

# Economy main issue in Thai elections

by Sophie Tanapura

Thailand's general elections on July 27 will be dominated by economic issues. With paddy rice selling at 1,500 baht per ton, whereas production costs are estimated at 2,500-3,000 baht per ton, the farm sector, the backbone of the country, is literally going bankrupt. The foreign debt of Thailand has climbed to more than 20% of the national budget and to around 30% of the country's export earnings. Development projects are being discarded because debt payment to foreign banks and the International Monetary Fund is given higher priority. All of the country's economic woes will be blamed on the current government of Prem Tinsulanonda, and rightly so.

Over the past year and a half, the numerous conferences organized by *EIR*'s Bangkok office in collaboration with the Fusion Energy Foundation (FEF), and our consistent publication of articles strongly critical of the government's economic policies, are finally having a visible impact on Thai politics. Not only have the relevant facts and figures been made available to the public, but the LaRouche-Riemann approach to economics has shaped policy discussions in Thailand around three issues: debt and the necessity for an orderly moratorium, technology as the key to increasing productivity, and large-scale versus small- and medium-size projects to stimulate the economy.

The most significant development along these lines is the "Economic and Labor Development Program for Thailand—1986" recently adopted by the Thai Trade Union Congress (TTUC). The TTUC is headed by Paisal Thawatchainan, an opponent of World Bank policies and a member of the Labor Commission of the Schiller Institute, an international organization founded by Helga Zepp-LaRouche.

For the TTUC, the announcement of the economic and labor program is truly a historical event. For the first time, the labor movement has decided to set recommended criteria for their members' political choice. The program demands that political leaders and parties measure up to TTUC expectations if they are to hope for TTUC votes in the upcoming elections. The TTUC has a membership of nearly 200,000, not including friends and family—a considerable potential voting bloc.

The TTUC was determined to draft a development program for Thailand because they had found the National Economic and Social Development Board (NESDB) inadequate

to the task. The TTUC believes that "economic security and political stability go hand in hand and are, in fact, inseparable. In the same way, a democratic government can remain stable, only if the country continues to progress economically. . . . Votes can be bought for a price because the income per capita is very low. For the same reason, corruption has become an everyday reality in the society."

The TTUC program calls for the realization of four basic principles: Plentiful food, good housing, full employment, and good education. To achieve these goals, the Thai economy has to be oriented around five major points:

- 1) Increase productivity in the agricultural sector and develop the agro-industrial sector by increasing input into four areas—fertilizers, irrigation, machinery, and rural electrification. Guarantee a parity price for agricultural products which includes at least a 10% profit margin for the producer. Such a policy should include a 5-10 year debt moratorium for the farm sector and a two-tier credit system favoring investment in both agricultural and industrial sectors.

- 2) Reorganize the foreign-debt structure and limit debt payments per year to only 10% of the country's export earnings.

- 3) Expand the country's communications and transportation infrastructures which should include the acceleration of the Eastern Seaboard project and the implementation of the industrial complex associated with the projected construction of a canal through the Isthmus of Kra.

- 4) Raise the level of general education for at least 80% of the population, and double the current number of 87,000 engineers and technicians.

- 5) Increase the level of scientific and technological research and education in the following areas: a) research into new varieties of seeds to improve agricultural production; b) biotechnology, bio-engineering, and advanced computer science; c) nuclear fission and fusion research; d) laser technology in agriculture, food irradiation, and industry.

On June 8, the TTUC organized a special central committee meeting before which all political parties were invited to explain their economic and labor policies. Of the five parties that showed up, only two—the Democratic Party of Bichai Rattakul and the Community Action Party (CAP) of Boonchu Rajanastien—had acceptable economic programs for the union. However, in the final voting on June 10, it was decided that the TTUC would swing its union movement behind the CAP. The reason for this was actually not a question of program. With the collaboration of the Friedrich Ebert Stiftung and the AFL-CIO, the Democratic Party has in the past conducted numerous union-splitting operations against the TTUC, something which cannot be easily forgotten or forgiven. Of note, however, is the fact that both the CAP and the Democratic Party favor moratoria on foreign and farm debt.

It is expected that no political party will win a majority in the House of Representatives. The only party that might

get close to even 25% is the Democratic Party. It has the advantage of having been around for a long time, and has a well-structured campaign organization to muster the necessary grass-root support. Such an advantage is important given the early elections, which have caught others more than off-guard.

