

Thai junta cracks down on ousted prime minister

Peter Symonds
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In the latest effort to tighten its grip, the Thai military regime has brought corruption charges against ousted Prime Minister Thaksin Shinawatra and ordered him to return to Thailand by June 29 to attend a court hearing. Thaksin, currently in London, went into exile after the armed forces led by General Sonthi Boonyaratthakalin seized power last September.

Sunai Manomaiudom, director general of the special investigations department, told Associated Press on Tuesday the police had strong evidence that Thaksin and his wife had secretly and illegally held stock through nominees in a real estate company. Sunai warned he would issue an arrest warrant for the former prime minister if he did not return next week.

Last week, the Assets Examination Committee froze more than \$1.63 billion of Thaksin's money held in Thai banks and believed to be connected to the controversial sale of his Shin Corp telecommunications company in January 2006. This week, the junta blocked another \$154 million in seven corporate accounts.

The Shin Corp sale to a Singapore government-backed corporation provoked large demonstrations in Bangkok over Thaksin's alleged corruption, as well as his autocratic methods and free market politics. After months of protests and amid an acute constitutional crisis, the military, backed by King Bhumibol, ousted Thaksin and his Thai Rak Thai (TRT) government.

The current moves against Thaksin take place amid signs of growing popular hostility to the military regime, which initially faced only small, scattered protests against its seizure of power. In comments in the *New York Times*, Jon Ungpakorn, a former senator and staunch critic of Thaksin, warned: "These sorts of measures look as though the authorities are victimising Thaksin—and that of course causes a wave of sympathy for him."

"The investigations and the charges must be seen to be conforming to law," Jon said. "The worst aspect of the

present situation is that it's the coup leaders who are making Thaksin look more attractive. People are forgetting about the excesses during the Thaksin period, the abuses of human rights, the clampdown on freedom of expression."

Thaksin, a right-wing populist, first came to power in 2001 by exploiting the widespread opposition to the impact of the IMF's restructuring agenda being implemented by the Democratic Party-led government. While pledging to help the urban and rural poor, he promised to protect Thai businesses from foreign competition. Having won office, however, he increasingly alienated his business supporters and the conservative elites by accommodating to the demands of international capital.

The army seized power to put an end to growing political instability, but it now confronts the same economic and political dilemmas as Thaksin. Its efforts to protect the Thai economy by imposing capital controls have provoked disastrous falls on the Bangkok share market, policy reversals and widespread criticism from financial commentators. At the same time, like Thaksin, the regime is incapable of addressing the economic and social concerns of masses of ordinary people and has resorted to anti-democratic methods to stifle dissent.

Last September, the military promised to restore democracy by the end of this year. It is already clear, however, that if elections are held at all, they will be on the military's terms. At the end of May, a military-appointed constitutional tribunal abolished Thaksin's TRT party and barred 111 senior members, including the former prime minister, from participating in politics for five years. The same tribunal dismissed similar charges of electoral fraud against the Democratic Party.

The charges against the TRT stem from a snap election called by Thaksin in April 2006 to try to stem mounting protests. The Democratic Party, which had been

overwhelmingly defeated in two previous elections, boycotted the poll. The tribunal found the TRT guilty of bribing smaller parties to run candidates to avoid the situation where some seats would be unfilled and parliament unable to meet. Whatever TRT's electoral misdemeanors in Thailand's notoriously corrupt elections, the real purpose of the tribunal's ruling was to ensure that the party and its senior leaders were barred from standing in any new elections.

Far from resolving any of the underlying political tensions, the tribunal's decision has simply compounded them. The junta and its backers no more want the Democratic Party in power, than they want to see the reemergence of Thaksin and the TRT. The Democrats came to office in the midst of the 1997-98 Asian economic crisis, implemented the IMF's prescriptions and remain the strongest supporters of free market reforms. There are already signs that the military regime is sounding out political figures, including TRT leaders, to form a party to run against the Democrats.

The junta is also rewriting the country's constitution to broaden the powers of the military and state apparatus. Following a public outcry, the constitutional body has removed draft clauses permitting an unelected prime minister and establishing a "crisis council," including the military chiefs, to intervene in political conflicts. But the document still includes an unelected Senate, appointed by judges and state bureaucrats, with broad oversight powers. The military also intends to maintain its Internal Security Operation Command and empower it to appoint a deputy governor to each of the country's 77 provinces. While the regime is proposing to put its constitution to a referendum prior to any elections, there is no guarantee it will be passed.

Already, the crude dismantling of the TRT has provoked significant protests from Thaksin supporters over the past fortnight. Some 13,000 people attended a rally last Friday in central Bangkok, where giant television screens displayed a recording made by Thaksin denouncing the junta, saying "these dictators are taking the country back several decades". He reiterated his pledge to quit politics, but declared: "Let the people decide who they want to run the government." A large "Democracy Now" banner was displayed, along with red and white flags saying "CNS out". CNS or the Council of National Security is the ruling junta.

Protests continued over the weekend. On Sunday, members of the TRT-linked Democratic Alliance against Dictatorship presented a letter to Major General Veeran

Chantasatkosol, calling on the government to resign, bring back the 1997 constitution and hold elections as soon as possible. Later in the day, around 6,500 protestors gathered in a plaza in central Bangkok to voice their opposition to the junta. Organisers have pledged to continue until at least August.

The protests are more substantial than the immediate anti-coup demonstrations. While TRT leaders could well use these expressions of popular opposition to secure a place for themselves within the new political arrangements, these rallies could also swell as broader layers of the population, including the rural poor who formed the TRT's main support base, take the opportunity to express their anger over deteriorating living conditions and the lack of democratic rights.

Compounding the political crisis, the Thai economy is slowing as investors baulk at the regime's erratic economic policies. The annualised growth figure for the first quarter of 2007 was 4.3 percent, down from 6.5 percent for the corresponding period last year. Thailand is falling behind regional competitors such as Malaysia, the Philippines and Indonesia, which have averaged 5.5 percent during 2005-2007, and is well below China and Vietnam, which have averaged 10 percent and 8 percent respectively over the same period. Private investment contracted in the first quarter of 2007, for the first time since 2001, by 2.4 percent year on year.

A week before the tribunal dismantled the TRT, King Bhumibol pessimistically declared that his realm was "close to sinking" and added, "political parties must exist". Having sanctioned the coup, the monarch, who has longstanding and close relations with the military hierarchy, is clearly voicing concerns in ruling circles about the danger of further political instability. The fear is that cracking down on Thaksin and the TRT might unleash a backlash that no faction of the ruling elite can easily control.



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