-cane and the refining of sugar, and the inflow of cheaper refined sugar into Siam. In the same manner, the local textile industry in Siam could hardly be expected to develop in a situation in which it was cheaper to ship a ton of cloth from Britain to Bangkok than to ship it from the textile producing regions within the country to Bangkok.\(^49\)

As a matter of fact, all these things were to be expected. But what is astonishing is that the Siamese absolutist state did nothing to promote these former local industries. Apart from the state taxes on the local sugar industry which exacerbated its decline, when several local enterprising groups (Chinese and Thai bureaucrats) attempted to revive the local textile industry by presenting two proposals to King Rama VI for him to promote—one for setting up a cotton spinning mill (1915) and the other for setting up a knitting and garment manufacturing plant (1918) - both attempts failed to win any substantial support. It was only after 1932 that the two industries were revived in Siam.\(^50\)

**REVENUES AND EXPENDITURES**

Instead of considering the state revenue and expenditure of each of the two countries separately, I would like to discuss them together by focusing

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\(^{49}\) Suehiro, *ibid.*, pp. 2-1 to 2-5.

\(^{50}\) Suehiro, *ibid.*, pp. 2-5 to 2-7.
attention on important points of similarity and difference between Siam and Burma.

1) According to the revenue receipts of the government of Burma from 1937-38 to 1941-42, it appears that the two largest sources of state revenues during that period were land revenue and customs. In cumulative percentage terms, throughout this period, land revenue provided 29% of total state revenue and customs provided a further 23.5%. Taken together, these two items accounted for 52.5% of the state revenue. As these dates cover only a short period in the entire history of colonial Burma, no conclusive statement can be made concerning the nature of the colonial state's revenue. However, as far as they go, these data indicate that the tax base of the colonial state in Burma was mainly the Burman peasantry. It is thus arguable that the peasantry contributed more than any other group among the Burmese population to financing the sustenance and expansion of the colonial state, both directly as agricultural producers and indirectly as purchasers of imported goods.

The revenue of the Siamese state, as has already been shown, did not come mainly from the Thai peasantry, but from the Chinese population. According to data relating to the Siamese government revenue from 1894 to 1902, the cumulative percentage of state revenues from taxes on opium, gambling, liquor and the lottery, amounted to 46.43% of total state revenue throughout the period. Land revenue was relatively insignificant during that period and the rate of

\[^{51}\text{Andrus, ibid., pp. 317-321.}\]
land tax charged was even lower than that in Lower Burma. So, contrary to the Burman peasantry-financed British colonial state, we have here a Chinese immigrant-financed Siamese absolutist state.

In order to encourage the Chinese tax base to stay in Siam, the Siamese absolutist state had provided certain privileges for the Chinese immigrants which made them in some ways better off than the Thai peasantry. For instance, the Chinese were given more freedom than the ordinary Thai subjects of the time. Furthermore, the poll tax on the Chinese was kept much lower than the rate that applied to the Thai population for most of the time. The Chinese paid a head tax of 4.5 baht once every three years from 1828 to 1909. However, after compulsory male corvee labour was finally abolished for the Thais in 1899, the Thais had to pay a head tax of 4-6 baht every year i.e. 2.6 to 4 times higher than the level applied to the Chinese. Strikingly, the British also adopted similar tactics towards the Indians in Burma.

2) It is instructive to look at how the colonial state in Burma and the absolutist state in Siam spent their money. In the case of Burma, it was a common practice in pre-World War II Burma to distinguish between "nation-building" and "administrative" functions of the Burma government. The former consisted chiefly of education, public health,

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agriculture, cooperation, cottage industries, and public works. The latter consisted of general administration, courts, jails, police etc. According to the Second Interim Report of the Fiscal Committee, 1938:

"..... the nation-building services on which the well-being and prosperity of the country in considerable measure depend have been and still are sacrificed to an undue extent in favour of the more purely administrative services."\(^{54}\)

From the data on the expenditure of the government of Burma during 1937-38 and 1914-42, we find that, in cumulative percentage terms, the colonial state spent 33% of its total expenditure for nation-building, and 39.81% of it for state administration and defence.\(^{55}\) Thus, during that period, the ratio of nation-building expenditure to state administration and defence expenditure was approximately 3:4 For colonial administration, the British colonial state came first, the Burmese nation came second.

Of course, this kind of policy priority is to be expected from a colonial state. What we can hardly expect is that the independent absolutist state of Siam would have a similar kind of policy priority too. But that was precisely the case. According to the date on Siamese state expenditure from 1907-08 to 1931-32 (i.e. from the last four years of the reign of King Rama V until the overthrow of the absolute monarchy in the reign of King Rama VII), the ratio of expenditure on

\(^{54}\) Quoted in Andrus, *op. cit.*, p. 323.

state security (the expenditure of the Ministries of Interior and War) to the economic and educational expenditure (that of various ministries responsible for economic and educational affairs) and to the royal expenditure (that of the Ministry of the Palace and the Privy Purse Bureau) were approximately 4.4 : 1.8 : 1.2. Thus for the Siamese absolutist state, security came first, economy and education second, and royal well-being came last, but not far behind.

