

## **EIR Feature**

# **Thailand: IMF puts a key ASEAN nation in jeopardy**

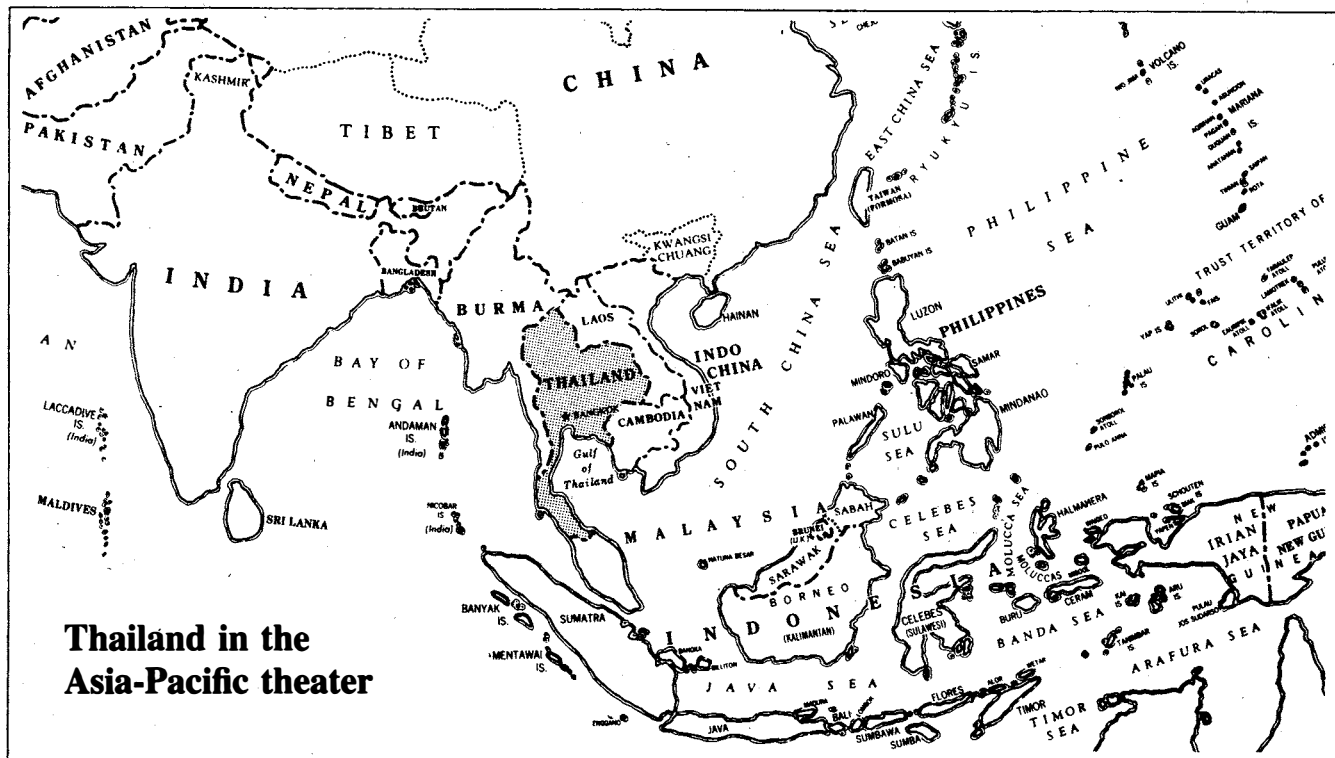
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**Prefatory note:** *The following summary analysis was written by the author on the weekend of September 7-8 to introduce a series of articles on the political and economic situation in Thailand as a follow-up to an earlier EIR cover story on the Philippines. One usually has to wait for more than 24 hours to find one's expressed warnings and fears confirmed by the unfolding sequence of events. The Sept. 9 coup attempt in Bangkok, however, provided precisely such confirmation.*

In a recent cover story on the Philippines (*EIR*, Aug. 16, 1985), *EIR* analysts documented that U.S.-supported IMF economic and State Department political policies are principal factors contributing to the dangerous domestic instability of this crucial U.S. Pacific ally. Much as in Central and South America, U.S. foreign economic policy here runs counter to and undermines vital U.S. security interests. This apparently contradictory and baffling U.S. policy pursuit is now in varying degrees affecting all of the ASEAN countries.

