

THAILAND: THE PATH TOWARD RECONCILIATION

HEARING

BEFORE THE

SUBCOMMITTEE ON ASIA, THE PACIFIC AND
THE GLOBAL ENVIRONMENT

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

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THAILAND: THE PATH TOWARD RECONCILIATION

THURSDAY, JUNE 10, 2010

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA, THE PACIFIC
AND THE GLOBAL ENVIRONMENT,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:45 p.m., in room 2172, Rayburn House Office Building, Hon. Eni F.H. Faleomavaega (chairman of the subcommittee) presiding.

Mr. FALEOMAVAEGA. The Committee on Foreign Affairs, Subcommittee on Asia, the Pacific and the Global Environment will come to order. The hearing today is to review the current crisis in Thailand. I know that my good friend, ranking member of the subcommittee, Mr. Manzullo, will be here later, and I am sure other members of the subcommittee will also join us. I am very appreciative of our experts who will be testifying, especially my good friend, Secretary Marciel, for taking time from his busy schedule to participate in this hearing this afternoon.

So I will proceed with my opening statement.

I had the privilege of meeting earlier this afternoon with the Special Envoy of the Prime Minister of Thailand. He is meeting with various officials in the administration and Members of Congress. For the life of me, I have a very difficult time pronouncing his name. I thought my name was bad. I will learn to get the rest of his name for the record down the line. I would like to proceed now with my opening statement for this hearing this afternoon.

For over 5 years, the people of Thailand have seen their country embroiled in political strife, principally, but not exclusively, between two groups commonly referred to as the Yellow Shirts and the Red Shirts. The tension between the previous government under Prime Minister Thaksin Shinawatra and the Yellow Shirts led to a military coup in 2006 and the exile of Prime Minister Thaksin.

After 1 year of rule by an interim government established by the coup, control of the country reverted to a democratically-elected government. But the political strife continued, peaking with the recent Red Shirt antigovernment demonstrations in Bangkok, which left over 80 people dead. The bloodshed and ongoing instability is cause for concern for the United States as well as for Thailand's many other friends in the region and in the world.

Although relative calm has returned to Bangkok in recent days, most of the contentious issues remain unresolved. Indeed, the re-

cent riots and crackdowns appear to have deepened divisions within Thai society. The process of reconciliation must be reinvigorated, hopefully, and properly, or tensions will remain, and the risk of further violence and instability will grow.

I honestly believe the five-point plan proposed by Prime Minister Abhisit in early May of this year provided the right starting point for such a process. The plan called for all parties to uphold the monarchy, to resolve fundamental problems of social justice, to ensure that the media could operate freely and constructively, to create an independent committee to investigate casualties of the recent crackdowns and to carry out political reforms resulting in fresh elections that I believe were to be called this November. The plan formed the most pragmatic and plausible path toward an amicable return to stability, democracy and the rule of law.

Just today, in a nationwide telecast, Prime Minister Abhisit called on all Thais to participate in the five-point plan for reconciliation. As a start, a religious ceremony involving five religious faiths was held this morning. The Prime Minister also asked leaders across the spectrum to gather opinions over the next 2 weeks on how best to implement the road map through meetings, which the Prime Minister and his Cabinet would facilitate. In addition, he announced that a committee to review the Constitution was being formed and next week the government would organize an assembly of three agencies—the National Economic and Social Development Board; the National Health Insurance Board; and the Thai Health Promotion Foundation—to gather opinions on how to solve the problems of social disparities.

Thailand has gone through political crises in the past, including the Black May crisis of 1992; student massacre at Thammasat University in 1976; and the student uprising in 1973. What we have witnessed over the past few months, however, exceeds all of these in terms of those injured and killed, as well as the depth of the social fissures underlying the crisis. There is no doubt that Thailand has entered a critical period, one that could determine the direction of the country for years to come.

Clearly the conflict in Thailand is an internal issue, and only the people and the leaders of Thailand can chart their way toward a resolution. Yet, as a close friend of Thailand, we should stand by the country during this difficult period and encourage the Thai Government and the people of Thailand to move toward reconciliation and the rule of law.

It was with those words in mind that I introduced House Resolution 1321 last month expressing the sense of the House of Representatives that the political situation in Thailand be resolved peacefully and democratically. While that resolution has yet to advance, on May 24, the Senate introduced and adopted Senate Resolution 538, which was based on House Resolution 1321, and which expressed precisely the same position. I continue to believe the House should pass its own resolution due to the importance of the bilateral relationship. Our long history of friendship gained official sanction in 1833 when Thailand became the first treaty ally of the United States in the Asia-Pacific region.

In recent decades we have strengthened our ties to the military alliance we forged in 1954, through our designation of Thailand as

a major non-NATO ally in 2003 and Thailand's valued contributions of troops in support of our U.S. military operations in Korea, Vietnam, the Persian Gulf, Afghanistan and Iraq.

I just want to note for the record that, in my service as a Vietnam veteran, I will never forget the contributions and what it means to have a friend in those days of the Vietnam War. Thailand was one of our most important allies, and I will say this publicly to my colleagues and to the people, on behalf of our country, we are grateful for all that Thailand has done as a close friend and ally of the United States.

Thailand has also been a major trading partner of the United States, a regional leader, a force for stability in Southeast Asia and a country with which we share common values and interests. The United States has always appreciated Thailand's many international contributions and we respect and admire its unique culture.

Just prior to this hearing, His Excellency Mr. Kiat Sittthiamorn, Special Envoy of the Prime Minister, met with the members of the Foreign Affairs Committee and gave a first-hand account of the issues confronting Thailand. The crisis is complex and multidimensional, one that involves political conflict, economic tensions, social strifes and personal enmities. Fortunately, we have with us today our good friend Deputy Assistant Secretary Marciel and a group of experts to help us understand the things happening in Thailand, and they will be sharing with us their testimony as well.

[The prepared statement of Mr. Faleomavaega follows:]

COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

STATEMENT OF
THE HONORABLE ENI F.H. FALEOMAVAEGA
CHAIRMAN

before the
SUBCOMMITTEE ON ASIA, THE PACIFIC AND THE
GLOBAL ENVIRONMENT

“Thailand: The Path Toward Reconciliation”

June 10, 2010

For over five years, the Thai people have seen their country embroiled in political strife principally, but not exclusively, between two groups: the Yellow Shirts and the Red Shirts. The tension between the previous government of Prime Minister Thaksin Shinawatra and the Yellow Shirts led to a military coup in 2006 and the exile of Mr. Thaksin.

After one year of rule by an interim government established by the coup, control of the country reverted to a democratically-elected government. But the political strife continued, peaking with the recent Red Shirt anti-government demonstrations in Bangkok that left over 80 people dead.

The bloodshed and ongoing instability are a cause for concern for the United States as well as for Thailand’s many other friends around the world. Although relative calm has returned to Bangkok in recent days, most of the contentious issues remain unresolved. Indeed, the recent riots and crackdowns appear to have deepened divisions within Thai society. A process of reconciliation must be reinvigorated promptly or tensions will remain, and the risk of further violence and instability will grow.

I honestly believe the five-point plan, proposed by Prime Minister Abhisit Vejjajiva in early May of this year, provided the right starting point for such a process. The plan called on all parties to uphold the monarchy, to resolve fundamental problems of social justice, to ensure that the media could operate freely and constructively, to create an independent committee to investigate casualties of the recent crackdowns and to carry out political reforms resulting in fresh elections. The plan formed the most pragmatic and plausible path toward an amicable return to stability, democracy and the rule of law.

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Thailand has gone through political crises in the past, including the Black May Crisis of 1992, the student massacre at Thammasat University in 1976 and the student uprising of 1973. What we have witnessed over the past three months, however, exceeds all of these in terms of those injured and killed as well as in the depth of the societal fissures underlying the crisis. There is no doubt that Thailand has entered a critical period, one that could determine the direction of the country for years to come.

Clearly, the conflict in Thailand is an internal issue, and only the Thai people and their leaders can chart their way toward its resolution. Yet, as a close friend of Thailand, we should stand by the country during this difficult period and encourage the Thai government and the people of Thailand to move toward reconciliation and the rule of law. It was with those views in mind that I introduced H. Res. 1321 last month, expressing the sense of the House of Representatives that the political situation in Thailand be solved peacefully and through democratic means. While that resolution has yet to advance, on May 24, 2010, the Senate introduced and adopted S. Res. 538, which was based on the H. Res. 1321 and which expressed precisely the same position.

I continue to believe that the House should pass its own resolution due to the importance of the bilateral relationship. Indeed, our long history of friendship gained official sanction in 1833 when Thailand became the first treaty ally of the United States in the Asia Pacific region. In recent decades, we have strengthened our ties through the military alliance we forged in 1954, our designation of Thailand as a major non-NATO ally in 2003 and Thailand's valued contributions of troops and support to U.S. military operations in Korea, Vietnam, the Persian Gulf, Afghanistan and Iraq.

When I served during the Vietnam War, I directly saw the enormous contributions made by the Thai people. I experienced what it meant to have a friend along in our efforts as Thailand was one of our most important allies in the effort. On behalf of our country, I want to say how grateful we are for all that Thailand did during that period – and before and after – as a close friend and ally of the United States.

Thailand is also a major trading partner of the United States, a regional leader, a force for stability in Southeast Asia and a country with which we share common values and interests. The United States has always appreciated Thailand's many international contributions, and we respect and admire its unique culture.

Just prior to this hearing, His Excellency, Mr. Kiat Sitttheeamorn, Special Envoy of the Prime Minister of Thailand, met with Members of the Foreign Affairs Committee and gave a first-hand account of the issues confronting Thailand. The crisis is complex and multidimensional, one that involves political conflicts, economic tensions, social rifts and personal enmities. Fortunately, we have with us today the right people to help us understand the problems facing the country and to offer their thoughts on how the United States can best support Thailand.

Mr. FALCOMA. And with that, I would like to begin the hearing by having our Deputy Assistant Secretary for East Asian and Pacific Affairs and Ambassador to ASEAN, Secretary Scot Marciel, as our first witnesses this afternoon. Secretary Marciel is a career member of the Senior Foreign Service and has served in posts in Vietnam, the Philippines, Hong Kong, Brazil and Turkey, and as staff in the Economic Bureau's Office of Monetary Affairs. He is a resident of California, a graduate of the University of California at Davis—actually you should have gone to Berkeley, but that is okay, I forgive you—and the Fletcher School of Law and Diplomacy. He is married and has two daughters.

Secretary Marciel.

STATEMENT OF THE HONORABLE SCOT MARCIEL, DEPUTY ASSISTANT SECRETARY AND AMBASSADOR FOR ASEAN AFFAIRS, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. MARCIEL. Thank you very much, Mr. Chairman, Ranking Member Manzullo, and members of the subcommittee. Thank you very much for inviting me here today to discuss recent events in Thailand, our longtime friend and treaty ally in Southeast Asia.

While the streets of Bangkok have returned to relative calm, the situation remains fragile, and the issues that must be addressed for calm to become stability are complex and challenging. Thailand has just experienced the worst political violence in a generation. The causes of the recent events are complex, and the consequences are not easy to predict. We were greatly saddened by the loss of life that resulted from the clashes. One hopeful sign, however, is that the Thai political debate now is once again taking place in the Parliament rather than through violent street protests.

Our friendship with Thailand is based on a relationship that spans over two centuries and a common set of values that define our two peoples. Among these are a commitment to democracy; an emphasis on good governance, accountability, and transparency in the actions of government; and the rights of peaceful freedom of assembly and expression. These values are an integral part of the vibrant society that Thailand is today, and they serve as important touchstones for all sides in efforts to chart a path forward to national reconciliation.

The importance to the United States of our long-standing friendship with Thailand cannot be overstated. As one of only five U.S. treaty allies in Asia, Thailand remains crucial to U.S. interests in the Asia-Pacific region and beyond. The U.S. mission in Thailand, one of the largest in the world, affords the United States a regional operating platform that would be difficult to replace elsewhere. Our bilateral relationship provides incalculable benefits in health, security, trade and investment, in law enforcement cooperation, and humanitarian assistance to refugees to both countries.

The last several years have been turbulent for Thailand. The restoration of elected government in early 2008 ended the short-lived post-2006 coup interim government, but left major divisions in the Thai body politic. Court decisions forced two Prime Ministers from office in 2008, and three times in the past 2 years the normal patterns of political life took a back seat to disruptive street protests.

The yellow-shirted People's Alliance for Democracy occupied Government House from August to December 2008, shutting down Bangkok's airports for 8 days, to protest governments led by the People's Power Party, the heir to the Thai Rak Thai Party of deposed Prime Minister Thaksin.

The fall of the PPP-led coalition government in December 2008 and its replacement by the current coalition reversed the previous political configuration. In April 2009, the red-shirted United Front for Democracy against Dictatorship, UDD, disrupted a regional Asian summit, ASEAN summit, and sparked riots in Bangkok after Mr. Thaksin, now a fugitive in the wake of his conviction on abuse of power charges, called for revolution to bring him home.

Neither of these earlier protest cycles, however, approached the March 12 to May 19 crisis in terms of the human and financial toll exacted. The crisis, which paralyzed the government, left 88 people dead and caused an estimated \$1.5 billion in arson-related property losses, accentuated major political cleavages in the Thai population.

Throughout the recent turmoil, the United States has been active in promoting dialogue, reconciliation, and the peaceful settlement of political disputes. Secretary Clinton, for example, released a video message to the Thai people on April 13 urging peaceful dialogue. Our embassy in Bangkok engaged with Thai Government officials at all levels as well as leaders of the opposition Red Shirt movement to underscore both the value we place on our relationship with Thailand and the importance of resolving political differences through compromise rather than force or violence. We also worked to ensure that we were doing everything possible to protect the safety and well-being of American citizens in Thailand.

While the government succeeded in ending the protest and restoring order, the fundamental divisions within Thai society that lie at the root of the political tensions remain. We welcome Prime Minister Abhisit's vow to follow through on the reconciliation road map proposal he originally put forward with the goal of ending the UDD protest peacefully. We support the establishment of an independent fact-finding commission to review the incidents of violence from March through May and determine who is responsible.

While this would be a positive first step, it should not be the last. Now more than ever it is critical for all Thai actors to promote dialogue and reconciliation, to recognize the legitimate grievance of Thai citizens, to support the equal and impartial application of the law, and to foreswear the use of violence to resolve political differences.

The Prime Minister's original proposal included a date in November for early elections. He has since indicated that conditions in Thailand do not allow for November elections. The door to early balloting is not closed, however, and while it will be up to the Thais to work out the date, the Prime Minister's own plan acknowledged that democratic elections are an important part of reconciliation.

The United States has stressed consistently that all sides should work out differences within Thailand's democratic framework and without resorting to violence. Assistant Secretary Campbell reiterated this point on his recent visit to Bangkok. The right to peaceful

assembly is a key component of Thai democracy, but Thais must also exercise their responsibility not to let that peaceful assembly turn violent. Responsible leaders across the Thai political spectrum and in civil society need to emphasize to their supporters that in a democracy, violence has no place in politics. Leaders who refuse to condemn violent acts do a disservice to their cause, to their supporters, and to their country.

Thailand remains one of our oldest treaty allies in Asia and our close friends. The United States can be a source of support as the Thai work to resolve the issues that still divide them, but it is the Thai people themselves who must make the difficult choices on how to proceed. For our part, the United States will continue to do what we can to promote reconciliation among the Thai people and to preserve and strengthen this enduring friendship.

Thank you, Mr. Chairman, and I am pleased to answer questions.

[The prepared statement of Mr. Marciel follows:]

THAILAND: THE PATH TOWARD RECONCILIATION

Testimony of Scot Marciel
Deputy Assistant Secretary of State
East Asia and Pacific Affairs before the
House Foreign Affairs Committee,
Subcommittee on Asia, the Pacific and the Global Environment
June 10, 2010

Chairman Faleomavaega, Ranking Member Manzullo, Members of the Subcommittee, I am pleased to be able to come before you today to discuss recent events in Thailand, our long-time friend and treaty ally in Southeast Asia. While the streets of Bangkok have returned to relative calm, the situation remains fragile, and the issues that must be addressed for calm to become stability are complex and challenging. Thailand has just experienced the worst political violence in a generation. The causes of the recent events are complex and the consequences are not easy to predict. We were greatly saddened by the loss of life that resulted from the clashes. One hopeful sign, however, is that the Thai political debate is once again taking place in the Parliament rather than through violent street protests.

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years the normal patterns of political life took a back seat to disruptive street protests. The yellow-shirted People's Alliance for Democracy (PAD) occupied Government House from August to December 2008, shutting down Bangkok's airports for eight days, to protest governments led by the People's Power Party (PPP), the heir to the Thai Rak Thai Party of deposed former Prime Minister Thaksin Shinawatra.

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Thailand remains one of our oldest treaty allies in Asia and our close friend. The U.S. can be a source of support as the Thai work to resolve the issues that still divide them, but it is the Thai people themselves who must make the difficult choices on how to proceed. For our part, the United States will continue to do what we can to promote reconciliation among the Thai people, and to preserve and strengthen this enduring friendship.

Mr. FALEOMAVAEGA. Thank you.

We are joined by the ranking member of the subcommittee, my good friend from Illinois, for his opening statement.

Mr. MANZULLO. Thank you, Mr. Chairman, for calling this very important hearing.

America's relationship with Thailand dates back over 177 years to 1833, in the days of President Andrew Jackson. Thailand remains an important friend of the United States, and we value the relationship.

The Ambassador of Thailand to the United States recently paid an official visit to the congressional district that I represent and Rockford College, which I have the honor to represent. We truly appreciate his visit. It was a rare opportunity for college students to ask questions of an ambassador, and he is a truly witty man, and we are absolutely thrilled he took the time to come out and spend time with these young people.

We urge the good people of Thailand to seek peaceful and non-violent ways in which to express their disagreement. We also urge the Royal Thai Government to hold elections as soon as feasible. Most importantly, elections resulting from a free and fair process have to be respected. I understand that the current crisis has many dimensions and goes beyond Red Shirts and Yellow Shirts; however, our desire is to encourage a genuine reconciliation amongst the good people of Thailand.

We look forward to hearing the second panel.

I appreciate, Mr. Marciel, your excellent testimony and the number of years you spent working on this issue. I know it has got to be very dear to your heart.

Thank you, Mr. Chairman.

Mr. FALEOMAVAEGA. I thank the gentleman from Illinois.

Mr. Secretary, as I recall, in recent years when there was a military coup in Thailand, we immediately imposed sanctions. Are those sanctions still in place or have they been lifted?

Mr. MARCIEL. Mr. Chairman, you are right. After the coup in 2006, we did put in place sanctions as required by law because we determined it was a military coup under the law. We lifted those sanctions after the subsequent elections at the end of 2007, I believe it was. Early 2008.

Mr. FALEOMAVAEGA. Which raises another question. I wanted to dialogue with you on the question of sanctions. I know our law does stipulate that whenever there is a military coup, we put on sanctions. But there was a tremendous sense of disappointment as I met with the leaders of Thailand. They felt betrayed. They felt that the United States should not have put these sanctions in place for the simple reason that this is an internal matter, and that the government and the people were trying every way possible to reconcile and go back to a democratic form of government.

Do you think this law still has merit? Because here is another instance when there was a military coup that took place in Pakistan, by I think a general named Musharraf. For 8 years the coup was in place and we did not put any sanctions on Pakistan. Somewhat of a contradiction, in my humble opinion.

Should there be a better way of measurement on how our Government should react or respond to coups? Each country has their

own particular situation. As to why the coup took place in Pakistan, which we didn't put any sanctions—in fact, we gave Pakistan billions of dollars, and for our own reasons. But when a friendly ally like Thailand had a coup for whatever reasons, we put the same onus on them and make them feel like they are a hostile and undemocratic country. And I wanted to ask your opinion, do you think the law is good? Is it a good law?

Mr. MARCIEL. Thank you very much, Mr. Chairman. A couple of comments, if I could.

One, you are right that a number of people in the government, the postcoup interim government, complained about the imposition of sanctions, which was a cutoff of assistance, certain types of assistance. It wasn't sanctions of the sense of ending trade or banning investment; it was rather limited. Others, I have to say, in Thailand criticized us for not being tough enough and not responding harshly enough, asking were we sending an adequately strong message about our democratic values. So we kind of got it from both sides, to be perfectly honest.

