

# Dow Jones Stokes Riots Against Thai Premier

by Mike Billington

Dow Jones & Company, the publisher of the *Wall Street Journal*, keeps a high profile in Asia. Besides its own publications, including the *Asian Wall Street Journal* and the *Far Eastern Economic Review (FEER)*, it holds part ownership in *The Nation*, a leading English-language newspaper in Bangkok, Thailand. It has used this media presence to attack Thai Prime Minister Thaksin Shinawatra consistently, since his overwhelming election victory in 2001, and re-election in 2005. This past month, however, *The Nation* has gone over the edge, openly promoting violence and bloodshed in the streets as the only means to achieve its desired “regime change” against Thaksin, and turning its website into a virtual command center for mass actions in the streets, providing minute-to-minute reporting and directions for the very demonstrators it suggests must turn violent in order to be “successful.” There are concerns within Thailand that some military factions may be planning to intervene if such a bloody scenario is played out.

The recent spate of unrest and demonstrations against Thaksin, who became rich and famous as a telecommunications mogul during the hot-money days of the 1990s, was organized by another business tycoon from the same era, Sondhi Limthongkul, a publisher best known in the West for his launching of the *Asia Times*. Sondhi turned against his former ally, Thaksin, in 2005, and began organizing weekly demonstrations in December, demanding Thaksin’s resignation. The theme of Sondhi’s attacks on Thaksin, in addition to charges of corruption, was that Thaksin had insulted King Bhumipol Adulyadet—an extremely volatile accusation in Thailand, where matters regarding the King can stir the passions. Sondhi even suggested that the nation should revert to direct monarchical rule, as opposed to the present Constitutional Monarchy, with a Prime Minister.

On Jan. 13, Sondhi led his coterie of weekly demonstrators in a march on Government House, the Prime Minister’s residence. A number of demonstrators broke into the grounds, provoking a skirmish with police, while the rioters placed a banner on the grounds which read: “Return Power to the King.” Plans for a mass rally were then announced for Feb. 4, with wide speculation that it might turn violent.

## Some Close Calls

Although Sondhi has only a small base of popular support himself, his well-funded campaign intersects real grievances

within the population, which he hopes to draw into his questionable movement. Prime Minister Thaksin, on the other hand, has a broad base of support, built through economic policies which emphasize huge infrastructure development projects, together with extensive health and education programs for the poor.

On the other hand, Thaksin has adopted some aspects of the Washington consensus, including a push to privatize the state Electricity Generating Corporation of Thailand (EGAT) and other state enterprises, and launching negotiations with the United States for a U.S./Thailand Free Trade Agreement (FTA). This has met widespread opposition, including labor-led demonstrations which have severely limited the original plans for privatizing EGAT, and large demonstrations by farmers, labor, health workers, and others, against the FTA.

But these demonstrators are generally not interested in becoming cannon fodder for Wall Street political manipulations. Efforts by Sondhi, with help from *The Nation* and other opposition press, to rally these elements to Sondhi’s cause have been unsuccessful, thus far. Similar efforts to bring in opposition forces from the South, where the government has been unable to pacify the bloody separatist violence in the Islamic regions, have not succeeded either.

In this environment, on the day of the planned Feb. 4 demonstration, *The Nation* published the following call for violence, by one Supalak Ganjanakhundee: “All of Thaksin’s desperate attempts [to stay in power—ed.] could be rendered meaningless if the rally ends with an eruption of violence. Thailand’s political history shows that mass rallies that leave people dead and wounded, eventually involve a government leader being forced to step down. Field Marshal Thanom Kitikachorn, Field Marshal Prapas Jarusathien, and General Suchinda Kraprayoon are good examples of leaders who were disgraced after uprisings against their administrations ended in fatalities. Thaksin could face the same destiny as these three, should today’s rally overflow the streets and tempers flare.”

The security forces succeeded in maintaining peace at the rally. They did not allow themselves to be provoked, even when Sondhi left the rally site with some of the demonstrators to present a petition to the King, through the Privy Council, which called on Thaksin to be removed from power.

*The Nation* escalated its provocation on Feb. 11, the day of the next scheduled demonstration. This time, it placed itself at the center of the action, by turning its website into a real-time center for the activists, and the potential violence. Logging in to *The Nation* website on the morning of the demonstration, a colorful banner appeared, reading: “The torch has been passed by Sondhi Limthongkul to a major coalition of civil groups.” This page morphed into a picture of the demonstrators at the Royal Plaza in Bangkok, and then into a minute-to-minute account in real time of the events unfolding around the city.

