

'AN ATTEMPT TO FLY IN THE FACE OF THE ORDINARY LAWS OF SUPPLY AND DEMAND' : THE BRITISH AND SIAMESE RICE 1945-7

Britain's policy towards Thailand at the end of the Second World War had been much discussed but not well conceived. It was shaped by concern about the past as well as concern about the future. It looked to assert a prestige which for lack of power Britain could not hope to regain. It sought to combine the re-establishment of friendly relations with the imposition of a number of somewhat punitive requirements, marking Britain's resentment at the Thais' declaration of war and their readiness to accept the transfer of the northern Malay states by their Japanese allies. It wanted to enhance the role of the civilian authorities over military elite, yet risked arousing Thai nationalism in a way that might rather help the latter and hinder the former.

Britain's policy, too, varied from that of its more powerful ally, the U.S.A. The United States had, unlike Britain, refused to regard itself as at war with Thailand, and tended to see it as a country that had to be liberated rather than punished. It looked to the future - the future of East-West relations, the future of American commerce - untrammelled by regret over imperial decline or anxiety to restore imperial power.

We favor a free independent Thailand, with sovereignty unimpaired and ruled by a government of its own choosing. Thailand is the one country in Southeast Asia which was still independent before the war. We believe that it would be prejudicial to American interests throughout the Far East if, as the outcome of the war in which we will have had the major part in defeating the Japanese aggression, Thailand should be deprived of any of its prewar territory or should have its independent status impaired. The history of European pressure on Thailand and of European acquisition of territory in Southeast Asia is vivid in Asiatic memories. This Government cannot afford to share responsibility in any war for a continuance toward Thailand of prewar imperialism in any guise. (1)

Britain could hope to achieve relatively little, given its loss of power. That should have made it highly selective over its peace objectives in regard to Thailand.

Instead, it was not only possessed by notions of atonement, if not retribution : it also tended, through the way it formulated policy, to aggregate its demands. Various departments of state, not merely the Foreign Office, were involved in working out Britain's policy towards Thailand, and that policy tended to be a compilation of their desiderata. Not well conceived, the policy did not succeed. Britain had to modify its aims, both before the signature of the Anglo-Thai agreement of 1 January 1946, and after it.

One of the most controversial parts of that agreement, Article 14, related to the delivery of rice.

The Siamese Government undertake to make available free of cost at Bangkok to an organisation to be indicated by the Government of the United Kingdom and as quickly as may be compatible with the retention of supplies adequate for Siamese internal needs, a quantity of rice equal to the accumulated surplus of rice at present existing in Siam, subject to a maximum of one and a half million tons, or if so agreed the equivalent quantity of paddy or loonzain. It is agreed that the exact amount of rice to be made available under this Article shall be determined by the organisation above-mentioned and that the rice, paddy or loonzain delivered under this Article shall conform to the agreed standards of quality to be determined by the same authorities.

A world shortage of rice had been anticipated at the end of the war; but an inability to feed the people would consort ill with the return of colonial governments to Southeast Asia, damage the future of British influence in India, and inhibit the rehabilitation of China. The traditional sources of surplus were Burma and Thailand. Burma, twice fought over, would take time to restore its rice exports, but Thailand was known to have large stocks. The idea that they should be used to feed the peoples traditionally fed by imports from Thailand and elsewhere was an obvious one. But the attempt to secure these stocks through a free delivery on the part of Thailand was influenced by other motives. These were partly of an economic nature: Britain wanted, for example, to avoid inflation in Malaya, so as to facilitate revival of dollar-earning exports of rubber. (2) They were partly also of a retributive nature. Why should Thailand benefit from high rice prices? - especially when it had not merely stood aside from resisting the Japanese but sought advantage from their success. Difficult in itself, however, the concept of a free delivery become impossible to realise: intrinsic economic problems were entangled with and intensified by a range of political problems.

The difficulty of the concept lay to some extent in a misconception. It was rightly assumed that Thailand had a rice surplus, though the amount of it was not agreed. What was sometimes too easily assumed was that this surplus was either in the hands or readily at the disposal of the Thai government. The free delivery of a large amount of rice on the part of the Thai government would in itself raise a number of problems : the revenue would suffer, the ability to import would be diminished, the unloading of stored rice on the market would affect the further production of rice and also the stability of the Thai economy which so much depended on rice production. But if, as was in fact the case, most of the surplus was not in the Government's hands, the problems were greater still. The rice would have to be bought by the government, which would run the risk of undermining its finances and adding to the inflation that the war had already brought to Thailand. (3) It would have to be bought at as low a price as possible, in order to limit the drain on the treasury, and to keep the domestic price within the range of the local population, without discouraging production, at a time, moreover, when imported consumer goods were scarce and sterling assets held in London. There was a risk that holders of stocks - millers or merchants - might retain them, awaiting an improvement in price, or fearing a devaluation, or looking for gold, for dollars, or for consumer goods. Alternatively they might resort to smuggling rice across the frontiers, particularly to Malaya, where the shortfall in supply created a black market that undermined the British attempts to control prices. The British demand for free rice was to be moderated, not only because it provoked Thai and American opposition, but also because it inhibited the production and marketing of rice at a time of scarcity. But the change hardly helped, both because it was in itself insufficient, and because of the effects the demand had already had. It was impractical economically as well as politically.

The Foreign Office bore the main burden of negotiating with the Thais. But on this issue, as on others, it did not have the sole say : other departments contributed items to the negotiations it had to undertake at the end of the war. The rice question had been raised by the Ministry of Food in June 1944, well before the end of the war, and well before it was known that the war would end in the way it did a little over a year later. Prewar, like Burma, a major supplier, Siam had large stocks. 'If we can lay our hands on this rice as quickly as possible after the process of liberation has begun in the Far East, we shall solve what is probably the major relief problem of that area.' The Siamese had declared war, 'and we can do what we like with their rice', G.P. Young commented at the Foreign Office. But a purely British

scheme would have to be cleared with the Americans, the Chinese, and the Dutch, as well as the Combined Food Board. (4) At a meeting convened by the Ministry of Food in September, H.L. Sanderson, the Director of Rice, stressed that it would not be sufficient for the occupying power to acquire the surplus : it would have to stimulate production, too. Yet world rice prices had risen, 'and it would be necessary to decide to what extent rice prices to producers in Siam should be allowed to rise also. If some control of Siamese prices were not instituted at the start they would inevitably have repercussions on prices and production in Burma and control of the industry in that territory would be more difficult.' N.E. Young of the Treasury pointed out that buying the rice would only increase Siam's sterling balance. 'He asked whether the Siamese Government could be induced, as part of the peace settlement, to requisition existing stocks and hand them over to the occupying power.' The stocks, Sanderson mistakenly replied, were already government property. A policy of requisitioning would not stimulate further production: an incentive was needed in the form of purchasable consumer goods. (5)

One of the first tasks of the interdepartmental Far Eastern Committee set up in November was to consider British policy towards Siam. N.E. Young brought up the question of the rice surplus. 'If we paid for this rice, we should be giving Siam a claim either on the dollar area or the sterling area. There ought to be some arrangement for the rice to be supplied as part of the price of defeat...' (6) The Economic Sub-Committee stressed that short-term plans should not prejudice long-term policy. Production must be encouraged. Sanderson calculated the surplus in Siam at ½m. tons on the 1943-4 crop, with a potential surplus of 800,000 tons on that of 1944-5. Government stocks could be requisitioned. But requisition of rice privately held or produced would destroy the incentive to produce more. A price should be agreed with the Siamese authorities, and a Rice Unit should acquire rice to be sold on behalf of the British Government, distribute consumption goods, and aid in restoring mills and transport. (7) It was subsequently agreed that the unit might be Anglo-American, but 'predominantly British'. The stocks, mainly in government hands, should be acquired, but not at inflated prices that would enrich Siam. Perhaps they should be made available as reparation; or, if the Americans' view of Siam prevailed, it might contribute the rice 'as a concrete proof of friendliness to the liberators and to other liberated territories'. (8) The Ministry of Food wanted a sanction. This would be difficult to secure, and rice would be forthcoming only if the Siamese government and cultivators found it in their interest to produce it. Perhaps funds frozen in London could be released *pari passu*. (9) As

A.C.S. Adams put it, 'it is not going to be easy to reconcile Treasury, Ministry of Food and political aims in regard to the acquisition of Siam's rice' (10)

The report of the committee, finalised in July 1945, went over a number of questions, including rice. Siam's surplus had not been available in the war, and it would be equitable for it to be used to relieve the burden the Allies had borne as a result, and to feed neighbouring territories usually dependent on imports from Siam, like Malaya. Paying for it even at half the current price would place Siam in a more favourable financial position than territories which had not collaborated with the Japanese. Reparations could not be exacted in an agreement with a liberation government, such as was now at hand. It was therefore suggested that, on 'the analogy of Mutual Aid', 1.5m. tons might be demanded 'as a contribution from Siam towards the Allied war effort'. As a counterpart, arms and munitions might be made available for the use of Siamese troops in the war against Japan. Some of the rice would come from current production, but the cultivator might be paid by the Siamese government at prices agreed with the Rice Unit. (11) Members of the Overseas Reconstruction Committee thought the terms too lenient, and the Chancellor of the Exchequer favoured 'securing the largest possible contribution of rice'. (12) But the now purely Conservative government was defeated by Labour before its Cabinet had considered the report, and then it was outdated by the surrender of Japan.

Rice could no longer be obtained by invoking mutual aid, since the supply of arms for use against the Japanese was no longer appropriate. 'The free rice would therefore have to be justified as Siam's contribution to the general Allied war effort', as Ernest Bevin, the new Foreign Secretary, put it. (13) The terms to be put to the government of the Regent, Nai Pridi, were divided into political and military/quasi-military. The former, providing for the repudiation of the declaration of war and of the Thai-Japanese alliance, for the renunciation of territory acquired by Thailand since 1940, and for postwar strategic and economic collaboration, mainly concerned the British, but a clause would bind the Thais to make an agreement with the Supreme Allied Commander, South East Asia on the military points in the annex, which related also to the Allies. Included among these points was a clause on free rice delivery. (14)

The Americans had been told of the proposal for a Rice Unit. They envisaged an American mission or agency acting alongside it, Siam so far as possible receiving credit for rice and other exports in currencies that would meet its foreign exchange needs. This, it had been seen at the Foreign Office, would ensure the

failure of the British Rice Unit, saddled with the free rice scheme. The Americans had been told that they might be represented on the Unit, but that rival units would mean chaos. Siam, it was added, had gold reserves, and had no need to sell rice for dollars. (15) The Americans had not yet been told of the rice delivery proposal, but its inclusion in the Allied military/quasi-military terms made that inevitable. 'If our "free rice" scheme cannot be successful put over to the Americans in such a way as to receive their support', Adams wrote, 'the Treasury and Ministry of Food may well have to reconsider whether (a) it is still workable in practice (b) it is not going to cost more in the long run than it is worth (c) a revised scheme entailing payment for all rice, in some form, is not preferable,' A colleague observed that payment would involve £ 20-30m. when Britain was 'manifestly broke'. (16)

The State Department's comments on Britain's proposals, relayed on 1 September, related in part to the rice issue. CFB, it agreed, should control allocations, and combined stimulation of production and export would be valuable. The United States was prepared to join the United Kingdom in a tripartite agreement with Thailand, to last till September 1946, in which Thailand would agree to prohibit exports of rice, tin, rubber, and teak except in accordance with the recommendations of CFB or its successor. The United States and the United Kingdom would establish a Combined Thai Rice Commission to advise the Thai government on the production of rice and to arrange for its export directly or under its authority according to CFB allocations. The Thai government would agree to cooperate and make all surplus available at prices agreed with CTRC and to charge no duty beyond that charged in August 1940. CTRC would recommend to the United States and the United Kingdom measures of assistance over equipment and the importation of incentive consumer goods. So far as practicable payment would be by establishing credits in currencies which would meet Thailand's foreign exchange needs. The American proposal, the State Department added, relied on Thai cooperation and good faith, and omitted the levy of 1.5m. tons. The levy, it felt, would not be just, in view of the readiness to join the Allies that the Thais had demonstrated earlier in 1945. The amount, too, might be in excess of the total amount available for export in the coming year. (17)

An interdepartmental working party of the Far Eastern Official Committee accepted the notion of a tripartite agreement, though the direction of the commission should, it felt, be in British hands, the price determined in London, the duties as in December 1941. The demand for 1.5m. tons of free rice should, however, stand. If the rice were paid for at world prices, Siam would profit

unreasonably, the high price current being in part due to the withholding of Siamese supplies, and the large sterling payment would give Siam a means of purchasing scarce goods in the sterling area. 'It was decided that we should give the Siamese an opportunity if making an offer of this free rice in return for our recognition [of their government], and it was felt that this method would provide the best chance of winning the Americans over to our point of view.' (18) The day before, indeed, Sterndale Bennett of the Foreign Office had met M.R. Seni Pramoj, the wartime Thai ambassador to the United States, in London, and stressed that it was for Siam to make possible 'a resumption of the old friendly relations'. He mentioned the rice issue and the risk of famine in Southeast Asia. Seni said rice was already under consideration by the Thai government: there was a stockpile of 1.5m tons, he misleadingly added, though the current year's yield was expected to be poor. (19) In fact Seni had raised with Nai Pridi the idea of offering of 1.2-1.5m. tons of rice, and it had been agreed in principle, the exact amount to be determined later. (20) In London both the official and ministerial Far Eastern Committees agreed to maintain the demand for free rice. The Americans were told that the demand had to be maintained, unless, as it was believed possible, a free contribution were made. (21) There seemed some possibility that Siam would secure recognition, Britain rice, and that American interposition would be minimised.