Juxtapose the large expenditure on security to the fact that the Siamese military never fought any major external enemy throughout the period, owing to the colonial pacification of Siam's former rival neighbours, but engaged almost exclusively in suppression of domestic rebellions: 57 juxtapose it further to the fact that the Siamese military was "the military of the king", whose top-ranking commanding positions were largely monopolized by members of the Royal Family and royalists: 58 we can then come to the conclusion that this category of state expenditure was mainly for the security of the absolutist state itself, not the Siamese nation. Only the economic and educational expenditure


can be considered as resources that the absolutist state gave back to the nation out of all national wealth it took. Add the security and royal expenditures together, and what we have is a figure three times over that in the economic and educational category i.e. 5.6 : 1.8.

Therefore, considering their policies on immigration, the tariff system, and state revenue and expenditure, we can see that the Chakkri absolutist state and the British colonial state were much more similar than they were different. Their only differences in these policies were that regarding immigration, the British brought Indians into Burma while the Chakkri monarchs brought Chinese into Siam; regarding the tariff system, the major beneficiaries in the case of Burma were the United Kingdom and India while the beneficiaries in the case of Siam were various foreign colonial powers; regarding state revenue, the main tax base of the British colonial state was the Burman peasantry while the main tax base of the Chakkri absolutist state was the Chinese; and regarding state expenditure, the British colonial state did not spend any money on the Burman monarchy while the Chakkri absolutist state did spend quite a lot. However, the essence and main thrust of their policies were basically identical; their overall effect was to create the same situation of economic dependency in both nations alike. In certain respects, such as the immigration and state expenditure policies, it appears that the British colonial state was less "colonialist" by comparison.

Before ending this part, a few words must be said about the plight of the native commoner bourgeoisie in Siam. The thorough research of Khin Maung Kyi showed that the so-called "laissez-faire" policy
of the British colonial state had effectively under developed the Burmese business community and, consequently, no significant group of national bourgeoisie arose in colonial Burma.\(^59\) I have already argued in the second part of this paper that apart from the group of royal capitalists, no Thai commoners played any significant role in the capitalist industries and businesses in Siam under the ancien regime. A question has been raised whether there was any exception, or any group of local Thai merchants who conducted their business at the village level. The answer is "yes". There were a few exceptions, such as the inter-village trade widely observed in the northern part of Siam during that period. According to two recent research studies, Thai farmer-merchants who organized ox caravans (phokha watang) contributed to the internal trade dealing with particular products such as rock salt in Nan province and tea leaves in Chiang Rai province. In some cases, they carried kerosene or cotton fabric from as far as Moulemin in Burma, crossing the mountains in the border areas. Such inter-village trade played a significant role in commodity circulation in rural areas in Northern Thailand. There was also the river trade between Bangkok and Chiang Mai which the Chinese merchants mainly controlled.\(^60\)

\(^{59}\) Khin Maung Kyi, "Western Enterprise," passim.

\(^{60}\) See Chusit Chchat, Phokhawatang phu bukboek kankha khai nai mooban phak neua khong prathet thai pho so 2389-2503 (Ox-Caravan Merchants: The Pioneers of Trade in the Villages of Northern Thailand, A.D. 1846-1960) (Chiang Mai: (n.a.), 1980) ; and Plaior Chananon, "Thunniyom thongthin phak neua" (Local capitalism in the northern region of Siam) (a paper presented in the seminar on "Wiwattanakarn thunniyom thai" (The evolution of Thai capitalism), (n.p.) Thailand, 1987).
However, some important limitations of this group of local Thai capital should be borne in mind. They were merely petty merchants and money-lenders, their volume of capital was small. Their economic activities were limited to the rural areas in one region of the country and *did not have a national scope or significance*. They were subject to the control of the wealthier and more powerful Chinese and European capital and their business did not receive any promotion from the Chakkri absolutist state. Their *mercantile* and *usurious* capital never developed into an industrial capital. The degree of their capital accumulation was very low as they spent most of their commercial profits on luxurious consumption rather than on expanded reinvestment. The condition of their survival against the competition of Chinese capital seemed to be the very lack of modern means of transportation in that region of the country. As the railway system was later extended to their remote areas and trains replaced their oxen, their comprador functions *were also taken over by the Chinese bourgeoisie*.