In the features below, attention is focused on Thailand, a close ally of the United States since the mid-19th century. The most exposed front-line nation of the ASEAN group, facing military threat from Vietnam and expanding Soviet presence in Indochina, Thailand has nonetheless been the "beneficiary" (i.e., victim) of IMF, World Bank, and Asian Development Bank "recommendations" (i.e., dictates) which have the backing of the U.S. embassy in Bangkok and have brought one of the showcase economies of ASEAN to the brink of collapse.

After five years of valuable stability and steady development of democratic institutions, this has once again produced extremely volatile domestic political conditions and a concomitant precarious external security situation. Suppose the Philippines and Thailand drift and/or are forced out of the strategic economic and security orbit of the United States. The South China Sea, crucial connecting link between the Pacific and Indian Ocean basins, will then have become a Vietnamese-Soviet lake, entirely dominated by Soviet bases at Danang, Cam Ranh Bay, and Kompong Son (Cambodia). Aside from the strategic threat to U.S. Asia-Pacific



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interests, this would immediately put Japan's energy and raw materials supply line into jeopardy, in turn forcing Japan into seeking far-reaching accommodation with the U.S.S.R.

Too bleak a scenario? There is no question in this writer's mind that this is the direction in which present U.S. policies are leading us. It would be the extension and disastrous but predictable outcome of a strategic policy sequence initiated by the Kissinger/Nixon 1969 "Guam Doctrine," the 1971-72 "Nixon shocks" (so-called by the Japanese, referring to the 1971 dollar/gold decoupling and the "China Card" policy), the precipitous and irresponsible 1975 U.S. pullout from Southeast Asia, and present IMF/State Department policies.

The security of the six-nation ASEAN-group vis-à-vis Vietnam and regionally deployed Soviet forces cannot be based on the strength of their inadequate and widely dispersed armed forces. In the past decade ASEAN's domestic and external security has been guaranteed by the group's exceptional economic progress. Since 1979-80, this strong economic performance is being increasingly undermined by U.S.-backed IMF/World Bank-imposed economic policies. As a result, Communist insurgents are now finding the ground well-prepared for a strong comeback—most notably in the Philippines, less in Thailand, where the Communist Party has made significant inroads in the trade unions.

As long as they are economically sound and internally stable, the ASEAN nations are not a plausible target for external aggression. Lack of these conditions makes them vulnerable to external pressure and will prompt their governing elites to seek accommodation on terms with the Soviet Union and the PRC. As the Pentagon is once again drawing

up contingency plans against the worst consequences of State Department policy, will we see a replay of the Southeast Asia policy disasters of the 1960s and early 1970s and a replay with different country names substituted of the "Who lost China" debate?

High-ranking State Department officials and policy "consultants" regard as desirable the circumstances described in our above worst-case scenario. Thus former Ambassador William H. Sullivan of Iran fame and now a player in the "Philippines game" states in his autobiography that "we [are], as a nation, deliberately reducing our hegemony and shrinking our international responsibilities to a scope more commensurate with our national capabilities."

Who is "we," and on whose authority is Mr. Sullivan acting in undermining vital U.S. security interests? Perhaps his mentors, Averell Harriman and Henry Kissinger will answer for that.

At present, in preparation for the upcoming Reagan-Gorbachov summit, U.S. Assistant Secretary of State for Pacific and Asian Affairs Paul Wolfowitz is in Moscow with Soviet Asia expert Mikhail Kapitsa to define the rules of the U.S.-Soviet "S.E. Asia game" for the period immediately ahead. The Swiss *Neue Züricher Zeitung* reports that the U.S. and the Soviet Union are concerned to reach an understanding not to let possible regional conflicts spill over into a superpower confrontation. Presumably, then, Mr. Wolfowitz has already accepted the premise that instability and conflict in Southeast Asia are unavoidable. Much as in the Middle East the next step will be to sign the region over to the Soviet sphere of influence—albeit with Chinese complications.