The chances or the deal the Foreign Office envisaged were not, however, enhanced by the not unjustifiably impatient negotiations that Lord Mountbatten, as Supreme Allied Commander, conducted with a Siamese delegation at Kandy. Needing an interim military agreement, he had proposed two agreements, including some of the military/quasi-military terms put to the United States, though not the clause on rice delivery. The move encouraged the Thais to turn to the United States and increased the Americans' distrust of their British allies. (22)

The United States believed that a gift of free rice, if made, should go to UNRRA. A levy should not be imposed as part of an Allied agreement; its discharge should not precede the application of the principles proposed in the tripartite agreement; the United States and other countries should be able to buy rice. The amount available from the 1944 crop was about 780,000 tons; the present crop would yield an export surplus of only 510,000; and Seni's estimate of stocks on hand at 1.5m tons was not confirmed. The Foreign Office agreed that all rice from Siam should go to recipients to which CFB gave the highest priority, not necessarily those most equitably entitled to secure free rice. A free gift to UNRRA would,

however, be undesirable, as Malaya would not benefit. Rice would be procured by the Commission from government stocks, or through Siamese government purchase, or by direct purchase with local currency provided by the Siamese Government. The Foreign Office also wanted the agreement to extend beyond 1 September 1946. At the instance of Sanderson, it was suggested that it should continue till September 1947. (23)

In negotiations at Kandy conducted on the British side by M.E. Denning, Political Adviser to SACSEA, Prince Vajiravudh confirmed that the Siamese government was willing to make a free gift of rice. It was agreed that the deletion of Clause 16A from the Heads of Agreement, that on rice delivery, would depend on a voluntary offer being made by the Siamese government in the required terms. The minor offer made at Bangkok of 240,000 tons for the benefit of the United Nations would not suffice, Denning told the Prince privately. After consulting Sanderson, the Foreign Office agreed that this was indeed unsatisfactory. Denning was to press for 1.5m. tons; but he was told that the British would accept 1m., plus the obligation to supply after the yield of the current crop had been ascertained any further quantity up to .5m. which the Rice Unit and the Siamese government might agree was surplus to internal needs. Denning himself did not care for the rice policy. Seni had told H.R. Bird, the British Consul-General in Bangkok, that it would cost his government 700-800 m. ticals, and referred to inflation. Denning referred the question home, but the Foreign Office did not budge. In fact Seni put the offer through the Siamese Assembly, despite nationalistic opposition, on condition that Siam's wishes on a number of other matters were considered. These related chiefly to the supply of Siamese currency to Allied military authorities and to compensate for losses during Siamese occupation of Allied territories. Denning dismissed the changes suggested though they might have produced an agreement. Instead the Foreign Office concentrated on the problem caused by the dissolution of the Assembly. Meantime the rice question became more of a political issue in Thailand, while the need for the cereal in other countries became more pressing. (24)

Nor did the Americans drop their disapproval: they intensified it. The Rice Commission should not be a procurement body, they now stressed. They also repeated that the wartime stocks were less than 800,000 tons, while the current year's crop would be small. The levy proposed would absorb the accumulated stocks, all the surplus for 1945, and a substantial part of that for 1946, and, together with the demand for compensation, it might destabilise the Siamese economy. It should thus be set at 780,000 tons, or determined by the CTRC. The British indicated that the

intention was to limit the levy to the stocks. Seni had said that 1.5m tons was in the hands of the Siamese government, and the British Rice Unit, now in Siam, reported a surplus of 2.5m. tons of paddy, the equivalent of 1.7m. tons of milled rice. In fact this rebuttal was too clever. It had been intended if necessary to go beyond the stocks. Now a much larger estimate seemed to make it unnecessary. But it was not an estimate of rice in government hands; nor indeed, it seems, was Seni's. To obtain rice inducements would be needed the cooperation of the Siamese government, too. W.M. Doll, a Briton appointed financial adviser by the Thai government indeed suggested that the full levy might threaten Siam's recovery : the demand should be limited to 900,000 tons, the rest sought when available. Adams agreed. But Treasury rejected the idea. Siam had substantial holdings of gold and sterling assets which would enable it to handle the loss of exchange involved. (25)

The further American memorandum still criticised the demand. Dening urged its modification : the amount should not be reduced, but the period of delivery should be extended; half the monthly tonnage available should be delivered free, the Siamese being paid for the other half. A SACSEA investigating committee indicated that the demand represented a year's exports, and that it would cost 750m ticals, which the Siamese could not finance without great inflation. Imports would be reduced and, with the payment of compensation, there would be serious financial strain. Already there was a flight from the tical, and there was unwillingness to sell for a currency in which there was little faith. No surplus was available from the crop due to be harvested. The tical must be stabilised and the farmer induced to plant. The alternatives were force or payment, Doll said. The Siamese government could not get merchants to disgorge, even with the best will in the world. (26)

At the end of November the Overseas Reconstruction Committee of the British Cabinet learned that exportable surpluses of rice in the Far East had fallen short of the estimates on which CFB had based its allocations. The SEAC area risked getting less than the minimum needed to avoid starvation. Sir Ben Smith, the Minister of Food, told the Far Eastern Ministerial Committee that it was necessary to modify the free rice policy. The Rice Unit was working efficiently. But the real problem was to induce local holders of stocks to sell them and peasants to part with their paddy to replace them. 1.7m tons were estimated to exist, but in the absence of confidence in the tical and of facilities for remitting abroad, stocks were not released. The lack of confidence was due to inflation in the Japanese phase and a scarcity of consumer goods. The Siamese government was not cooperating fully : it was affected by the poor crop prospects and, though it had gold in Bangkok and in

London, dollar credits, and tin and rubber stocks, by the expectation of other Allied claims, as well as by political opposition. The problem of inflation would remain if the free rice demand were modified; but modifying it would alleviate the problem and produce the rice. The Treasury representative now proposed, not that the British should moderate or drop their demand for rice, but that, when the Anglo-Thai agreement was concluded, they should sell the Siamese government, for eventual payment in sterling, 100-200,000 ounces of gold, to be used by Doll to induce Siamese holders of rice to part with it, the Siamese government putting up an equivalent amount in gold. Bevin agreed. He also thought that, if the Siamese government argued that the surplus was less than 1.5m tons, the exact amount should be determined by CTRC. Smith argued that abandoning the claim was the only way to get rice, but the Foreign Secretary did not think the British could now give way. It was agreed that the Rice Unit might, as an interim measure, purchase rice with sterling. (27)

The political criticism in Siam was echoed in the United States. The renewal of the Anglo-Thai negotiations in Singapore in December was accompanied by unfavourable American press comment, and Congressmen suggested that an imperialistic Britain should not be eligible for an American loan. The Foreign Office was urged to drop the rice levy: it was detrimental to the basic objective of increasing the availability and production of rice, weakening the Siamese government and destroying its will to cooperate. The American Embassy in London was told that the demand was to be modified so that the amount would be determined by the appropriate authorities with a ceiling of 1.5m tons. The discussions in Singapore had begun with an offer of 1.5m tons of free rice, coupled with a memorandum indicating the difficulties in the way of fulfilling it. The rice yield was estimated to produce an exportable surplus of 426,000 tons, as against 1,368,345 pre-war. The value of 1.5m tons would be 740m baht, three times the revenue: a heavy burden would be placed on Siamese taxpayers and Siam would lose foreign exchange, necessary for reconstructing the rice industry itself. The Foreign Office told Denning to accept the offer, and agreed to the inclusion of a proportion of broken rice. But it pointed out that the wartime surplus - which Seni had said amounted to 1.5m tons - was not mentioned, and that the Unit had estimated that 1.7m tons were available from rice already harvested. The clause as modified was thus accepted, but only reluctantly. That did not suggest that the Siamese government would be keen to carry it out, even apart from the economic difficulties involved. (28)

Though Dening was critical of British policy, he was impatient with the Thais during the negotiations. A visit to Bangkok made him still more critical. The caretaker government was 'a collection of rabbits', he declared; Nai Pridi was not 'a real statesman'; affected by low salaries and high living costs, officials were corrupt. 'None of this would matter very much in a country which is not after all of very great importance in the world of today were it not for the rice question. For to my mind it is the politics of the Siamese which lie at the root of our failure to produce rice and not merely the technicalities of procurement and shipment (important as these unquestionably are). Only with the most persistent and unremitting pressure will it be possible to induce Siamese to act.' He spoke 'very sternly' to the 'untrustworthy' Prime Minister and to Prince Viwat about rice, but did not expect anything to be done. 'To the extent that Siamese Government have to give us rice free this will increase their natural lassitude. Nor will they be any more inclined than they are at present to face up to the existing labour troubles...' (29)

The question of modifying the levy had been raised again before the agreement was actually signed. Sanderson wrote from Washington full of apprehension. There was a large surplus of rice in Siam, but middlemen declined to sell it to the Siamese government. This Sanderson attributed in part to the low rate of the tical and to the lack of confidence in the Siamese currency, 'and while it may be true theoretically that the proposal to acquire rice free of cost should not adversely affect Siamese economy it is clear that if the Siamese are not convinced of the soundness of our reasoning they will endeavour to obstruct us'. The world price was £30 p.t.; the British were trying to establish £15 in Burma; the Siamese government, trying to discharge their obligation as cheaply as possible, was offering £8. The United States, moreover, might try to strengthen their position, perhaps procuring separately and competitively. Sanderson suggested buying at £15, subject to the Rice Unit's being the sole channel of procurement; or accepting the maximum quantity the Siamese would contribute free - probably 240,000 tons - and the balance at the minimum price at which it could be exported without untoward effects on the Siamese economy. Adams thought Sanderson made a strong case for modifying, or even abandoning, the free rice demand. 'Having achieved our object of making the Siamese accept the principle of restitution for their acts', his colleague Whitteridge added, 'there is much to be said for interpreting the terms as generously as possible'. A 'firm friendship with Siam' was in Britain's general interest. It had a specific interest in securing rice so that British subjects in neighbouring territories did not starve. The demand for free rice must be reduced 'to

the extent necessary to induce the cultivators or middlemen to bring their rice stocks on to the market...' (30)

If officials in the Foreign Office were prepared to alter the rice clause, more powerful advocacy for so doing came from the Secretary of State for India. 'I cannot help but feel', Pethick-Lawrence wrote to Bevin,

that our policy has been guided too much by purely financial considerations and that sufficient weight has not been given to other factors, particularly to the overriding necessity of procuring the rice which is so urgently required both by SEAC territories and by India...

It seems clear...that we cannot draw more than negligible quantities of rice out of Siam unless we have the co-operation of the Siamese Government. At present the more free rice we obtain, the greater becomes the Siamese Government's budgetary deficit. Consequently it is to the interest of the Siamese Government to employ all the devices of delay and obstruction which orientals know so well how to use, to restrict the flow of rice to the ports...