I think the key for me is that the sanctions are one piece of the reaction, as you know, mandated by law. I think the bigger picture, though, is how we tried to deal with that government. We did not become an enemy or hostile to Thailand at all. We made it clear throughout this period—and I remember it well because it was a difficult period when a country that is an ally and a close friend and is important to all of us was going through a difficult period. We had to impose these sanctions, but we also did work very carefully and very closely with the government and others in Thailand to try to help them move forward out of this situation.

So I think we played a positive role, despite the requirement to impose those sanctions, in helping Thailand to move on to the next step postcoup and back to democracy.

Mr. FALEOMAVAEGA. Do you think perhaps rather than just immediately—because the law dictates as soon as a coup is committed that we apply sanctions—do you think the law could be revised, or amended at least, to give the administration or Congress a little leeway or time to examine the given sanctions so that we don't put sanctions automatically in the way that we have done to Thailand and we have done to Fiji, and we don't do it to Pakistan?

Mr. MARCIEL. Mr. Chairman, in all honesty I am not sure that I can speak for the administration on this. Certainly I think it is a worthwhile discussion to have certainly among Congress and between the administration and Congress. But I couldn't give you an authoritative statement from the administration on that.

Mr. FALEOMAVAEGA. Thank you.

The situation and the crisis in Thailand is a lot deeper than the Red Shirts and the Yellow Shirts. We know that. I think there is also the question of the rise of the middle class where they seem to place a very critical emphasis on this Yellow Shirt and Red Shirt problem that we are faced with. I just wanted to ask what is the current situation so far as who really is pulling the strings, thereby causing the Red Shirts to do what they are doing right now? According to media reports, they say Thaksin is behind it, and other reports say that a group of prominent middle-class businessmen might be behind it. It seems every time the government tries to

bring everybody together to reconcile, they suddenly break off the negotiations. Can you elaborate? Can you share with us why there seems to be this uncertainty and—I shouldn't say contradictions, but who is leading the Red Shirts in that respect?

Mr. MARCIEL. Mr. Chairman, that is actually a very good and very difficult question.

I have been working on Southeast Asia off and on for about 25 years. I am not sure I have encountered a situation as complex as the one in Thailand right now in terms of trying to understand the politics. It is extraordinarily complicated. And as you pointed out, it is not as simple as one group against another. There are very many layers and complexities involved.

Certainly we have seen a number of factors at play. One of those is I think there is a general consensus that one of the things that Prime Minister Thaksin did when he was Prime Minister was, if you will—I don't know if it is the right term—empowered a certain part of the population that previously may not have been as active in politics as it was. So you have certain elements of the population more active in politics, which generally is a good thing in terms of strengthening a democracy.

But as far as pulling strings, our view, if I could simplify, would be to say that there are a lot of people out there protesting who have legitimate grievances and complaints. There are also people, including the former Prime Minister, who are encouraging and supporting the protests. I think it would be a mistake to say that it is all Prime Minister Thaksin or anybody else pulling strings. I think our understanding is that was one factor, but that there are thousands of people out there who felt strongly about what they were protesting for. So it is not someone pulling strings, although there are obviously people who are working to support those protests.

Mr. FALCOMA. In our meeting earlier with the Prime Minister's Special Envoy, Mr. Kiat Sittiamorn, he indicated that the current crisis has resulted in a loss of some \$50 billion, affecting the economy of Thailand. Their tourism industry, in particular, has been severely affected by the crisis.

My understanding is that when Prime Minister Thaksin became Prime Minister, he made tremendous advancements in providing help to the poor and destitute in the rural areas. Despite problems that affected the Thai Government's operations, somehow they helped people from the rural areas out in the country, basically people who are low-income level, and this is the reason why he is still so popular among the poor people.

Is he the first Prime Minister who has given substantive attention to the needs of the poor in Thailand? Why does there seem to be such a consistent support stream of people out of the rural areas of the country?

Mr. MARCIEL. Mr. Chairman, I don't know that I would say that he is the first Prime Minister to pay attention to the poor, but he certainly made it a major part of his platform to enact or expand programs that were designed to help rural areas. I think, as I understand it, the current government of Prime Minister Abhisit has actually continued a number of these programs or adjusted them

somewhat, recognizing that some of them had value. So he certainly did play a role there.

Mr. FALEOMAVAEGA. As I recall, Prime Minister Thaksin was taken to court for certain transactions as a businessman. Was it some kind of a telecommunications company that he sold or he purchased? I think he sold his company in Singapore for which he did not pay taxes; is that a fact? Is that true?

Mr. MARCIEL. Mr. Chairman, I don't remember all of the details of it. There was certainly an issue when he sold his telecommunications company, and it got a lot of attention in Thailand, and it was being looked at by the Thai authorities. He was tried for corruption in the middle of 2008. I don't remember exactly what the charges are, but we could get that information to you if I can follow up.

Mr. FALEOMAVAEGA. Can you, please? I would like to make that part of the record.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE SCOT MARCIEL TO QUESTION
ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

Thaksin Shinawatra's sale of a telecommunications business to a foreign firm in 2006 (during his tenure as Prime Minister) prompted allegations of improper tax exemptions and abuse of power. The Thai Securities and Exchange Commission investigation cleared Thaksin of all wrongdoing that year.

In October 2008, after the coup and change of government, the Thai Supreme Court issued an arrest warrant for Thaksin related to the 2006 sale.

In January 2007 the Royal Thai Government charged Thaksin for allegedly improper land purchases, unlawful use of state funds, and obstructing competition against his personal business by imposing an excise tax on telecommunication firms.

Mr. FALEOMAVAEGA. Please, I am not pointing fingers; I am not trying to declare the man guilty, I am simply saying this is one of the problems that he encountered when he was Prime Minister. If there were other issues—was there some kind of a conspiracy or those who opposed him? Were there trumped up charges? Was he basically banished from Thailand, or can he return to Thailand at any time?

Mr. MARCIEL. Mr. Chairman, he was convicted, and he fled Thailand, and so right now he is a fugitive. I don't want to speak for the Thai Government on this. I assume he probably could come back to Thailand, but he would face that conviction and whatever sentence he had.

Mr. FALEOMAVAEGA. I am going to withhold further questions and yield to my good friend from Illinois for his questions.

Mr. MANZULLO. Mr. Chairman, you asked two questions that I wanted to ask. I think if I asked the same questions, I would get the same answer, and I am satisfied with the answers that you gave.

More of an observation than anything, and it doesn't require any comment on your part, is the Thais' tremendous loyalty to a democratic state, for lack of a better word. I have talked to so many Thais, and they really love democracy. And one Thai told me, we love it so much that sometimes the military thinks it must enforce it. I thought that is an interesting comment. And yet whenever there has been a coup, the coup shortly thereafter talks about having elections, a continuous return to democracy. That is what makes the Thai situation so unique, so challenging, but so impor-

tant that we encourage the Thais to work through this process to become even more established in their democratic values and ideals.

I don't know what more the American people or our Government can do to encourage them to do that, because it is really engrained into their spirit.

Did you want to comment on that? You don't have to.

Mr. MARCIEL. Well, thank you, Congressman.

Just briefly I would say that I agree that the Thai people care about their democracy. They want it, and I think Secretary Clinton has said all democracies are works in progress by definition, and the Thai one clearly is, and it is going through a difficult time now. I think there is a strong commitment to democracy among the Thai people, and for that reason I am confident over time they will be able to work it out, but obviously one of the struggles right now is between two—actually more than two, but fundamentally two different visions on how to move ahead.

But I agree with you very much that the Thai are committed to democracy, and that this is something that the American—our role is to be as supportive of the nation and people of Thailand as possible, and to give all possible encouragement for them to work this out with the understanding that they are the ones who will have to work it out.

Mr. MANZULLO. Thank you.

Mr. FALEOMAVAEGA. I thank the gentleman from Illinois for his questions. I was going to follow up with a question he had alluded to earlier. What exactly is the role of the military right now in the Government of Thailand? How much influence does the military have in Thai society, be it business or social?

Mr. MARCIEL. Well, the military certainly has influence in the broader Thai body politic. It is a very respected institution in Thailand. It doesn't play a direct role in politics in the way in some countries military men are in Parliament, that sort of thing.

Mr. FALEOMAVAEGA. How big is the Thai military?

Mr. MARCIEL. I don't know.

Mr. FALEOMAVAEGA. Can you provide that for the record?

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE SCOT MARCIEL TO QUESTION
ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

The estimated size of the Royal Thai Army is approximately 200,000 personnel and consists of seven infantry divisions, one armored division, one cavalry division, two special forces divisions, one field artillery division, and one air defense artillery division.

According to Royal Thai Government figures, the 2009 Thai military budget was 170 billion baht (\$5.2 billion), or 8.2 percent of the total national budget and 1.9 percent of Thailand's GDP. The RTG has budgeted 155 billion baht (\$4.8 billion) for 2010, a decrease of approximately nine percent.

The Thai military controls a few businesses but does not have a major role in the Thai economy. The military supervises a battery factory and tanning plant as well as small military-related production of uniforms, small arms and other items for military personnel use. The Thai military controls some media outlets, such as TV Channel 5 and numerous radio stations. According to the Thai Ministry of Finance, these businesses are taxed and their revenues are used mostly for internal operations.

Mr. FALEOMAVAEGA. I am also curious how much the Thai Government pays into its military budget, and how it affects the entire

defense structure of Thailand. I would appreciate if you can provide that for the record.

Mr. MARCIEL. I will be happy to do that.

Mr. FALEOMAVAEGA. Is the military also involved in businesses like those other countries? I am curious.

Mr. MARCIEL. I have to say, Mr. Chairman, I am going to have to get back to you on that. I think there is some involvement, but it is not something that I have followed. I will have to get you an answer on that.

My guess is one of the experts on the panel that follows me will be able to give you an answer on that.

Mr. FALEOMAVAEGA. A good example of this is Indonesia. This has been one of the most difficult problems in controlling their military, because they are involved in business and a lot of illegal business goes on in Indonesia. I was wondering if the same is true of Thailand.

How much trade do we currently conduct with Thailand, in terms of our investments?

Mr. MARCIEL. Mr. Chairman, I am afraid I am on a losing streak here.

Mr. FALEOMAVAEGA. I think they should fire your political staff behind you for not giving you this good information.

Mr. MARCIEL. I apologize. That is something I should have at my fingertips, and I don't, but we will get that to you.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE SCOT MARCIEL TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

For 2009, U.S. exports to Thailand amounted to \$6.9 billion and U.S. imports from Thailand totaled \$19.1 billion.

According to the Commerce Department's Bureau of Economic Analysis, U.S. foreign direct investment (FDI) in Thailand on a historical cost basis was \$9.128 billion in 2008 (latest data available).

The U.S. goods and services trade with Thailand totaled \$35 billion in 2007 (latest data available). Exports totaled \$10 billion; imports totaled \$25 billion. The U.S. goods and services trade deficit with Thailand was \$14 billion in 2007.

Thailand is currently the United States' 23rd largest goods trading partner with \$26 billion in total (two ways) goods trade during 2009. Goods exports totaled \$6.9 billion; goods imports totaled \$19.1 billion. The U.S. goods trade deficit with Thailand was \$12.2 billion in 2008. Trade in services with Thailand (exports and imports) totaled \$3.4 billion in 2008 (latest data available). Services exports were \$1.7 billion; services imports were \$1.7 billion. According to Thai Government statistics, in 2009, Thai imports from ASEAN amounted to \$26.9 billion and Thai exports to ASEAN reached \$32.4 billion.

Mr. FALEOMAVAEGA. What is the population of Thailand?

Mr. MARCIEL. It is about 65-70 million.

Mr. FALEOMAVAEGA. I will give you a gold star for that.

Mr. MARCIEL. Thank you, Mr. Chairman, for giving me a question I can answer.

Mr. FALEOMAVAEGA. I do want to thank you and I do want to thank Secretary Clinton for her interest in making sure that our involvement is constructive and positive, and in assuring the people of Thailand that the United States stands ready to help in any way.

I think my good friend from Illinois mentioned something about democracy. Correct me if I am wrong, Mr. Secretary, but there is no perfect democracy in this world today; am I wrong on that?

Mr. MARCIEL. You are not wrong on that.

Mr. FALEOMAVAEGA. And I might add that democracy is nothing but an experimentation. It is a process. It took us 200 years to give African Americans the right to vote, or something like that, and we are still not there yet. We would like to see Mother Liberty with the blindfold and say that the Constitution is color blind, and that we look to the character of the person as the essence and not so much the color or ethnicity or nationality. I suppose that is the essence of democracy for which we strive, and I think we sometimes tend to forget that we try to democratize all other countries based on our application of democracy. Do you agree with that; do you think Thailand should follow our democratic system? We don't have a king, that is for sure.

Mr. MARCIEL. I guess I would put it this way, Mr. Chairman. You are right, there is no perfect democracy. We are all working to strengthen our democracies. I think democracies can learn from each other. We all, and certainly you all, try to strengthen our democracy, and that is the best we can do. Others may chose to follow to some extent or take some lessons from it, and we obviously follow what others do as well and sometimes learn lessons from others.

Mr. FALEOMAVAEGA. What do you consider to be the most critical issue for our country, in terms of our relationship with Thailand that should never waiver or never be lessened in any way? I guess the word "security" comes to my mind in terms of our relationship with an important country like Thailand. How is our security relationship currently working with Thailand?

Mr. MARCIEL. Our security relationship with Thailand is very good. Our military has worked together very well. Thailand continues to host annually the Cobra Gold exercise, which, as you know, is a very large, multilateral exercise. And overall there is extremely good cooperation in many ways on the military side as well as on the law enforcement side, including with Thailand hosting a regional law enforcement academy which plays a very positive role.

In my view, the most important thing for the United States, important as the security relationship is, the most important thing for the United States to keep in mind now as Thailand goes through this period, we are, as I said earlier, friends with the entire nation and all of the people of Thailand, and that is something that we need to remember constantly as they go through this crisis with different groups debating each other.

Mr. FALEOMAVAEGA. It is very interesting to note with interest Cambodia, Vietnam, I believe even Laos, their principal trading partner right now is China. And I am just curious, where does Thailand fall into this?

Mr. MARCIEL. Thailand is also a significant trading partner for all of those countries. Trade among the ASEAN countries has increased at a rapid rate, and with the advent of the ASEAN Free Trade Agreement this year, we can expect that to continue to increase. I can get you numbers on the trade, but it is certainly important, as well as Thai investment in those countries.

Mr. FALEOMAVAEGA. Please. And in your capacity also as Ambassador to the ASEAN organization, I am just curious, there have been recent reports of Myanmar's interest in developing a nuclear

weapon, and I was wondering if this would have serious implications for those countries in Southeast Asia if Myanmar seeks to do the same thing like in North Korea. North Korea now has eight atom bombs, or something like that?

Mr. MARCIEL. We have certainly read with interest the recent reports on a possible nuclear initiative by Burma. I can't say too much about it in an open hearing, but obviously we follow it very carefully.

I think there are two issues. One is whether there is some kind of serious nuclear program in Burma, which certainly would be tremendously destabilizing to the entire region. And second is also the Burmese acquisition of other military equipment, conventional, which also can affect regional stability. So we are looking at both of those questions very closely.

Mr. FALEOMAVAEGA. Can you also provide for the record the number of Thai Americans we have in our country? Besides Tiger Woods.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE SCOT MARCIEL TO QUESTION
ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

According to "We the People: Asians in the United States," Census 2000 Special Reports, CENSR-17, issued in December 2004, page 1, 110,850 respondents reported to be of Thai origin. An additional 39,243 respondents identified themselves as being of mixed Thai heritage. If both groups of respondents are included, there were 150,093 Asians with Thai heritage in the U.S. in 2000. The 2010 Census figures are not available yet.

Mr. FALEOMAVAEGA. Do you know that Tiger Woods is more Thai than African American because his mother is from Thailand? I don't know how many Americans know that.

I think we currently have 690,000 foreign students who attend American colleges and universities. And the number one country is China with 100,000; India with about 90,000. I am curious, how many students from the ASEAN countries attend American colleges and universities?

I have always firmly believed this is probably one of our most important assets—allowing students from all over the world to come and study in America and see America for what it is, and to understand and appreciate the institutions and what we are striving for. I am just curious if Thailand is also in that light in terms of the number of students from Thailand who are currently attending our American colleges and universities.

Mr. MARCIEL. Mr. Chairman, I absolutely agree that it is very much good for the United States, as well as for the sending countries, to have students studying in the United States. I can get you the numbers for all of ASEAN and for individual countries. Thailand is a major—I have the numbers here. Great.

We currently have almost 9,000 students from Thailand studying in the United States. Sorry, this is actually from a couple of years ago, a few years ago. Thailand, almost 9,000; Indonesia, a little over 7,000; Vietnam, 6,000; and China at this point 67,000. So that is extraordinarily high. But overall for ASEAN, the numbers have been going up. Certainly from Vietnam, they have been going up very rapidly. Indonesia, they have gone down somewhat, which is

a concern for us. And Thailand, it is more stable. I can get you all of the numbers.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE SCOT MARCIEL TO QUESTION
ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

According to the 2009 *Open Doors* report, the numbers of ASEAN students studying at U.S. universities and colleges during the 2008/2009 academic year (the most recent available statistics) are as follows:

| | |
|-------------|--------|
| Brunei | 39 |
| Burma | 667 |
| Cambodia | 386 |
| Indonesia | 7,509 |
| Laos | 80 |
| Malaysia | 5,942 |
| Philippines | 4,226 |
| Singapore | 3,989 |
| Thailand | 8,736 |
| Vietnam | 12,823 |
| ASEAN Total | 44,397 |

Mr. FALEOMAVAEGA. This is a program that our Government should engage in—to encourage and bring students from the ASEAN countries to study in our colleges and universities.

Mr. MARCIEL. We do have a number of programs, Fulbright obviously, but other programs that provide scholarships or otherwise encourage students from ASEAN to study in the United States. We are always talking about how we can do more. In the President's planned trip to Indonesia, looking at how we can encourage more Indonesian students here is a big priority for us. So, yes, it is something that we should be doing.

Mr. FALEOMAVAEGA. It is my understanding that the President's trip to Indonesia has been cancelled again. Is there any indication when he might be doing this in the coming months? This is three times now that he has cancelled the trip.

Mr. MARCIEL. He has postponed the trip, Mr. Chairman, I believe, because of the environmental crisis in the Gulf of Mexico, but still intends to go, but there is not a new date set yet.

Mr. FALEOMAVAEGA. I note with interest during the Presidential campaign there was a national blog that said that I, humble me, was specially appointed as an agent of Barack Obama to go to Indonesia, which I did. I went to Indonesia to go to the school that he attended, to make sure that there was no indication whatsoever that Barack Obama was born in Indonesia. Say hello to the birthers for me on that.

But at any rate, Mr. Secretary, thank you very much for your patience and good humor in seeing this through. I do want very much to do all we can, at least as Members of Congress, to be as helpful as we can to the people and good leaders of Thailand.

Did you want to add any more to your statement?

Mr. MARCIEL. Thank you, Mr. Chairman.

Only that the administration view is exactly the same. The United States wants to do all we can to help our friends in Thailand get through this, and we hope the administration and the Congress can work together in support of the Thai people and—

Mr. FALEOMAVAEGA. And the administration is supportive of the five points outlined by the Prime Minister in May?

Mr. MARCIEL. That is right, Mr. Chairman, we are.

Mr. FALEOMAVAEGA. Thank you, Mr. Secretary, and thank you for coming.

Mr. FALEOMAVAEGA. We have some good experts here on our next panel. Our second panel includes Dr. Karl Jackson, Dr. Richard Cronin and Ms. Catharin Dalpino.

Dr. Jackson is the director of the Asian Studies program at the School of Advanced International Studies at Johns Hopkins University. A C.V. Starr distinguished professor of southeast asian studies, he also serves as the director of the Southeast Asia Studies program at the SAIS. Until 1991, he was professor of political science at the University of California, Berkeley—go, Bears—where he began teaching in 1972.