Again the security forces maintained the peace. The most truthful statement at the rally came from a lecturer from Rajabhat Institute, who compared their movement to “rallies in the Philippines which toppled President Estrada.” This infamous process, in January 2001, was a classic case of a Washington-orchestrated military coup, run under the cover of middle-class and student demonstrations in the capital city, leaving the country in the hands of the IMF and its assets.

## Why Thaksin?

Thaksin enjoyed support from the U.S. establishment during the run up to his election in 2001. As a prominent and wealthy businessman in the 1990s Information Technology bubble, he had good relations both on Wall Street and in Washington. He soon proved to have different ideas about governing, however. When he used government credit to back major infrastructure programs, to assure access to hospital care for every citizen at extremely low cost, and similar policies for the general welfare, Wall Street yelled foul. By late 2001, the Dow Jones publication, *FEER*, ran an article titled “The Risk of Directed Credit,” denouncing Thaksin’s use of “policy-directed lending” and a “state-led economic development model,” while demanding that Thaksin drop any protection of national industries, and return to IMF orthodoxy. The *FEER* was particularly worried that Thaksin was working closely with Malaysia’s Prime Minister Dr. Mahathir bin Mohamad, who had demonstrated that independence from the IMF was both possible and good for a nation’s well being.

As in the current conflict with *The Nation*, *FEER* also alleged that there was a brewing conflict between Thaksin and the King, as did the British-based *Economist*. The offending issues from both magazines were promptly banned in Thailand, and the writers’ visas were rescinded.

The neo-conservatives in Washington are also furious with Thaksin for his refusal to join in their isolation and subversion of Myanmar. Thaksin has insisted on engaging Myanmar (and its similarly poor neighbors to the east, Laos and Cambodia) as the absolutely necessary means for bringing regional peace and stability to all of Southeast Asia, for the first time in centuries. The development of regional road and rail projects, connecting India, China, and Thailand through Myanmar, are already in the works, as are plans for jointly developed dams on the Salween River, on the Myanmar side of the border with Thailand. Discussions of a Myanmar/Thai/China oil pipeline have also been initiated.

When Sen. John McCain, head of the subversive International Republican Institute, and his cohort Sen. Mitch McConnell, called for sanctions against *Thailand* for refusing to sanction *Myanmar*, Thaksin responded: “We are an equal, not a lackey. . . . It’s about sovereignty. Leave us alone.”

## Free Trade Kills

Nonetheless, Thaksin has brought on some of the public discontent through his own misdeeds. Under constant criticism for maintaining ownership within his family of his telecom firm, Shin Corp., when he became Prime Minister, Thaksin finally decided to sell the family’s shares to the state telecom company in Singapore, Temasek, for nearly \$2 billion. Rather than ending the criticism, the sale—which used loopholes to avoid any capital gains taxes, and may have skirted the laws about foreign ownership of Thai industries—has actually fueled popular anger over issues of corruption. The Constitutional Court even accepted a petition from 28 Senators alleging that Thaksin had illegally continued running Shin Corp during his Prime Ministership, although it voted eight to six against opening a formal investigation.

A more serious problem is the free trade deal being discussed with the United States, which is demanding that Thailand drastically restrict its production of generic drugs, an area in which Thailand has taken a leading role, especially in producing generic, affordable drugs for AIDS victims. U.S. demands go far beyond those of the World Trade Organization’s agreement on Trade Related Intellectual Property (TRIPs). Also included are “NAFTA-style” agriculture agreements; the Thais are very much aware of the disaster wrought to Mexican agriculture by NAFTA. Also targeted by the U.S. negotiators is the services sector, demanding that protection of national banking and finance be nearly eliminated. Thailand, of course, well remembers how George Soros and his fellow hedge funds raped the Thai banking system in the 1997-98 speculative assault on the Asian nations, and the nation is wary of deregulating or opening up any further.

The bribe which the United States is offering the Thais in exchange for these concessions, is as bad or worse than the concessions themselves. The United States is dangling an offer to lift the 25% tariff on pick-up trucks imported into the United States, which would be another severe blow to the already collapsing domestic U.S. auto industry. Thailand produces 500,000 pick-up trucks annually—second in the world after the United States—but sells none to the United States as of now due to the tariff. Exporting more trucks now may seem like a good deal to the Thais, but it would be one more blow to the reeling U.S. manufacturing sector, while the unfolding collapse of the U.S. financial bubble will undermine the entire world economy, including that of Thailand.

While a few state employee unions have joined Sondhi’s rallies, most of the Thai industrial unions have not. Some of these unions, including some who oppose Thaksin, are demanding an end to the Free Trade Agreement talks, and an end to the privatization of the state electricity industry, but reject any unconstitutional regime change under the guise of “people’s power.”

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