The proposal to sell gold to assist procurement could only be a temporary solution. Pethick-Lawrence suggested staggering or deferring the free rice demand, paying for 50% at market price, or paying sterling for the bulk. 'We must not have famine', Bevin noted, and agreed that the position should be reviewed. (31)

Sanderson also redoubled his attack. Evident American disapproval of the levy would encourage the Siamese to procrastinate, and continuing to require it would strengthen the United States case for separate procurement. Acute scarcity would continue at least till early 1947. Nothing should hinder obtaining rice meanwhile. Insistence on a free delivery of rice as a first charge on supplies, or concurrently with supplies for which payment was made, would reduce procurement 'both because of the lack of faith in currency engendered by the original proposal and because Siam will endeavour to buy at the lowest possible price to discharge their obligation as cheaply as possible'. The claim for free rice should not be entirely abandoned, Sanderson argued, but modified so as to assist in getting the maximum quantity. He therefore suggested assessing the surplus from stocks and from the current crop, and setting a target figure for exports during 1946 as a result. Any quantity delivered in 1946 up to or exceeding the figure would be paid for in sterling or in the currency of recipient countries. Any shortfall would be delivered free of

cost in 1947, up to a total of 1.5m tons. (32) It had already been agreed that the Rice Unit could purchase in sterling, and so secure more than the 20-25,000 tons p.m. of free rice that Bird thought Siam's economy could stand. There was no evidence, wrote Wilson-Young, that virtual abandonment would produce more than this would. The Treasury, as he added, 'do not wish us to commit ourselves with the Siamese Government here and now to buy all rice in excess of 20,000 tons per month when there may be a good prospect of the Siamese economy under Mr Doll's guidance being able to stand free deliveries of rice at a considerably higher rate later in the year.' Pethick-Lawrence was told that the Foreign Office did not at this stage favour committing Britain to the latest Sanderson proposal, 'since to do so would be taken to reflect a readiness on our part to offer material inducements to the Siamese Government merely to honour their bond...this would constitute an unfortunate precedent for us in other oriental countries.' (33)

Dening's report on his visit to Bangkok blamed the difficulty in securing rice largely on the politics of Bangkok. The need to supply free rice was 'a difficult and distasteful duty for the Siamese Government', Adams commented. 'It is not evident however that it is a totally impossible one, though much will depend upon the methods adopted to "spread" the free contribution and so preserve an adequate incentive to rice growers and the trade generally to hasten the completion of the free rice deliveries...' Whitteridge thought that there was nothing in Dening's report 'to indicate that if we abandoned the levy altogether rice would begin to flow in quantity'. By itself this was not the answer, it seemed. 'Some reduction in the amount of the levy, plus "staggered" deliveries, plus payments in sterling, plus stabilization of the tical, plus consumer goods, plus steady pressure may, in combination, achieve the desired results.' (34) but Bird favoured the Sanderson scheme as 'more likely to succeed in procuring rice in 1946 than any other proposal yet put forward'. The target he thought might, however, be set at 1.4m tons : taking the surplus from the current crop at 400,000 tons, that would represent the old surplus as 1m. tons, more than the Siamese and Americans claimed, though less than other estimates. The price should be the sterling equivalent of the controlled price in ticals, 'otherwise we should merely be making a free and unnecessary gift to the Siamese Government'. At present it was £7 or 8, with the tical at 4d. 'It will I think undoubtedly be necessary for Siamese Government to increase the present controlled price but it is doubtful if they will have to double it...' (35) Doll welcomed a prospect of more consumer goods for Siam. 'The arrival of these will go far to help improvement of rice and fixation of exchange value of tical. It will by this latter

means also assist the Siamese Government to purchase the free rice contribution of 25,000 tons monthly which is the absolute maximum that the demoralised budget can stand without wrecking hope of attaining equilibrium or stabilisation.' Doll all the same stressed support for Sanderson's basic principles. (36)

Adams reported from 'a private source' on 25 January that there was 'considerable anti-British feeling' in Siam on account of the demand for 1.5m tons of free rice. 'This is estimated to cost 775m baht, or 2½ times a normal budget. My informant is sure we shall have to reduce the demand or else pay something... We should have made, and stuck to, a smaller demand. The baht commands no confidence and its value will be halved if the rice demand is not revised.' (37) In a further telegram, Bird pointed to the desperate position. 'Chief reason is lack of wholehearted effort by Siamese Government to go after padi and rice.' He suggested that the British Rice Unit should buy themselves with credit from the Siamese Government, repaying it with sterling for amounts above 25,000 tons p.m. The Foreign Office agreed. (38)

Bird had also commented on Dening's Report. The Thais could not properly be seen as 'rabbits' : they were carrying out the traditional policy of 'playing off one power against another'. They had succeeded.

by prevarication and delay both in their peace negotiations and in their deliveries of rice in largely evading the free gift of 1½ million tons of rice, for I think it is doubtful that we shall ever receive free more than ¾ of a million tons. It is quite on the cards too that Siam will be able to restore her economy and attain prosperity well before our own and Allied territories in this part of the world. For rabbits this is no mean achievement.

'The Siamese have every reason to congratulate themselves up to date', Sterndale Bennett agreed, 'and it looks as if they might now get away with more.' (39) There were clearly economic, administrative and political obstacles in the way of fulfilling the demand. Bird was suggesting that the Siamese did not lack will-power : rather they failed to apply it to overcoming these obstacles. They pursued instead a policy that utilised practical problems, together with American support, so as to diminish the impact of the British demand.

On Sir Ben Smith's return from Washington, the British Cabinet reconsidered the matter in the light of the experts' views. In a memorandum the

Minister of Food had underlined the shortfall in world supplies, in particular in respect of India and Southeast Asia. Siam was believed to have an accumulated surplus of 1.5m tons plus 300,000 or more from the current crop. 'It is proving impossible, however, to procure rice from Siam at a rate commensurate with our needs. In my opinion this situation is due to lack of faith by holders of rice in Siam's currency which in turn is fostered by insistence on a free levy.' The levy was imposed because it was held that Siam should not benefit post-war from the inflated price of rice by contrast with neighbouring territories which did not collaborate with the invader. But the paramount concern was now procurement. 'I believe that insistence on this free levy is a hindrance to procurement because holders of Siamese rice will not exchange rice for ticals in circumstances in which, rightly or wrongly, they consider the tical is likely to depreciate, as a result of the export of rice from their country without payment.' Moreover, if adequate supplies were not obtained, the blame would be fixed upon the British Government. The Minister repeated the Sanderson proposal. (40)

The Foreign Office prepared a brief for Bevin. The Cabinet would be faced with a choice between the Ministry of Food's proposals and spreading the free rice contribution of over a period of 4-5 years. The former might induce the Siamese to change their unhelpful attitude and win American cooperation. But 'they almost certainly involve the complete abandonment of the free rice contribution'. Without a test of the alternative policy, that would 'put a premium on the inertia of the Siamese Government and will be a considerable victory for them (for which the Americans will no doubt claim the credit)'. It was 'bad policy to offer material inducements to the Siamese Government merely to honour their bond. If we adopt such a policy the Siamese will no doubt feel that they can safely be dilatory and obstructive in other matters, and we may next have difficulties with them over the *price* of rice.' Doll himself believed the Siamese could afford 20-25,000 tons p.m. The Treasury would no doubt oppose the proposals 'on financial grounds'. The Foreign Office thought it 'most undesirable' to abandon prematurely the free contribution striven for so hard at Treasury's instance : it might be taken as a sign of weakness. (41) At the Cabinet Sir Ben suggested that he was not abandoning the claim for free rice, but merely postponing it till 1947. The Foreign Secretary and the Chancellor of the Exchequer indicated that they were prepared to accept the proposal 'on the understanding that our claim to free rice was not abandoned but was merely postponed'. (42)

Because of the qualification made by Bevin and Dalton, that was not the end of the matter. In a letter to Bennett, Sanderson made it clear that the free rice demand would be abandoned except for any shortfall in the target figure, though he also suggested reserving the right to revert to the original terms. (43) At a meeting of officials, Bennett indicated that he had originally thought the contribution was merely postponed. The officials decided to draft the necessary telegrams, but to refer them to Dalton and Bevin before they were despatched : if they were acceptable they could be sent; alternatively the issue would be referred back to the Cabinet. Related was the question of assessment of the surplus available, intended to be made by the CTRC, itself to be set up under the Anglo-Thai-American Tripartite Agreement yet to be concluded. It was decided, subject to United States agreement, immediately to set a target figure, and 1.25m tons was chosen. (44)

In accordance with the decisions of the meeting, Smith also wrote to Bevin, explaining the implications of his proposal. 'Under my scheme, if the Siamese deliver to us during 1946 a quantity of rice which reaches or exceeds the agreed target figure no free rice whatever will be due to be delivered to us. If, however, deliveries during 1946 fall short of the target, the amount of rice due to be delivered free of cost will be limited to the amount of the shortfall.' Did Bevin agree? Bennett thought that he should, though Dalton would not. The reservation expressed at the Cabinet meeting would 'detract from the psychological effect of our proposed new offer'. The drawbacks of abandoning the claim were 'outweighed by the immediate necessities of the serious world food situation'. (45) The Ministry of Food had won the Foreign Office over: what of the Treasury?

The Chancellor of the Exchequer was sorry the Foreign Secretary had changed his mind : he could not. 'You know what £20m. means to us in these days', he wrote to Smith. 'I cannot believe that the long-suffering people of this country would be content to accept a further cut in their rations because we have abandoned a claim to free rice to which we are entitled and I must press you, therefore, to modify the proposal, so that our claim is not abandoned but only postponed.' He would be ready to limit the demand for free rice to 25,000 tons p.m. as earlier suggested; or to pay for say three months and then reconsider the matter. At the Foreign Office R.H.S. Allen hoped Bevin would support the case for abolishing the free rice contribution in its present form. The food situation in Southeast Asia was critical, and Lord Killearn was being sent out as Special Commissioner as a result. Siam had a surplus, and experience showed that insistence on the contribution meant that rice was not forthcoming. Further insistence might 'land us in serious

trouble with the United States', which would blame the United Kingdom for any famine, and might purchase rice independently, 'all of which might in turn react unfavourably on the prospects of the United States Loan Agreement in Congress'. Bennett agreed that 'the over-riding need is surely to avoid both famine and the blame for it'. Sir Orme Sargent understood that the rice was destined for India, Burma, and Malaya, and perhaps also China. He did not see why the British tax-payer should meet the cost. Perhaps the Treasury could recover it? 'I understand the British Taxpayer does not Pay a Penny', Bevin noted. 'I feel I must abandon the claim for free Rice if we are to Prevent Famine.' (46). This clarification no doubt made it easier for Dalton to give in.

At a meeting of the Cabinet committee on World Food Supplies, members had supported Sir Ben. Bevin said that, while not prepared entirely to waive the claim to free rice, 'he did not think it would be wise to insist on delivery without payment at the present time'. He would prefer to postpone the final decision until he had the advice of the Special Commissioner, to whom he would meanwhile give a wide discretion. (47) Smith had suggested that the three ministers should meet at the House of Commons. (48) When the Cabinet discussed the issue again Dalton indicated that he agreed with Bevin's suggestion 'that we ought not at this stage to press our claim to free rice from Siam', the condition being that the British did not bear the cost of any rice supplied to India. 'India was well able to pay for rice supplies out of her accumulated sterling balances.' The Colonial Secretary asked about rice supplied to Ceylon and Malaya. 'It was explained that countries receiving this rice would be expected to pay for it in the usual way...' The Cabinet agreed, on this understanding, that 'in present circumstances' the claim for free rice should not be pressed. (49)

A new committee of officials, set up under Lord Nathan to concert action by United Kingdom departments with a view to increasing rice and other supplies from Southeast Asia, (50) considered the carrying-out of the Cabinet decision.

The Cabinet had not...given any specific direction on the question whether the claim for free rice had been entirely abandoned or merely suspended subject to possible revival at a later date.

The Committee felt that the nature of our approach to the Siamese Government...would depend materially on whether or not that Government could be told that the nearer they approached the target of 1.2m tons of rice in 1946, the less rice they would be

required to provide in 1947.

It invited the department to consult on the course to pursue, 'having regard to the paramount necessity of obtaining the maximum quantity of rice from Siam in 1946'. (51) 'The precise manner in which the Cabinet's decision is to be implemented is now for decision', Bennett told Bevin. 'Do we abandon our free rice demands completely or do we revert to the Ministry of Food's plan?' The latter was strongly in favour of retaining the free rice deliveries to the limited extent it had suggested. 'Without some such penalty they feel that rice will still not be forthcoming but will be hoarded in the hope of better prices later.' Arguments on the other side had been put forward at Lord Nathan's meeting.

One was that the Siamese will of course wish to sell as much rice as they can in return for payment and that the threat of having to make a possible free contribution next year will not influence them much one way or the other. It was also suggested that any partial retention of the free rice contribution would detract from the political value which the complete abandonment of the free rice contribution might have in Siam and in the United States. (52)

A meeting of officials from the Foreign Office, Treasury, the Ministry of Food, and the India Office followed. It 'agreed that the words "in present circumstances" in the Cabinet conclusion ... did not imply that the decision was to abandon the Free Rice Contribution for the time being only; it implied rather that present circumstances were such that no consideration be allowed to stand in the way of obtaining the maximum amount of rice from Siam...' The United States would have to be told before the new proposals were put to the Siamese. Sanderson thought the State Department would welcome them, though they might raise some difficulties over price. 'The United States would resent the fact that this was a bargain concluded between the British and Siamese Governments without their participation, but it could be pointed out to them that the benefits of the bargain would be extended impartially to all recipients of C.F.B. rice allocations.' Sanderson and N. Young stressed the danger that the Siamese, with American backing, would force the price up to the level of 'the present greatly inflated United States and Egyptian prices'. Hence, said Sanderson, the proposals should specify the price, not leave it to the Rice Commission. (53) The telegram to Bangkok asked for comment on the two possible means of implementing the Cabinet decision, bearing in mind the need for the maximum quantity and the need to avoid Siamese demands for further concessions, such as large price increases. The alternatives were: to drop the

demand completely in return for agreement on quantity and price in 1946; or to adopt the plan put forward by Sanderson. The latter seemed better than the former, which offered no remedy for non-fulfilment and encouraged Siam to hold rice for 1947. (54) Bird also preferred the second alternative. The target should not be fixed at an impossible level. 100,000 tons p.m. could be achieved if every effort were made, 'but after announcement of revision of policy we estimate that it will take some time, say two months, for the market to settle down and we therefore recommend target of 900,000 tons for remainder of 1946 with... some bonus for any quantity in excess'. The price should not exceed £15 p.t. This should be notified to the Siamese Government before the Rice Commission was set up. (55)