Dr. Jackson served as the National Security Adviser to the Vice President from 1991 to 1993. Prior to that he was Special Assistant to the President for National Security Affairs, and was also senior director for Asian affairs at the National Security Council. Mr. Jackson served as a Deputy Assistant Secretary of Defense of East Asian Affairs. He also was the president of the U.S.-Thailand Business Council. He has written several books and is very much up to date on the situation in Thailand.

Professor Dalpino is a former diplomat, scholar, international organizations professional staff member and program manager of an NGO. She has been a university professor for over 10 years, teaching courses in international relations, human rights and democracy promotion, politics and security and international relations in Southeast Asia.

Ms. Dalpino was Deputy Assistant Secretary of State for Democracy, Human Rights and Labor for 5 years, where she had special responsibilities for U.S. policy in China, Indonesia, Burma, Bosnia, Haiti and Rwanda. She also led the U.S. delegation to the Group of 24, which coordinates democracy promotion assistance to Eastern Europe. Prior to joining the State Department, Ms. Dalpino was a policy analyst for the World Bank and an officer at the Asia Foundation, where she served as the Foundation's resident representative for Thailand, Laos and Cambodia.

In 1997, Ms. Dalpino became a fellow at the Brookings Institution, where she researched and wrote on U.S.-Asian relations for 7 years. During this time, she taught at Georgetown University, Johns Hopkins University School of Advanced International Studies and also George Washington University. She has also directed projects on U.S. Relations in Southeast Asia for the Stanley Foundation, on Agent Orange in Vietnam for the Aspen Institute and on U.S.-Cambodian relations for The Asia Society. She has written three books on U.S. policy toward Asia.

Dr. Richard Cronin is a senior associate and director of the Southeast Asia program at the Stimson Center, a nonprofit organization dealing with foreign security policy, in Washington, DC.

Dr. Cronin currently works on transboundary and nontraditional security issues in the Mekong Basin and Southeast Asia from a political economy perspective. He has written and coauthored several articles on Thailand's regional relations and the political crisis that

culminated in the May 19 violence for the Stimson Foundation's home page. He is also lead and coauthor of several books. My gosh, I can go on and on here.

He has taught comparative Asian political economy at Johns Hopkins and Chuo University in Tokyo, and was also a Vietnam veteran intelligence officer in the U.S. Army 1st Infantry Division in 1965 and 1966. I was there 1967 and 1968, so you left before I came.

I want to thank you very much for your presence and coming here to testify to the subcommittee.

If I may, I would like to give the honor to Professor Dalpino for her opening statement.

STATEMENT OF MS. CATHARIN E. DALPINO, VISITING ASSOCIATE PROFESSOR, ASIAN STUDIES PROGRAM, EDMUND A. WALSH SCHOOL OF FOREIGN SERVICE, GEORGETOWN UNIVERSITY

Ms. DALPINO. Thank you, Mr. Chairman.

Mr. Chairman, my views on this topic today are informed by living and working in Thailand over a span of three decades and my present work as director of Thai studies at Georgetown University, but I haven't focused my statement on the very rich history of U.S.-Thailand relations. I would like to focus very specifically on the current state of the reconciliation process in Thailand and what it might take to put that process on firmer ground.

Mr. FALCOMA. Without objection, all of your statements will be made part of the record. If you have any added materials, things to add, we are happy to receive them.

Ms. DALPINO. Mr. Chairman, it has been frustrating to some of us who follow Thai affairs to watch the coverage over the past few years in Thailand, because I think in particular the international community is sometimes given to what I would describe as the myth of monoliths, of being able to parse this crisis into Red Shirt versus Yellow Shirt, rural versus urban, rich versus poor, even authoritarian versus democracy. I am afraid that if this kind of dichotomy continues, it is going to stigmatize a large group of people and lionize another large group of people on any given occasion, and it is important in the reconciliation process to move to a more nuanced view of this crisis. So I thank you very much for these hearings and for your interest in this topic.

I would say at the present time Thailand is suspended somewhere between the crisis and normal political life. I share your interest and your support for the five-point reconciliation plan. I think, however, as that plan goes forward, many Thais, particularly those who were in opposition, will look at a number of other things as well to see if the government is going to be able to forge a genuine reconciliation. And they will look particularly at whether treatment of several issues is evenhanded.

Here are some indicators. I think they will look at due process for the UDD leaders and demonstrators under arrest. This will be a good opportunity for the government not only to show adherence to the rule of law, but also moving to a new kind of political balance.

They will look at the length of the emergency rule period which is currently in operation and this week was renewed for another month. Certainly that is part of restoring order to Thailand, but as that—but as the need for that begins to wane, I think there will be attention to when emergency rule is lifted and in what sequence, particularly when it is lifted in the north and the northeast, which is where Thaksin had a great deal of political strength.

I am heartened that the Prime Minister is committed to an investigation of the casualties incurred on both sides during the recent crisis. I think there will be close attention to who is appointed to a commission and what kind of balance that represents.

And lastly in the short term, I think the timing of elections is a very, very difficult issue. Obviously, elections in the shortest possible term would help to restore democracy. But I have to say in all candor that there is a danger that if elections are called too soon, and not sufficient reconciliation has been achieved, that whatever the outcome is, it could restart a cycle of violence if the losers are not prepared to accept the outcome of the democratic process. And I think in our own representations and recommendations to our Thai colleagues, I think we have to remember how very, very complicated even just the timing of the election will be at this point in time.

Even if managed skillfully, I think the initial stage will not automatically ensure long-term political stability in Thailand, and I would like to point out three issues which have been very much at the center of Thai political development. One is addressing the center-province dynamic. It is true former Prime Minister Thaksin brought to light many issues of rural versus urban. In truth, the Thai system has been centralized historically. It still is, but there have been attempts to decentralize. I don't think just transferring funds to the rural area is going to do it. I think there is also an issue of transferring some degree of political power, and that will take quite a long national discussion.

Also, adhering to the rules of the political game in a democracy is something that the Thais will have to consider and to work on quite a lot, particularly in a parliamentary form of government. And again, what we have seen with the cycles of violence and retribution with the Yellow Shirts versus Red Shirts, when one side does not get an outcome they want, they want to pull the whole system down. And working toward a political culture that allows for loyal opposition and acceptance of the democratic process will be very important.

Traditionally, Thai governments are coalition governments, and I think there are some good reasons for doing that, but that actually doesn't help this idea of accepting an outcome if you can negotiate some of the aspects after election. That is just to flag that issue.

Lastly, I think we will see another round of constitutional revision and reform, and that is good. I think there are particular issues in the current Constitution that Thailand might look at, including the clause that abolishes the political party if a party member is convicted of electoral fraud.

When he came into office, Prime Minister Abhisit flagged that and tried to get the parties to discuss either revising or abolishing

that, because it really is a nuclear option, and it was behind a great deal of the discontent in the UDD with the dissolution of Thai Rak Thai and the People's Power Party. But beyond specific constitutional revisions, I think that strengthening the Thai sense of Constitution will be important as well. Thailand has had 17 Constitutions since it became a constitutional monarchy in 1932. And forging a Constitution that can be revised as need be but still remain will be important.

There are two major wild cards that could affect the reconciliation process. And one would be transitions in the monarchy, both in the palace and in the Privy Council, which might come naturally and might have been expected for some time, and also the issue of Thaksin's continued impact on Thai politics and the calculation of how much is gained or lost by having him inside or outside of the country, inside or outside of the tent, is something clearly that not only this government but other parts of the Thai system will have to consider.

Let me talk very briefly about U.S.-Thailand relations and what the United States might do at this point in time. I agree with everything that Secretary Marciel said about the importance and the salience of U.S.-Thai relations and I think that the United States has a stake in helping to strengthen Thai democracy and supporting the return to stability. But it has to do so with some thought and restraint. And in contrast to some countries in the post-Cold-War world that had significant international involvement in the democratic process of their democratization Thailand's democratization is very much of its own making. And it has welcomed support from the international community as a support, not as a leading factor.

I have no reason to believe that they would not welcome support, but I think it has to be very skillful and somewhat indirect. I also do think that it is very important that any democracy assistance that the United States or U.S. organizations that are not governmental that be rendered at this point in time be perceived as being nonpartisan in terms of the Thai political factions.

A second thing that I think the United States could help, if Thailand so desires this assistance, is helping to break the cycle of impunity that we have seen not only with the Red Shirts but with the Yellow Shirts—going back to the time in August 2008 when people broke into the Prime Minister's residence and chased him to the airport the VIP lounge of the airport—that both the Yellow Shirts and Red Shirts have conducted themselves as they have because they believe that they could, and that developing a strong, accountable, effective security force is actually part of a democracy, because you will have public demonstrations. You should expect to have them, even welcome them as part of democracy and not see them as a crisis every time they are brewing.

Our relationship on the security side has obviously focused on military, has not focused on police reform, but I think that there might be an opportunity to do so if Thailand believes that that is desirable.

Lastly I think that we can help our Thai interlocutors by engaging them in what I would call "beyond the crisis thinking" and drawing them out in terms of our security, economic and cultural

relations, and not waiting for that to happen automatically but reaching out to them. That will help to restore a sense of normalcy and help to regain, help Thailand regain momentum in the international community.

Let me end with a regional postscript. I find it very interesting that Vietnam, in its capacity as chairman of ASEAN, 2 weeks ago issued a statement on the situation in Thailand that was supportive of Prime Minister Abhisit's government, but also commented that Thai stability is very important to Southeast Asian regional stability and offered, as a group, ASEAN to help Thailand. That is fairly unprecedented. ASEAN has issued some statements on Burma under international pressure, but I think that this is an encouraging sign for ASEAN as well, and might be followed up on.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Dalpino follows:]

“ Thailand: The Path Toward Reconciliation”

**Statement of Catharin E. Dalpino
Visiting Associate Professor and Director, Thai Studies Program
Edmund A. Walsh School of Foreign Service
Georgetown University**

**Hearing before the House Committee on Foreign Affairs
Subcommittee on Asia, the Pacific and the Global Environment
June 10, 2010**

Thank you for the opportunity to testify before the Subcommittee on the current situation in Thailand and the prospects for political and social reconciliation. My views are informed by my experience living and working in Thailand over a span of three decades, as well as my work as Director of Thai Studies at Georgetown University. I am also helping the National Bureau of Asian Research to organize a multi-year project on the United States-Thailand alliance, which will consider ways to strengthen the bilateral relationship in this critical period.

Understanding the complex situation in Thailand is made more difficult by perceptions, particularly in the international community, that it is a matter of easy opposites: yellow shirt vs. red shirt; rich vs. poor; urban vs. rural; and authoritarian vs. democrat. There is some degree of truth in these dichotomies, but they risk stigmatizing (or lionizing) large numbers of people unfairly and perpetuating the cycle of retribution. Achieving genuine stability in Thailand will require moving beyond these broad generalizations to a more nuanced approach.

Short and Long-term Steps to Reconciliation

In the aftermath of the occupation of Bangkok's Ratchaprasong area by the United Front for Democracy Against Dictatorship (UDD) group and the resultant government crackdown, Thailand is suspended between crisis and normal political life. The government of Prime Minister Abhisit Vejjajiva has turned its attention to restoration of damaged urban areas and to the promulgation of a five-point reconciliation plan. Emergency rule is maintained in several provinces, which gives the military a greater role in internal security. Although Thai society as a whole and the beleaguered residents of Bangkok in particular no doubt welcome the calm, the immediate post-crisis period is a fragile one.

Restoring political balance in this early stage will depend on the degree to which the government is perceived as being even-handed. Indicators of this will include:

- *due process for UDD leaders and demonstrators under arrest.* This is imperative, not only to demonstrate a commitment to the rule of law but also to political balance. The handling of legal charges against UDD defendants will inevitably be compared to those brought (or not brought) against demonstrators in the People's Alliance for Democracy (PAD) movement for their actions in the 2008 seizure of the Prime Minister's office and Bangkok International Airport.
- *the length of the emergency rule period and the sequence of its cancellation in the provinces.* If the North and Northeastern regions (where former Prime Minister Thaksin Shinwatra is strongest politically) are held over while other provinces are released, there will be an assumption of bias.
- *investigation of casualties incurred in the UDD occupation and especially the crackdown.* The government has said there will be independent investigations of the events of the last two months. It is not clear whether Abhisit will call upon the National Human Rights Commission or appoint a special body, but the composition of the investigative body will come under close scrutiny.
- *the timing of elections.* Prime Minister Abhisit withdrew his offer of elections in November when UDD leaders added extra conditions with each round of discussions. Legally, the government has until December 2011 to conduct elections, but will be pressured to hold new polls before that. However, if elections are held before any meaningful political reconciliation is achieved, they could spark public protests and another round of violence from the losing side. The government has alluded to the need for constitutional revision, to ensure that all political contenders agree on the electoral rules, and that will likely push elections back.

Even if managed skillfully, this initial stage will not automatically ensure long-term political stability in Thailand. Thai leaders will face a number of longstanding and deeply rooted issues that should be addressed over time. Some of these include:

- *Addressing the center-province dynamic.* Historically, the Thai state has been strongly centralized, and this still describes the system to some extent. The political upheaval of the past four years has brought a public focus on discrepancies between the urban and rural sectors and the attitudes of urban Thais toward their rural counterparts. Thailand's democratic transition in the 1980's gave citizens greater access to national government through the parliament, but largely dodged the issue of political liberalization at the local level. The 1997 Constitution contained some measures for greater fiscal decentralization but was weaker on the political side of that issue. With his populist policies, Thaksin was able to build a base in the rural sector, but the center-province issues that his

administration highlighted have existed for decades. Addressing these problems effectively will require that the government de-couple them from any individual party or politician. This issue binds together the political conflict in Bangkok in the past two months and the communal violence in Thailand's deep south that has waged since 2004 – in one sense, both are opposite sides of the same coin.

- *Strengthening adherence to the rules of the political game.* Democracy, especially under a parliamentary form of government, depends upon the concept of a loyal opposition and acceptance of the outcome of the democratic process. Thai electoral politics has traditionally been weak on both of these counts. Disruptions or suspensions of democracy through coups or popular uprisings have set aside or skewed electoral outcomes. Moreover, the majority of elected governments have been formed by coalitions, which adds an element of political horse trading to the election after the fact. Coalitions are not inherently, but they complicate this aspect of Thai electoral democracy.
- *Not just revising the constitution but forging a stronger sense of constitutionalism.* Constitutions are intended to be living documents and revised as the nation requires. Early in his administration, Prime Minister Abhisit expressed interest in revising the constitution to remove the requirement that the courts dissolve a political party if a leader has been convicted of electoral fraud. This provision was responsible for the dissolution of Thaksin's Thai Rak Thai party and its successor, the People's Power Party, and effectively disenfranchised Thais who voted for these parties. Apart from weaknesses in any specific constitution, Thailand has an issue with durability of their charters. Since the establishment of the country's constitutional monarchy in 1932, the country has had 17 constitutions, each new version usually deriving from a coup or other non-democratic disruption. Serious constitutional revision is not as likely to occur if the option of doing away with the constitution altogether exists.

The road to reconciliation in Thailand will not be smooth in either the short or the long run. To add to a difficult process of political reconciliation, the country will likely face transitions in the monarchy, both in the Palace and in the Privy Council, in the foreseeable future. Another issue that affects genuine reconciliation is Thaksin's continuing impact on Thai politics. The process of reconciliation inevitably includes a calculation of benefits and drawbacks to having him either inside or outside the country, and inside or outside the political tent.

US Support for Thai Democracy and Stability

US-Thai relations have not been seriously damaged by the protracted political instability in Thailand over the past few years, but they have been constrained at times. More broadly, the relationship has been in drift for the last four years, since the 2006 coup. The essential framework of the security relationship has been preserved, but the Thai political crisis has prevented the two governments from reshaping the alliance in the face of a changing security environment in the Asia-Pacific region. The US market continues to represent an important export destination for Thailand, and American business remains positive on trade with Thailand. However, a number of bilateral trade issues have yet to be resolved, such as GSP, and the issue of a free trade agreement is still outstanding. Since the suspension of negotiations on a US-Thailand free trade agreement in 2006, the United States has begun to turn away from bilateral FTA's and toward regional arrangements such as the TransPacific Trade Partnership. It is not clear whether Thailand wants to or can accede to the TPP in the near future. Lastly, Thailand has played an important role in Southeast Asian regional relations and has figured prominently in US-ASEAN relations. The domestic political crisis has caused Thai leaders to be more inward-looking and less able to play a regional role.

The United States has a stake in helping to strengthen Thai democracy and in supporting a return to stability. However, that role requires some thought and even some restraint. The current political situation is still highly charged and extremely complex, and high-profile attempts by an external actor to change the dynamic are likely to be counter-productive. Moreover, it runs counter to Thai sensitivities. In contrast to some democratic transitions in the post-Cold War era, in which international involvement was a critical element, Thailand's democratization process was very much of its own making. Foreign donor assistance was often welcome, however, if it played a supporting rather than a leading role.

In the early stages of reconciliation in Thailand, the United States might consider the following:

- *Supporting Thailand's democratic development, when requested.* Pre-packaged democracy plans will not work in this case, but the United States should be responsive to requests for assistance from Thai leaders in both government and civil society. However, the United States should take pains to maintain a non-partisan approach to democracy assistance in Thailand. The perception that a foreign power was playing favorites in the Thai political arena would damage a fragile political peace.
- *Helping the Thai government build effective and accountable internal security.* Both "yellow shirts" and "red shirts" were able to occupy government buildings or entire Bangkok neighborhoods because they were reasonably certain that they could do so with impunity. Public demonstrations are a feature in most democracies, and Thai administrations should be able to meet with with equanimity. Although the United States and Thailand have a longstanding military-to-military relationship, there has been very little cooperation on police reform.

- *Engaging Thai interlocutors in “beyond the crisis” thinking.* Washington should not wait for this to happen automatically, but should make an effort to reach out to Bangkok for dialogues on security, economic and cultural relations. Beyond the benefit to the bilateral relationship itself, this would help Thailand regain some of its momentum in the international community.

A Regional Postscript

One of the interesting turns to come out of the Thai political crisis was a joint statement issued by the ASEAN member states by Vietnam, this year’s ASEAN chair. While careful to express support for Thailand, the statement asserted that Thai political stability was important for stability in the region. ASEAN also offered to assist Thailand as Bangkok thought appropriate. Statements of this nature are exceedingly rare in ASEAN and constitute something of an institutional watershed. In its own dialogue with ASEAN, the United States might follow up on this and explore Thailand and ASEAN’s willingness for the ASEAN Inter-Governmental Human Rights Commission to play an appropriate role in Thailand’s search for political reconciliation.

Mr. FALCOMVAEGA. Thank you Professor Dalpino.

We are also joined here by another distinguished member of our subcommittee, the gentlelady from California, Dr. Watson, former Ambassador to the Federated States of Micronesia, and we welcome her.

Diane, did you have an opening statement you wanted to—

Ms. WATSON. I did. I might be a little late because I think that the professor probably has mentioned all those things. But let me just reiterate some of what was said. I would like to really thank you, Mr. Chairman, for holding this hearing on the situation in Thailand. And in my experiences in the Far East, I was very, very upset over the situation in Thailand. I remember going there in the early sixties, and it was such a historical trip for me and such a peaceful, wonderful trip back to the “King and I.”

By the way, I ended up doing that whole presentation when I was teaching in Okinawa because I love the culture so much and I trained my students—I had a gifted class and I trained them to play those roles. And so I just really fell in love with the Thai culture.

So I have been very concerned, with what happened this past March with the red-shirt protesters occupying the streets of Bangkok for all of 9 weeks, and probably more, and at first these protests seemed to be peaceful; however, as the weeks progressed, clashes between the Red Shirts and the security forces escalated into urban warfare and by mid-May, 88 people had been killed and thousands wounded.

The Red Shirts took to the streets in support of their ousted leader, Thaksin, and to demand an earlier election. Though the current Prime Minister offered a plan that would allow for early elections in return for an end to the protests, reconciliation still seems elusive.

This morning the full Committee on Foreign Affairs led a hearing about human rights and democracy. Thailand is an important lesson in democracy building. Thailand has long been one of the brightest stars in Asia and one that saw economic and democratic progress throughout the nineties. However, since the military coup in 2006, which ousted the PM, tensions between the Red Shirts and the Yellow Shirts have been increasing.

