

Thailand's Government Challenges Ten Years of Subversion

by Michael Billington

Within hours of the announcement by the Constitutional Court that it had acquitted Thailand's Prime Minister, Thaksin Shinawatra, of all charges brought against him by the National Counter Corruption Commission (NCCC), the Prime Minister shocked the nation by openly challenging the entire judicial structure that had threatened to remove him from office. "It's strange," he told the press, "that the leader who was elected by 11 million people had to bow to the ruling of the NCCC and the verdict of the Constitutional Court, two organizations composed only of appointed commissioners and judges, whom the people did not have a chance to choose." He suggested that changes in the Constitution would be in order, in regard to the NCCC, the Constitutional Court, and a third similar "watchdog" body, the Election Commission.

Why did Thaksin not gratefully accept the decision, which was, after all, in his favor? The answer to this question brings up the carefully disguised—but totally public—process, over the last ten years, which has undermined Thailand's sovereignty, its economy, and its political integrity. The international institutions behind that subversion are now howling from their New York and London lairs that Thaksin must not be permitted to pursue his threatened course. The English-language newspaper *The Nation* pointed to the fear among the oligarchy, now that Thaksin is free of the threat of being removed from office, and enjoys a majority in the legislature for his party, the Thai Rak Thai: "Just imagine what Thaksin's superparty can do in the House when it comes to enacting legislation. With Thai Rak Thai in absolute control, he can easily move to amend the Constitution to reduce the power of key independent bodies which he feels are standing in his way."

The *Asian Wall Street Journal* led the attack for the "international community": "Perhaps a little bit of humility is in order after having to defend oneself on corruption charges and coming close to removal from office. But instead, it looks as if he [Thaksin] will take revenge by killing or emasculating the National Counter Corruption Commission, which was created under the new democratic constitution of 1996-97 to investigate graft." Speaking for Wall Street and the City of London, the *Journal* threatened Thaksin, pointing to the rising debt and the looming "recession," writing that with Thaksin's

"tendency toward self-aggrandisement, the extra ego boost from the acquittal may not be what the Kingdom needs right now."

Wall Street Defends Dictatorial Institutions

The problem with the *Journal's* complaint is that the bodies established by the new Constitution under the guise of "democracy" are in fact dictatorial institutions, capable of removing from office any elected official, including the Prime Minister, often without any opportunity for the accused to defend themselves. The members of these commissions and courts are neither elected, nor are they accountable to any elected body. In fact, they are accountable to no one but themselves. Even more important, they were created by the same individuals who turned the Thai economy into a speculative playpen for the international financial oligarchy over the past ten years, setting up the financial bubble which provided the speculators with the means of looting the economy and the people of Thailand, especially after the 1997 currency collapse. Central to that process is the man who has assumed the position of Thailand's Head Comprador for the Anglo-American colonial policy known as "globalization," Anand Panyarachun.

To get a picture of Anand's character, look at some of the international institutions he heads in Thailand. He is chairman of the Thailand branch of Transparency International (TI), the organization founded as a private spin-off of the World Bank. As a supposedly "independent, impartial" non-governmental organization (NGO), TI declares itself to be the court of the "international community" in passing judgment against nations which fail to follow the dictates of International Monetary Fund (IMF)-World Bank "conditionalities." Besides imposing IMF discipline on Third World countries, TI played a leading role in the destruction of Russia after the fall of the communist regime, and was at the center of the "Clean Hands" apparatus which nearly destroyed the national institutions of Italy. Starting in March of this year, TI's international newsletter began a campaign against Prime Minister Thaksin as a corrupt politician who, if he were not to be removed from office by the Constitutional Court, was expected to try to "redefine the functions of the Commission, which is a core element of Thailand's greatly admired 'anti-corruption' Con-

stitution.” The Constitutional Court, the Commission, and the Constitution itself were all set up by the IT’s own Anand Panyarachun, as we shall see below.

Then there is the American Corporations for Thailand (ACT), run by the Kenan Institute Asia, based in Bangkok, and co-chaired by Anand and Henry Kissinger. The organization represents American corporate interests in Thailand, but, in fact, is a “privatized” U.S. government agency, in the following sense. When the U.S. State Department Agency for International Development (AID) closed its operations in Thailand in 1996, because Thailand had supposedly “graduated” from needing U.S. government aid of that sort, the functions of the AID operation were handed over to the ACT, to be run by Anand and Kissinger. In other words, Anand not only promotes the takeover of Thai corporations by foreign interests, he represents those interests himself!