Nathan asked what was the maximum the Malayan peasant could pay. Sanderson said £25. Sir G. Clauson of the Colonial Office said the policy in Malaya was to keep food prices low. (56) As Treasury had indicated, it would have 'a disastrous effect on the currencies of the rice-consuming British liberated territories if the sterling price of Siamese rice were to rise to a level comparable with the scarcity price which has prevailed elsewhere during the Japanese occupation of the great rice-producing areas of South East Asia...' The currencies of the British liberated areas had been re-established at their old parities. These could be maintained only if prices could be prevented from rising greatly during the period before 'reconversion' in the United Kingdom and elsewhere allowed them to be supplied with consumer goods and other things they needed. (57) The Government in London agreed with Bird that the target should be set at a reasonable level, but felt that in view of the waiving of the free rice demand, it was entitled to require the Siamese Government to assume to obligation for twelve months and not just for the remainder of 1946. 'Such an extension would protect us for a further period against tendency on part of Siamese Government to raise prices towards scarcity levels still prevailing elsewhere or even United States subsidised domestic prices.' A specified monthly rate of delivery was desirable. Bird was to tell Bangkok Britain would drop Article 14 of the treaty of 1 January 1946 on condition that the Siamese Government would make available to the British Government for export under the authority of a United States-United Kingdom organisation to be established, and in accordance with C.F.B. allocations, 1.2m. tons at £x p.t. (not more than £15 p.t. for SR No. 1). Should the quantity be less than 1.2m. tons, the balance would have to be delivered free of cost to the British Government during a period to be specified. The other condition was acceptance of the tripartite agreement. Between the date of communicating the proposal and that of the exchange of notes recording the

agreement, the British Government would pay £x into a suspense account, the value to be credited to Siam when the 1.2m. tons had been delivered. No bonus should be mentioned, but the idea could be reconsidered in any particular month(s) should there seem advantage in so doing. (58)

The agreement on the Rice Commission had been drafted during Sanderson's visit to Washington using as a basis the proposals made by the United States government in September 1945. Opposed to its procuring rice, the Americans would not accept that the British Rice Unit, which had been operating meantime, should procure it on their behalf. (59) Procurement by the Siamese government was, however, an additional obstacle. Production, as E. Hall-Patch, an old Thai hand, explained, was in the hands of Siamese peasants, usually in debt to the local Chinese merchant, who advanced cash against the crop. 'This Chinese merchant-money-lender situation is the key to the Siamese rice situation. Unless he can be made to play, our plan for getting rice out of Siam will come to nothing: his security is the crop and the crop would not move until he is satisfied.' The crop was passed through Chinese channels to mostly Chinese millers and merchants. 'We have to treat with the Siamese Government on this subject as the only constituted authority whose face must be saved, and in order not to offend the Americans who are very suspicious of our activities in Siam; but we should have no illusions about the Siamese Government being able to carry out their part of the bargain. Their administration, outside Bangkok and one or two of the larger towns, is weak and corrupt.' It would be able to get rice only with the willing cooperation of the Chinese community and relations with it had not been good. (60) The Rice Unit itself was also critical. The Siamese government machine, experts thought, would not get the confidence of the Chinese millers, and leaving responsibility to the Siamese government would mean that sufficient rice would not be procured. The Foreign Office believed, however, that the United States was unlikely to change its attitude. (61) Moreover, as Sanderson put it, competition from the Rice Unit might enable the Siamese government to claim that their efforts were being frustrated and to repudiate responsibility for delivery at a specific price in 1946. (62)

Told orally of the new levy proposal, Abbot L. Moffat at the State Department suggested that the instruction to Bird to fix a minimum price was inconsistent with the tripartite agreement. The rice should be made available for export under the authority of the Rice Commission, not specifically to the British Government: the latter condition could apply only to the penalty rice. (63) The only problem Sanderson saw in this was over the price. 'While we can perfectly well

argue that we cannot determine the price of rice for the purposes of our own immediate procurement in agreement with a Rice Commission which does not yet exist, he suspects that the Americans may be manoeuvring in order to keep up the price of Siamese rice in order not to lower the world price of rice.' Allen also referred to Moffat's 'congenital suspicion that Mr Sanderson is trying to pull a fast one and somehow get control of rice procurement in Siam into the hands of H.M.G.' (64) Sanderson indicated that the obligation on the Siamese replaced that in Article 14 which was to the British Government. But he accepted the American formula. (65)

Comments on the proposal also came from Bangkok. The monthly rate, it was suggested, was impractical: trade was too seasonal for that. The arrangement for payment in the interim period was not worth including: it might indeed delay the exchange of notes. (66) The Foreign Office accepted the latter point and agreed that the Siamese Government might be told that payment would be made when the notes were signed. Monthly deliveries, it declared, need not be equal: but a target for each month should be set. In reference to American comment, the Foreign Office also indicated that the price was fixed because the rice was in substitution for the free contribution and distinct from that contemplated under the tripartite agreement. The concession made to the Siamese entitled the British Government 'to fix a price which we judge to be equitable and acceptable and likely, in our view, to produce requisite flow of rice. Price proposed is measure of sacrifice we are prepared to make and we do not feel that we can justifiably go further.' (67)

Bennett doubted the validity of this argument. In effect the British were creating a priority for themselves and fixing the price others would pay. 'I anticipate something of a tussle with the United States in any case on the question of price since their tendency will be to put prices up.' But the argument might precipitate the controversy and hold up the negotiation. Sanderson said that no priority was created, as the rice would be exported under the authority of the CTRC and in accordance with CFB allocation. The fixed price might be repugnant to the United States, but it meant that the British knew the cost, while fixing by the RC would mean delay. But the proposal, suggested Allen: if the United States oppose it, agree that other recipients might pay at CTRC prices, provided that all rice allocated to British territories out of the 1.2m. tons was at the fixed price. The telegram to Washington thus pointed out that the tripartite agreement excepted from price fixing the rice contributed under Article 14, and the rice now to be acquired was in substitution for that rice. The demand for free rice had been virtually abandoned and

the maximum price proposed was 85% over the existing price of £8.10. The tripartite agreement was aimed at stimulating current production; the present objective was to extract stocks. Delay was undesirable. Sanderson could telephone Moffat if that would help. (68)

Whatever the difficulties with the Americans over price-fixing, it had intrinsic difficulties which quickly emerged. In Bangkok the local British authorities questioned the setting of a price in sterling: the rate of the tical to the £ might change. (69) 'In view of real possibility of exchange fluctuations and of variations in price levels', G.H. Thompson, the new ambassador, declared, 'I share the dislike of all in Bangkok concerned with rice of committing ourselves to a fixed sterling price for rice delivered to us by the Siamese...' (70) The Government in London preferred a price in £ : whether the tical appreciated or depreciated, the sterling price more nearly represented the world price, by which the Siamese government would have to be guided in deciding on any change in the parity of the tical. Those in Bangkok should act on the instructions they had been sent. (71) £15 was certainly nearer the world price than £8, but it was still ideal, so far as the British were concerned, rather than actuality. This the instructions seemed to ignore. Moreover, what growers and holders in Siam would actually receive would be affected by the tical rate, and in setting this the Thai government might be guided by factors other than the world price of its major export.

Thompson told London of 22 March that he planned to present the proposals to the new Thai cabinet, headed by Nai Pridi, the following week. 'In taking action I propose to reserve the question of price on grounds that until we know the Government's intentions about re-valuation of tical it is impossible to agree on a figure acceptable to both Governments in sterling and to merchants and cultivators in local currency...' (72) In a further telegram of 26 March he reported that he had left a memorandum with the new Foreign Minister on the rice offer, explaining that the price was left open for the moment as he knew that Doll and the Prime Minister were conferring on a new value for the tical in terms of sterling. The Minister asked if the rice delivered free since 1 January would be included in the target of 1.2m. tons and paid for. 'I replied in the negative adding that quantities so delivered had been very small. I also emphasised that my offer represented a fresh start, and a new deal on a basis very advantageous to Siamese economy.' The Minister added that views differed on the amount available for export. Thompson said that the British figure was conservative. 'But I think the Siamese are worried about the next harvest which is generally expected to be little more than 50% of

normal owing to less planting, and other difficulties such as shortage of plough animals...' (73)

The Foreign Office regretted that the ambassador had gone ahead without waiting a reply to the first of these telegrams. A fixed sterling price was 'of the essence of our rice offer', it stressed.

Rate of exchange for tical cannot properly be fixed without regard to external price of rice, and it is essential, in interests of currencies elsewhere in South-East Asia, that that price should be reasonable. This is also in Siam's long term interests. We are accordingly not prepared to base sterling price to be paid for rice under our new offer by reference to a tical rate of exchange fixed without full regard to above conditions, nor to modify our requirement of free rice except on basis of a sterling price for whole twelve months not exceeding £15 a ton.....

Thompson should therefore tell the Siamese government that his suggestion of leaving the price open was based on a misunderstanding. (74)

This telegram clearly recognised that the world rice price was in fact well beyond £15. The British wished, however, to keep it down in the interests of the economies of Southeast Asia and thus also of their own : they wanted a 'reasonable' price. £15 was indeed well beyond the price currently offered by the Siamese government. But £8 had not been enough to secure supplies : would £15 be enough? Would holders of rice - millers merchants, speculators - hold out for more? Moreover, the amount they would receive in ticals might be altered by a change in the rate of exchange. If the tical was revalued in terms of sterling, that would undermine the impact of the offer, though it would of course cheapen imports. This was indeed in the mind of Doll as well as the Thai ministers he advised.

Thompson thought that the Government in London had no cause for alarm over his telegrams.

The maximum of £15 per ton has of course been in mind throughout, and yesterday before going to see the Minister for Foreign Affairs I reviewed the whole question with the Financial Adviser who was about to see the Prime Minister on the very problem of co-ordination of internal tical price of paddy, the rate of exchange and export price in sterling. It was specifically agreed between us that this export price *must be kept below the limit of £15*

and it was on this clear understanding that I refrained from mentioning any figure to the Minister for Foreign Affairs.

In their conversation, according to Doll, the Prime Minister agreed to forcing down the price of paddy in Bangkok and fixing an official price of 260 ticals, 60 below the present price. 'It is of vital importance', Doll told Thompson,

to raise the rate of exchange before a definite fixation in order to relieve the strain of present high cost of living and [secure] increase of *real* wages in terms of imported consumer goods. I would have liked a rate of eight pence as it would have cheapened imports so radically. But if Whitehall's buying limit for rice is £15 we in Siam will have to be content with a rate of 6d. This means that price in sterling for exported rice must be £14.5 shillings.

The Financial Adviser was to meet the Prime Minister again on enforcing the anti-hoarding law 'as it is only by a drop in tical price of paddy that a rise in rate of exchange can be achieved in view of fact that export price must remain below your limit.....' (75)

Doll's financial plans would limit the effect of the new offer on procuring rice: other measures, such as an anti-hoarding law, would be all the more necessary. Improvement in salaries and the cost of living might make its enforcement more effective, but it was an uncertain prospect. There was another issue too, as Thompson had hinted. In instructions from the Prime Minister, the Foreign Minister told Thompson on the morning of the 28th that the Siamese government 'greatly appreciated our new offer which they accepted in principle'. A committee had been set up to study details. 'His Excellency assured me that Cabinet were most anxious to do all they could to make this new deal a success, but naturally they had to examine all its implications since they must guard against assuming obligations that in practice might prove impossible to completely fulfil.' The main preoccupation was over the quantity available. (76)

Sanderson had meanwhile telephoned Washington. The State Department withdrew its insistence that the Siamese government should be consulted in determining the price; but it could not accept a unilateral British decision and wished itself to participate. 'We gather', the British Embassy report, 'that question is of one of prestige rather than of policy', and that the essential thing was that Charles W. Yost, the chargé, and Walter Kahn, his adviser, should be consulted. They should be told that £15 p.t. was the British limit, the Foreign Office declared: if, 'contrary to our present expectations', they sought a higher price, Thompson must refer back to

London 'before pursuing the point with the Siamese Government'. A substantial advance on the price in Siam, £15 p.t., the Foreign Office added, 'bears a proper relation to the price which we are endeavouring to establish in Burma and although, if left uncontrolled or subjected to manipulations of the exchange rate, the price in Siam would rise above this figure, it is, in our opinion, not in the best interests of the Siamese themselves that it should do so'. (77) The assurance Sanderson gained was increased by a conversation between Bennett and Allison of the United States Embassy in London. The British Government, the former said, had already indicated to Thompson a ceiling price of £15. 'I pointed out that failure to fix a price would almost certainly result in defeating our object of bringing rice forward. Naturally rice would be held back if there was complete uncertainty about prices.' Allison did not think there would be difficulty in reaching agreement. (78)

Subsequently Allison relayed a comment from the State Department 'that the fixing of a ceiling price as opposed to an actual price may, if the actual price eventually set is below the ceiling price, result in hoarding in an effort to force an increase of the price up to the ceiling'. The State Department also favoured fixing a price in Siamese currency. 'After the baht price is agreed, sterling and dollar prices can be fixed on the basis of the exchange rate determined.' Apparently Doll and Somerset Butler of the Rice Unit were considering 40 to the £, i.e. a 6d. tical. The most important factor was the baht price, which should be held stable throughout the life of the Rice Commission and apply as well to the next crop, from which presumably a substantial part of the new rice target figure would be met. (79) Surely the State Department were right that the ceiling price would become the actual price. The other issue it raised was an intractable one. Fixing the price in baht would leave the British at the mercy of exchange fluctuations, as Sanderson commented : (80) they feared that the price might then undermine their objective, £15. But there was also the risk that £15 would be too low to be effective because of new rates of exchange. The British Treasury seemed to believe that the Thais would share its views over their long-term interests, both in terms of the foreign and domestic markets. It seemed, however, also to assume that £15 would work when £8 had not. The assumption was still an ambitious one. At the same time the Thais were adopting an ambitious policy, and the ambitions did not coincide.