**BUREAUCRACY AND PEASANTRY**

Our comparison of independent Siam and colonial Burma cannot be completed without taking the conditions of their bureaucracy and peasantry into account. The reasons for this are plain to see. Bureaucracy was the most crucial institutional component of the new state structure erected in both countries during the period under consideration. It characterized the newness of both states and distinguished them from their traditional state system. Its development later became one of the most important factors
that determined the future course of both countries in subsequent periods. As for the peasantry, they constituted the overwhelming majority of the population of both countries, whose economies were still based on agriculture. Their socio-economic condition was thus the most instructive indicator of the situation of both nations. No agricultural country can be rightly said to be prospering if its peasantry is on the wane.

It was the British colonialists who first introduced a bureaucratic system of administration into Burma. Its main administrative function was to keep "law and order" in Burma. Of course, it goes without saying that colonial "law and order" simply meant the systematic subjection of the conquered native population. Therefore, the colonial bureaucracy naturally needed to be staffed by politically trustworthy people who harboured no subversive anticolonial or nationalist inclinations and were well segregated from the native people. This principal political consideration as well as other technical ones governed the British recruitment and appointment of suitable officials to the state bureaucracy. This is why the British deliberately and systematically chose Indians and other minorities to work as civilian and military officials rather than the Burmans.

First, let us look at the colonial army in Burma (ironically called "The Burma Army"). The British denied military training to Burmans and Shans and recruited soldiers to the Burma Army from among other indigenous races and Indians. Consequently, in 1938, there were only 159 Burmans as compared to 3,040 soldiers of various ethnic minorities (Karens, Kachins, Chins),
1,423 Indians and 1,587 British in the Burma Army. As to the officer corps, the figures were: 4 Burmans, 36 Indians, 75 ethnic minorities and 163 British. One has to conclude that the "Burma Army" was anything but Burman. As for the Burmese "civil service", it was largely filled by British and Indian personnel throughout the British era, above all at its middle and higher echelons. Only under the Japanese occupation did lower-ranking Burman officials come to fill the posts vacated by the British and Indian bureaucrats who fled from the country.

We should expect the ethnic composition of the Siamese military to be different from the Burmese one. As Siam was an independent country, its military should have been mostly Thai. However, it was not, at least initially. The armed units serving the Chakkri rulers in the 19th century were anything but Thai. Most of these units were manned by Vietnamese, Khmer, Mon and Lao—either descendants of war captives, or immigrant adventurers who offered their services to the king. Under King Rama III and IV, non-Siamese—who had long since manned the Second and Third Foot Guards—bore the brunt of calls for new military formations. Under King Rama III, Vietnamese were recruited for training as "sepoy" artillery, Mon for "sepoy" infantry and, in 1852, Khmer and Lao were formed into new units of King's Guards. Non-Siamese were especially overrepresented in the more technical and up-to-date units. The crews of the "Thai" navy were predominantly Cham and Malay.

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The Thai-fication of the Siamese military began only after universal military conscription was decreed in 1902.\textsuperscript{64} Afterwards, the Siamese military did assume an ethnic Thai character, and in this respect, it was different from the Burma Army. But as the Siamese military was mainly established and designed to be an instrument for internal consolidation of royal power, it was marked by a very low degree of professionalism and efficiency. Furthermore, to ensure that the military would remain politically loyal to the throne, meritocratic standards were sacrificed to the expedient criterion of "royal blood". Most high-ranking posts in the military were retaind as an exclusive royal preserve. Thus, in 1910, the year of King Rama V's death, only members of the Royal Family held the ranks of General and Lieutenant-General, and six out of thirteen Major-Generals were also of royal birth. The upper echelons of the War Ministry were more heavily royal than those of any other department: five out of nine Divisional Commanders, including the commanders of the first Division (Bangkok) and the Second (Nakhon Chaisi), were also royalty. Most of these royal military commanders were very young indeed and had never engaged in any serious fighting in which their military talent could be proven. Their military competence could not be taken for granted. The entrance regulations of the Military Academy were also rigged with outright special privileges for scions of royalty.\textsuperscript{65}

Therefore, as far as the principles of recruitment, appointment and organization of the Siamese military especially at the top level are concerned, the Siamese military under the absolute monarchy was not yet a truly national and professional military establishment in the modern sense. It was more akin to the Burmese colonial military. Arguably, it was more royal than Thai, as its Burmese counterpart was more colonial than Burman. It was distinctively marked by unprofessional status favouritism, as was the Burmese military by unprofessional ethnic favouritism. The one and very important difference between the two was that, in its later development, the Siamese military came to consist mostly of Thai commoners while the Burmese military remained persistently non-Burman. Hence, the Siamese military increasingly became a source of political unrest due to widespread professional frustration over the unprofessional practices within its establishment. Moreover, it had a great potential for political activism since the majority of its rank and file were under-privileged commoners.

Consequently, it comes as no surprise that 51 out of the 99 original members of the People’s Party, which finally overthrew the absolute monarchy in 1932, were military officers from the rank of colonel downwards.  