The fundamental divide between the two groups centers on the electoral process, with the Yellow Shirts arguing that ethical imperatives trump the polls, while the Red Shirts believe that governance should be determined entirely by the population’s vote.

Many Thais are looking to the reigning monarch for support and a decision that will reduce the division between these two groups. The King, however, has been ill and has not offered guidance in the situation as he has in the past. His son, the Crown Prince, is not seen as the leader his father once was, causing increased discomfort among the Thai populace.

Thailand is standing at a crossroads, one whose road signs are confused by the political environment. And I don’t know if reconciliation is necessary. We can’t let the people of Thailand fall into a civil war without offering our help.

And I missed most of the testimony. I understand we were on the second panel, Mr. Chairman, but I certainly want to learn more about what you would suggest our best action should be.

And as I mentioned our hearing that we had in International Relations, we are looking at all of our foreign policy programs and how best to assist these countries. And I always have to remind our side of things, is that these are sovereign nations and that what we do is we build from the ground up. We cannot go in there and tell the people, but we can encourage them to look at democratic policies.

So I would like to hear from the panelists. And I did hear what the professor was saying when I came in, as how you would direct our country, our USAID programs, millennium programs and so on, to assist the Thais and particularly those who are not comfortable with their government the way it is, and just how we can best assist in these circumstances.

Mr. FALÉOMAVAEGA. I will say to the gentlelady that she has a very formidable understanding of the situation in Thailand. We had Secretary Marciel testify earlier, who pretty much corroborated your testimony. So you did not miss much.

Ms. WATSON. Well if I had time, Mr. Chairman, if we could just hear—start with Dr. Jackson, and then the professor and Dr. Cronin.

Mr. FALÉOMAVAEGA. All right, Dr. Jackson would you proceed, please?

STATEMENT OF KARL JACKSON, PH.D., DIRECTOR OF ASIAN STUDIES AND SOUTH EAST ASIA STUDIES, THE PAUL H. NITZE SCHOOL OF ADVANCED INTERNATIONAL STUDIES

Mr. JACKSON. Yes. First of all it is a great pleasure to be back in front of the committee. Twenty years ago I used to testify in front of this committee when I was in government, Steve Solarz would really regularly give me a thrashing, and we both became good friends and colleagues as a result and remain so until this day.

Given that my statement is already part of the written record, I would make only three or four short points given the hour and the fact that there may be some votes.

The first point I would make is that the demonstrations we have witnessed in Bangkok over the last several months are a by-product of an ongoing set of socioeconomic and political changes that been taking place for the last 30 years.

The rise of upcountry political movements really began in the 1970s and the 1980s. Thaksin didn't cause this movement of upcountry. He simply sensed it better and rode it more competently than anyone else had before.

Thaksin's money and his political savvy mattered, and his personal charisma helped, but the upcountry movement to obtain a larger slice of the pie is here to stay in Thailand.

The second point I would make is that a large number of upcountry people, especially from the lower part of the socioeconomic structure, have developed an emotional identification with this man, Thaksin Shinawatra, which will not wear off simply

because the Government of Thailand puts in place Thaksin-like policies.

Many people seem to feel that one of their own was illegally displaced by a military coup and that their votes have been repeatedly nullified by a Bangkok-dominated court system.

Now it does not matter whether these perceptions are factually accurate. What really matters is that these feelings of alienation exist, are widespread, and constitute the fundamental political problem facing Thailand at this time.

The third point I would make concerns reconciliation, the process about which the chairman, Scott Marciel, and Professor Dalpino have spoken. Reconciliation will take time. But it must involve a genuine willingness on the part of the government to collaborate with the opposition. Meetings with academics, with journalists, with thinkers, all of these being representatives of Bangkok domination, are not the same as seeking reconciliation directly with the leaders of the red-shirt movement.

Jailing and labeling the Red Shirts as terrorists will drive this mass movement underground, I fear. Like the chairman I am a member of the Vietnam generation which saw many insurgencies around Southeast Asia. This is the last thing that any of us want and I'm sure it is the last thing that the Government of Thailand would want, but it is something we must be concerned with.

The fourth point I would make echoes very much the comments of Catherin Dalpino, even though we didn't actually talk about this ahead of time. Elections alone, even early elections, are not enough. A complex of series of political deals needs to be worked out among competing elites to reestablish trust and legitimacy for whatever government results from the next election. The parliaments of the streets, represented by the Yellow Shirts and the Red Shirts, must somehow be brought back into the legal Parliament itself. The critical imperative is to get politics off of the street and back into legal institutions.

The best of all possible outcomes might well turn out to be a government of national unity involving all the major political parties.

And lastly, and again echoing my colleague, Professor Dalpino, the legitimacy of Thai judicial and law enforcement institutions depends on making them even-handed and apolitical and perceived as such by most of the people of Thailand.

Thank you very much Mr. Chairman.

[The prepared statement of Mr. Jackson follows:]

The Evolving Crisis in Thailand

Testimony Prepared for the Subcommittee on Asia, the Pacific and the Global
Environment

House Committee on Foreign Affairs

June 10, 2010

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The Thai Political Crisis

Until five years ago Thailand was regarded as one of the world's most successful development stories. Thailand's natural abundance in rice and natural resources had been parlayed into significant industrialization. Bangkok had become a thriving and world class metropolis with a significant manufacturing capacity. The multiple insurgencies that existed in the 1970s were brought to an end during the 1980s through a sophisticated combination of rising wealth and tailored reintegration of communist operatives back into Thai society. The threat posed by the Vietnamese occupation of Cambodia had been deftly turned aside by a combination of Thai diplomacy, ASEAN action, Chinese direct and indirect intervention, U.S. diplomatic support, and the precipitous collapse of Vietnam's patron, the Soviet Union.

In the midst of rapid economic growth, Thailand in the late 1980s matured into a functioning democracy. In 1992, when the army fired on pro-democracy demonstrators, the King of Thailand intervened pushing the army off the political stage and a multiparty democracy emerged in a country where the military had dominated politics since 1932. Although the Asian financial crisis of 1997-98 was born in Bangkok, power peacefully changed hands in parliament and social peace was maintained in spite of a very sharp economic downturn. The democracy constitution of 1997 was designed to make the Thai government less corrupt as well as more honest and responsive to the people. In the elections of 2001 the Thai Rak Thai (TRT) party of cell phone billionaire Thaksin Shinawatra won a majority of seats. Thaksin had used modern political polling techniques to determine what the people really wanted, formulated a platform accordingly, and then, in his first term, delivered practically free medical care and debt relief to the villages where most Thai voters live. Thaksin became the first prime minister in the history of Thailand to serve out an entire parliamentary term. In 2005 the TRT won 61 percent of the vote nationwide in an election marked by the highest voter turnout in Thai history. Up until 2001 or 2006 Thailand's transition to economic and political modernity seemed aptly captured by the Thai Airways slogan, "Smooth as Silk."

The problem was that Thaksin held power as a democrat but governed like an autocrat. He concentrated ever more power in his own hands. His wealth grew enormously through Shin Corp that was controlled by his family. Traditional centers of wealth and power in the Sino-Thai business world became threatened by Thaksin's ever growing domination. To maintain his dominance he took control of ever larger segments of the press and television, and rendered increasingly ineffective the independent commissions designed to control corruption and vote buying. In addition, his government oversaw an anti-narcotics campaign that featured a large number of extra-judicial killings. Even the monarchy itself seemed to perceive Thaksin as capable of replacing the King himself in the affections of the poor of upcountry Thailand. To his critics Thaksin had manipulated the constitution of 1997 to produce a system without any checks and balances whatsoever and Thaksin was well on his way to becoming a 'democratic dictator.'

At the height of his power in early 2006 Thaksin committed a strategic political blunder. According to Thaksin, Shin Corporation was sold to Temasek Holdings of Singapore to put an end to the opposition's ability to charge him with conflict of interest. Cashing out garnered \$1.9 billion for the Shinawatra family and according to Thaksin's lawyers no taxes needed be paid to the government under Thai law. In the ensuing political storm Thaksin was charged with being unpatriotic for selling one of Thailand's most modern corporations to a state owned enterprise of Singapore and doubly unpatriotic for not paying any taxes.

To quell the storm Thaksin called a snap election which the opposition parties boycotted. Although TRT gained 57% of the vote, after a meeting with His Majesty the King, Thaksin agreed to step down and the Constitutional Court declared the April 2006 election invalid. These events led directly to the military coup of September 19, 2006 while Thaksin was out of the country. A new, military-sponsored constitution was approved in August 2007. Thaksin's replacement party (for the legally dissolved TRT), the People's Power Party (PPP), gained a majority of votes and a Thaksin nominee, Samak, became Prime Minister before being disqualified by the Constitutional Court for accepting honoraria from his televised cooking show. Samak was replaced as Prime Minister by Thaksin's brother-in-law, Somchai. During 2008 large numbers of Bangkok-based 'yellow shirt' demonstrators occupied first the grounds of various government buildings and subsequently Bangkok's international airport. Open street warfare occurred between the Thaksin's red-shirted followers (the United Front for Democracy against Dictatorship, UDD) and the yellow shirts of the People's Alliance for Democracy (PAD). In December 2008 the Constitutional Court dissolved the PPP, Thaksin's stand-in for the TRT, on the grounds of vote buying in the 2007 election. This reduced the number of votes necessary to form a government, and the opposition leader, Abhisit Vejjajiva, was elected prime minister in December 2008 by the parliament that had been reduced in size through the court ordered expulsion of more than 40 pro-Thaksin members of parliament.

In 2009 the 'parliament of the streets' became dominated by the red shirts. Thaksin rallied his supporters by cell phone from abroad, where he had remained to avoid serving a court imposed jail sentence for corruption. During 2009 and 2010 street demonstrators became ubiquitous. In April 2010, the Supreme Court ruled that half of Thaksin's wealth was illegally acquired and \$1.4 billion must be returned to the state. The red shirts had taken over and barricaded a wide swath of downtown Bangkok. Violence erupted from the demonstrators when the government tried to re-establish order. There were 25 deaths in April and by the time the government finally crushed the demonstrators in late May the death toll was nearly 90.

How could 'Smooth as Silk' have come to this in 'The Land of Smiles?' Economic growth and rising levels of income inequality frequently go together during the process of economic development. What has happened in Thailand may become a textbook case in the political tensions that can be generated through the mal-distribution of rapidly rising national wealth. Thailand was the world's most rapidly growing economy in the late 1980s and early 1990s. Half a century of rapid economic growth had brought a significant reduction in overall

poverty but inequality had been increasing between the top and the bottom 20% of the society. The upper 20% of households earns nearly 15 times as much as the bottom 20% of households. By this measure economic inequality is now greater in Thailand than in the Philippines or Indonesia. The second dimension of inequality in Thailand is a geographic one. Most of Thailand's wealth is concentrated in and around Bangkok while most of the votes remain up-country where poverty reduction has lagged. It is this imbalance between Bangkok (where the money is) and up-country (where the votes are) that explains the current Thai crisis. Thaksin's political genius was to deliver pro-poor policies to the up-country majority, thereby gaining a constituency that became so loyal that it no longer needed to be bribed on election day. In addition, Thaksin, the billionaire, had an ability to tell his own rags to riches story so convincingly that the up-country poor bonded with the charismatic rich man. Even when his opponents in the military controlled the government in 2006 and 2007 they were unable to out poll the Thaksin political machine. Even with Thaksin outside the country, Thaksin stalwarts bested the Bangkok-based opposition because up-country voters identified with Thaksin personally and because they may have calculated that it was smarter to vote for the Thaksin machine that had given them some concrete benefits than to vote against him because the Bangkok-based reformers said he was corrupt.

Finally, Thailand retained its independence in the 19th and 20th centuries through good fortune and the brilliant diplomacy of its reforming monarchs but it entered the mid 20th century as a very traditional and hierarchic society at whose head stands a genuinely loved monarch. King Bhumiphol, because of the stellar moral example he has set in his 46 years on the throne, has more moral authority than any single person in Thailand but he has no formal political power. Fifty years of rapid economic growth and social change now require a new social contract between political forces residing primarily outside of Bangkok and the traditional Bangkok dominance of the political and economic life of the country. The moral authority to lead this change resides with King Bhumiphol who tragically remains in frail health at the very moment of maximum danger to the political stability of his country.

A Possible Reconciliation Process

As we sit here today, Bangkok is no longer burning but smoldering tensions continue to threaten the stability of the Thai body politic. Order remains an absolute prerequisite to any form of reasonable government but order alone will not guarantee the long-term political legitimacy of any government. The process of reconciliation is the search for a set of stable democratic institutions that can simultaneously satisfy the aspirations of Bangkok for honest and legal government and the demands of up country voters for pro-poor policies and, perhaps more importantly, for a government with which they can identify. The Bangkok government has adopted most of Thaksin's pro-poor policies but the affections of the poor remain with Thaksin or some Thaksin nominee, someone who they perceive as 'one of us' rather than a traditional

pro-Bangkok prime minister. The up-country 'marginalized majority' must be convinced that the system is fair and that someone they select can remain in office rather than being ousted arbitrarily by the military or the judiciary.

To this observer of Thai politics, there are at least four requirements for resolving the crisis:

1) Judicial reform. Laws must apply equally and evenly to all political participants, not just to the red shirts but also to the yellow shirts, not just to the Thai Rak Thai but also to the Democrats and their political allies; the same standards must be applied to all or the force of law loses all legitimacy;

2) Reconstitution of civil society. The independent commissions set up under the 1997 constitution to limit corruption and voting irregularities must be strengthened and staffed with appointees from across the entire political spectrum; prime ministers, regardless of political affiliation, must respect the rights of the parliamentary minority to fair representation on these commissions.

3) Comity and leadership. The competing political elites of Thailand must develop sufficient trust in one another that they will be willing to turn over power when election cycles bring their opponents back to power. Trust cannot be restored if opposition politicians are investigated by the government and charged with being anti-monarchic or if demonstrators, even violent and illegal demonstrators, are charged with being terrorists. Somehow, some way, a new leader must mend the tattered social fabric and bridge the yawning political gap between the reds and the yellows. Trust is intangible but remains the mother's milk of democratic politics.

4) Democracy and order. The military must stay out of politics and the courts must not allow themselves to become the political weapon of either side of the Thai political divide. Free and fair elections must be held, and losers and winners alike must be willing to accept the results rather than resorting to a 'parliament of the streets' designed to topple any government that the losers do not like. Freedom to demonstrate cannot be allowed to cripple an elected government's ability to transact the people's business, and no rabble can be allowed to strangle the commerce of a capital city.

The devil is always in the details. The tough questions are:

Can leaders talk to one another, directly or indirectly to achieve a compromise?

Can the former Prime Minister return under a compromise solution that makes him part of the solution rather than an alienated leader who can ensure that the problem will never

end? Can there be genuine political stability unless and until some way is found for the former Prime Minister Thaksin to return to Thailand? Can the former Prime Minister return to private life and remain non-political? Almost certainly he needs to remain abroad until after the next election?

Can the Red Shirt leaders and the Yellow Shirt leaders be held equally responsible for their respective bouts of extra-legal street politics? Alternatively, perhaps a blanket amnesty is one way out of the situation, especially in a package with elections and public recognition for those who lost their lives on both sides of the conflicts of the last several years. Reconciliation must reintegrate the protest leaders sufficiently so that they can run for office and perhaps contend with one another verbally in parliament rather than in the streets.

Perhaps the current government might transform itself into a coalition government containing representation of both sides of the Thai political divide? A coalition government supervising future elections will increase the legitimacy with which the elections would be viewed by all parties.

U.S. Policy

The scenes of violence witnessed during the last month have been particularly painful to watch because Thailand is a longtime, respected mutual security ally of the United States. Since the end of the Second World War, Thailand and the U.S. have placed blood and money on the line for one another. Thai troops fought alongside Americans in Korea and Vietnam. More recently Thai troops served in Iraq and Afghanistan, and Thailand has been designated as a Major Non-NATO Ally of the United States. The security relationship has matured from one of dependence on the US in the 1950s and 1960s to one of increasing independence in the new century. Thailand buys American and non-American weapons, and neither the Thai military nor the Thai diplomatic corps takes (or should take) dictation from Washington. The surest way to lose all influence in Thailand is for the United States government to attempt to dictate an outcome to the current political crisis. Thais have remained independent by jealously guarding their national sovereignty and prerogative and will continue to do so during the current political crisis. The United States can give counsel but cannot give orders.

Above all do no harm. No one I know, in either Washington or Bangkok, knows enough about the Thai political situation to ensure that things we say and do will not make the situation worse. The U.S. should not try to pick winners by siding for or against Thaksin or the current Government of Thailand. Only Thais can work out the complex set of compromises necessary to resolve the crisis that began with the election of 2001. Long term stability in Thailand depends on finding a way to accommodate the forces that Thaksin roused in the Thai polity, but only Thais can possibly find the series of pragmatic compromises necessary to channel the new forces back into parliament where their concerns can be addressed in a legitimate and orderly manner.

The U.S. cannot ignore unpleasant realities. A military coup did oust an elected government in 2006. Subsequent elections persistently indicated that a majority of Thais wanted power returned to the group of political leaders that the military had ousted. Corruption abounded before and after the Thaksin period; for anti corruption regulations to become legitimate, these rules must be applied uniformly to all. There has been too much economic growth and too many people have become educated to a return to non-democratic rule in Thailand. Elections and uniformly applied laws remain critical to reestablishing trust and legitimacy. There can be no democracy without order in the streets but there also can be no sustainable order in modern Thailand without genuine majority rule. The current government, through emergency rule and the use of force, has cleared the streets but the United States should continue to express its concern in private, and perhaps even in public, that the legitimacy of the current government can only be established through a free and fair election open to all parties and personalities. The series of compromises necessary to make this a reality cannot be accomplished in a day or a week but the overall goal must be a return to political normalcy among all of the currently contentious forces in Thai politics.

Mr. FALÉOMAVAEGA. Thank you Dr. Jackson.
Dr. Cronin.

**STATEMENT OF MR. RICHARD CRONIN, SENIOR ASSOCIATE,
THE HENRY L. STIMSON CENTER**

Mr. CRONIN. Thank you Mr. Chairman, Congresswoman Dr. Watson.

Thank you very much for this opportunity to testify at what I think is a very well-named titled hearing, this emphasis on reconciliation, path to reconciliation, that my colleagues have already been discussing. And to echo both of them, I mean this is really a major challenge and we have already heard some reasons why that is so.

I am going to take a slightly different tack in my presentation, and that is that I am going to come at this issue somewhat from a more political economy way, if you would; that is, some underlying reasons that go even deeper than political developments. And one of these really is fundamentally the inability of the political system, which has been changing and adapting over time, to adapt to the impact of globalization and rapid economic growth that left some parts of the country behind.

I would make the point that Thailand has trebled its GDP in the last 20, 30 years; and its poverty index, rate of poverty has dropped from the thirties and forties to under 10 percent recently. Things are a little tougher now because of the financial crisis. And so all the boats have been rising, but they haven't all been rising as fast. So that is one, I think, important point.

And on the other hand, Thailand—so Thailand has really benefited from globalization in many ways. It has got a key geographic location, it has enjoyed large-scale manufacturing investment by Japanese, American, European companies, and has a relatively well-educated population. I mentioned national income tripled in the past two decades.

But on the other hand, Thailand was really the cause and the poster child, if you will, of the 1997 financial crisis. It was when Thailand's balance of payments got too far out of whack, that they could not sustain the value of the baht, that they were established against the dollar. And that led not only to collapse and great chaos in financial and economic chaos and even social chaos in Thailand, but it also created a deep resentment against some aspects of globalization and particularly against the IMF's prescription, which is quite wrong, of belt-tightening rather than actually measures to stimulate the economy to keep the GDP from falling too fast.

And in some ways the democrats in Thailand have been associated with that IMF medicine, and the Prime Minister, Thaksin, and the past former Prime Minister never left them or the other people forget it.

There is also an issue that both my colleagues have raised one way or another, and that is an attitudinal problem between Bangkok and the rural areas, or upcountry, as Karl Jackson put it. And that mindset is evident in many ways. It is certainly greatly perceived by Thais outside Bangkok, particularly in the north and northeast, as a kind of sophisticated-urbanites-versus-country-

bumpkins kind of attitude. And this has come out in ways that have been harmful to Thailand.