Yost and Kahn met Thompson and Andrew Gilchrist of the British embassy on 28 March. Allowed to see the telegram in which Thompson had related Doll's comments, the Americans seemed 'entirely satisfied with policy being followed here'. Kahn was also present at an interview with Doll, who reported on the Prime

Minister's views; 'he enquired about the sale of 200,000 ounces of gold and expressed the hope that such sales might begin soon since he had reason to believe that many Chinese merchants were "up to their necks" in rice and would like to disgorge if they could acquire gold with the proceeds'. Thompson himself thought the offer should be implemented. (81) That offer, however, the Treasury considered had been relevant only in the free rice phase and no longer obtained. (82) Butler was disappointed : gold would have been the means of 'loosening up stocks at present held by hoarders and speculators'. (83) Holding his preliminary food conference in Singapore, and darkly if tritely alluding to Nero's fiddling, Killearn urged that the legation be given the power to determine the price until the Commission was set up, and also asked why the proposal on gold, vital as 'a form of inducement', had been withdrawn. Treasury 'cannot agree to providing gold for the Siamese as well as paying in sterling for the rice', as a Foreign Official put it. (84) This view was reaffirmed. The December offer was exceptional, and now that Siam was to be paid the exception should no longer apply.

Clearly we could not justify parting with 200,000 ounces of gold (with which we can buy overseas) as against sterling which the Siamese hold in London (which does not help us to buy overseas), in addition to having foregone the right to obtain without cost rice to the value of over £20 millions. Moreover the Siamese have in their possession some £11 millions worth of gold which it is open to them to draw upon for the purpose in question. (85)

This reply was suspended when a further telegram was received from Thompson, but Lord Nathan's committee supported the Treasury. (86) The decision was 'loyally accepted' by all concerned in Bangkok : Doll would counsel the Siamese to draw on their own gold. (87)

At his interview with Doll on 28 March, the Prime Minister had declared that he was 'delighted' at the rice offer. But as Thompson had anticipated, he hesitated 'to assume a definite obligation' to supply 1.2 m. tons in twelve months 'without satisfying himself that this quantity is in fact available for export'. Estimates varied, he said, between 800,000 and 2m. tons. He therefore proposed a rice census over the next twenty days and meanwhile he would implement his predecessor's assurance to supply rice at 20,000 tons p.m., 'plus as much more as he could lay his hands on'. Thompson agreed that such amounts would from now on be included in the target figure. 'Secondly the Prime Minister stated that he intended to promulgate

law ordering all holders of rice to declare their stocks and prices at which they were acquired. Same law will direct holders to sell their stocks to the Government under threat of heavy penalties at a profit to themselves of 30%.' The Prime Minister was pleased at the 6d tical, and Doll said he thought £14.5 would be regarded by the Siamese government as an 'acceptable' price. (88)

A reply drafted by Sanderson was 'too blunt'. The revised version was very sharp. The Prime Minister, it stressed, should recognise the substantial concession Britain had made, and if he could not accept the conditions, it might have to revert to Article 14. The estimates of exportable surplus admittedly varied : surely he could accept an obligation in respect of 1.2m tons over the next year? An assessment of the surplus should have been undertaken sooner, if required. 20,000 tons p.m. was quite inadequate : 100-125,000 tons p.m. were required. 'This demand cannot be considered unreasonable in as much as before the war exports from Siam averaged over 100,000 tons a month and there is at present a large accumulated surplus.' At his discretion Thompson was to inform the Siamese government that the British expected it to accept a firm obligation to deliver 1.2 m. tons over twelve months. (89)

This telegram crossed one from Thompson, reporting the result of 'intensive consultations' among all those immediately concerned in the rice problem. The price to be paid to the Siamese government was settled at £13.10s. including gunnies, in effect £12.14s. p.t. With the tical at the revised rate of 40 to the £, this was

considered a very high tical price to impose upon the consumer in present economic conditions ruling in Siam. However so far as prices go it should be fully adequate to induce maximum cultivation. On the other hand due to the increase in value of exchange our price involves a reduction from about 360 to about 240 ticals per ton paddy. That being so it is feared that no rice might be readily forthcoming for a considerable time if a drop in tical price to basic price of £13.10s. at 6 pence per tical were suddenly imposed.....

It was therefore suggested that, in order to allow holders of higher price stocks to liquidate them without a drastic loss, a premium of say £3 p.t. should be paid for all rice delivered within four weeks, and £1.10s. for the next two weeks, and that after that date the basic price would be rigidly enforced. Thompson added that the emphasis on prices was misleading, as the most effective inducement to cultivation and dehoarding would be a supply of consumer goods and gold adequate to provide 'alternative placement for funds now tied up in and immobilising paddy'. In the

absence of such a supply, the premium would minimise the danger that the sudden drop in tical prices would still further reduce the movement of paddy. The Americans, Butler, Doll, Nai Pridi, all supported the proposals. (90)

The authorities in London found this telegram difficult to follow, even apart from the mistakes in transmission, which had, for example, turned 40 ticals into 4. 'As we understood your previous telegrams, it was open to Siamese to use the increase in sterling price *either* to increase tical price *or* to appreciate ticals, and they selected the latter in order to cheapen consumer goods....' Earlier rice had been quoted at 500 ticals, equivalent to £8.5s. at the 4d-tical rate; £13.10s. at the 6d tical rate was 540 ticals. If this in fact represented a drop in the current tical price, the policy of revaluation seemed to need reconsideration. The Foreign Office also queried the premium proposal. The consequence might be larger deliveries in the initial period than could be shipped, so that the period would have to be extended. Alternatively there would be discrimination in favour of those whose stocks were 'geographically most favourably situated (including, we suggest, the principal hoarders and profiteers)'. Even if the scheme worked,

holders who had missed the bus might be encouraged to withhold deliveries at basic price in the hope that this would force a repetition or continuance of the premium.

Your reference to holders of higher price stocks liquidating without loss suggests that underlying intention may be to do something for those carrying stocks of rice on borrowed money, who, though paid in ticals of increased purchasing power will not benefit because they have to repay their loans.

Such holders might be undeserving speculators; and in any case 'we should suppose that it is not possible to exempt in this way holders on borrowed money of a single commodity from the operation of a change in the currency of the whole country, and especially since this would be for the purpose of enabling them to make a profit'. (91)

In an initial reply Thompson clarified the errors in transmission, but failed fully to clarify the proposal itself. The current market price for paddy, 'though nominal', was between 360 and 380 ticals, ten times pre-war, he said. The maximum reduction it was thought possible to effect was about 80, giving the figure, so Thompson puzzlingly reported, 240. 'Moreover this will only be possible because of proposed appreciation in exchange value of tical plus other inducements such as gold eventual consumer goods and temporary price premium. To reduce tical price

further would be quite impossible if rice is to be obtained quickly but even so it will be high to the local consumer. At the proposed level the price for rice, as distinct from paddy, would correspond to the present official controlled price, although this was not enforced. Like Killearn, though without the Roman reference, Thompson also indicated his impatience with those in London. The proposals were 'involved', but had been 'worked out in great detail and with utmost care by British and American experts in close touch with local conditions. In view of urgent necessity of getting ahead with this whole question may I venture to express the hope that interdepartmental discussions in London will be confined to fundamentals?' (92)

Impatience also showed in his reply to the sharp (or blunt) telegram. In a telegram of 5 April he had already suggested that, if any statement were to be made, it was 'absolutely essential at this stage to avoid any remarks smacking of *compulsion* as it would be fatal to risk loss of face on the part of the Siamese Prime Minister'. (93) The demand Thompson used his discretion not to deliver : the Siamese Prime Minister would rightly regard 'this icy message' as 'an entirely gratuitous snub'. Facts had to be faced, 'however unpalatable'. One was that rice would not be obtained by uttering empty threats. Another was that to procure rice, 'we must (a) secure the co-operation of the Siamese Government in a plan the Siamese and Americans regard as fair, (b) provide Chinese merchants and other holders (none of whom have ever heard of the old school tie) with inducements to sell, (c) give the Siamese cultivator an incentive to produce'. This was the aim of the proposals, and Thompson anxiously awaited the authority to try them out before starvation set in. (94) He also gave Killearn a somewhat tendentious account of the problem, designed, perhaps, to enlist his support, as well as to meet criticism in Singapore. The actual extent of the obligation to deliver rice had not been fixed, and 'the resultant uncertainty reacted adversely upon the entire economy of the country'. The more rice was found, the greater the drain on the exchequer. These factors, plus the shortage of imported consumer goods, partly due to lack of the foreign exchange normally accruing from exports, led to rapidly rising prices, lack of confidence in the currency, widespread hoarding. Rice rose to over 700 ticals, so that a million tons would cost the government 700 m. ticals. Hence the need 'to act courageously'. (95)

Another telegram attempted to meet the Foreign Office's doubts: 'our underlying intention is solely to get rice quickly without concerning ourselves unduly over financial benefits that may possibly be obtained by some hoarders. In light of real urgency in getting rice moving it appears to us that discussion of such eventualities is academic and likely only to lead to further delays.' The only point for

which Foreign Office approval was now needed, Thompson suggested, was the proposal for temporary premium payments. Butler considered them essential 'if we are to do everything possible to promote early flow of rice'. (96)

Lord Nathan's committee had considered Thompson's earlier telegrams on 10 April. A £3 premium might bring the price over the maximum, but not by much: it was agreed that the Foreign Office should ask the Treasury to agree to proceed provided the arrangements made were substantially in accord with British desiderata. (97) The reply to Thompson met his acerbity with an acerbity of its own. It pointed out the lack of a detailed reply to the points the Foreign Office had raised: it was 'quite unsuitable for one of His Majesty's Representatives to invite departments of His Majesty's Government to disregard the probable extent and implications of a proposal involving large expenditure of public funds before they have had an opportunity of fully understanding what is proposed'. But in view of the urgency of the matter, Thompson would be allowed 'a measure of discretion', his replies to the points raised to come back by air. There was 'no intrinsic objection' to the basic price proposed, the Foreign Office added. The doubts were 'entirely concerned' with the premium, explanations of which remained obscure. Our chief fear is that it may in practice be extremely difficult to restrict premium to a purely temporary period in view of the temptation to suppliers to withhold supplies after the premium period with the object of forcing us to reinstate it.' Thompson could, however, proceed provided that he was satisfied that the estimated expenditure would not exceed £300,000, that the actual expenditure should in no case exceed £600,000, and that the return to the basic price would not result in another crisis. (98)

In reply Thompson said the position had been discussed with Yost, Kahn, Butler, Doll. 'It had not entered our heads that we were suggesting an imposition on to the British taxpayer of the amounts which had been proposed should be paid out in premia.' The amounts would be recovered from recipient countries. A basic price would indeed be preferable to premia, if such could be introduced at a level with an active market: 'as it is we are faced with the problem of introducing a tical price some 25 to 30 per cent below present nominal prices.' Even in countries with an efficient administration, Butler's experience had shown, 'it is not possible to introduce controlled prices at below market prices and obtain straight away a free flow of trade, and we agree that in this country where the administration is anything but efficient it would be asking too much to expect this, particularly in view of the antagonism and suspicion of the Chinese merchants towards the Siamese

Government'. The only hope of starting a flow of rice, in Butler's view, lay in the offer of scaled-down premia.

He readily admits possibility of a check when the basic price is reached but hope [s] that in the meantime with the use of gold and consumer goods beginning to arrive etc. and the enforcement of the new anti-hoarding law a deflationary atmosphere will be created sufficient to convince the trade that the basic price is a reasonable one at which to sell..... (99)

The premium sums would perhaps be a less important consideration if they were not to fall on the British taxpayer, but Butler, though preferring £3 and £1.10s., was prepared to reduce them respectively to £2 and £1. (100) No one could guarantee that the end of the premium period would not result in another crisis: 'what with disordered state of the country uncertain reactions of Chinese merchants disorganisation of transport and other factors we are faced with a variety of imponderables.' The plan was to some extent a 'gamble'; but it was 'a constructive initiative', the Americans were in favour, and the Siamese government was anxious to solve the rice problem. Thompson also alluded to the suggestion in the Foreign Office's earlier telegram, which had been mutilated, that the policy of revaluing the tical might need 're-examination'. 'We have not succeeded in decyphering background of this idea.' The decision to raise the value of the tical was a matter for the Siamese government : it was designed to reduce the cost of living and put consumer and inducement goods within reach of the public. (101)

This telegram revived doubts in London, rather than giving reassurance : it would not be possible to drop the premium once paid; the tical was not worth 6d, nor even 4d. 'We suggest that you are looking at the problem the wrong way round.' £15 a ton would have given 900 ticals a ton at the existing 6d rate, well ahead of the ruling price, said to be 700.