Furthermore, the immediate military measures of the new People’s Party regime were to restructure the organization of the military and to dismiss from the

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service 41 high-ranking military officers who were members of the Royal Family or known to be ardent royalists, so as to eliminate royal political influence from the military. This "nationalization" of the military which represented a "seizure-of-state-apparatus" kind of strategy was totally impossible for the Thakin nationalists to adopt because the existing Burma Army had too few Burmans to become a potential base of nationalist agitation. Hence Aung San and his colleagues had to opt for an alternative strategy of "smash-of-state-apparatus" by forming the Burma Independence Army with the aid of the Japanese in order to liberate Burma from the British.

The condition of the Siamese civilian bureaucracy, in comparison with the military, was largely the same in essence though less drastic in degree. There, a substantial number of Thai commoners did achieve great advances in their bureaucratic careers and some even attained the rank of minister in the royal government, especially during the reign of King Rama VI, there was some uneasiness about working with senior royal relatives and siblings. However, the trend

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68 In the Decree on the Duties of the Minister of Defence and the Establishment of the Defence Council issued on July 20, 1932, the People's Party made it clear that "From now on, no one will solely own the military ever again." (quoted in Ukris, *ibid.*, p. 19). This statement, in a way, captures the essence of the political achievement of the People's Party in Siamese history i.e. the appropriation of the state, including the military, from the sole possession of the monarchy on behalf of the Siamese nation.


70 Vichitvong, *op. cit.*, p. 33.
was reversed in the subsequent reign of King Rama VII, who generally favoured and promoted members of the Royal Family in the civilian bureaucracy at the expense of commoner bureaucrats. For example, early in his reign, he dismissed six ministers of commoner's origin from his cabinet and appointed members of the Royal Family to the vacated posts. The Civil Service Commission, first set up in 1928 during his reign, was exclusively filled with influential royalty. Furthermore, the appointment of civilian officials from the rank of Director of Department upward had to receive the king's personal endorsement. Add to this condition the fact that foreigners were present and very influential in every governmental department (numbering over 300 in the last year of King Rama V's reign), and that high civilian officials were mostly Chinese descendants, and then we see that the Siamese civilian bureaucracy was not altogether different from the Burmese one.

Finally, let us look comparatively at the conditions of the Burmese and Siamese peasantry. As has been

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72 Aphinya Feuangfusakul, "Khaokhrong lae patibatkantang kanmeuang khong khana ratsadon (The political program and actions of the People's Party)," *Khana ratsadon nai prawatsart thai* (The People's Party in Thai history) (Bangkok: the Research and Development Office and the Faculty of Liberal Arts, Krikr College, 1985), pp. 7-8.

noted earlier in this paper, with the impact of Western colonialism in the 19th century, both countries had passed from a self-sufficient economy into a commodity-producing one. The Siamese and Burmese peasants who had previously produced primarily for their own household consumption began to produce increasingly for sale on both the domestic and international markets. Chief among the exported agricultural products was rice. The commodification of agricultural products led the way to the subsequent commodification of credit, land and labour in the rural areas. These changes in the economic structure naturally gave rise to the problems of indebtedness and land alienation among the peasants in both countries. These problems were particularly severe in those areas of the two countries where, due to their proximity to the major seaports, there was the highest degree of capitalist economic penetration into, and transformation of, rice production. Such areas were Lower Burma and the Central Plain of Siam.\footnote{Andrus, \textit{op. cit.}, pp. 74-75; Chatthip Nartsupha, \textit{Setthakij mooban thai nai adit} (Thai village economy in the past) (Bangkok: Sangsan Publishing House, 1984), pp. 54-56.}

The general patterns of the process of indebtedness and land alienation among the peasants in Lower Burma and the Central Plain of Siam were basically the same from the late 19th the to the early 20th century. In the initial period, a large number of peasants in other regions of the two countries took advantage of the new state-promoted irrigation project in the two mentioned areas to migrate from their original homeland and settle there. They worked very hard amidst a dangerous and wild natural environment
to clear the land and prepare it for cultivation. Lacking any sufficient capital of their own, they incurred their first debts from the Chettiar and Chinese money-lenders to support their families and buy the necessary means of production during this harsh period, often at exorbitant rates of interest. As long as the market price of rice was high and the weather was favourable, they were able to pay their debts and taxes, sustain themselves economically and become prospering petty landowner-producers. But market supply and demand, as well as natural wind and rain, could never be held constant and safely relied on. The 'invisible hands' of capitalism were beyond the peasants' control.