Anand is also the only Thai member of the Advisory Board to the Carlyle Group, the increasingly powerful arms dealer and investment house of the George H.W. Bush circles. Anand joined Carlyle at Bush’s request, and arranged for the first meeting of the Advisory Board to be held in Thailand.

Ironically, Thaksin Shinawatra was also brought on to the Carlyle Group Advisory Board in 1998. He invited both Bush and Bush’s former Secretary of State James Baker III to Thailand, as part of his effort to build up his own image as a globalizer. In fact, Thaksin was given strong support internationally over the past two years, as he built up the forces for his run for the top office. As a successful telecommunications CEO, Thaksin benefitted from the hot-money binge of the 1990s, and was expected to speak for the globalizers. However, when he ran his campaign on a populist program, promising universal cheap medical care, credits for small business, and a debt moratorium for farmers, some eyebrows were raised in the New York and London boardrooms. Then, upon his election, even though his party had won a majority in the legislature (the first elected party in history to hold such a majority), he nonetheless chose to form a coalition government with Gen. Chavalit Yongchaiyudh (ret.), whose nationalistic policies, and whose close ties to China and Thailand’s Association of Southeast Asian (ASEAN) partners, made him extremely unpopular among the Western financial elite. Thaksin then resigned from the Carlyle Group. He and Deputy Prime Minister Chavalit have since then taken several significant steps toward strengthening Thailand’s relations across Asia, including efforts to bring ASEAN into a working alliance with the Shanghai Cooperation Organization created by Russia, China, and the four of the Central Asian republics. He took these steps even though the threat of being removed by the corruption courts was hanging over his head. Now, in mooted the possibility of dismantling the dictatorial “democratic” bodies created by Anand, and perhaps the globalization apparatus as well, Thaksin is threatening to become a great disappointment to those who thought he was one of their own.



Thailand’s Prime Minister Thaksin Shinawatra, now cleared of wrongdoing by the courts, is taking aim at those institutions which were set up by the globalists to take over the country.

London’s Anand

Anand has not given up. In fact, just in the past weeks he has succeeded in getting himself appointed chairman of a new advisory body to the government, the National Economic Social Council, and he was the first to protest Prime Minister Thaksin’s attack on the dictatorial “anti-corruption” apparatus. It will be useful to review Anand’s past services to those who are now bringing the world into depression and war.

Anand Panyarachun, born in 1932, the year of the Revolution that created the modern Constitutional Monarchy that still governs Thailand today, was educated at Cambridge in England. According to a highly critical biography published last year, *Unmasking Anand Panyarachun* by Cholatis Ajamanapap, while in England, Anand “not only gleaned knowledge and learned the customs effected by the nobility, but fostered friendly relations with a number of their ranks.” His circle of British-trained fellow Thais became known as the Rattanakosin Noblemen, and would subsequently make up a significant portion of Anand’s Cabinet in when he headed the government in the 1990s.

He rose quickly in government, being named Ambassador to the United Nations at the age of 34, serving in that post, and then as Ambassador to the United States, during the years of the U.S. war in Vietnam, Laos, and Cambodia, in which Thailand served as an extended airbase for the massive American bombardment of its neighbors. He returned to Thailand after the war, in 1975, and left the Foreign Service for private business.

His greatest service to the new colonial powers began in 1991, when a coup was carried out against the government of Chatichai Choonhavan by Gen. Suchinda Kraprayoon, who then appointed Anand as Prime Minister. (Suchinda had previously worked under Anand at the Royal Thai Embassy in the United States.) Anand was quite aware of the rare opportunity he had, as a non-elected Prime Minister, not answerable to the electorate, to ram through the entire free-trade agenda for the Anglo-American financial interests whom he served. In a September 1991 interview in the magazine *Asian Finance*

in London, Anand pledged to put aside all concern for the population, especially the poor, in service to his globalizing oligarchical brothers: “Perhaps I am lucky because I don’t have the elected representatives that I have to be responsible to. I think the army and the military have given me a fairly free hand in my decision-making process. Now, I do not care for my own popularity. I have no intention of running for an office, *so I don’t have to cater to the whims or the interests of any particular group, be it business, be it the poor, or be it the military*” (emphasis added).