It is still only the Siamese proposal to appreciate the tical which gives rise to the expectation that our price of £15 will not produce the rice. And there is of course no end to this process. If we once give in to the theory that Siamese imports can be cheapened by raising the level of the tical and that the normal ill-effect of this (viz. making rice too dear to sell abroad) can be set aside by making us pay more, there will be an agitation in Siam to raise the tical still further, even perhaps ultimately to the old parity of £1.10d. so as to make us pay £67 a ton for rice. It is true that in the long run this

would destroy the Siamese competitive position, but in the meantime they could mulct us in many tens of millions...(102)

£15 was an 'extremely generous' price at the present tical rate and ample to ensure the flow of rice, Allen minuted. 'But the Siamese Government have been trying to seize the opportunity of our purchasing this rice to revalue their currency at a higher rate, at our expense.' £15 might then no longer be sufficient to buy rice. 'The grave danger is that, if we fall in with this Siamese scheme, we may soon have to pay much more for our rice..., which would have a most disturbing effect on the economies of the neighbouring rice-producing countries such as Burma...' (103)

Nathan's committee had decided it was not prepared to agree to an arrangement by which determination of the surplus depended on an assessment carried out by the Siamese government : enough rice was available to meet the demand for 1.2m. tons. (104) The Foreign Office rejected the idea of accepting 'without demur' the results of the 'census'. 'In these circumstances we are prepared to authorise you to pay a price of up to £15 a ton ex-mill for the entire quantity of 1,200,000 tons delivered during the next twelve months on the distinct understanding that this is the maximum price we shall pay under our offer to abandon on certain conditions free rice contribution.' (105) Additionally the Foreign Office pointed out that Doll was bound to put Siamese interests first, and that the United States was for domestic reasons interested in a high price for rice : neither would give wholehearted attention to British interests. (106)

Thompson commented that Doll was anxious to see rice moving : 'like the rest of us he feels this will only be achieved by an improvement in politico-economic situation here which in turn cannot be brought about without concrete assistance from us...' Kahn did not contest British figures : he seemed to regard our offer as eminently fair'. Anglo-American unity was essential. (107) Thompson also denied that it was the intention to accept 'without demur' the outcome of the 'census'. The requirement of 1.2m. tons had been

constantly emphasised... It must however, be remembered that however nonsensical it may appear to us, there are people here who faced with a coming short harvest, allege that the country must step carefully if it is not to go hungry next year. Even so strong a personality as the Prime Minister cannot afford to ignore possible opposition entirely, and his "census" is his way of satisfying himself and others that he can meet his commitments. (108)

Next day Thompson suggested that Butler should fly to London to discuss

the premium proposal. This was agreed, provided the ambassador acted on his latest instructions. (109) These were discussed in Bangkok with Yost, Kahn, Doll, Butler and Gilchrist. It was agreed that £13.10s. was 'basically correct' at 40 ticals to the £. It was also agreed that the effect of dropping the premium could be mitigated by raising the price, though Butler thought that meant delay and expense. It was not however clear whether the Foreign Office wanted a clear understanding that the tical should remain at 4d. The Americans opposed this: it would interfere with measures to stabilise the economy and to facilitate the importation of goods at prices that would stimulate the production and export of rice, measures that were within the competence of the Siamese government. (110) The Foreign Office did not insist on 4d. What it insisted on was a £15 maximum: 'action by Siamese Government must not be such as to make it impossible for them to give and carry out an undertaking to supply 1,200,000 tons of rice at the price you may agree with them within the above limit.' One possible course would be to move to 5d - it would give 700 ticals per ton - and see how that worked. (111) Thompson decided to await the result of the discussions in London. (112)

K.H. Simpson of the British Rice Unit in Siam was already in London, and Lord Nathan convened a meeting with him on 25 April. He suggested that the difficulties facing the Unit since it began were 'primarily caused by the Free Rice Policy. The effect of this was that the Siamese Government showed a marked lack of co-operation', and the first 150,000 tons they provided was 'in a shocking condition'. It had been arranged by public tender, which involved unnecessary work and alienated the Chinese merchants, and especially the millers. 'This breach between the Siamese Government and the Chinese trading interests remains to a marked degree.' The Siamese Government's Rice Purchasing Bureau was 'inept and corrupt', and the Chinese trading interests, prepared to cooperate with the Unit, were not prepared to cooperate with the Bureau. 'The lack of law and order throughout the country has a most adverse effect on trade', Simpson added, and it also inhibited cultivation. The trading community had no faith in the local currency and was not prepared to accumulate ticals as a security. There were substantial transportation difficulties. Simpson concluded that 'the worst trouble of all' was that procurement had to be through the Siamese government. 'In any event, the situation is that speculators are hoarding paddy because they can think of no better security.' Given official corruption, the anti-hoarding law was unlikely to be enforced. The middlemen, mainly Chinese, and the chief hoarders, were 'not politically unfriendly' to the Siamese government, but millers, also mainly Chinese, 'most definitely' were.

Hoarders would take up a range of consumer goods but they would not reach the cultivators, though inducement goods would do so. Simpson confirmed that 1.2m. tons was a reasonable estimate, and that a fairly even monthly average could be maintained.

In discussion Sanderson declared that the crux lay in the methods of procurement, adopted in deference to American wishes. An approach might be made to Herbert Hoover on his visit to Bangkok. The officials in the Bureau would object to a change, but it need not involve a derogation of Siamese sovereignty, nor a breach of the tripartite agreement, since, as Nathan suggested, the Siamese government could use the Unit. Simpson thought the anti-hoarding law should be given a fair trial. Allen suggested that Hoover should be told this, but that, if it failed, his help might be sought in obtaining United States assent to transferring procurement to the Unit. (113) Thompson was asked to sound out Hoover. (114) In fact he did not do so, perhaps because the telegram did not arrive in time. (115)

In his attempts to work on the Foreign Office, Thompson had stressed the concurrence of the local American officials. Though he had wanted to be more independent, (116) he had to work with them. (117) He sent home a telegram Kahn had sent to the State Department. High prices alone did not produce rice, it declared : what was needed was 'reasonably orderly general conditions and reasonably honest and effective administration'. Lowering the cost of living and raising salaries offered 'some hope'. The appearance of more consumer goods would help, but even so 'our general policy provides more valid hope of increased flow of rice than a high price policy'. (118) The State Department was in fact not wedded to a fixed rate, (119) and the idea of a compromise rate was taken up by the Foreign Office. The Foreign Office also accepted the idea of using Hoover to shift American views on procurement. American involvement was accepted in a third way. On the suggestion of Hall-Patch, Allison was invited to visit the Treasury. (120) Whatever its purpose, this move, like the others, indicated recognition by the British, not only in Bangkok, that American agreement and indeed support were essential. Possibly it also helped to account for the success of Butler, who was moreover accompanied on his visit to London by Kahn. In any case the Treasury was now to accept the premium proposal on the assumption the fixed rate was fixed for twelve months.

Nathan convened another interdepartmental meeting on Butler's arrival. He put the case for the Bangkok proposals, indicating that Kahn and the Americans supported them.

He explained that it was essential to the stable economy of Siam that the internal cost of living be not too high. The fixation of the cost of living index depends on the exchange rate of the tical in terms of sterling; but it was the considered opinion of all concerned in Siam that the exchange rate of 6d per tical was the correct rate. On this basis, to fix the maximum price of rice at £15 per ton would be to put the cost of living too high.

Administrators had to be paid a living wage if there were to be 'honesty and efficiency'. But their salaries had only just been increased for the first time since before the war. Low salaries meant corruption and ineptitude. 'Paradox though it might seem at first sight, he stressed that a high price would not necessarily produce rice. He made that remark with the long-term view in mind.' In the short term, however, premia would 'overcome his immediate troubles'. London, Butler said, had been thinking of payments in terms of sterling 'with the idea that local adjustments could be made to meet their views by appropriate variations in the tical rate'. He believed that the economy would be 'completely unbalanced' if the tical were stabilised at 4d. The proposals had been worked out by Kahn and himself, not 'initiated by the Siamese Government as a means of taking advantage of the situation'. The Siamese Prime Minister and Doll would be satisfied with £12.14s. p.t. Butler added 'that the reason why the last Government of Siam fell was that it accepted the principle of a higher price of rice by paying an extra 25% on a mere 15,000 tons of rice'. The country was clamouring for a reduction in price, and consequently it would come out in larger quantities at £12.14s than at £15. 'Mr Norman Young confirmed that it was axiomatic that the most effective method of obtaining de-hoarding was to create an atmosphere of expectation of reduction in price.'

Butler and Young considered the tical rate 'one of the most important factors'. The market price of rice, Butler explained, was about £16. 'This price is, however, nominal. He was convinced that the immediate reduction of the controlled rate below this market price would not bring in rice.' Here again the effect of the rate of exchange had to be considered. From the British point of view Butler would have preferred a higher rate than 6d., but he 'felt that this would not be reasonable to the economy of Siam'. Young would have preferred that the tical were put at 5d., 'and if all concerned were warned of an impending depreciation of prices by the future variation of the exchange rate to an ultimate figure of 7d'. This would 'necessitate stringent control by the Siamese Government. 'He did, however, concede that in the light of the present difficulties and in the realisation of the fact

that the Siamese Government were incapable of exercising the required control, the Treasury would be prepared to accept the premium proposals.'

Nathan also questioned Butler on the availability of 1.2m. tons. He replied 'that we must primarily live on accumulated stocks until the 1946-47 harvest came in because the exportable surplus from the 1945-46 crop was virtually nil'. About 1 m. tons were available by water, and some 350,000 might be expected up to October. Another 650,000 tons could be moved only by rail, and this would take 18 months to clear. Some 500,000 tons would be available from the new crop.

The meeting agreed that Britain should accept the Bangkok proposals on the understanding that the Siamese Government would not increase the exchange above 6d per tical during the currency of the agreement. Nathan 'made it clear that all concerned in London had allowed Hon. Somerset Butler in the light of his local knowledge, to persuade them to adopt a policy with which they would not otherwise have agreed. He now felt it was up to those in Siam, having been given their own way, to "produce the goods"...' (121)

A telegram was duly sent. A supplementary one pointed out that there were no additional conditions as to the amount to be spent, as previously contemplated. 'Please implore Doll to accept the stipulation that there will be no alteration in the value of the tical (after fixation at 6d.) during the twelve months of the agreement, for this is as far as Treasury are prepared to go.' (122)

On 30 April Thompson approached the Foreign Minister, and that evening planned to see the Prime Minister at a banquet for Killearn. 'Doll is now unenthusiastic about premia and there appears also to be some diversity of opinion amongst the Ministers about the fixation of the tical at 6d.' There was also concern that the required assurance on the exchange rate would have to be 'carefully worded' in order 'to avoid Assembly criticism as infringement of Siamese sovereignty'. The suggested formula was : 'The sterling price to be paid for rice under this agreement is fixed on the understanding that the rated exchange during the currency [of the] agreement will not be below 40 to the £1.' (123)

Next day the Foreign Minister told Thompson that his government accepted the offer conveyed in the British telegram. At a meeting, including Thompson and Yost, over which the Minister presided, it transpired that, 'for internal political reasons connected with submission of exchange of notes to Assembly', the signature had to take place simultaneously with that of the tripartite agreement. As that was not quite ready, the notes would meanwhile be initialled. It was proposed to record in a further exchange the Foreign Minister's 'categorical oral assurance' that the

value of the tical would not be increased above 6d. during the period of the agreement. But, though pressed by Doll and others, Thompson would await Foreign Office approval of the formula proposed, since the word 'below' seemed 'liable to misinterpretation' or 'at least to give ample scope for legal argument'. The Prime Minister indicated his intention 'to do everything possible to explain new rice policy to the country exploiting to the maximum psychological aspects'. He advocated a joint Anglo-Siamese-American communiqué explaining the offer, dwelling on the three countries' determination to fight starvation, touching on the Anglo-American desire to promote economic reconstruction in Siam, and stressing mutual cooperation. Nai Pridi would also broadcast to the people. (124)

The Foreign Office was pleased with the 'good progress made'. The assurance over the tical offered by the Foreign Minister was 'exactly what we want and we should prefer this assurance - even if it remained oral - to any formal undertaking requiring ratification by Siamese Assembly, in view of political dangers' to which Thompson had referred. The Foreign Minister might write Thompson a 'semi-official' letter:

'With reference to our agreement concluded today for the purchase of rice, we have discussed the danger that an increase in the value of the Siamese tical to sixpence might make it impossible to carry out the terms of this arrangement and it was agreed between us that in order to obviate this danger a premium should be paid for a certain limited period.

'It is however clear that any further increase in the value of the tical above 6d. would jeopardise the execution of our arrangement and I am glad to assure you that the Siamese Government would regard it as inconsistent with the agreement which we have just reached to make any further such change while that agreement remains in operation.