Therefore, due to frequent price fluctuations in the market and occasional natural calamities, most peasants had to incur more debts and mortgage their land. Eventually, a considerable portion came to lose their land altogether, especially during the Great Depression in the early 1930s when the market price of rice fell drastically. As more and more petty landowners became tenants and agricultural labourers, more and more Chettiar and Chinese money-lenders turned into landlords. Bankruptcy and landlessness, poverty and deprivation, became the common lot of quite a large number of peasants in Lower Burma and the Central Plain of Siam.75

The degree of land alienation and indebtedness among the peasantries in the two areas under consideration were similarly high, although they cannot be made directly comparable due to the lack

75 Andrus, ibid., pp. 65-77; Chatthip, Ibid., pp. 56-72.
of sufficient data in the Thai case. In Lower Burma during the early 1930s, official statistics reported that 52.3% of land belonged to agriculturists while 38.6% belonged to nonresident nonagriculturists and 9.1% to resident nonagriculturists.\textsuperscript{76} By 1930, the total agricultural indebtedness of Burma was estimated at the huge sum of several hundred million rupees (about 40 million pounds sterling).\textsuperscript{77} According to the Report of Burma Provincial Banking Enquiry Committee in the same year, only 14% of the country's agriculturists were free of debt and had sufficient resources to last until the next harvest.\textsuperscript{78} The debt situation must have worsened after the Great Depression. In the case of the Central Plain of Siam, it was estimated that 49% of the peasant households there were in debt and 36% were landless, according to a rural economic survey conducted by Carle C. Zimmerman in 1930-31.\textsuperscript{79} These preliminary data, and the fact that the revenue of the Burmese colonial state was largely peasant-based while that of the Siamese absolutist state was not, do suggest that the socio-economic condition of the peasantry in Lower Burma might have been worse than that of the peasantry in the Central Plain of Siam. However, I would like to point out that this was a quantitative difference, not a qualitative one. The socio-economic plights of the Burmese and Siamese peasantries were distinguishable in degree, but not in kind.

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\textsuperscript{76} Andrus, \textit{ibid.}, p. 69.
\textsuperscript{77} Becka, \textit{op. cit.}, p. 29.
\textsuperscript{78} Andrus, \textit{op. cit.}, p. 306.
\textsuperscript{79} Chatthip, \textit{op. cit.}, p.66, 71.
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We began our investigation with the common conception that Burma and Siam seem to have always been different. At closer scrutiny, we have found out that there were actually far greater similarities than differences between independent Siam under the ancien regime and colonial Burma under the British regime. This holds good in terms of the economic system, the state structure and policies, and the condition of the peasantry. In all these important respects, the retention or loss of political independence and sovereignty did not make that much difference. However, we still have to account for the present glaring difference between socialist Burma and capitalist Siam. Putting aside later additional causal factors, we have to ask how much of their present difference in status owes its origin to the histories of independent Siam and colonial Burma. If apparent differences turned into essential similarities how and why did essential similarities later turn into essential differences?

I have already pointed to the fact that capitalism, as it developed in independent Siam and colonial Burma, had different faces in the two countries. The one in Burma was totally alien, the one in Siam was partially indigenous. This difference in facial appearance became crucial to the fate of capitalism in Burma after independence, and in Siam after the overthrow of absolute monarchy. For it was extremely difficult, both ideologically and materially, for the Burman nationalists to move against the vestiges of colonialism in
Burma without undermining the basis of private capitalist enterprises at the same time.\textsuperscript{80} The relative absence of any substantial group of Burman capitalists made it inevitable for the Burmese independent state to assume an increasingly active and extensive economic role in its "Burmanization" program. As there were not enough private Burman entrepreneurs to fill the economic space created by the state's aggressive appropriation and limitation of colonial and alien economic interests, the state itself had to take it over. Consequently, state economic policies throughout the parliamentary period were characterized by a persistent ambivalent attitude towards private capitalist enterprises as such. In the ideological aspect, as almost all capitalists in colonial Burma were colonialists, it naturally followed that most, if not all, of the Burman nationalists were socialists. For instance, the Thakins who formed the leadership of the AFPEL ranged in ideology from democratic so-socialism on the right to Trotskyism on the left. There was no leadership to the right of the moderate socialists. The following statement by Prime Minister U Nu best represented the inherent ideological inclination among the Burma nationalists to conceptually conflate colonialism with capitalism, and hence nationalism with socialism.

"Burma has been for over a century under Imperialist domination. and Capitalists have during the entire period been regarded as the handmaids of Imperialism. During the

\textsuperscript{80} The discussion in this paragraph is based on Pfanner, \textit{op. cit.}
entire course of our struggle for freedom therefore Capital and Imperialist domination have been closely associated in the minds of all of us who have taken part in that struggle, and it has been impossible to view the two in isolation."81

How unthinkable were non-colonialist capitalism and non-socialist nationalism to Burman nationalists! Suffice it to point out that since its inception, independent Burma had pro-claimed itself to be a "Leftist" country on its way to socialism; that it has never had a single anti-communist law; and that it allowed complete freedom of propagation for Marxist doctrine.82 Thakin Shu Maung (or the present General Ne Win) himself belonged to this generation of Thakin socialist-nationalists. He was one of the Japanese-trained Thakin nationalist army officers in the Burma Independence Army. When he and his military associates took power in 1962, they did it out of a sense of a self-righteous historical mission to carry out Aung San's will to lead Burma to socialism, a will they regarded as having been "irresponsibly sabotaged" by civilian politicians. Thus the Revolutionary Council justified its rule and formulated its task in "The Burmese Way to Socialism", a program that embodied the principles propounded by Aung San for building socialism83.