For instance, we have heard reference to the 1977, sorry, 1997 Constitution, and that Constitution aimed in a number of ways to eliminate revolving Cabinets but also to put educational requirements in place for membership, for running for legislature. It tried to create a strong Cabinet, a strong Prime Minister, and in many ways you could say it was a little bit of an elitist approach or an academic approach to Constitution making. And it backfired in a way.

Prime minister Thaksin came in and took advantage of all those provisions and, as we already heard, was able to mobilize a huge electoral base in the north and northeast of Thailand, and particularly the issue of this emotional connection that Karl has mentioned is very important.

Just a couple of points I would make. One is that much has been made of the fact that the army overthrew the democratic elected Thaksin government, but not enough attention has been given to the fact that constitutional changes practically made it impossible for Thaksin to be dislodged by constitutional means. So once he won the second election in 2005 by a huge margin, and then got in trouble over this Shin Corporation sale to Singapore's Temasak Holdings Company, a sovereign holding company, he called for a snap election. The whole business of Shin had been a little too much for the population to take, even going beyond his enemy, his core supporters.

And so he called a snap election in which members could not, you could not form a party less than 90 days before the election. He called it in a shorter period than 90 days, and it wasn't possible for them to rename their party, to form coalitions, or even to attract members from Thaksin's party into a different opposition party.

And that is why they took to the streets, first the Yellow Shirts; and then, of course, eventually the Red Shirts emulated the Yellow Shirts for some of the same reasons, although the government had changed.

So I am trying to emphasize that there are some structural issues and some accidents that are partly substantially connected to rapid economic change, globalization, et cetera, but also rooted in some attitudes between Bangkok people and the rest of the country, particularly the northeast.

I think in terms of looking to the future, Prime Minister Abhisit had already made a number of I think very successful moves, and one is that he survived an attempted censure and no-confidence vote in the lower house of Parliament.

And one of the interesting things about that is that there were fewer votes against him than the total number of opposition members in the Parliament. So it would appear that he has made some inroads there, and he also has a very high approval rating, around 70 percent right now. And that has taken over most of the provinces, and it would seem that it would include a number of the provinces where the Red Shirts are prominent as well.

He has promised to hold new elections and this has actually been postponed until next year. And the main reason, as we already

heard I think, is that if we had another election, Thailand had another election marred by violence, it would be kind of even a bigger disaster than where we are right now. But at the same time, there has to be an election and there has to be the perception of legitimacy of whatever government is installed following that.

To pile on in a way, but one thing that will not likely achieve reconciliation is demonizing Thaksin. Thaksin is a force to be reckoned with. He is a crook. He not only was a crook but he was a human rights abuser. He conducted this anti-narcotics campaign war on drugs for 3 months in 2003 where more than 1,000 people allegedly were killed, either in shootings on the streets, by the police and other security authorities, or died in jail having been beaten to death. And this is pretty well-documented in the human rights report that the State Department prepares every year—for that year, in which case was 2003.

Reconciliation is very important to the United States. Thailand is very important to the United States. And Thailand is a middle power with whom the United States has robust relations and a broad agenda. A treaty ally, Thailand provides important cooperation against terrorism and posts the annual Cobra Gold gold multinational combined joint military exercises, as we have heard. And those were held, actually, as recently as February of this year.

Bangkok is also a regional hub for USAID. We have a regional office there for our activities, our aid programs, and of course a major center for U.S. corporate investment.

To conclude, what I would like to say is that the main thing the United States can do now is to promote reconciliation or to help promote reconciliation is to maintain constructive relations with the Abhisit government and support appropriate efforts to rebalance the economy in ways to promote more equitable development.

This is a tough assignment right now because of the global financial crisis which is requiring a kind of unwanted rebalancing of economy in favor of domestic growth rather than export-led growth.

In this context, though, probably the single most important thing the administration and Congress can do is to reject overly simplified explanations for the crisis and recognize that given Thailand's constitutional complications, moral support for the Abhisit government does not represent a compromise with U.S. democratic values and ideals. I think that is a very important point.

Thailand has had a tumultuous political history, as we have heard already. But it is also a very resilient country, and it is a country that values its long, sometimes interrupted, path toward a more participatory and more democratic system. Thank you.

[The prepared statement of Mr. Cronin follows:]

**Statement Before the Subcommittee on Asia, the Pacific and the Global
Environment of the House Committee on Foreign Affairs**

Thailand: The Path Toward Reconciliation

**Richard P. Cronin
Senior Associate and Director, Southeast Asia Program
Stimson Center
Washington, DC**

June 10, 2010
Room 2172 Rayburn House Office Building

Mr. Chairman, Ranking Member Manzullo, and Members of the Subcommittee, thank you for the opportunity to testify this afternoon on the governmental crisis in Thailand that culminated in the bloody confrontation in the heart of Bangkok on May 19 and the path toward reconciliation. My remarks generally reflect the analytical lines of recent short articles I have written in collaboration with two of my colleagues at the Stimson Center, but of course the responsibility for this testimony is mine alone.*

I think that the “path toward reconciliation” is a very apt focus of this hearing. The immediate crisis that began with peaceful protests by “red shirt” supporters of former Prime Minister Thaksin Shinawatra has abated. After a three-week standoff Prime Minister Abhisit gave the order on May 19 to the Thai army to storm the protesters’ barricades and clear as many as 20,000 “Red Shirt” demonstrators from central Bangkok. The violence resulting from clashes between some militants and the security forces, most of them on the last day, caused the deaths of at least 89 demonstrators, security personnel, and journalists, and injured more than 1,800.

The military operation was carried out under restrictions on the use of lethal force. Nonetheless, fighting at the barricades involved serious loss of life and injuries and major destruction of property in the main business and tourism centers. The demonstrations and the crackdown both further stained Thailand’s image abroad, which has already suffered from more than three years of political agitation begun some three years previously by “Yellow Shirts” from three opposition parties who took over Thailand’s main international and domestic airports for several weeks at the end of 2008.

The crisis has abated for now. The red-shirted anti-government protesters who paralyzed the central business district have returned to their homes, mainly in the rural North of the country, in many cases with the assistance of the authorities. A number of protest leaders voluntarily surrendered as soon as the Army moved, or were subsequently arrested. Some of them tried in vain to discourage militants and/or criminal elements to refrain from torching public buildings as they retreated.

There appears to have been no significant retribution against the ordinary protesters, the vast majority of whom had been peaceful throughout the confrontation. Many of them had brought their children and other family members without any expectation of violence.

Journalists and scholars will long sift through the evidence to better understand the deeper causes of the confrontation between the government and the red shirts. There are already some obvious clues. I would argue that the most significant underlying cause has been inability of the political system to adjust to the intersection of rapid but highly unequal economic modernization, which itself has been driven by globalization.

* “Thailand’s Crisis: A Longer View,” by Richard Cronin and Julie Fischer, May 26, 2010 <http://www.stimson.org/pub.cfm?id=965> and “Thailand at a Crossroads,” by Richard Cronin and Timothy Hamlin, April 22, 2010 <http://www.stimson.org/pub.cfm?id=20952>

It seems less than coincidental that many of the 36 buildings torched by Red Shirt militants fleeing the army included icons of globalization and the growing income gap between the immediate beneficiaries of rapid economic growth and those who view themselves as left behind. The latter include the urban poor and farmers from the hard-scrabble rural northeast. The targets included the Stock Exchange, banks, and Central World Plaza a huge shopping mall devoted largely to global luxury brands that was formerly the World Trade Center.

On the one hand, Thailand has benefited greatly from globalization due to its key geographic location, large scale investment in manufacturing by Japanese, American, and European countries, and a relatively well educated population. National income tripled in the past two decades and the number of Thais living below the national poverty line fell from 36 percent to less than 10 percent. On the other hand, Thailand was the cause and “poster child” of the 1997 Asian financial crisis, that began with the collapse of the Thai baht as a result of growing trade imbalances. The fall in national income took years to make up. Thais have been in the forefront of criticism of the truly mistaken conditionality of budget tightening that the IMF imposed as a price of desperately needed loans.

Structural Aspects

Though the whirlwind of Thai politics involves a hugely complex mix of personalities, individuals, interest and social groups and institutions, I believe that the key to the current crisis lies in new economic forces and a flawed constitutional response to earlier problems of corrupt and politically unstable governments. Moreover, it is these structural factors that are both the underlying cause of the political crisis and the main obstacles that the Abhisit government will have to overcome to put the country back on track.

The process of political adjustment to rapid economic change inadvertently was made more difficult by the “People’s Constitution” of October 1997, the first of Thailand’s numerous constitutions since 1932 to be written by a constitutional assembly of elected and appointed members. Key provisions of the constitution were significantly influenced by academics and other advocates of clean government. In reaction to repeated coups and unstable cabinets, their aim was to reduce corruption and a lack of accountability that had kept Thai politics in constant turmoil and also empower the traditionally marginalized populations outside of Bangkok.

Unfortunately, several of the provisions backfired. As intended the document led to the replacement of revolving cabinets with a strong executive, but the consequence was a classic “be careful what you wish for” situation. Thaksin Shinawatra, a telecommunications tycoon with strong authoritarian tendencies, used his enormous personal wealth to mobilize the support of the previously marginalized hard-scrabble rural northern districts that had substantially been bypassed by Thailand’s remarkable GDP growth over the past two decades. His *Thai Rak Thai* party – which translates roughly as “Thais Love Thais” -- swept the northern districts in the 2001 national elections on the basis of a strongly populist platform. Thaksin broadened his popular

appeal by tying the ruling Democrat Party-led coalition to the widely detested conditions that had been imposed on the country by the IMF following the financial crisis.

Once Thaksin gained power, he governed the country more as a CEO than a prime minister. He used government largesse to consolidate his base in the rural north with loans to farmers who had become deeply indebted during the Asian financial crisis and access to medical care at a nominal cost per visit to a hospital or clinic. These measures further infuriated the – for want of a better word – middle class voters in Bangkok and other urban centers, who viewed them as fiscally irresponsible giveaways and/or attempts at vote-buying.

Perhaps even more importantly, Thaksin frightened more traditional and liberal Thais by an anti-narcotics campaign that was widely reported to have involved 2,000 or more “extra-judicial” killings of presumed narcotics traffickers. More detailed information on a three-month long “War on Drugs” campaign in early 2003 can be found in the annual State Department Country Reports on Human Rights Practices of February 25, 2004 <http://www.state.gov/g/drl/rls/hrrpt/2003/27790.htm> The same report also noted that a Ministry of the Interior report revealed that some 1,197 persons died in police custody during the first six months of 2003, allegedly of natural causes, while a National Human Rights Commission claimed that most of them had been beaten to death.

While many Thais approved of the harsh campaign against drug traffickers, the early morning sight of bodies lying in pools of blood on the streets of Bangkok and other cities, towns and villages was certainly unsettling for ordinary people. Thaksin was also accused of intensifying the anti-government secessionist movement among the ethnic Malay Muslim population of extreme Southern Thailand by harsh tactics. On the positive side, he earned praise for some economic policy changes and the expansion of infrastructure and for his highly visible role after the December 2004 tsunami disaster.

Thaksin further consolidated his power by an overwhelming victory 2005 elections that gave his party 376 of 500 seats, while the competing power, the Democrat Party of the current Prime Minister Abhisit, gained only 96 seats. He seemed invincible until he overstepped the level of popular tolerance by pushing legislation through parliament that allowed him to side-step the tax on the sale of his family’s Shin Corporation to Singapore’s sovereign fund, Temasek Holdings, for about \$1.8 billion. The legislation not only allowed Thaksin to avoid a large tax bill but also gave a foreign company the previously illegal majority ownership of a Thai telecom company. The Shin affair gave Thaksin’s opponents a clear target for rallying popular opinion, especially in Bangkok.

The financial issues were actually much more complex. Many other issues of corruption and malfeasance stimulated rising opposition from the traditional parties and civil society, but for the purposes of a broad understanding what happened subsequently it is sufficient to say that Thaksin’s opponents seized on what they viewed as a corrupt transaction to try to bring him down through the court system, which had also been strengthened by the 1997 constitutional revisions. Thaksin countered by calling for a

snap election in early 2006, less than a year after his party had swept the polls and gained an overwhelming parliamentary majority.

Much has been made of the fact that the Army overthrew the democratically elected Thaksin government, but not nearly enough attention has been given to the fact that constitutional changes enacted in late 1997 practically made it impossible for Thaksin to be dislodged by democratic means. The problem for the anti-Thaksin opposition in early 2006 was that under the 1997 Constitution members of parliament cannot switch parties or form coalitions within 90 days of an election. Thus, a collection of parties carrying out a highly publicized anti-Thaksin movement could not join to form a new party before the election or attract any dissident TRT members to their cause.

Thaksin won the election handily because of an opposition boycott but the victory was hollow. With public encouragement from the King the Constitutional Court invalidated the election on grounds of technical violations by both the TRT and Democrat parties and set new elections for October 15, 2006. The military overthrew the Thaksin government on September 19, before the elections could be held.

Prospects for Reconciliation

The recent and relatively quiet return of protesters to their homes, mainly in Central, North and Northeast Thailand and the reestablishment of a superficial normalcy in Bangkok constitutes, to use the words of Winston Churchill in World War II, the “end of the beginning” and not “the beginning of the end.” The memories of the confrontation will linger long after the shopping malls and office buildings are rebuilt and foreign investors and tourists return to enjoy what Thailand has to offer.

Still, the Kingdom of Thailand and its people and institutions are nothing if not resilient. There is good reason to hope that in the longer run better governance and more a equitable development path will result.

Any effort to understand the causes of the upheaval or speculate on what it may portend for the future of Thailand and the Southeast Asian region must begin with the acknowledgement that few countries are more challenging for outsiders to understand. Much of what is written about Thai politics and society, even by experts, is at best a kind of cartoon constructed by reference to inappropriate metaphors and without enough nuance to be truly useful.

We can start with the fact that Thailand is a kingdom and a constitutional monarchy, almost without parallel in the West. The closest approximation might be the United Kingdom, but the monarchy there is far less imbedded in the social fabric.

Thailand also is one of the few Asian countries that escaped colonialism if we exclude the period of Japanese occupation in World War II. It compromised its autonomy in many ways and had the good fortune if we can call it that, that it served the interests of

the British in Burma and India and the French in Indochina to allow the country then known as Siam to serve as a buffer state.

Certainly Thailand has deep social divisions and very obvious economic divisions, but they cannot really be reduced to urban-rural, rich and poor or Thai versus Sino-Thai and ethnic minorities. The monarchy is very influential but the concept of pro-monarchist versus some other sociopolitical force doesn't hold water since the King and Queen's pictures will be hung in an honored place even in the homes of the reddest of red-shirts.

The Army plays a very important role, not only as the most cohesive institution but also by being connected socially to other important power centers. The day when prime ministers were mainly former generals is gone. As in a number of other modernizing societies, the military jealously guards its institutional integrity and national borders. But the Thai military no longer seeks to govern, if it ever did, if for no other reason that its strong hierarchical culture is inadequate to running a complex modernized society. The military-led government following the 2006 coup badly bungled financial and economic policy, and the leaders rather quickly turned to a civilian caretaker government.

In the recent crisis, the military generally followed strict rules of engagement regarding the use of lethal force and took orders from the prime minister. Thailand has had much more bloody incidents of military action against civilian protesters. One consequence is that fewer red shirts or others are likely to feel a strong need for revenge. Even the most radical demonstration leaders surrendered peacefully and tried without success to persuade what were frankly more criminally minded elements to desist from their arson.

First Steps

Already Prime Minister Abhisit Vejjajiva and five cabinet members of his Democrat Party, the leader of the current coalition government, have easily survived an attempted censure and vote of no-confidence in the lower house of parliament. Abhisit's patient handling of the crisis and even his eventual decision to order the army to use the appropriate amount of force necessary to end the confrontation have earned him a 71.7 percent approval rating in a poll taken in 30 provinces following the parliamentary vote. The Minister of Finance -- a critical player in overcoming the damage to Thailand's economy -- received a 70 percent approval rating and the other three Democrat cabinet ministers all received over 50 percent approval. Assuming the poll is sufficiently broad-based to be representative, the result means that the Abhisit and his government enjoy significant support outside Bangkok.

It would appear to speak well for future reconciliation that Abhisit allowed 18 hours to the opposition and 13 hours to the government for the acrimonious debate, and that the number of votes against the government was less than the total number of opposition members. Abhisit has promised an objective investigation into claims that the army used excessive force in the confrontation that led to 89 deaths and more than 1,800 wounded over a period of 10 weeks, with most of the casualties among the demonstrators and the army in the confrontations that occurred on May 19.

The Prime Minister has also promised to hold new elections, but probably not until next year. No doubt the Prime Minister will want to wait for calm as an election marred by further violence could be disastrous, but he and the coalition party leaders also will want time for new initiatives to be put in place in the most disaffected areas, mainly in the rural north.

The prospects for lasting reconciliation depend on how Thailand's political leaders and government bureaucrats deal with both the precipitating and underlying causes of the upheaval, but also on whether the larger Thai body politic can adjust to circumstances beyond the capacity of any one or any institution to alter or prevent.

One thing that likely will not achieve reconciliation is demonizing Thaksin, who still retains a large following. Instead, the Abhisit government or a successor cabinet will have to gain support and reduce Thaksin's attraction by making the necessary investments in education, rural infrastructure, and other ways to spread the benefits of modernization more widely. The government will also have to take measures to promote increases in agricultural productivity. This will be complicated by developments such as the a bilateral trade liberalization with China under the so-called China-ASEAN Free Trade Agreement, which has allowed cheap Chinese fruits and vegetable to flood the Thai market and undercut rural farmers.

More fundamentally, any Thai government will have to address the loss of manufacturing export competitiveness to China, Vietnam and other lower wage Asian countries by adopting policies to attract more foreign investment and even more critically, to adopt a range of policies to move the Thai economy up the value-added economic food chain. This has been greatly complicated by the global financial and economic crisis and the accompanying decrease in the viability of an export-oriented economy. No government can command both urban and rural support without achieving this, but can gain support from the fact that rebalancing the economy towards domestic led growth can improve incomes across the board.

U.S. Interests and Possible Responses

Thailand's ability to achieve political reconciliation and positive social and economic progress that reinforces national unity is very important to U.S. interests and supports a number of American policy objectives in Asia. U.S. relations with Thailand have been warm and long standing. We celebrated the 175th anniversary of U.S.-Thai relations in 2008.

Thailand has the second largest economy in Southeast Asia after Indonesia, which is several times larger in population and an important U.S. trade partner. Bangkok is a major financial and transportation hub and host to the regional operations of scores of major U.S. multinational companies.

Thailand is a middle power with whom the United States has robust relations and a broad agenda. A treaty ally, Thailand provides important cooperation against terrorism and hosts the annual Cobra Gold multinational combined joint military exercises, the most recent of which was held in February 2010 with the participation of military forces from 20 nations in addition to those of the United States and Thailand.

With Bangkok as a regional hub for U.S. economic assistance programs, the country also plays a key role in the Obama Administration's Lower Mekong Initiative (LMI) to support climate change adaptation, health, education, and protecting the fisheries and other resources of the Lower Mekong Basin and the Mekong Delta from the environmentally unsustainable construction of mainstream hydropower dams and other infrastructure development.

More fundamentally, Thailand has acquired renewed geopolitical importance as the United States seeks to reengage with Southeast Asia and ASEAN, including the Administration's tentative efforts to test the waters for a more flexible approach to Burma. Whether it wants to be or not, and flawed as its current political situation may be, Thailand still represents one of the best models for political participation and political freedom of any country in Southeast Asia.

At the moment the main thing the United States can do to promote reconciliation is to maintain constructive relations with the Abhisit government and support appropriate efforts to rebalance the economy in ways that promote more equitable development. In this context, probably the single most important thing the Administration and Congress can do is to reject overly simplified explanations for the crisis and recognize that given Thailand's constitutional complications, moral support for the Abhisit government does not represent a compromise with U.S. democratic values and ideals. Thailand has had a tumultuous political history of coups and constitutional changes, but the impasses and confrontations of the past few years are part of a painful adjustment of the Thai body politic to a global financial and economic order that the United States has played a major role in shaping.