The formula proposed in Bangkok might be read to imply that, if the tical rate were altered, the sterling price would have to be altered too, 'the opposite of what we all want'. Alternative formulae would be needed if submission to the Assembly were essential. (125)

Thompson preferred to stick with the oral assurance, reinforced as it was by the statement Nai Pridi made in the Assembly on 2 May. (126) The communiqué, issued the same day, covered the tripartite agreement and the new rice arrangements, and stressed collaboration among the three governments: it

mentioned the fixing of the rate of exchange, but made no assurance over duration. (127) Killearn emphasised the need for price. (128) Nai Pridi made a personal gift of 100 tons of high quality rice as a pledge of Siam's purpose. (129) The tripartite agreement was finally signed on 6 May and the notes and letters exchanged at the same time. (130)

In the Assembly and in his broadcast, the Prime Minister emphasised the need to fulfil the agreement, and vigorously attacked hoarders and speculators. 'Conclusion of agreement has had a good press', Thompson reported,

but it was only to be expected that there should be a general feeling which finds private expression that Siam has scored a great victory particularly over the British. Having regard to the history of this question jubilation of this kind was inevitable and we generally declined to take it too seriously. But we should not forget the lesson involved which is that it is useless to make demands without strength if need be to enforce them.

The Foreign Office did not care for the final comment. 'I prefer Mr Thompson where he is less sententious', Allen observed. (131) The ambassador's remark was perhaps too apt to be acceptable. The British had been too ambitious. For the Thais the new arrangement was a political victory. Its success for the British would depend on the success of the overall economic programme of which it was also a part.

In the 'free rice' phase, it had been recognised that factors other than the levy might be restricting availability, such as transportation and milling problems. (132) There were, too, other issues in debate with the Siamese, arising out of the agreement of 1 January. Bird had said in February he always thought it probable that Britain would not get all that was in the heads of agreement and the annex to it, especially in view of United States opposition on a number of points.

We could in all probability have got full amount of rice had we cut out from the beginning, large number of causes of friction such as Kra canal, lighterage, stevedoring, pay of troops, cost of maintaining Japanese troops from Burma, etc., which will in all represent no more than the cost of quarter of a million tons of rice. My conviction is that we should now go all out for what we can still get in the way of rice and abandon all other demands which are likely to meet with American as well as Siamese objection. (133)

But the British Government did not follow Bird's advice, and negotiations on these other issues were not finalised till 1947. (134) Britain, Bennett had said, could not

allow the Siamese to repudiate their obligations just when Britain was about to offer a concession over free rice. 'If this concession is made now, without any sharp reaction to the Siamese manoeuvre, it is likely to be misinterpreted by them and to encourage them to make difficulties in other matters...' (135) Thompson was to draw a different conclusion.

During the eight months or so that have passed since the Japanese collapse there has ... been too much tendency to lecture and complain and to hold out to the last moment for *all* our terms only then to give way under [American] pressure or long-continued Siamese obstruction or both. This melancholy process gains us neither credit nor merit. On the contrary it leads to resentment and negation. It may be preferable in future to delay presentation of specific demands until it can be shown that local factors will permit of their practical fulfilment...(136)

Pressed by the needs of other territories for which it had responsibility, the British Government decided to modify its rice claim, and to offer a price well in excess of what the Siamese government had been prepared to pay, though short of the price actually being paid in Burma, and well short of the price that would seriously damage the recovery of Southeast Asian countries. But, still further short of world price, would that price be effective? There was, moreover, a continuing need for consumer goods; there were still transportation problems. The challenge of inflation had not been met; official salaries were still low; business confidence was lacking. The practice of hoarding, built up during the inflation of the Japanese period, had not originated in the free rice phase, but it had increased, and it had furthermore been boosted by Sino-Thai distrust, a legacy of the Pibun regime, of the war, of the Yaowarat incident of September 1945. (137) Would the new arrangements counter all this? The initial British idea was, it seems, to make an impact by a dramatic change of policy, enlisting the cooperation of the Siamese government, and offering a major rise in price. The Thai government and its financial adviser wanted to make this part of a 'package' solution which would cope with some of the economic problems, while at the same time avoiding political criticism: an increase of price, a stable currency, a better tical rate, cheaper imports, less corruption, a controlled price which domestic consumers could pay, and which yet would encourage planting. It was, however, a gamble.

'Mr Thompson', Allen had graciously conceded on 5 May, 'showed excellent judgement in sending Mr Somerset Butler home, since he was able in the shortest

time to remove misunderstandings and enable this important arrangement to be concluded.' (138) Treasury obstinacy had been overcome, he implied : and it was true that the Foreign Office, responsible much of the time for trying to implement the proposals of other departments, had been increasingly reluctant to relay the reservations of the Treasury. The communiqué, together with the broadcast, might now, an official hoped, at last start a steady flow of rice. (139) Sir Orme Sargent expressed the same hope in an explanation for Attlee. (140) The Colonial Secretary was all too aware that the cereals ration in the Malayan Union and Singapore was 'lower than in any other South East Asian country', which had a 'most serious' effect on health and on the political situation. (141) British hopes were not, however, fulfilled. Payment, Nathan noted on 20 September, had not produced increased exports. Difficulties still stood in the way : lack of consumer goods, low prices, the corruption and inefficiency of the Bureau. (142) Nai Pridi, Doll told Nathan's committee, had aimed to bring prices down by fixing a low rice price : the enmity of speculators led to his resignation. (143) By the end of the year a new arrangement had been developed, the British paying the price of American participation in order to exert pressure on the Thais. (144) The political crisis following the death of the King, adding to the general instability and undermining Nai Pridi, had been another factor. (145) So, less clearly, was the retrocession of Cambodian territory to the French. (146)

The memorandum of understanding finally accepted on 24 December 1946 revised the target figure of 1.2 m. tons, to be reached by 1 May 1947, to 600,000 tons, to be reached by 31 August : the shortfall penalty would apply only from 1 September and in respect of the new target. The price would be fixed by the CTRC. £ 20 p.t. was proposed, 'so as to bring such price more nearly into line with domestic price levels in Siam'. (147) The Americans and Siamese opposed inducement payments, which had been offered. (148). 'It is extraordinary to me', Thompson had written, 'that it is so difficult to put across simple fact in a country where the Government do not and cannot exercise effective control over rice, the needs and cupidity of rice merchants must be taken into serious account.' (149) The shortfall, Thompson believed, was primarily due 'to the fact Siamese Government (who have never had rice stocks in their physical possession) have had to buy from dealers (mainly Chinese) who have preferred large profits from illegal export to selling it at what they regarded as sacrificial prices to the Government...' (150) Smuggling to Malaya flourished, and large profits were made. (151)

The entire termination of the agreement ensued on 31 August 1947, by which time 300,000 tons had been secured. The penalty clause was dropped, and Britain agreed, under American pressure, to a price on a par with that in Burma, £ 34-35 p.t. (152) 'There is the psychological feeling', Thompson reported, 'that Siam has at last emerged from a position of inferiority.' (153) Lord Killearn was full of optimism; K. C. Christofas thought Britain had yielded to force majeure, and pointed out that the price in Malaya was £ 190, so that an increase to £ 33.6s.8d. was ludicrous as a discouragement to smuggling. (154) But by April 1948 Denning was able to describe the flow of rice as 'very satisfactory'. (155) 728,000 tons was exported in the first half of 1949. (156)

There were four, or more properly five, parties interested in the rice question. The Chinese, millers and merchant, major stockholders : unwilling to disgorge at a low price, distrustful of the tical, holding out for improved supplies of consumer goods, able to evade controls and to smuggle. The Siamese : peasants who grew the rice, short of inducement goods; consumers who bought; officials poorly paid, who could be bribed not to apply controls and to permit smuggling; politicians, who could oppose reparations, even though the burden might fall on Chinese millers as well as on the Siamese treasury; speculators who, not able to beat the Chinese, joined them. The British Government : aiming, as Thompson told Yost at 'a stable and prosperous Siam with whom we could develop stable politico-economic relations', but not at 'any kind of monopoly or stranglehold over Siamese trade to the exclusion of United States or any other country', nor at imposing 'upon Siamese sovereignty and independence which had always been of vital concern to Britain'; (157) seeking, as Lord Killearn put it, 'an orderly, prosperous Siam inspired by sentiments of fullest friendship and of a sincerely cooperative spirit with us both in political and economic field', and thus 'an asset of the greatest value' in the 'concept of a bastion of good order and stability in South East Asia'; (158) anxious to mark the Siamese government's enemy action in the war; convincing itself that it should include in its terms a demand for rice despite the questionable nature and effect of demands of the reparations type; caught between the difficulty they created and the difficulty of dropping them in the hope of encouraging the supply; pressed by the need for rice elsewhere in Southeast Asia to help sustain the prestige the demand had also been designed to meet, and to avoid starvation, but also to avoid economic instability and inflation that might react on the overall fortunes of the British economy. The Americans : agreeing with the British over the need for stability in Siam, but determined, as in the war; (159) to limit the pressures of British

imperialism and, manifesting what Thompson called their 'little brown brother complex', (160) to defend the Thais among others from these pressures; stressing therefore the damaging effects British demands could have on Siam and minimising concern about the British territories in Southeast Asia. And, fifth, though voiceless : the consumers or would-be consumers in Southeast Asia, of whom the black market price in Malaya tells the tale. These parties struggled with each other and with the problem of rice against a background of world shortage, destruction and instability.

Of these general factors the Foreign Office was not unaware. 'Corruption, rice hoarding, banditry, etc.... are widespread throughout South East Asia,' wrote C.M. Anderson, 'and...they are to be attributed in a large measure to the economic aftermath of the Japanese war....' Corruption in Siam was due in large measure to the discrepancy between wages and prices, banditry the result of corruption in the police. The world shortage of rice was a principal cause of hoarding. Speculators had made vast fortunes in these unsettled conditions. Consumer goods were in short supply, and over this 'the rulers of Siam, whether they are personally corrupt or honest, weak or strong, have but little control, because it is dependent largely on external conditions....' (161)

With such an analysis, however, the British were in a sense exonerating themselves as well as the Thais. Their own policies had been mistaken : there was much that was not merely self-fulfilling in the American criticism. The Thai government had an interest in holding the price for domestic consumers and in checking inflation; it had an interest in controls that might boost its revenues and reduce the margins of the Chinese millers and middlemen. But British policy was over-ambitious. A free levy, then a low price - 'an attempt to fly in the face of the ordinary laws of supply and demand' (162) - only encouraged hoarding, smuggling and speculation. It seems unlikely that it succeeded in its main objects, so far as other parts of Asia were concerned. But it certainly seems to have damaged Thailand, politically perhaps more than economically. Trying to carry out the terms of the treaty attracted nationalistic criticism from the opposition, even though speculators and smugglers benefited. Trying to battle against the corruption was an element in the crisis that Nai Pridi faced and that ultimately led to the coup of November 1947. (163) There was an element of reparations about the treaty, an element of Weimar about the result.

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Endnotes:

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2. M. Rudner, 'Rubber Strategy for Post-War Malaya, 1945-8', *Journal of Southeast Asian Studies*, I, 1 (1970), 29-31; 'Financial Policies in Post-War Malaya', *The Journal of Imperial and Commonwealth History*, III, 3 (May 1975), 325.
3. J.C. Ingram, *Economic Change in Thailand 1850-1970*, Stanford, 1971, pp. 163-5.
4. Wall to Young, 23 June 1944, and papers attached, F.O.371/41851 [F3031/3031/40], Public Record Office, London.
5. Minutes of Meeting to discuss Future Policy towards Siamese Rice Industry, 8 September 1944, F.O. 371/41851[F4225/3031/40].
6. F.E. (44) 2nd, 29 November 1944, CAB 96/5, Public Record Office.
7. N. Tarling, 'Atonement before Absolution : British Policy towards Thailand during World War II', *Journal of the Siam Society*, LXVI, 1 (1978), 52.
8. F.E. (45) 11, 10 March 1945, CAB 96/5.
9. Tarling, JSS, LXVI, 1, 58.
10. Minute, 14 May 1945, F.O. 371/46568[F2879/1349/40].
11. FE (45) 29 Final, 14 July 1945, F.O. 371/46545[F4542/296/40].
12. ORC (45) 2nd, 24 July 1945, F.O. 371/50906[U5725/5342/70].
13. FE (M) 1st, 17 August 1945, CAB 96/9.
14. N. Tarling, 'Rice and Reconciliation : the Anglo-Thai peace negotiations of 1945', *Journal of the Siam Society*, LXVI, 2 (1978), 69-70.
15. *ibid.*, 65.
16. Minutes, 18, 24 August 1945, F.O. 371/46546[F5336/296/40].
17. Telegram, 1 September 1945, 5977, F.O. 371/46548/[F6195/296/40].
18. Gen. 68/6th meeting, conclusions, 4 September 1945, CAB 78/33.
19. Conversation, 3 September 1945, F.O. 371/46548[F6285/296/40].
20. Direck Jayanama, *Thailand im Zweiten Weltkrieg*, Tübingen and Basel, 1970, p. 173.
21. Tarling, JSS, LXVI, 2, 78-80.
22. *ibid.*, 80-82.
23. *ibid.*, 85-88.
24. *ibid.*, 90-95.
25. *ibid.*, 97-98.
26. *ibid.*, 102-3.
27. *ibid.*, 104-5.
28. *ibid.*, 106-10.
29. Telegram, 14 January 1946, 93, F.O. 371/54355[F765/4/40].
30. Sanderson to N. Young, 27 December 1945, and minutes thereon, F.O. 371/53838[F3/3/61].
31. Pethick-Lawrence to Bevin, 4 January 1946, and note thereon, F.O. 371/53838[F298/3/61].