The conventional wisdom in the case of Siam was the direct opposite of that in Burma. In Siam, the nation was ideologically conflated with the monarchy, which in turn was in partnership with capitalism. Capitalism in Siam, therefore, had at least a "Thai" face. Consequently, when the leftist faction led by Pridi Banomyong in the People's Party attempted a socialistic national economic reform program soon after the overthrow of the absolute monarchy, it met with strong opposition not only from those royal and aristocratic political forces who had a vested interest in royal capitalism, but also from among the ranks of the People's Party itself. Pridi's "Draft Proposal of Economic Program" was accused of being "communist", and hence disastrous to the nation, by the then conservative Prime Minister of the constitutional government, Phraya Manopakorn. Pridi was dismissed from the cabinet and pressured to leave the country in unofficial exile. After his departure, the Manopakorn government immediately issued the Communist Act, the first of its kind for Siam, which declared loosely-defined "communist activities" illegal and subjected those who committed the crime of engaging in such activities to both fines and imprisonment. The government also published a document entitled "Memorandum on Pridi's Economic Scheme" whose authorship was attributed to King Rama VII. In this document, the king threw himself into a point-to-point debate with Pridi on the proposed economic scheme. His words were strong, sometimes emotional, and the whole memorandum was directed against the Soviet-type economic system of which Pridi's scheme was alleged to be a copy.84

84 Vichitvong, *op. cit.*, pp. 71-83.
However, when this anti-socialist royal backlash developed to such an alarming extent that it threatened to undermine the newly born constitutional regime and restore the absolute monarchy, some military leaders of the People's Party decided to put an end to it by instigating a coup d'etat against the Manopakorn government and recalled Pridi to the country. Pridi was subsequently cleared of the communist charge and reinstated in the cabinet. The political rise of Pridi coincided with the wane of royal power until King Rama VII abdicated out of political frustration in 1935. Nevertheless, this did not mean that the prospects for socialism in Siam became better. To heal the political wounds and to prevent further conflicts and turmoil, a senior military leader of the People's Party asked everyone to forget the economic-program controversy. Pridi complied with the request and never brought up his socialistic economic program again throughout the subsequent thirteen years of his political career, even when he was later at the zenith of high political power. Nor was the Communist Act repealed until after World War II. But it was reinstated again six years afterwards in 1952 by the new military government and has remained in effect until this day.85

The People's Party regime did launch a program of economic nationalism similar to the one in Burma

after independence, beginning in 1938. But since there was neither a strong socialist movement to mobilize for a socialist economic alternative, nor an independent popular political party to check the state during that time, the state's economic nationalism soon degenerated into "bureaucratic capitalism", an economic system in which state rulers and high-ranking bureaucrats took advantage of their public authority to become engaged directly in private capitalist enterprises and thereby gained substantial wealth. 86 However sincere the original aim of the Thai-fication program might have been in promoting the economic interests of Thai against Chinese and other foreign capital, in actual practice it turned out that "Thai" did not always mean the Thai people or local capital, rather it meant either the government or the People's Party itself. In a way this was understandable, as it was the inevitable result of the objective economic conditions the country inherited from its absolutist past. On the one hand, there was no group of native commoner capitalists for the People's Party regime to promote; on the other hand, it would have been politically absurd to promote the only existing group of "Thai" capitalists i.e. royal capital. Thus, the

86 The People's Party itself never developed into a mass political party and remained a tiny political club of civilian and military officials whose sole power base was in the bureaucracy until its demise in 1947. Here again, the fact that Siam was able to retain its political independence from colonialism under the absolute monarchy took its toll as a large-scale anti-colonial nationalist mobilization of social forces did not appear in Siam for that very reason (Shiraishi, op. cit., pp. 161-162; Aphinya, op. cit., pp. 3-5, 7-9, 29-30).
People's Party ended up largely promoting itself and the state in cooperation with some Chinese businessmen whose entrepreneurial expertise it needed. This structure of bureaucratic capitalism was continually reproduced and bequeathed to subsequent military governments. So, when Field Marshal Sarit Thanarat took power in 1957, he was simply another ruling guest who came to join and enjoy this ongoing bureaucratic capitalist feast.  