Mr. FALEOMAVAEGA. Thank you, Dr. Cronin. Congresswoman Watson for her questions.

Ms. WATSON. I really want to thank this panel for the insight you share with us. And I am wondering, what is the impact of the turmoil in Bangkok? What does it mean to that entire ASEAN region? What impact will that have? And look at it, too, in terms of tourism. That was a place that was a destination for a lot of us, and now when you see the pictures on TV, it certainly wouldn't attract a whole lot of tourists probably anytime soon.

So can you comment on the political impact in the region and what you see in terms of business trade tourism?

Mr. JACKSON. I would say that what is remarkable about tourism is that it seems to be extraordinarily resilient. Even given the events of this past May, apparently occupancy is back in the high thirties already in the Bangkok hotel system, and, of course, it is quite large and robust in places like Phuket. Obviously Thailand has been hurt and its tourism image has been hurt. But I guess Thailand is such an attractive place—as you found, and I did approximately at the same time—it seems to be slowly rebounding.

Now, the second thing you asked was about the political impact regionally. I think ASEAN has as its absolute fundamental starting principle, noninterference in the domestic affairs of other countries, other members of ASEAN. And I think ASEAN will maintain this principle.

However, ASEAN as an organization functions mostly behind closed doors and at dinner parties and on golf courses, and I am sure that there will be quite frank talks and expressions of concern by almost all of the ASEAN countries about Thailand becoming, not the rock of stability, but a source of uncertainty in the region. And so I am sure Prime Minister Abhisit and Foreign Minister Kasit will hear this from their colleagues, and I am sure each of those gentlemen is doing as much as they possibly can to try and get Thailand beyond this very difficult juncture in history.

Ms. WATSON. Thank you. Professor.

Ms. DALPINO. First, Congresswoman, let me tell you that my first direct experience with Thailand was also in the early sixties and I understand completely why you fell in love with it then. I did too.

Let me address a couple of points. Thailand is a regional hub logistically in terms of transportation, and that is very important. Had that really been withheld for any significant amount of time, I think the whole region would have suffered, not just Thailand.

Thailand has been important to our relationship to ASEAN. The Thais have tended to be very much a promoter of more U.S. involvement in the region and regional organizations. They will be very forward-leaning about supporting more of an Asia Pacific community and looking for ways to include the United States in the regional framework. And so that is a very important partnership.

I agree that I think that the ASEAN states were somewhat dismayed by the events. What I worry about is that there are two ASEAN states, well three, but the two oldest democracies in ASEAN are the Philippines and Thailand. And both of them in their different ways are struggling with the process of consolidation, which is much more difficult than just entering into a democratic transition. Indonesia's democracy is still a little too young to

make these sorts of generalizations, and my fear is that what Thailand and the Philippines have gone through in recent years, different experiences, will slow down the democratic processes in other countries in the region.

But lastly, let me also say that I think there is an opportunity here, and I ended my statement, my testimony, by talking about this statement that ASEAN did issue about Thailand, which is fairly unprecedented, and one of the reasons they were able to issue that is that the ASEAN Secretary General is former Thai Foreign Minister Surin Pitsuwan. He was Foreign Minister in the late nineties when he tried to persuade ASEAN to move to something called “flexible engagement” which would give ASEAN more involvement in the internal affairs of a member state if it affected the whole group. And it is sort of exquisitely ironic that this situation is going to pass, and that I think that Secretary General Surin is probably encouraging ASEAN to step up to the plate on Thailand and hoping perhaps to change the paradigm of the group just a little bit.

Mr. CRONIN. If I could add just something to that, more from the geopolitical point of view, and that is that one of the things we haven’t talked about—because it is not a hearing on China—is that China is a big factor here in the region. And the United States, particularly the Obama administration, has made a decision to re-engage with Southeast Asia, with ASEAN, and particularly in the Mekong region of which Thailand is a hub.

Thailand has welcomed and facilitated our efforts at reentry into the region. A senior Thai official told my colleague Tim Hamlin and me last summer that Thais recognize the move is geopolitical and they welcomed it. And this is, I think, a good indication of the political relationship. And at the same time Thailand doesn’t want to be nor do its neighbors want to be caught in any kind of struggle for influence between the United States and China.

But that is really not what it is about. I think it is a question of how the regional economies will develop, what their core will be, and what the relationships—political relationships that will come out of that.

So Thailand is a very important country. In ASEAN there are two countries that are kind of the poles of strongest influence. One is Thailand and the other is Indonesia; and presently, they are on the same page, if you will, with most of the issues that concern the United States.

Ms. WATSON. Thank you so much and I yield back, Mr. Chairman.

Mr. FALCOMA. Thank you.

Professor Dalpino, I note with interest in your statement you noted that Thailand has had 17 Constitutions. My gosh. And it seems that every time there is a coup they change their Constitution. So the Constitution is not taken in the same perspective as we have. We still have only one Constitution and rarely amend it in terms of whatever the—however the pendulum swings in terms of our own political development and all of that.

And I also note with interest is that maybe this is the reality. You said that the road to reconciliation in Thailand is not likely to be smooth in either the short or long term. That is about as realistic as you can get. So does this mean also, in your best opinion,

that the future of Thailand right now is, at a very, very serious crossroad where it could go either way?

And I also note that the situation with the Royal Family is a big factor. It is my understanding that the Crown Prince is not exactly well-loved by the people of Thailand, but his sister, I think the oldest of the princesses, seems to be very well loved by the Thai people. The Crown Prince is likely to be the heir to the throne if something happens to His Majesty. Could that be a critical factor in the future of Thailand's situation, politically?

Ms. DALPINO. Thank you, Mr. Chairman. First of all, I don't really think there will be a succession crisis. Thailand follows primogeniture in the monarchy. And so from the very beginning the Crown Prince, the only male, was the heir apparent.

It is true that—and some of my colleagues might want to correct me on the exact history—that in the Privy Council there was a provision that would enable Princess Sirinhorn to take the throne if her brother could not serve. That regulation went into effect before the Crown Prince had a legal male heir. So I don't know what the status of that would be.

But I think that whatever the next generation would hold for Thailand, I think it would be a shock to have the world's longest reigning monarch, who was in many ways a modernizer, pass from the scene. And I think even among the best of times, that would be a major adjustment for Thailand.

To answer the first part of your question, I have a lot of faith in Thai resilience and the Thai ability to compromise. I am a little alarmed that the situation has almost gotten beyond that. But my wanting to point out that there are both short- and long-term dangers is to sort of alert the committee to the fact that things could take a sharp turn for the negative at any point. And I think it will be many years before Thais feel that politics are on firmer ground.

Mr. FALEOMAVEGA. Dr. Jackson, I note with interest your very broad stroke of the brush in terms of how Thai society has evolved. And basically there seems to be the Bangkok urban rich people versus the rural areas. How does that relate to the population? Do the majority of people in Thailand live in urban areas; are they in urban city areas like Bangkok?

Mr. JACKSON. The fundamental problem of Thai politics is that most of the money is in Bangkok and most of the votes are outside. And that is a fundamental tension in the political system that has grown more intensive over the last 20 years. Several of the constitutional changes have really been designed to try to modulate this but it will continue to be a source of difficulty unless and until—in my opinion—and this is only my opinion—unless and until some pretty fundamental decentralization takes place whereby if people were dissatisfied upcountry, they might petition their local government or their provincial government rather than going to the streets of Bangkok.

And so in my own view, one of the things that might conceivably help with long-term reconciliation would be decentralization because the Bangkok system, that is, the Thai system, has always been a very centralized kingdom, and the whole thrust of modernization in the 20th century was to centralize and bring power

to the center. And it seems to me one way to buy political space is to reverse this process at least partially.

Other big cities like Chiang Mai could conceivably have their own elected Governor as Bangkok now does. This is one possibility.

Mr. FALEOMAVAEGA. Is it your view that one reason why former Prime Minister Thaksin identified so well with the lower-income class people in the rural areas is because he probably did more than any previous Prime Minister to really help the lower-income people in the rural areas? Does that seem to be why there was such a close relationship between the people of the rural areas and Thaksin, despite the fact that he is a rich person?

Mr. JACKSON. An enormously rich person. There are two aspects of it. One is that his government did do more for upcountry Thailand than other previous governments had done.

Mr. FALEOMAVAEGA. That is a fact.

Mr. JACKSON. That is a fact. He not only promised to do something, he did the unforgivable. He delivered on his promises after he was elected.

But the second aspect is the one that I think is the more critical; that is, he turned his own personal narrative of rags to riches into something with which many people who are poor in Thailand identify. This is a guy who, when his father died, had no inheritance; his family lived upstairs from the family coffee shop. When he came to the States he worked in a Kentucky Fried Chicken place to pick up money. Not only are there certain facts to this story, I am sure that on the stump, although I have never heard him on the stump, he can embellish this story in quite remarkable ways. And a lot of people identify with that rags-to-riches story, and Thaksin's goal was that he was going to abolish poverty in Thailand. That is what he said his goal was.

Mr. FALEOMAVAEGA. I note with interest, Dr. Cronin, you said the problem with Thailand is this fundamental attitudinal issue, to which Dr. Jackson has alluded. Here is a fellow who goes from rags to riches to becoming Prime Minister. He reached out to the lower-income people and gave them hope. They think, if he can do it, I can do it too. And, as Dr. Jackson said, he delivered on his promise to help the people in the rural areas.

He mentioned that it seems that the government has demonized Prime Minister Thaksin's problems, his human rights abuses and drug trafficking. Does that really go over well in the rural areas, the people that seem to have such a strong affinity or devotion to him because he was able to identify with them more so than the rich and the people of means, of affluence, living in Bangkok?

Mr. CRONIN. Yes. That is a very good point, an interesting point. I think that those of us who look at Thailand and try to figure out what is going on shouldn't lose sight of the fact that Thaksin's sins were not as criticized in the rural areas as in the cities. But there is also this contradiction that everybody in Thailand, including Bangkok people, many, many people anyway, supported his anti-narcotics campaign. It just got a little sticky when, say, if you are a middle-class professional Thai and you look over the balcony from your apartment or your condominium and you see a corpse lying in a pool of blood in the street who is alleged to have been involved in drugs.

Mr. FALEOMAVAEGA. Would you say that those people involved with drug trafficking could have been from affluent backgrounds?

Mr. CRONIN. Probably not. Maybe the users, like here, are from a more affluent society, but drugs have permeated much of Thai society.

Mr. FALEOMAVAEGA. We have got a similar problem here with Latin America. The Latin American leaders complained to us that if there wasn't such a tremendous demand for drugs in America, maybe we wouldn't have drug problems. Not so much those who are using the drugs, but rather those who are trafficking it.

Mr. CRONIN. The real point is one you mentioned at the beginning of this particular exchange, and that is that, again, whatever Thaksin's flaws and failings, which are widely recognized, there was still this attitudinal issue that for whatever reason, personality, background—hardscrabble-to-riches background, the people did identify with him in a way they don't in Bangkok.

And I mentioned earlier this issue with the Constitution and efforts to write a Constitution that was more academic and squeaky clean and would basically, if you will, keep them away from the government.

Mr. FALEOMAVAEGA. Let me ask all three of you, did you think his trial was impartial and fair as far as the judiciary is concerned in Thailand? I am talking about Prime Minister Thaksin's.

Mr. JACKSON. I wish I could say that I was really familiar with the trial itself. I am familiar with the charges, which had to do with a particular piece of property that was purchased by his wife; and the charge, if I remember correctly, was that she was allowed to purchase this at below market price when she was married to the Prime Minister of Thailand at the time. I don't think anyone really challenged the facts in the case.

The question was, is this offense sufficient to convict and send to jail a person who by then was a former Prime Minister? The Thai court decided yes.

Mr. FALEOMAVAEGA. Is this an every day thing that goes on anyway? I mean this is just Prime Minister Thaksin. It happens to other government leaders who have these kinds of business transactions? To us it is a conflict of interest, but to them, carrying on to the benefits.

Mr. JACKSON. I think your colleague outlined the two democracies problem of Thailand; that is, there is one democracy that thinks only in terms of who can get the most votes and therefore control Parliament. This is the upcountry democracy that Thaksin cultivated and utilized.

There is the Bangkok democracy which says ethics are all important; we are trying to clean up the swamp, and the conflict that we have watched in Bangkok in the streets is the outgrowth of this underlying struggle.

Mr. FALEOMAVAEGA. Professor Dalpino.

Ms. DALPINO. Mr. Chairman, if I could, I would like to turn to this issue of Thaksin in the rural areas. He is not universally loved in the rural areas. He was not at the time. And I think we need to break down the monolith of rural areas. He was popular in the north, he was from Chiang Mai. He was popular in the northeast for a number of complex reasons, the relative poverty and the fact

that the political dynamic in the northeast makes it all too easy to deliver the northeast en bloc, unfortunately. He is very unpopular in the rural south.

And here I think we need to bring in the forgotten conflict which is the deep south conflict and the insurgency that has been going on since 2004. I do not think it is fair to attribute the restart of that conflict entirely to Thaksin, but he did not make it any easier with his approach which is a very ham-fisted, very heavy-handed, very assimilative approach. And here, ironically, he demonstrated all of the qualities that people are complaining about that so-called Bangkok leads with. It shows he is a very complex person, obviously, but he does also come from that class as well in many ways. So I think when we think about the rural areas, we need to remember the rural areas themselves in Thailand are much more diverse than some people would understandably—

Mr. FALEOMAVAEGA. Dr. Cronin.

Mr. CRONIN. If I could add to that as well, the issue that you have raised of “doesn’t everybody do it” is certainly a valid issue. But in Thaksin’s case, of course, you have scale which was very, very large. The other thing is that—and really the problem isn’t one of perceptions. So he was a crook, yes. Was he persecuted? That is a matter of perception, and disagreement. And one of the problems for the Thai Government is, for instance, they are having a hard time getting international banks, Interpol, et cetera, to help them deal with him and the money that he has stashed abroad. And the problem is that the more they demonize him, the more it conveys an impression that, well, he may have been a bad guy, but this is a political thing and therefore we don’t want to have anything to do with it.

And the real problem, I think, is that the system as it is set up cannot deal with a situation in which Thaksin came back. And so this is a huge challenge because in a new election his supporters could, if not gain a majority, lead a coalition where they could pass laws that would allow him to come back under amnesty or something like that. And that would be a nightmare. It is a nightmare scenario.

So I really have to sympathize and empathize with the political establishment in Thailand. It is presented with this dilemma that is very, very difficult. And it again goes back to the issue then of perceptions and attitudes, so that what the government should be doing and what it is doing in terms of programs and funding, et cetera, does Thaksin one better in terms of providing more development and more services to the rural areas. But at the same time, if that is not done with the right psychological element to it, if it is done by bureaucrats who are kind of giving it down rather than involved in a cooperative venture, then it still leaves an opening for trouble in the future.

Mr. FALEOMAVAEGA. What would be all three of your perspectives if, let’s say there is a point of reconciliation, and I am sure that it would be agreeable to the Red Shirts that Thaksin is allowed to come back and allowed to run for Prime Minister. Will that reconcile a lot of the current humbug and the situation of the crisis the way it stands right now?

Ms. DALPINO. Mr. Chairman, I think in the short term that probably would just restart the cycle of conflict and violence. But in the long term, I think that the ideal under that scenario of his returning would be that he would be allowed to return, contest for power, that the outcome of the election would be respected, but that there would be sufficient checks and balances on the system so that he could not subvert the Constitution and that if he does indeed have any—as there should be on any Thai politician, and I have long maintained that Thaksin is not a throwback, a genetic throwback to the average politician in Thailand, but that the system could deal with him.

Mr. FALCOMA. Let's say that by a court of law he has been found guilty. Let's say, and I am making a big assumption here, that he is pardoned. As a point of reconciliation, that would be satisfactory to the Red Shirts, and say, our leader is back now, let's leave it now to the people of Thailand to make that decision of whether or not he is capable or has the ability to sway the majority of the people of Thailand to have him as the Prime Minister.

I don't know, this is another point that they—I am sure the government is trying to figure out exactly where the Red Shirts are coming from and where the Yellow Shirts are coming from.

At what point do you think there will be some point of reconciliation that we can see something more positive than what it is now? Dr. Jackson.

Mr. JACKSON. I would go back to Thai history to 1973–76. The military dictator of Thailand was a man named Marshal Thanom Kittikachorn, and in 1973 he was forced to leave the country after a student uprising in which people were killed on the streets. He subsequently returned to the country, shaved his head, became a Buddhist monk, and then after a time period slid seamlessly back into Thai society and into private life and lived out his entire existence in Thailand.

I think that it would be very difficult for the forces in Bangkok, that is, the Bangkok dominated courts, the people around the monarchy, the people around the Democrat Party, to accept the idea of Thaksin Shinawatra being allowed to return and to run in politics. However, I think it is not impossible that he might be allowed to return quietly to Thai society. And I think that that is something that is terribly important to him as an individual. So there is some quid pro quo here that could conceivably be worked on.

I think the people who are in power now in Bangkok would want to extract a promise, an enforceable promise, that he would never again directly participate in politics. So that is where I see the possibility of a deal; but I would add, I have no relevance to either side of this deal.

Mr. FALCOMA. Professor Dalpino.

Ms. DALPINO. I think that the immediate issue is what would happen if his successor party to Thaksin's Thai Rak Thai party, the Puea Thai party, should get a plurality in the next election? Thaksin himself is a wild card. What he actually wants is not something that is entirely clear.

So I am not sure that even the Puea Thai would want to stake a whole policy on his return. And one scenario might be that he just diminishes in importance as some of these issues, particularly

having to do with discrepancies between center and provinces and economic discrepancies are addressed, I think it is very important to decouple Thaksin from those issues, because those issues are very longstanding. They have been existing in Thailand for decades and decades and decades.

But I think that you don't even need to think about a return. I think that some parts of the—many of Thaksin's detractors believe that if Puea Thai party were to come into power, then Thaksin would be able to manipulate power through them. And that is a very immediate issue, and I think probably the crux, in the short term, of reconciliation.

Mr. FALEOMAVAEGA. Dr. Cronin.

Mr. CRONIN. Well I would fall, I think, in the same line of argument; that is, I would distinguish between Thaksinites and Thaksin. And definitely Thaksinites must have a share of political power in the future, and that could well come in the form of plurality in the next election. I don't know. But it is a challenge I think for the democrats and their ruling parties to compete in the rural areas with the Thaksinites.

Eventually, I think that Thaksin is going to turn up again one way or the other, and the question is can he be contained in the sense of being forced to stay out of politics as a bargain, at the price of coming back and doing his business and other things that he does. But he will always be there behind the scenes.

And so ultimately I think you go back to Karl Jackson talking about decentralization, talking about the kind of political change which would minimize or reduce the importance of single figures, you know, charismatic figures, getting back to a kind of politics that is more multipolar and consensual, and I think that that is the best way Thailand should try to go anyway.

Mr. FALEOMAVAEGA. I have not had a chance to field any critical editorials or commentaries made about the result of Prime Minister Thaksin's court trial. And I get the impression that perhaps as quoted in his opinion, he wasn't treated fairly. And for reasons, as you say, that he no longer comes back to the country, I suspect that he will immediately be put in jail, which is something that will cause even greater problems to the society or to the people in Thailand.

And I raise the question—I am sorry I couldn't get him to come and testify to this subcommittee. I would love to have him. I don't even know if he is allowed to come to our country in terms of we would probably send him by way of reciprocity to Thailand if he ever was to come to the United States.

But I just, as I am sure you are concerned, as are my colleagues, he is a very colorful leader. As you said, he went from rags to riches, becoming a billionaire by being a successful businessman, seemingly, and wanting to help Thai society in that respect by giving some of the wealth or whatever it is that the government can provide to those who are less fortunate.

How serious is this idea that the middle class, and I am very vague on this, and I really want to understand, is there really a middle class in Thailand that seems to be one of critical influence, whether it be with the Red Shirts or the Yellow Shirts in the crisis? And then the problem is you can't point exactly who is the

leader of this so-called middle class that seems to have a lot of influence. How did they get the tires? How did they get all of these things to allow them to cause this demonstration that is now turning violent? Is there really a middle class that is bringing out this sense of frustration through these factions that we see causing the crisis we have in Thailand?