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32. AMAZE 6460, 5 January 1946, repeated to SEAC, 8 January, 51, F.O. 371/53838[F510/3/61].
33. Memorandum, 8 January 1946, F.O. 371/53838[F536/3/61]. Telegram s.d., 62, F.O. 371/53838[F397/3/61]. Bevin to Pethick-Lawrence, 11 January, F.O. 371/53838[F298/3/61].
34. Minutes, 16 January 1946. F.O. 371/54355[F765/4/40].
35. Telegram, 16 January 1946, 114, F.O. 371/53838[F869/3/61].
36. Telegram, 25 January 1946, 169, F.O. 371/53839[F1411/3/61].
37. Minute by Adams, 25 January 1946, F.O. 371/54356[F1580/4/61].
38. Telegram, 27 January 1946, 54, and reply, 31 January, 63, F.O. 371/53839[F1622/3/61].
39. Telegram, 24 January 1946, 41, and minute, 5 February, F.O. 371/54356[F1619/4/40].
40. CP (46) 28, 29 January 1946, CAB 129/6.
41. Brief, 'World Rice Situation', 30 January 1946, F.O. 371/53840[F1929/3/61].
42. CM (46) 10th, 31 January 1946, CAB 128/5.
43. Sanderson to Bennett, 4 February 1946, F.O. 371/53840[F2154/3/61].
44. Record of a Meeting on Siamese Rice, 5 February 1946, F.O. 371/53840[F2138/3/61].
45. Smith to Bevin, 6 February 1946, and minute, 8 February, F.O. 371/53840[F2229/3/61].
46. Dalton to Bevin, 11 February 1946, enclosure, and minutes, F.O. 371/53840[F2348/3/61]. On Killearn's appointment, see N. Tarling, "Some Rather Nebulous Capacity", *Modern Asian Studies*, 20, 3 (1986), 559-600.
47. WFS (46) 2nd, 12 February 1946, CAB 134/729.
48. Smith to Bevin, 14 February 1946, F.O. 371/53840[F2506/3/61].
49. CM (46) 16th, 18 February 1946, Item 1, CAB 128/5.
50. CP (46) 52, 19 February 1946, CAB 129/7.
51. SEAF (46) 1st, 19 February 1946, CAB 134/677.
52. Minute, 18 February 1946, F.O. 371/53843[F3102/3/61].
53. Record of a Meeting on Siamese Rice, 19 February 1946, F.O. 371/53841[F2830/3/61].
54. Telegram, 21 February 1946, 115, in SEAF (46) 14, 28 February, CAB 134/678.
55. Telegram, 26 February 1946, 123, F.O. 371/53842[F2982/3/61].
56. SEAF (46) 4th, 4 March 1946, CAB 134/677.
57. Memorandum, 1 March 1946, SEAF (46) 16, CAB 134/678.
58. Telegram, 4 March 1946, 412, F.O. 371/53842[F2982/3/61].
59. Memorandum by Sanderson, 22 February 1946, F.O. 371/53842[F3013/3/61].
60. Minute, 27 February 1946, F.O. 371/53844[F3446/3/61].
61. Telegram, 2 March 1946, 2011, F.O. 371/53842[F3031/3/61]. Telegram, 23 February, 125, F.O. 371/54017[F2933/3/33/61].
62. As note 59.
63. Telegram, 8 March 1946, 1489, F.O. 371/53844[F3633/3/61]. cf FRUS 1946. V111, 955-6.
64. Minute, 11 March 1946, F.O. 371/53844[F3633/3/61].

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65. Sanderson to Allen, 12 March 1946, F.O. 371/53845[F3758/3/61].
66. Telegram, 14 March 1946, 195, F.O. 371/53845[F3874/3/61].
67. Telegram, 15 March 1946, 227, F.O. 371/53845[F3874/3/61].
68. Minutes, 18 March 1946, and Telegram, 21 March, 2687, F.O. 371/53846[F4007/3/61].
69. Telegram, 18 March 1946, 202, *ibid.*
70. Telegram, 19 March 1946, 211, F.O. 371/53847[F4308/3/61].
71. Telegram, 20 March 1946, 250, F.O. 371/53846[F4007/3/61].
72. Telegram, 22 March 1946, 230, F.O. 371/53848[F4472/3/61].
73. Telegrams, 26 March 1946, 246, 247, F.O. 371/53849[F4664/3/61].
74. Telegram, 26 March 1946, 274, F.O. 371/53848[F4472/3/61].
75. Telegram, 28 March 1946, 258, F.O. 371/53850[F4745/3/61].
76. Telegram, 28 March 1946, 263, F.O. 371/53850[F4783/3/61].
77. Telegrams, 26 March 1946, 1946, F.O. 371/53849[F4666/3/61]; 27 March, 282, F.O. 371/53848[F4472/3/61].
cf FRUS 1946, V111, 959.
78. Conversation, 27 March 1946, F.O. 371/53850[F4750/3/61].
79. Allison to Bennett, 28 March 1946, F.O. 371/53850[F4849/3/61].
80. Sanderson to Allen, 29 March 1946, F.O. 371/53851[F4942/3/61].
81. Telegram, 28 March 1946, 265, F.O. 371/53851[F4850/3/61].
82. SEAF (46) 5th, 14 March 1946, CAB 134/677.
83. Telegram, 22 March 1946, 261080, F.O. 371/53850[F4818/3/61].
84. Telegram, 27 March 1946, 49, and minute, 29 March, F.O. 371/53850[F4753/3/61].
85. Telegram, 30 March 1946, 304, F.O. 371/53851[F4850/3/61].
86. Telegram, 30 March 1946, 271, and minute, 2 April, F.O. 371/53851[F4946/3/61].
87. Telegram, 6 April 1946, 320, F.O. 371/53854[F5358/3/61].
88. Telegram, 28 March 1946, 264, F.O. 371/53851[F4881/3/61].
89. Telegram, 5 April 1946, 343, and minute, 3 April, F.O. 371/53851[F4881/3/61].
90. Telegram, 4 April 1946, 300, F.O. 371/53852[F5196/3/61].
91. Telegram, 5 April 1946, 344, *ibid.*
92. Telegram, 8 April 1946, 339, F.O. 371/53854[F5398/3/61].
93. Telegram, 5 April 1946, 315, F.O. 371/53853[F5278/3/61].
94. Telegram, 9 April 1946, 345, F.O. 371/53856[F5459/3/61].
95. Telegram, 12 April 1946, 366, F.O. 371/53859[F5740/3/61].
96. Telegram, 11 April 1946, 356, F.O. 371/53858[F5614/3/61].
97. SEAF (46) 8th, 10 April 1946, CAB 134/677.
98. Telegram, 12 April 1946, 370, F.O. 371/53856[F5459/3/61].
99. Telegram, 13 April 1946, 371, F.O. 371/53859[F5737/3/61].
100. Telegram, 14 April 1946, 372, F.O. 371/53859[F5738/3/61].

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101. Telegram, 14 April 1946, 373, *ibid.*
102. Telegram, 15 April 1946, 386, F.O. 371/53856[F5459/3/61].
103. Minute, 25 April 1946, F.O. 371/53863[F6390/3/61].
104. As note 97.
105. Telegrams, 15 April 1946, 385, 387, F.O. 371/53856[F5459/3/61].
106. Telegram, 15 April 1946, 383, F.O. 371/53861[F5971/3/61].
107. Telegram, 18 April 1946, 386, *ibid.*
108. Telegram, 18 April 1946, 385, F.O. 371/53861[F5964/3/61].
109. Telegrams, 19 April 1946, 393; reply, s.d., 410, F.O. 371/53861[F5976/3/61].
110. Telegram, 22 April 1946, 408, F.O. 371/53862[F6048/3/61].
111. Telegram, 22 April 1946, 422, *ibid.*
112. Telegram, 26 April 1946, F.O. 371/53862[F6283/3/61].
113. Notes of a meeting at the War Office, 25 April 1946, F.O. 371/53864[F6542/3/61]. On Hoover's mission, see Richard Norton Smith, *An Uncommon Man*, New York, 1984, pp. 351 ff.
114. Telegram, 26 April 1946, 433, F.O. 371/53863[F6374/3/61].
115. Minutes by Moss, 29 April, 4 May 1946, F.O. 371/53863[F6361, 6542/3/61].
116. Telegram, 22 March 1946, 226, F.O. 371/54359[F4534/4/40].
117. Telegram, 22 April 1946, 409, F.O. 371/53862[F6049/3/61].
118. Telegram, 20 April 1946, 397, F.O. 371/53862[F6001/3/61].
119. cf telegram, 19 April 1946, enclosed in Allison to Allen, 23 April, F.O. 371/53862[F6210/3/61].
120. N. Young to Allen, 25 April 1946, F.O. 371/53863[F6381/3/61].
121. Notes of a meeting at the War Office, 29 April 1946, F.O. 371/53867[F6772/3/61].
122. Telegrams, 29 April 1946, 448, 449, F.O. 371/53862[F6283/3/61].
123. Telegram, 30 April 1946, 468, F.O. 371/53864[F6504/3/61].
124. Telegrams, 1 May 1946, 470, 471, F.O. 371/53864[F6523/3/61].
125. Telegrams, 1 May 1946, 463, 464, *ibid.*
126. Telegram, 3 May 1946, 491, F.O. 371/53866[F6642/3/61].
127. Telegram, 2 May 1946, 479, F.O. 371/53864[F6591/3/61].
128. Telegram, 2 May 1946, 487, F.O. 371/53866[F6649/3/61].
129. Telegram, 7 May 1946, F.O. 371/53867[F6813/3/61].
130. Telegram, 6 May 1946, 510, F.O. 371/53866[F6706/3/61].
131. Telegram, 4 May 1946, 496, and minute, 7 May, F.O. 371/53866[F6684/3/61].
132. Telegram, 16 February 1946, 100, F.O. 371/53840[F2256/3/61]. cf Ingram, p. 86.
133. Telegram, 3 February 1946, 66/106, F.O. 371/54356[F1895/4/40].
134. Thompson to Bevin, 8 May 1947, 184, F.O. 371/63878[F6781/8/40].
135. Minute, 9 February 1946, F.O. 371/54356[F2172/4/40].

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136. Telegram, 22 March 1946, 226, F.O. 371/54359[F4534/4/40].
137. G.W. Skinner, *Chinese Society in Thailand : An Analytical History*, Ithaca, 1957, pp. 279 ff.
138. Minute, 5 May 1946, F.O. 371/53864[F6591/3/61].
139. Minute by Moss, 3 May 1946, *ibid*.
140. Minute, 13 May 1946, F.O. 371/53869[F7326/3/61].
141. WFS (46) 13th, 4 June 1946, CAB 134/729.
142. SEAF (46) 115, 20 September 1946, CAB 134/679.
143. SEAF (46) 124, 12 October 1946, *ibid*.
144. Telegrams, 14 November 1946, 1376, 1377 F.O. 371/53928[F15589/3/61] ; 28 November, 1647; 7 December, 1454, 1455, F.O. 371/53936[F17180/3/61]; 8 December, 1687, F.O. 371/53937[F17606/3/61]; 9 December, 1690, F.O. 371/53937[F17614/3/61].
145. Telegram, 4 July 1946, 890, F.O. 371/54411[F9857/327/40].
146. Telegram, 14 November 1946, 1377, F.O. 371/53928/[F15589/3/61].
147. Memorandum of Understanding, in Thompson to Bevin, 27 December 1946, 320, F.O. 371/63463[F197/2/61].
148. Telegram, 25 November 1946, 1637, F.O. 371/53936[F17061/3/61].
149. Telegram, 28 November 1946, 1646, F.O. 371/53926[F17179/3/61].
150. Telegram, 30 December 1946, 1760, F.O. 371/53941[F1842/3/61].
151. Skinner, p. 288, suggests that the figure for the profits made in 1946-7, given by W.D. Reeve, *Public Administration in Siam*, London, 1951, p. 70, namely 100 m., is hyperbolic.
152. Minutes, 26 August 1947, F.O. 371/63490[F12074/2/61]; 3 September, F.O. 371/63490[F12094/2/61].
153. Telegram, 1 September 1947, 746, F.O. 371/63490[F12093/2/61].
154. Telegram, 14 August 1947, 172, and minute, 19 August, F.O. 371/63489[F11242/2/61].
155. Minute, 9 April 1948, F.O. 371/70022[F5530/1247/40].
156. Memorandum, 20 July 1949, F.O. 371/76004[F11000/1017/61].
157. Telegram, 26 March 1946, 243, F.O. 371/54359[F4956/4/40].
158. Telegram, 2 May 1946, 386, F.O. 371/54360[F6702/4/40].
159. cf. C. Thorne, *The Issue of War*, London, 1985, ch. vi.
160. Telegram, 5 October 1946, 1407, F.O. 371/54362[F14543/4/40].
161. Minute, 18 October 1946, F.O. 371/54362[F15030/4/40]. cf also Minute by Allen, 4 November, F.O. 371/54362[F16281/4/40].
162. Reeve, p. 70.
163. Skinner, pp. 288-9.