

Southeast Asia by Sophie Tanapura

Resignations in Thailand—*who's next?*

The government is under fire for sticking by the devastating prescriptions of the IMF and the Wharton School.

The resignation of Commerce Minister Kosol Krairiksh and three other deputy ministers from the Thai government forced a slight reshuffle of the cabinet, but did not succeed in ousting the much-criticized finance minister, Sommai Hoontrakul.

Social Action Party (SAP) leader M. R. Kukrit Pramoj has for months been critical of the government's economic and financial policies. Now, hardly a day passes without the much-revered intellectual and shrewd politician warning that continuing austerity policies, dictated by the International Monetary Fund-World Bank and implemented by the government, would necessarily bring disaster to Thailand.

In a recent interview with *Asia Week*, M. R. Kukrit called for the ouster of Sommai, the finance minister responsible for implementing present austerity measures. "The cause of all the economic failures of this country is the financial policy," he said. "... We did not ask for the academic doctors who are now working as the prime minister's adviser. Those people of the prime minister always override us. We are now using textbooks to govern. We don't use facts." Earlier in January, M. R. Kukrit stepped down from the leadership of the SAP in protest against the policies of Prime Minister Gen. Prem Tinsulanonda.

M. R. Kukrit also blamed Minister Sommai for having deliberately blocked funds for rice price support programs, thereby creating a situation in which Kosol was forced to resign,

along with three other deputy ministers and a deputy prime minister (though the latter for other reasons). "Had the finance minister been more cooperative with Mr. Kosol, he would not have left his post. The floor price is fixed at 3,000 baht a ton for paddy [unprocessed rice]. The finance ministry has not released the money. So, how could it have worked? If Mr. Kosol cannot solve it, it also means that the government cannot solve it. The entire Cabinet should resign and not just Mr. Kosol," M. R. Kukrit argued.

With the arrival of Surat Osathanukroh at the helm of the commerce ministry, the following price support measures were scrapped: the requirement for rice exporters and millers to hold additional stocks, export quotas, the regulated 3,000 baht floor price for first-grade paddy as well as the premium on low-quality white rice and glutinous rice. However, the government has made available 2.5 billion baht in the form of low interest loans through commercial banks and the farmers' welfare fund for millers, to buy first-grade paddy at 3,000 baht a ton.

Under this scheme, the farmers would be paid 90% of the value of their produce, and the remaining 10% within 90 days. Reaction from former Commerce Minister Kosol was swift: "Using money to hike up agricultural prices can be done by anybody," he said, proudly making it clear that during his two years and eight months as commerce minister, he had never had to resort to state funds to boost prices

for agricultural products.

Prime Minister Prem's economic austerity adviser, Dr. Virabhongse Ramangkura, immediately heaped praise upon the government for its decision to dump Kosol's rice price support scheme, most probably gloating over his opponent's "technical knockout" on the question of rice price support program. True to his alma mater, the Wharton School, Dr. Virabhongse cheered the new commerce minister on the path of free-trade policy. "Dr. Grong," as he is referred to by his peers, predicts that the market magic will somehow push the paddy price up to about 2,700 baht a ton.

Meanwhile, the SAP still remains within the government coalition, with Acm Siddhi Savetsila as caretaker leader of the party and accumulating a new deputy prime minister post along with the foreign minister portfolio. Siddhi shot up with the help of Pong Sarasin, owner of the local Coca-Cola company called Thai Namtip. Pong is close to Prem and was the only private businessman in all the political meetings that Prem held with Indonesian officials early last September.

It is also said that with the Siddhi-Pong tandem, the faction of north-eastern members of parliament has been temporarily strengthened within the SAP. Election of an official new leader of the SAP will take place in six months.

In the meantime, however, M. R. Kukrit Pramoj and Boonchu Rojanastien, both fervent critics of IMF-World Bank violation of Thai sovereignty in economic and financial matters, may be teaming up in the wings in order to consolidate a stronger hold on the SAP, while the Siddhi-Pong duo is discrediting itself along with the increasingly unpopular Prem government. "A new government will soon come to the rescue," Boonchu told a seminar of businessmen in Thailand on Jan. 16.