CONCLUSION

Hence, to a large extent, the socialist alternative in Siam and the capitalist alternative in Burma had already been forestalled by the objective historical development in both countries long before they did actually arise. Had Siam lost its independence and sovereignty to Western colonialism, and had Burma retained its independence and sovereign monarchy from the British, the fate of the two alternatives might have been different. But history did not have it that way. Still, the comparative study of opportunities lost and alternatives defeated in the past of the two countries remains a necessary and invaluable lesson in history for those Thai and Burmans who wish it had been otherwise. For only by understanding how and why their historical precursors were defeated can they have a better chance.

87 Sungsidh, op. cit., Ch. 111, IV; Suehiro, op. cit., pp. 2-35 to 4-6; Shiraishi, op. cit., p. 169.
APPENDIX

THE DEFINITION AND APPLICATION OF THE "ABSOLUTIST STATE" CONCEPT

By the term "absolutist state", I follow the definition given by Perry Anderson in his seminal work *Lineages of the Absolutist State, a redeployed and recharged state apparatus of feudal domination*. The major political functions of the absolutist state consisted of: 1) modernizing, rationalizing, centralizing and strengthening the state administration under the absolute power of the monarchy over all social classes; 2) maintaining the status and power of the aristocracy; 3) clamping the peasantry back into their traditional social position—despite and against the gains they had won by the commutation of dues; and 4) furthering the burgeoning urban capitalist economy and the interests of the nascent mercantile and manufacturing bourgeoisie. The character of the absolutist state was marked by a relatively high degree of autonomy from society—that is to say it ruled on behalf of the aristocracy rather than at its behest. It was not a mere passive 'instrument' of aristocratic class rule, but was a relatively autonomous 'Leviathan' in its own right. Its essential role was to mediate between conflicting demands of the aristocracy and the bourgeoisie in its policy-making process, trying to rechannel them into the direction of its own interests. Its structure was characteristically composed of such modern institutions as a standing regular army, a permanent professional bureaucracy, national taxation and a codified system of law etc.  

Leaving aside the still unresolved question of whether the pre-capitalist Sakdina system in Siam was essentially a feudal or Asiatic mode of production, it is evidently clear from the available historical data that the Chakkri dynastic state in Siam during the late 19th and early 20th centuries did share basic characteristics and functions with the European absolutist states analysed by Perry Anderson. In the reign of King Rama V from 1868 to 1910, the Chakkri dynastic state carried out an extensive and farreaching state administrative reform along the pattern of modern Western state-building; pushed aside, incorporated or bought off all actual and potential domestic contenders for power among the aristocratic elite in the center, regional and local levels; and then integrated them into the centralized bureaucratic hierarchical state structure, suppressed various regional peasant rebellions successfully, and paved the way for the rapid development of capitalist economy by providing the necessary infrastructural and superstructural facilities. But these changes by no means resulted in the creation of a modern nation-state in Siam, as Benedict Anderson and other Thai scholars were careful to point out. Rather, the upshot was a Siamese absolutist state (or rat somboonnayasit in Thai) or the culmination of the traditional Sakdina or rajsombat state in which the royalty and aristocracy maintained most of their former power and privileges, reaping the benefits from the growing capitalist economy together with the Chinese

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89 Hong Lysa, *op. cit.*, Ch. VI, VII.
90 Wyat, *op. cit.*, pp. 190-222.
and European bourgeoisie at the expense of the labouring peasantry.\textsuperscript{91}

It is incumbent to pin-point in more specific terms how this Siamese absolutist state differed from the traditional \textit{Sakdina} state on the one hand, and yet fell short of being a modern nationstate on the other i.e. to evaluate, as far as is expedient to our present limited purpose, the degree of change and continuity, of the new and the old that characterized this transitional form of state in Siamese history. Hence, on the one hand, the Siamese absolutist state had a semi-modernized bureaucracy which the traditional \textit{Sakdina} state completely lacked. This recharged and redeployed bureaucratic apparatus made it much more effective and powerful than the latter. While the traditional \textit{Sakdina} state had been identified conceptually with the personality of the monarch on the basis of his 'divine right', the absolutist state was identified conceptually with the delimited territorial boundaries certified by a map. And whereas the supreme principle of the ideology of the \textit{Sakdina} state had been loyalty to the king, to whom all nationalities had had equal access in theory, its counterpart of the absolutist state was loyalty to the \textit{Thai} nation, to

which only the Thai ethnic group had immediate and privileged access over all other ethnic groups. The Thai ethnic group was thus suddenly politicized and made aware, by King Rama VI, of the "fact" that it alone possessed a privileged right and claim to this state. In a way, we may say, following Marx, that the *Sakdina* state's ideological relationship to its subjects resembled that of a fatherland, a sort of narrow nationality centered around the king, while the absolutist state's ideological relationship to the Thai people was that of a homeland, a broader nationality defined by the Thai ethnicity. In short, the *Sakdina state* belonged to the king, the absolutist state belonged, at least semantically, to the Thais.