However, even with a strong Democratic win, the next government will necessarily be a coalition. The big question will be who among the coalition party leaders will be the next prime minister. Will it be Bichai Rattakul of the Democratic Party? If so, will Gen. Pramarn Adireksarn of the Chat Thai Party stand for this? Former premier Kukrit Pramoj has positioned himself in the wings.

### Prem, buffalos, and cow dung

If the fight gets really tough among the political parties, which would not be a surprise, there is always Gen. Prem Tinsulanonda, who still wants a chance to return to the premiership. Despite many around him urging him to run for parliament in his home town Songkhla, Prem has chosen to remain neutral. To win a parliamentary seat, he would have had to run under the banner of the Democratic Party, after which he would still have to contend with Bichai Rattakul for the prime minister's post. Whatever the case may be, Prem has decided not take any political chances. He does not need to, because he has the blessings of the powers-that-be, the one vote that really counts. After all, general Prem was recently bestowed with the honorary titles of air chief marshal and admiral.

However, Prem is living in a fantasy world. Criticism in the press against his government has reached such levels that it has begun to disconcert him. His personal psychiatrist, Dr. Prasop Ratanakorn, is extremely worried about his mental health. Reportedly, Prem has been advised not to have his morning papers with his breakfast anymore. Prem is nonetheless assured of his popularity: Everywhere he goes in the provinces, his propitiatory cronies in the ministry of the interior organize "We Love Prem" banners and signboards.

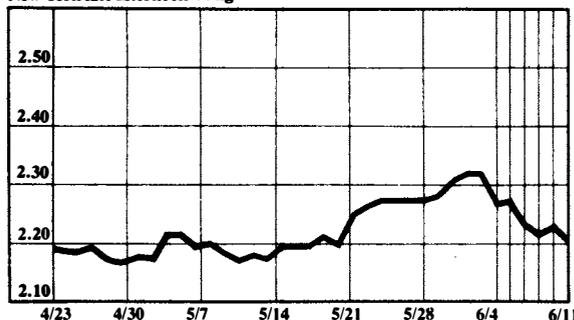
The same cronies do not hesitate to propose that, to gain a competitive margin for Thai rice, production costs must be cut. How? Very simple: Just stop using any machinery and chemical fertilizer and use buffaloes and cow dung instead. Again recently, Dr. Virabhongsa Ramangkura, economic adviser to the prime minister and loyal disciple of the Wharton School's Lawrence Klein, announced: "The Thai economy will recover and register a growth in the second half of this year."

If Prem wiggles his way into the prime minister post again—apparently because he badly wants to have the honor of presiding over the royal 60th anniversary celebrations of King Bumiphol Adulyadej—the country will be heading straight into the same trap the IMF laid for the Philippines. The future of Thailand is not written in the stars. It is not written in the palm of any national figure. Thailand as a nation is at a crossroads and the right choice must be made.

## Currency Rates

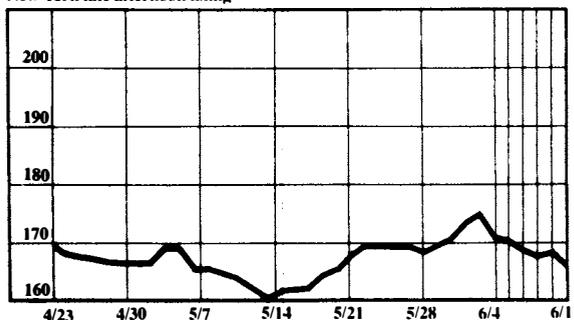
### The dollar in deutschemarks

New York late afternoon fixing



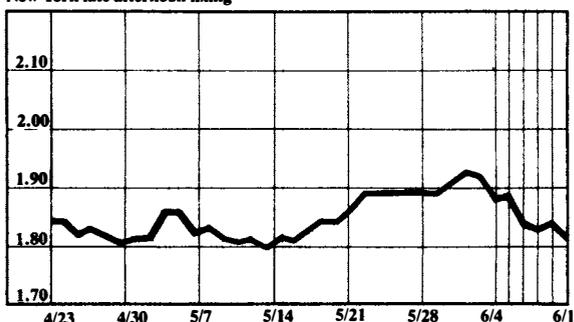
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