Anand Collapses the Economy

Indeed, Anand immediately set out to dismantle the crucial institutional defenses of the nation-state, both economic and strategic. In his first, 13-month term as Prime Minister in 1991-92, he implemented measures including the following:

- Deregulated foreign exchange and banking;
- Introduced derivatives and related financial instruments, and an American-style Securities Exchange Commission, to assure *unregulated* speculation;
- Cut corporate taxes and introduced regressive value-added taxes;
- Drastically reduced tariffs;
- Facilitated foreign takeovers of Thai-owned businesses;
- Implemented privatization of state sector industries;
- Eliminated unions in all state sector industries, facilitating both wage gouging and privatization;
- In particular, after abolishing the energy sector union, which had led the effort to prevent privatization, Anand changed the energy sector laws to begin the privatization of the State Energy Corp.;
- Deregulated 20 protected industries, allowing foreign competition;
- Set in motion the creation of an offshore banking facility, which was virtually unregulated and virtually tax free.

The speculative bubble set into motion by this “shock therapy” approach led to a collapse of the Thai economy in only five years. Even at the time, the domestic industries which were not thriving on the hot money and easy credit for imports for fast turnover in process industries—i.e., were not part of globalization—screamed that the speculative boom would kill them—and it did. The urban transportation infrastructure in Bangkok was one of the few long-term development projects of any lasting value. Many of the new industries, dependent both on foreign credit and imported raw materials, went bottom-up when the currency crashed in 1997, and by that time many of the traditional industries had been squeezed out by globalization.

Anand also arranged sweetheart contracts with foreign investors for energy and other infrastructure projects, assuming all risk for the Thai government rather than the foreign investors, both for currency fluctuation and raw materials price fluctuations, while even promising that the government

would pay for unneeded supply by foreign contractors. In this he was playing the same role as President General Suharto in Indonesia and President Gen. Fidel Ramos in the Philippines—the latter a fellow Carlyle Group adviser. When the speculators pulled the rug out from under the Southeast Asian bubble economies in 1997, and the IMF imposed draconian debt payment requirements, the governments of all three nations were left holding billions of dollars of fictitious debts, created out of thin air through currency devaluations brought about by the globalization sleight of hand, thanks to such willing compradors as Anand.

Anand went beyond peddling free trade to his own domestic market. At the January 1992 ASEAN meeting, Anand joined forces with Singapore’s Prime Minister Goh Chok Tong to introduce the idea of an Asian Free Trade Area (AFTA), intended to lead the ASEAN nations into a North American Free Trade Agreement-style removal of measures for protecting their national economies. Singapore, more an extension of British banking interests than a nation-state, was the only ASEAN nation that would benefit from mutual tariff reductions, but Anand strongly promoted the concept, and won its acceptance.

Anand was placed in office for a second time when General Suchinda was overthrown in June 1992, staying in office for another four months while new elections were organized. Having adequately set up the economy for looting, he used his second term to dismantle the only institution capable of offering resistance to the loss of economic sovereignty to foreign interests—the military. The Suchinda government had been brought down when the Army overreacted to violent attacks by trained provocateurs during anti-government rallies, leaving many dead, and a general loss of respect for the military. Anand used the prevailing mood to his advantage, removing the top military leaders from their positions, and dismantling the historic role of the military in strategic state-sector industries. The former Army chief was removed as chairman of the Telephone Authority, the Air Force chief from Thai Airways, and the Air Marshal from the Communications Authority. With the military out of the way, and the trade unions banned, the state-sector industries were ready to be deregulated and sold off to the highest bidder. Because the government which took power after the following election was essentially an extension of Anand’s network, the country was on a high-speed course for the pre-programmed crash and looting at the hands of George Soros and the IMF.

The Anti-Constitutional Constitution

Anand was to play one more critical role in the subversion of the nation. When the Soros gang began the speculative assault on Thailand in late 1996, Anand launched a movement for the “reform” of the Constitution. Using the global NGO apparatus (including TI, which he would later lead) and the media, he succeeded in getting the government (by then headed by his enemy Chavalit Yongchaiyudh) to agree to a

commission to draft a new Constitution, headed by himself.