On the other hand, the Siamese absolutist state lacked several crucial characteristics of a modern nation-state. Firstly, the absolutist state did not uphold the modern principle of *popular sovereignty* but maintained the *Sakdina* principle of *royal sovereignty*. The sovereign power in this state did not lie in the hands of the people, but in the hands of the absolute monarch. Secondly, the members of this state were by no means equal, but were clearly differentiated by an elaborate system of traditional aristocratic titles and ranks. The Siamese, or for that matter the Thai people, were not yet legally equal citizens, but were legally

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classified into "chao" (royalty), "khun nang" (aristocracy) and "saman chon" (commoners). Thus, although the absolutist state belonged to the Thai, it did not belong to them equally, but differentially. Nowhere was this unequal status more pronounced than in the standard Thai language, according to the rules of which commoners had to address the royalty and aristocracy in "rajasap" (royal terminology). Thirdly, the higher echelons of the civilian and military bureaucracies were largely monopolized by members of the royalty and aristocracy, not by virtue of their merit but by their blood. This left the "modern" credentials of the state bureaucracy gravely impaired. And finally, the official nationalism of the absolutist state was by no means of a popular kind, but again monopolized by the king who arbitrarily defined "Thainess" as "loyalty to me".94

Before ending this rather lengthy appendix which serves to justify my use of the "absolutist state" concept to study the Chakkri dynastic state, one crucial issue has to be addressed. In applying a 'foreign' universal concept to the study of the Siamese state, one cannot overlook the particularity of that concrete phenomenon as it actually existed in Siam. The particular characteristics of the Siamese absolutist state that were unique to itself, not adequately covered by the original concept and hence must be taken into consideration in order to get a full picture of this concrete phenomenon are as follows :

1) The Siamese absolutist state was not a purely indigenous creation. Rather, it was a historical synthesis of the modern Western colonial technology of state-building and the tradition of the *Sakdina* or *rajsombat* state system already existing in Siam.\(^{95}\)

2) The power of the Siamese absolutist state was not always and in every matter *absolute*. While it was undoubtedly more effective and powerful than the traditional *Sakdina* state, its power was limited by colonialism on the hand, and its own bureaucracy on the other. Right from the beginning, the extraterritoriality imposed by colonial powers on Siam deprived it of jurisdiction over foreign subjects and the unequal treaties with foreign powers severely restricted its power over taxation and tariffs. Throughout its existence, the overwhelming military presence of British and French colonialism on every side of its territory as well as the prevalent influence of foreign state advisers inside the country, strongly limited the range of its policy choices. Furthermore, the enormous and rapidly expanding state bureaucracy increasingly drained away its resources and became more and more the main source of political unrest. Suffice it to point out that the first serious but abortive attempt to change the regime by force in 1912 and the successful coup d'état which finally overthrew the absolute monarchy in 1932 were both made by civilian ad military bureaucrats. In a remarkable instance of paradox in Siamese history, we may say that in creating and developing the absolutist state, the Siamese absolute monarchy had

\(^{95}\) Nidhi, *ibid.*, pp. 19-22.
become both stronger and weaker, more powerful and yet more vulnerable at the same time.  

3) Last but not least, we should note the peculiar character of the emerging bourgeoisie under the Siamese absolutist state. Firstly, most of them were foreigners (i.e. European and Chinese), not natives. Secondly, the rest were of royal or aristocratic blood, not commoners. This resulted in a unique kind of relationship between the absolutist state and the bourgeoisie in Siam which was both mediated and immediate at the same time. On the one hand, the European and Chinese bourgeoisie did not have direct control over the Siamese absolutist state, the European because of the ‘independent’ status of Siam, the Chinese because of their un-Thainess. On the other hand, the royalty and aristocracy themselves exclusively held formal state power. Thus, whereas in European history there existed a powerful bourgeoisie outside and independent of the absolutist state who eventually turned against and overthrew it, no such kind of bourgeoisie existed and no such eventuality was possible in Siam. The European bourgeoisie had no interest in overthrowing the Siamese absolute monarchy as its forma independence and policies served their own interests. The Chinese bourgeoisie would not do so for the same reason; and even if they had wanted to, they still could not have done so due to their political impotence as non-Thai. As to the royal and aristocratic bourgeoisie, they were the state themselves! Since the

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absolutist state and the bourgeoisie were so symbiotically intertwined in Siam, a bourgeois political revolution there had to be carried out by other social agents against the bourgeoisie themselves.\textsuperscript{97}

\textsuperscript{97} Sungsidh, \textit{op.cit.}, pp. 73-75; Suehiro, \textit{op. cit.}, pp. 2-9 to 2-13.
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