Mr. JACKSON. First of all, there certainly is a Bangkok middle class. There is also an urban middle class up in Chiang Mai. It is one of the great products of the kind of economic development that we have seen in the last 50 years in Thailand.

However, the middle class and its involvement in politics is somewhat episodic. In 1973, it very much sided with the students. By 1976, it didn't support the very nascent democracy because the democracy and in the perceptions of the middle class had gone off the track. If you look across Thai history, you see the middle class coming in and coming out.

In the latest series of conflicts, I don't know that anyone ever did any real polling, or at least I am not aware of any, my colleagues may be, but if anything, civil society forces and the Bangkok middle class probably had their hearts, not with Thaksin but with the Yellow Shirts because they saw Thaksin absorbing all of the enterprises around Bangkok. He was becoming so overly powerful that he was almost strangling future opportunities for them.

So I don't think anyone knows exactly how the middle class of Bangkok splits at any given time, but it was at least my impression that, if anything, they tended to be on the side of anti-Thaksin forces.

One footnote. In 2005, there was an election in Thailand. It was at the end of a regular term of Parliament, Thaksin's first term. At the end of that term of Parliament, there was this election, and it was the highest turnout in the history of Thailand. And the Thai Rak Thai Party of Thaksin took 61 percent of the vote nationally. TRT took 56 percent of the vote in Bangkok. So my colleague, Professor Dalpino's caution that this is always complex and it is always moving is well taken.

Thank you.

Mr. FALPINO. Professor Dalpino?

Ms. DALPINO. Thailand has always had a middle class, but it has grown exponentially in the last several decades. In fact, in 1957, the public uprising in the middle class forced a very prominent political figure to be thrown out of the country. That has always been there.

I would actually dissent a little bit from the idea that the middle classes were inherently against Thaksin. They actually were for him in the beginning. The Bangkok middle class, too. He represented something different to them than Thaksin represented to the rural areas. He represented globalization. He was the head of a very well known international telecommunications firm. He represented national pride. Thai Rak Thai means Thais loving Thais. He specifically targeted Thailand's loss of face during the 1997 financial crisis and promised that Thailand would pay back the IMF bailout funds early, and he represented a kind of sophistication that went down very well with the younger generations.

Usually when a prime minister is inaugurated, he goes to the temple and prays for guidance. When Thaksin was inaugurated, he put his wife into the family Porsche and went to Starbucks. That to the Bangkok middle classes was cool. It is just that they had more of a frontrow seat for some of his governance style after that, and they became disillusioned with him in many ways, and the rural areas, for one reason or another, were less quick to become disillusioned with him while he was in power.

Mr. CRONIN. I think Catharin has put it very well. It is a very complex situation, and I tend by nature to look for structure or more general explanations for things. I think one of them is that Thaksin was a modern man, and Thaksin was going against—

Mr. FALEOMAVAEGA. Was he a maverick?

Mr. CRONIN. Maverick, yes. Also, in terms of his globalization orientation, his business interests, the way he did things, he was a CEO with all of the good and bad of that kind of a personality. And he was going against a political order which, as I said at the beginning in my statement, wasn't changing as fast as the economic situation was changing. So that is one important element.

The other is this issue to talk about not oversimplifying things, a lot of the Red Shirts came to Bangkok with pickup trucks, and they had all of the appliances and here you are talking almost more of a rising expectations issue than abject poverty. So those rising expectations came from people who want to become part of the political process, and if they find themselves regarded as bumpkins and somebody to somehow be kept out of the center of power, that creates some real problems. And there was a kind of heady sense of power and empowerment that Thaksin generated and that these Red Shirts brought them with them to Bangkok for the demonstrations.

Mr. FALEOMAVAEGA. I know I have taken so much of your time already this afternoon, and I want to thank all of you for the excellent testimony you have provided the subcommittee. We may be holding another subcommittee hearing on the issue, but I understand that my good friend, the chairman of the Senate Foreign Relations Subcommittee on the Asia Pacific, Senator Webb, has just returned from Thailand, and hopefully, we can be of help to the good people of Thailand in resolving this crisis that they are faced with right now.

All of your statements will be made part of the record, and if you have any additional materials to be added, they will be made part of the record as well.

I sincerely thank you for coming this afternoon. I learned a lot. I certainly got an education myself. I have visited Thailand a couple of times, and it is a very, very beautiful country with a rich culture. And something that I always sense that we have to be mindful of ourselves, that sometimes our tendency to tell other people how they should conduct themselves by way of using our form of democracy as the end all and be all for other countries to follow, I don't think that is a very good way of helping the good people of Thailand.

I do want to keep in touch with you. We may have perhaps a reunion when we find out what is going to happen in the next 5 or 6 months.

As you mentioned, Ms. Dalpino, the timing of the election is going to be so critical, and exactly how the negotiations, how it is going to come about and whether or not the people of Thailand are going to accept whatever the government is going to be able to negotiate with the leaders and the members of the Red Shirts and the Yellow Shirts. And our friend, former Prime Minister Thaksin, in my own humble opinion, will have a critical role to play. I hope he does it in a positive and constructive way for the sake of the people of Thailand.

Thank you so much. The hearing is hereby adjourned.
[Whereupon, at 4:50 p.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

SUBCOMMITTEE ON ASIA, THE PACIFIC AND THE GLOBAL ENVIRONMENT
Eni F.H. Faleomavaega (D-AS), Chairman

June 8, 2010

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Subcommittee on Asia, the Pacific and the Global Environment, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at <http://www.hcfa.house.gov>)**:

DATE: Thursday, June 10, 2010

TIME: 2:30 p.m.

SUBJECT: Thailand: The Path Toward Reconciliation

WITNESSES: **Panel I**

The Honorable Scot Marciel
Deputy Assistant Secretary and Ambassador for ASEAN Affairs
Bureau of East Asian and Pacific Affairs
U.S. Department of State

Panel II

Karl Jackson, Ph.D.
Director of Asian Studies and South East Asia Studies
The Paul H. Nitze School of Advanced International Studies

Ms. Catharin E. Dalpino
Visiting Associate Professor
Asian Studies Program
Edmund A. Walsh School of Foreign Service
Georgetown University

Mr. Richard Cronin
Senior Associate
The Henry L. Stimson Center

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

HEARING MINUTES OF SUBCOMMITTEE ON ASIA, THE PACIFIC AND THE GLOBAL ENVIRONMENT

Day: Thursday
Date: June 10, 2010
Room: 2172 Rayburn House Office Bldg.
Start Time: 2:40 p.m.
End Time: 4:55 p.m.
Recesses:
Presiding Member(s): Chairman Eni F.H. Falcomavaega

CHECK ALL OF THE FOLLOWING THAT APPLY:

Open Session X
Executive (closed) Session X
Televised X
Electronically Recorded (taped) X
Stenographic Record X

TITLE OF BRIEFING: "Thailand: The Path Toward Reconciliation"

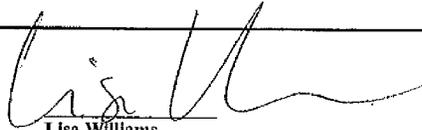
COMMITTEE MEMBERS PRESENT: Ranking Member Manzullo, Rep. Watson

NONCOMMITTEE MEMBERS PRESENT:

BRIEFERS: Same as meeting notice attached? Yes X No (If "no", please list below and include title, agency, department, or organization.)

ACCOMPANYING BRIEFERS: (Include title, agency, department, or organization, and which witness the person accompanied)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record)
Chairman Falcomavaega, Mr. Marciel (witness), Dr. Jackson (witness), Professor Dalpino (witness), Dr. Cronin (witness)


Lisa Williams
Staff Director

AS DELIVERED

**Remarks by H.E. Mr. Abhisit Vejjajiva
Prime Minister of the Kingdom of Thailand
at the briefing on the Current Political Situation
for Members of the Diplomatic Corps and Foreign Chambers of Commerce
Saturday, 29 May 2010 at 13.00 hrs
Santi Maitree Building, Government House**

**Excellencies, Ambassadors, and Members of the Diplomatic Community,
Presidents of Foreign Chambers of Commerce,
Distinguished Guests, Ladies and Gentlemen,**

First of all, allow me to thank all of you for attending this session. I believe that you were given quite a short notice. But your presence here, I think, is very important as the country moves back to normalcy and we're in the process of rehabilitation and reconciliation -- to which, I think, you can make very vital contributions. And therefore, this is an opportunity for us to meet and exchange ideas.

Let me also take this opportunity to thank all of you because over the past couple of months there had been many concerns voiced and statements made concerning the political situation, and in particular the situation concerning the protests. Your commitment to non-interference, in what is a domestic affair in our country, is very much appreciated. At the same time, your support for a democratic and peaceful resolution to the problems, as well as calls for a dialogue are also very much appreciated by the government and also by me personally. And I can reassure you that during these very difficult months, those were the approaches that we've tried our best to follow, through the very difficult situation amongst the very strong conflicts and divisions that occurred. And of course, as we look forward in terms of the reconciliation process, your views will be very valuable to our thinking also in trying to achieve peace and stability and prosperity in the country. But let me just take a little bit of your time before I open up the floor to make some initial comments. First of all, on what have been happening although I know that many of you would have followed the situation closely. What we are doing right now to stabilize the situation, and our short-term measures to help and assist those who have been affected by the protests. And then finally, of course, the longer-term plans in terms of reconciliation and reconstruction.

Let me go back to when I first took office. I recalled when I met many of you that the government wanted to achieve a period of stability and national

reconciliation. And that our approach would be one that we would try our best to avoid confrontation, refrain from using violence, and allow all sides to speak. Even today, just as we had hoped when we assumed office, we still hope for democracy to move forward, for reconciliation to be achieved through justice, and for the principle of moderation to be maintained. And through thick and thin, this is what the government had tried to do over the last one and a half years. Many would have been aware that the differences, political or otherwise, the divisions that have occurred, had roots that existed long before the government assumed office. But over the last year and a half, despite situations which are very, very sensitive and hard to handle, the government has always maintained that we wanted to solve everything through democratic means. Many people would offer solutions, for instance, on the issue of constitutional amendments, the government had agreed to hold a referendum on some of the key points that had been agreed upon by a parliamentary commission. But times and again we were disappointed that the opposition parties were the ones that called off any possible agreement.

Likewise, when the protests began in mid-March as peaceful protests, we tried our best to avoid confrontation and again, if you can recall by the end of March, I personally sat down with the leaders of the protests to try to negotiate a possible resolution. We did that over five hours, I think, over two days – televised for a national audience for everybody to see. And on both occasions, again, it was the leaders of the protests who decided to call off those negotiations. And after 10 April, it also became clear that while the protests began as peaceful demonstrations, we had a group of people who were armed, who were prepared to use violence against security officers and also against innocent people, which made it extremely difficult for us to deal with the situation.

In the end, we were faced with the violent provocation by a few people of the most radical protesters, possibly acting on behalf of the interest of one man. And we had few options. Doing nothing was certainly not an option, as far as the government was concerned. After weeks, again, of patient negotiation which only yielded changing and escalating demands on the side of the protesters, and especially after an offer for an early election – one year early – and a five-point reconciliation plan presented by myself was superficially accepted by the leaders of the protests but effectively ignored in the end because they decided not to call off the rallies, it became clear that we could not allow Thailand's political system and economy – and you could all argue that even the vast majority of the protesters themselves – to be held hostage by extremists with no genuine desire to compromise.

We have to take steps to restore law and order, as the prolonged occupation of the Ratchaprasong area had increasingly disrupted the people's normal life with worsening impact, of course, on the economy. We intended to achieve this by putting an end to the protests with as little loss as possible. The government regrets the losses that have occurred, and we were dismayed by the readiness of some individuals and groups to use lethal weapons to harm fellow Thais – be they demonstrators, bystanders or security officers – only to worsen the situation and instigate further violence. And from the evidence in terms of video footages taken by local and international media, I think it is now clear that there were armed elements infiltrating among the demonstrators, who were prepared to use these weapons indiscriminately that led to losses of lives and injuries on both sides. You would have seen photographs and video footages that show tear gas launchers, M67 hand grenades, M79 grenade launchers, AK47 machine guns as well as improvised weapons that were used during the last month or so. And when I say armed elements, I know that some of you are still not comfortable with the term “terrorist” that we have used over this last month. Let me just mention that this definition of “terrorist” is according to our Criminal Code which is in line with the UN Charter, UN convention, and UN resolutions, and that this definition was put in after the 9/11 event occurred in 2001.

During the peak of the events where most losses were suffered, what the government was doing was that our security officers worked to set up checkpoints. That is because after we decided to restore law and order, we knew that if we had military officers move in to disperse the rallies, there would be many, many more losses. So, our strategy was to seal the area off. And, therefore, these checkpoints were set up. In setting up these checkpoints, our instructions to the officers were clear that live bullets would only be used as a warning, in self defence, or only when the attackers or targets have lethal weapons and were in clear sight. I would emphasise, once again, that setting up these checkpoints and defending these checkpoints were intended to minimise losses in our attempt to pressure to end the protests. These were set up roughly on the morning of 14 May and after about three or four days, it became clear that the strategy was paying off in terms of reducing the number of demonstrators from around over 10,000; the number in Ratchaprasong Intersection was reduced to roughly around 3,000-4,000.

But armed groups continued to attack these checkpoints and also innocent people along the way. Some groups were specially targeted such as journalists and volunteer workers. And so, with this in mind, we decided to undertake to tighten the perimeters and to cordon off the protest area further. That's what took place on 19 May, by moving to areas around Lumpini Park and the Sarasin Intersection, again without the intention of going into Ratchaprasong

Intersection as such. We needed to do that because it was also clear that from mid-May or early-May onwards, weapons were being stored in that area and also that a number of grenades that were launched, particularly the M79 grenades, were launched from around Lumpini area.

Once we had successfully reclaimed that area, the leaders of the demonstrations decided to call off the rally. After they dispersed, we halted the cordoning operation to allow demonstrators to go home. But unfortunately, the armed extremists continued to go on and attack. As you know, they set buildings on fire in numerous locations, not just in the protest area, but other areas in Bangkok. I think as more and more evidence surfaced, you can see that those violent actions were premeditated and coordinated in advance. They weren't merely outbursts of emotion. And of course in the evening, tragically, a number of people, innocent people, at Pathumwanaram Temple were shot. I would point out that there will have to be a full investigation into the Temple incident – but only to point out at this stage that the military operation, as I have said, had already ceased because the demonstration was called off at around 13.00-14.00 hrs. and the shooting incident took place at around 19.00 hrs. That is just the quick summary of what we've tried to do, especially after the reconciliation plan was rejected by the protesters and leaders of the UDD.

And I would just make one further point concerning what had happened that there are reports that on the night of 18 May, there were attempts of mediation by the Senate which was rejected by the government. I would just like to recall that I was contacted by the President of the Senate in the afternoon of 18 May. And the only concrete proposal that I had from this group of senators was that there would be, what they called, a ceasefire after 18.00 hrs. But on the night of 18 May, there continued to be grenades launched at military checkpoints, so I told the President of the Senate that this was clearly not working. And other proposals that I received through NGOs and groups who acted as mediators were impractical suggestions, such as saying that we should try to get the troops to retreat from their checkpoints and ask all the people who were causing trouble in the Klong Toei area and Din Daeng area to join the demonstrations at Ratchaprasong, which would clearly be counterproductive to what we were trying to do, which is to end the protests by putting pressure with minimum of losses.

As far as the current situation is concerned, today we still have the state of emergency in place, although last night was the last as far as curfew was concerned. We are not going to extend curfew as of tonight. Ratchaprasong and the city of Bangkok are returning to normalcy. You have seen the Big Cleanup Day where volunteers, Thai and foreign, helped officials of the BMA to clean up streets in the aftermath. Let me express my thanks and appreciation

to any of you and people who have joined in that activity. Again, I think, it pretty much reflects how Thais are resilient and willing to come together to try to move our country forward. And I can say that on that day when we returned the Ratchaprasong intersection into the BMA, it can be said that we have reclaimed Bangkok back for the people.

As I said before, there will be independent investigations on the events that took place over these last two months. Due process of law in terms of criminal prosecution and court cases will proceed without any interference. And of course, we will need all the help we can, in terms of the gathering of facts and evidence. We would do it in a manner as open and transparent as possible as far as information on all the events is concerned. As far as helping compensate victims and those affected by the protests, earlier this week the Cabinet has already approved emergency measures to compensate victims over the last couple of months, authorise aid to individuals, provide grants, low-cost loans to businesses, and funds to help pay for employee wages and leases, among other initiatives. Assistance will be for employees working in both small and large businesses. There have also been arrangements and continued consultation among those affected by the events, and a special committee that has been set up by the Cabinet headed by Secretary-General Korbhak Sabhavasit. We have moved swiftly putting as our priority those who have been laid off, those who have lost their shops and locations to do their businesses. A number of initiatives have also been taken. Yesterday and today, we closed off the intersection of Silom Road so that people who have lost their shops have an opportunity to do their business with the help, of course, of Bangkok and various people who are shopping there right now.

But much more important than this short-term relief measure is the process of reconciliation and reconstruction itself. We need to rebuild the social and economic compact between people and the government. We recognise that psychological rehabilitation must be done nation-wide, and we intend to do this with as much participation as possible. We will be convening assemblies, asking people about their needs and wishes. All sectors of society and all networks of people at all levels, we are inviting to join in – whether at the village level, whether local authorities, NGOs, volunteers, civil society, and of course all machinery of the government as well. The entire nation will have to go through this painful learning process together, and we recognise that its success will very much depend on the degree of participation, which we are encouraging from all sides.

But in any case, when I look around the country today, whether on the streets or even in Parliament – where, of course, a censure debate against the government will take place on Monday and Tuesday – I still see so many

potential partners who are ready to embrace a common future for the country. So no matter what their political views may be, I'm still confident that the vast majority of our people are peaceful and moderate, and they were stunned and dismayed by the recent violence. We recognise the grievances of our rural poor – there are legitimate grievances. They need a stronger and independent voice. This is clearly the most important mission of this government, which is to resolve the fundamental problems, social justice in a systematic way with participation by all sectors of this society. The five-point reconciliation plan that I've proposed would be the basis of this exercise.

Finally, I wish to emphasise that the Royal Thai Government has always attached utmost importance to the safety and well-being of foreign nationals and members of the diplomatic corps in Thailand. We will continue to do our utmost to provide security and stand ready to extend any necessary assistance which may be needed. I invite and urge you again to take part in this process of rebuilding confidence in Thailand and in bringing back the strength to this country, one that you know very well has great potential and opportunity. Our people, kind and compassionate and full of "Nam Jai", remain your true friends as you are ours. With your support, I believe that your valuable contributions will help us achieve the common objectives of peace and prosperity. That is what I would like to say at first. My Ministers and I will be happy to hear your views and will answer any questions that you may have. Thank you and once again Sawasdee krub.

Prime Minister reiterates call for Thais to work together on reconciliation process

On 23 May 2010, Prime Minister Abhisit Vejjajiva spoke in his weekly television program about the events of the past week and about what his Government will do to help the country return to normal.

The Prime Minister first noted that security officers had returned the Ratchaprasong area to the Bangkok Metropolitan Administration (BMA), which had invited people of Bangkok to join in clearing and rehabilitating the area. On Monday 24 May, he said, government offices and business would resume as normal, and schools would reopen. The Prime Minister also will return to work at Government House, while the Centre for the Resolution of the Emergency Situation (CRES) will move to a location nearby.

Reviewing the situation over the past week, Prime Minister Abhisit recalled that 10 days ago, he had proposed a reconciliation plan along with an early election date of 14 November 2010 if the situation improved. He had invited all sides to join the reconciliation process, but the protest leaders took more than a week to express their agreement in principle, and then refused to end their rallies and join the reconciliation process. The Government therefore had to take steps to restore order, since the protesters' prolonged occupation of the Ratchaprasong area had impacted tremendously on the public and the economy. The government was committed to end the protests with as few losses as possible. However, had the officers moved in to disperse the rallies, it could have led to much loss, as the experience from the incidents on 10 April 2010 had shown that there were armed elements among the protestors with a large number of weapons and other materials to resist.