Then, in June and July, the speculative attack broke Thailand's currency, the baht, and sent all the Asian economies into a tailspin. In that atmosphere of chaos, Anand rushed a draft of a new Constitution into circulation, ran a series of staged public hearings, and rammed through the draft's adoption in the legislature — all within about eight months. He tried to include in the Constitution itself a list of "globalization" clauses, mandating, for all time, free trade, deregulation, privatization, open foreign ownership, and so forth. These outrageous and illegal clauses were then "traded" for the creation of the various special police bodies discussed above: the Election Commission, the NCCC, and the Constitutional Court, as well as other similar "popular democracy" measures meant to undermine Constitutional government. One measure allowed any government official to be forced into impeachment proceedings merely on the basis of 50,000 signatures, without regard to the existence of any evidence of wrongdoing.

There was significant opposition to the draft, including by Prime Minister Chavalit, but in the weeks following the collapse of the currency, the IMF stepped in to assure the adoption of these illegal, dictatorial institutions. One of the many onerous conditions imposed by the IMF after the crash was a "good governance" provision, in which IMF officials made it clear that "good governance" included passing the "anti-corruption" Constitution. The internationally financed and controlled NGO apparatus threatened riots if the Constitution were not passed. Only 1 Member of Parliament and 16 Senators had the courage to vote against it.

The first test came in the Senate elections in March 2000. Out of 200 Senate seats up for election, the new Election Commission threw out 78 of the elected candidates, based only on "reports" of illegal campaign activities. Disqualified candidates were given no forum to defend themselves or refute the allegations! The Commission even admitted that there were only three cases where evidence was sufficient to bring civil charges, but the 78 candidates were out nonetheless. In the re-vote, with only 30% of the electorate participating (after 71% had voted in the first round), another group were thrown out, and then another.

Chavalit, who had been forced from office by that time because of the financial collapse, called for an emergency government of national unity, and the suspension of the new Constitution. Others made similar appeals, but it was too late. The nation's fate was now in the hands of TI, George Bush, the Carlyle Group, and Soros, rather than in the hands of the leaders of the nation.

Potential for Change

With the collapse of the world financial system, and the U.S. economy in particular, now apparent to all but the morally blind, the Thai situation, like that of most nations, is in a state of flux. The old rules no longer apply. What direction

the nation will take cannot be predicted, but the disastrous results of continuing on the path of globalization are knowable and certain. Thailand, under the new government of Thaksin Shinawatra, has taken several measures in the direction of joining with its ASEAN-Plus-3 (ASEAN plus China, Japan, and South Korea) neighbors to implement new monetary policies, and possibly a new Asian Monetary System independent of the IMF. The government has also moved toward security and economic cooperation with Russia and the Shanghai Cooperation Organization, while forging ahead with plans for developing the Mekong River region, developing inter-Asian rail and road corridors across the country, and building the Kra Canal. Such measures are not only essential for Thailand's survival, but Thailand can play a major role in making the region a center for solving the global crisis. Prime Minister Thaksin's victory over subversion provides an opportunity to move that effort forward.

Southeast Asia Acts To Stop Terrorism

by Michael Billington

In June 2001, Russia, China, and four Central Asian Republics founded the Shanghai Cooperation Organization (SCO), with the first priority being the joint containment of the Afghanistan-centered terrorist movements which threatened them all, from Chechnya, to the Fergana Valley, to Xinjiang Province. With that priority met, they proceeded to a discussion of the Eurasian Land-Bridge, and related plans for the development of the physical economy of the entire region.

Although it was not stated in the agreements, the parties were well aware of the fact that the so-called "Afghansi" terrorist networks were only nominally "Islamic." They were created by Anglo-American intelligence during the Soviet war with Afghanistan, and remain under Anglo-American control still today, used by those who promote Zbigniew Brzezinski's and Samuel Huntington's "Clash of Civilizations" as a means of breaking up the emerging alliances among Eurasian nations.

A similar process is now beginning in Southeast Asia, where the Afghansi networks have for years run operations in the southern Philippines, Malaysia, Indonesia (notably in the Province of Aceh), and elsewhere. Part of the difficulty in combatting these operations has been the tendency to treat each manifestation of the disease as a local problem, rather than identifying the source of the virus and cooperating regionally to eradicate it.

In June, Thai Deputy Prime Minister Chavalit Yongchai-