With this in mind, Prime Minister Abhisit said that the Government decided to cordon the protest areas to prevent more people from moving in, and to pressure the protesters to leave. To do this, the security officers had set up check points in four places around the Ratchaprasong area, outside the shooting range of M 79 grenades. While the officers conducted these cordoning operations, some protesters—including armed extremists--attempted to attack the check points, located at the Din Daeng, Rachaprarob, Bon Kai, and Rama IV area. Some 46 people lost their lives during this period. These deaths, which included journalists and innocent people, the Prime Minister stressed, were unrelated to the protest area at Ratchaprasong, but resulted from the attacks on the officers' check points. The officers had to respond to protect the check points and defend themselves, in accordance with the clearly stipulated rules of engagement. More than 100 M 79 grenades were fired at the check points during these attacks but losses among the officers were minimized since they had positioned themselves outside the M 79 range.

This notwithstanding, the armed groups continued to attack innocent people and other groups, such as foreign journalists and emergency medical and health volunteers, to inflict losses as a way to pressure the Government. As pictures showed, they also put a child on their bunkers, apparently to warn officers that if clashes occurred, the casualties would include children.

Such acts of provocation and extremism, Prime Minister Abhisit noted, were carried out continuously until on 17 May 2010, when some groups attempted mediation, including by seeking to designate Pathumwanaram Temple compound as a peace area. In this connection, he said, the CRES' position was clear: the best solution was for the protesters to join the reconciliation process and end their rallies; otherwise, more losses would occur, and it would not be possible to allow the protesters to occupy the Ratchaprasong area indefinitely. Meanwhile, there were other groups of people who had indicated their readiness to take matters into their own hands. Hence, the Government's stance conveyed through the mediators on 17-18 May was for the protesters to end their rallies and seek reconciliation along the line of the proposed five-point reconciliation plan. But the protesters came back by calling for a ceasefire. To this, the Prime Minister said, the Government explained that what the security officers had done was set up check points, and they would use weapons only to protect themselves and others, and to respond against those clearly identified as armed with intent to inflict harm, such as when they shot at the leg of a person who attempted to light up a gas truck.

Recounting what had transpired, Prime Minister Abhisit said that he was contacted by the President of the Senate who informed him that a group of senators wished to help mediate, as well as by another group of senators who did not agree with negotiation and believed the best solution was that the protests be ended. He further said that the President of the Senate informed him that the protesters' attacks against the officers would end by 18.00 hrs. The President of the Senate agreed to convey the Prime Minister's view that there should be no operations by the protesters, and normalcy should be restored to the Rachaprasong/Din Daeng and Bon Kai areas. But this did not materialize. In addition, the Prime Minister said, he was contacted by a group of NGOs which conveyed the UDD's proposal that the military withdraw so that the masses could regroup in the Ratchaprasong area. This latter proposal would not resolve the situation, but rather would make it worse by increasing the number of protesters at Ratchaprasong after the authorities had managed to reduce their number. In this regard, the Prime Minister noted that negotiation would not work unless the protests were called off.

This chain of events led to the authorities' decision on 19 May to resolve the problem in the Lumpini Park area, from which M 79 grenades had been launched, weapons used to instigate violence were stored, and through which people and weapons were moved to Bon Kai area. The objective was to tighten the cordon at Sarasin Intersection. The operation went smoothly, although regrettably six lives were lost including one military officer and one foreign journalist. The circumstances of those deaths were under investigation, the Prime Minister said. Amid continued M79 attacks by the armed groups, the authorities applied further pressure, leading to the protest leaders announcing the end of the protests and turning themselves in; police began the justice process on the afternoon of 19 May.

Meanwhile, the remaining protesters still did not or could not go to the National Stadium, which the authorities had designated as a staging point to ensure their passage home. Some gathered at Pathumwanaram Temple, Amarin Plaza and Police Hospital. At the same time, extremists began to set buildings on fire in various locations in Bangkok and other provinces including Khon Kaen, Udon Thani and Ubon Rachathani. All these occurred swiftly with preparations made in advance, while the

officers were prevented from responding by violent resistance and obstruction from armed groups.

The Prime Minister noted that the military officers halted their cordoning operations to allow protesters to return home after their protest ended, and that officers entered the Ratchaprasong area thereafter since no protests remained.

Prime Minister Abhisit affirmed that the deaths that occurred on the evening of 19 May at Pathumwanaram Temple must be investigated. Such an incident – which based on witnesses' accounts took place around 18.00-19.00 hrs. – should not have happened in the area proposed by NGOs and the Thai Red Cross as a sanctuary for women, children and the elderly. However, armed protesters also were in the area. The Prime Minister stressed that the facts must be found, which would be the duty of an independent fact-finding committee that will soon be established.

In this connection, Prime Minister said that he was in the process of approaching an appropriate person to chair the committee, and said that all government officers would be open to scrutiny, in accordance with the law and international standards. Meanwhile, the opposition has expressed the intention to seek a no-confidence debate against the Government, a move which the Prime Minister regarded as an opportunity to provide information to the people to dispel rumors that have caused confusion.

The Prime Minister said that the authorities have put the situation under control and returned the area concerned to the Bangkok Metropolitan Authority (BMA). A large amount of weapons were found, including M 79 grenades, incendiary bombs and different types of bullets, as well as vehicles adapted to be used as car bombs.

With regard to prosecution of those breaking the law, Prime Minister Abhisit noted that while most protesters had returned home, a number of armed individuals had been arrested. As for the protest leaders, they were detained in accordance with the warrants issued under the Emergency Decree, which stipulates that they shall not be detained at police stations, detention centres or prisons, or treated as convicts. After the Department of Special Investigation (DSI) gathers evidence for charges, arrest warrants will be issued for criminal prosecution.

With regard to security measures, the Prime Minister said, the CRES will continue to review the situation. In this regard, the curfew will be extended for two more days but from 23.00 hrs. to 04.00 hrs. so as not to cause undue effect on people's daily activities.

Regarding how to address the impact of the recent events on Thai people, Prime Minister Abhisit said he recognized that the prolonged situation had caused concern, but that he was confident in the fundamental peace-loving and kindness of the Thai people. Despite differences of opinions, he noted that all Thais live in the same "house", and he called on them to join hands in rebuilding it on the basis of the five-point reconciliation plan. He also called on people to be open-minded to news and information and help one another understand the actual situation, observing that over the

past two months, the protesters had received no information other than that given to them at the protest site.

As for the need for psychological rehabilitation, the Prime Minister said that this must be done national-wide alongside the reconciliation plan. He said that he would move forward with the convening of a people's assembly, which had to be postponed from the initial date of 20 May. In addition, a national survey will be conducted to ask people about their needs and wishes, along the same line as conducting population censuses, so that the work on the reconciliation plan will be on target. All sectors of society and all people at all levels, including village chiefs, public health volunteers and civil society representatives, can participate and help move the process forward. The whole nation, he said, had to go through this learning process together, and it was not for the Government or the media to dictate what people should learn.

Furthermore, in addition to the committee working to provide assistance to employees and entrepreneurs of small- and medium-size businesses, the CRES has started to register businesses affected by the events on 19-20 May, with more than 1,000 people registered. The Prime Minister underlined the urgency to find funds for these businesses to start up again.

With regard to political issues, including a constitutional amendment, Prime Minister Abhisit recalled that work had already been done by a parliamentary committee, with six issues identified as problematic. Given the objection raised by many that this would only benefit politicians, the Prime Minister had proposed putting the amendments to a referendum, but some did not accept the idea. Bearing this in mind, he therefore proposed that a non-political mechanism be involved to help resolve these matters. With regard to general elections, the Prime Minister affirmed that he never dismissed the idea of dissolution of the House of Representatives before its term expired. His earlier proposed date of 14 November 2010 was made on the basis that all sides join in the reconciliation process, so that the vote could be held in a free and fair manner and in a peaceful environment. Since this offer was rejected, the Prime Minister said he would review the situation, which remains unresolved.

Noting the position of foreign governments, Prime Minister Abhisit said that the Government has continuously updated them about the situation. He observed that some Thai press reports had not been accurate about other countries' positions. These countries understood the situation, did not want to see violence and supported the reconciliation process. Some also appealed to the opposition and the UDD protest leaders to call for an end to acts of arson and other violent activities. Others called on facts to be established about the government's actions, which, the Prime Minister noted, was along the line that the Government will pursue.

Frequently Asked Questions about the Current Political Situation in Thailand

1. The Red Shirts' protesters have contended that the Abhisit Vejjajiva Government is "unelected" and lacks legitimacy, or that it came to power through dubious means with manoeuvring by the military. Is this contention valid?

- The present Government was formed through democratic, parliamentary means and in accordance with the Constitution of the Kingdom of Thailand.
- When the House of Representatives had to elect a new prime minister to form a new government in December 2008 after the previous one was disqualified due to electoral fraud, the majority decided to elect Mr. Abhisit – himself a seven-time elected Member of Parliament – prime minister in an open, roll-call vote, over the other contender, Police General Pracha Phromnok (rtd), who was nominated by the Pheu Thai Party.
- This was done by the exact same procedures and by exactly the same House of Representatives as in the cases of his two predecessors, to whom Mr. Abhisit had earlier lost the contests to lead in forming a government.
- In fact, the process is similar to the British system. It is not unusual in a democracy with a multi-party system, particularly when there is a hung parliament, that the House may decide to give a chance to form a government to a party other than the one which won the most seats but fell short of a clear majority, and that political parties may switch support from one party to another.

2. Did the security forces use excessive forces, firing live bullets at unarmed protesters, shooting also at journalists and deploying snipers, thereby leading to casualties?

- Since the protests started on 12 March, the Government has always exercised utmost restraint and caution, trying to avoid unnecessary violence and confrontation. It has done so despite a call for more forceful measures from some part of society, so much so that some had even questioned whether the Government was capable of handling the situation.
- From the beginning, the security officers have clearly stipulated rules of engagement in accordance with international standards, including strict instructions on the use of live bullets.
 - When the officers started to cordon the protest areas on 13 May, their instructions were clear. Use of live bullets was limited to three situations only, namely, 1) as warning shots, 2) for self-defence so as to protect the lives of officers and the public when absolutely necessary, and 3) to shoot at clearly identified individuals armed with weapons, who might otherwise cause harm to officers and members of the public.
 - Also, to prevent repetition of the casualties suffered due to head-on confrontation between security officers and terrorist elements amongst the protesters

on 10 April, the officers were authorised to use shotguns against armed groups and terrorist elements approaching security units, but they must only aim below the knee level.

○ Under no circumstance would these weapons be used on women and children. There is thus no intention to take lives or cause unnecessary harm.

- Second, it was not the case that the officers were the first to use force. The latest security officers' operations, which started on 13 May, was to cordon off the protest areas at Ratchaprasong by setting up check points along the perimeter, with no intention of moving in. They were however attacked by armed elements, using war weapons, including M 79 grenades, hand grenades, live bullets and other weapons, and harming not only the officers but also innocent bystanders in the areas. The officers thus had to respond and they did so in accordance with the rules and instructions.

- After the protests ended, these armed elements continue to instigate incidents, including at Pathumwanaram Temple, by using weapons to attack those who tried to get out of there and obstruct officers from sending assistance to them.

- What took place at Pathumwanaram Temple was pre-meditated and reflects a well planned counter operation on the part of the armed group who knowingly took advantage of the temple's designation as a safe area for unarmed demonstrators, particularly, women, children and the elderly, and not least foreign journalists. This was made all the more evident by the large amount of weapons discovered in the protest area under the control of demonstrators.

- Be that as it may, the Prime Minister has reaffirmed that the Government is open to scrutiny and ready to be subject to the legal process in accordance with the law. In this regard, investigations are being conducted into the violent incidents and losses that occurred. An independent commission will be set up to look into all the incidents that took place during the protests, which is crucial for reconciliation. The Government also stands ready to cooperate with other efforts being conducted by Parliament as well as by independent organs such as the National Human Rights Commission (NHRC), which has launched an inquiry process of its own, and the National Counter-Corruption Commission.

3. Why does the Government not call early elections as these could help resolve the political crisis? Does the Prime Minister's earlier offer to hold early elections still stand?

- The Prime Minister's initial offer to hold elections on 14 November 2010 – a bit over a year before his terms officially ends – is off the table given the refusal of the UDD to accept his reconciliation plan by ending their protests and joining the reconciliation process. Hence, while the Government will continue to proceed with the reconciliation plan, it is the prerogative of the Prime Minister to determine when the situation will be conducive to dissolving the House so that next general elections can be held.

- The Prime Minister has stated publicly on many occasions that he has not ruled out early elections as an option, if holding elections will contribute towards reconciliation. For elections to achieve such goal, three conditions should be met.

- In addition to the first condition, which is economic recovery, it is important that the rules governing the elections should be agreed upon by all sides to ensure that once elections are held, the results would be accepted and not lead to further protests or a refusal of the Court's ruling if a party is punished for electoral fraud. This issue is related to constitutional amendments and the fifth of the five-point reconciliation plan. In this regard, the Prime Minister intends to set up a panel of academics to look at the issue. The panel will use as their basis of work the recommendations proposed last year by a parliamentary committee set up specifically to study constitutional amendments.

- The third condition is that the environment should be conducive with no risk of violence. Elections should be held in a peaceful environment as well as in a free and fair manner. Hence, there should be a period of stability in which politicians from all parties can work and campaign freely without fear of threats, and the Government and the Parliament can carry out their duties smoothly.

4. Why had the Government curbed freedom of the press, including blocking websites and banning community radios?

- The Government has attaches great importance to freedom of the press, and the sheer size of the Foreign Correspondents' Club of Thailand alone should reflect the ease with which the media can carry out their work in the Kingdom. Also, during the UDD protests, the media, Thai and foreign, have been able to report on operations by security officers.

- That certain TV channels, community radios and websites have been blocked or suspended is due to the fact that these have been used to manipulate and incite hatred among people by disseminating false or distorted information.

- This is why the Prime Minister has proposed as one element in his reconciliation plan the need to ensure that the media can operate freely and constructively without being used as political tools, as had happened in recent years, including by establishing an independent regulatory body for the media. From the discussion that the Prime Minister has with the representative from media organisations, there is general consensus about the problem.

5. On what grounds does the Government have in alleging that former prime minister Thaksin Shinawatra played a role in inciting and providing support for the protests and acts of violence?

- It is clear to the Government that the former prime minister has played a pivotal role in the demonstrations not only by inciting people to carry out a "people's revolution", but also by instructing UDD leaders to reject the Prime Minister's

reconciliation plan, which they had earlier agreed to in principle. As the latest events have unfolded, there are strong suspicions that Mr. Thaksin may be involved with the acts of widespread terrorist acts that have occurred in Bangkok and some other provinces. The authorities are gathering evidence that would lead to further prosecution against him in accordance with the law.

- In this regard, the Criminal Court –having considered evidence and witnesses from both the authorities’ and Mr. Thaksin’s sides – has found sufficient evidence to approve an arrest warrant against the former prime minister on a charge related to terrorism in accordance with the Thai Criminal Code. Whether he is guilty as charged, has to be proven in the court of law.

- It is now also public knowledge that he has hired an international lawyer – Robert Amsterdam of Amsterdam & Peroff – who has been going around giving interviews to discredit the government and defend Mr. Thaksin’s interests.

- Nevertheless, the fact remains that the former prime minister is a fugitive of the law. Unlike other Thais, he has refused to serve his sentence, while continuing to use the justice system, which he himself criticised as unjust, against others.

6. Is the crisis in Thailand a reflection of deeply rooted divisions between the urban rich and rural poor, with the red-shirt movement representing discontentment of the general Thai public over the current state of play?

- While economic disparities exist, it is not accurate to portray Thailand’s political problem as an urban rich versus rural poor conflict, or a “class struggle”. Such rhetoric has been employed by the protest leaders to create group emotion, playing on people’s grievances and sense of injustice.

- The Government well recognises the need to address the social grievances. It has been doing so through its first and second stimulus packages and other initiatives, including the income guarantee for farmers, monthly allowance for the elderly and for public health volunteers, free education and universal health care schemes, as well as capacity building programmes for the unemployed.

- The Prime Minister’s proposed reconciliation plan also includes a participatory reform process to address people’s grievances such as disparities, poverty and other social injustices in a systematic and sustainable manner. Some progress has already been made on this issue. Government officials, including the Prime Minister himself, have met with representatives of civil society. Eventually, it is envisaged that a special mechanism, working independently from the Government but supported by the government agencies concerned, would be established to carry on the work on a long term basis.

7. Where did the 2007 Constitution come from? Was it written and handed down by the military who staged the coup in September 2006?

- The Constitution was drafted by an assembly with public hearing being conducted in all regions of the country. It was accepted by the majority of people through a national referendum – the first one to do so.

- In fact, the present Constitution is based on the 1997 one. But the drafters had sought to correct some of what was then regarded as weaknesses of the 1997 Constitution, in particular those which had opened ways for abuse of power and political interference in independent bodies and scrutiny processes of the executive branch. The provisions with regard to ethical standards of political office holders have also been strengthened.

- Be that as it may, along the way, people may feel that there are deficiencies or provisions that pose difficulties in the administration of the state. In this regard, the issue of constitutional amendment has been discussed. In fact, the Prime Minister proposed this after last April's riots, and he again has included this issue as part of his proposed reconciliation plan.

8. *Why has His Majesty the King remained silent despite calls for his intervention, similarly to what he did to end the political crisis in 1992?*

- The Thai monarchy is above politics. As a constitutional monarch, His Majesty the King has not taken sides or involves himself in political matters or conflict. In the past, the King has used the “moral authority” he has earned over the years to make humanitarian interventions when political conflicts pitting the government against the people spiral out of control, such as that in 1992.

- In recent years, however, the monarchy has been dragged into the political conflict by different political groups. Calls for the King to intervene this time are also politically motivated, designed to draw the monarchy into the political fray. This is something that has to be prevented and stopped.

- Political problems should be addressed through political means. Rather than try to seek redress from the King every time the country finds itself with an intractable political problem, it is the Thai people's responsibility and duty to join hand in pursuing reconciliation, and rebuilding and rehabilitating what has been affected by the recent events.

9. *Is the uncertainty associated with the issue of succession a destabilising factor for the Thai situation? Why is this not discussed openly in the public?*

- The issue of royal succession is clear, both with regard to the Heir to the Throne and rules and procedures as to what will happen should the need arise. Relevant provisions in the current Constitution also lay out the specific roles of the Privy Council, National Assembly and Cabinet.

- Nevertheless, the succession is certainly a difficult issue for Thais to discuss, given what His Majesty has done for more than 60 years for the well-being of all Thai

people who regard him as a father figure. It is thus normal for people to be apprehensive.

10. Is the lèse-majesté law an obstacle to discussions about issues surrounding the monarchy which are important to Thailand's political future?

- Discussing the monarchy is not taboo. What is known as lèse-majesté law in Thailand has not been an obstacle to discussions, particularly academic ones, about the monarchy, including how the monarchical institution itself has continuously adapted to the changing environment over the past 700 years of its existence in the Kingdom. In fact, only two years ago, there were lively discussions at the 10th International Conference on Thai Studies held in Bangkok about the Thai monarchy and its role in Thai society.

- But of late, there have been attempts to politicize the monarchical institution to ferment divisions within the country, leading to an increase in lèse-majesté cases. The Government is aware of this and has been trying to address it, taking into account the need to protect freedom of speech.

- Admittedly, this is not easy given the sensitivity involved. There are both those who view that the law is too restrictive and those who see it as too lax. In this regard, to sensitize the enforcement of the law, a special advisory panel has been set up by the Prime Minister as a mechanism to help screen and give advice to the police and the public prosecutor on merits of cases related to lèse-majesté under their purview. It will take, among others, the presence of intention to harm the institution of the monarchy and the importance of people's constitutional right to freedom of expression as important considerations. Furthermore, the panel will study and consider how to make further improvements and promote public understanding about the law with a view to reducing instances leading to lèse-majesté complaints.

11. How can the Government ensure that people's rights are not abused, including risk of forced detention and mistreatment of those arrested? With the casualties that occurred reportedly due to the security forces' operations to disperse the protests, can the case be sent to the International Criminal Court?

- The Thai Government, in working to resolve the current situation, has always given due respect to the principle of human rights, including civil and political rights. As a party to the International Covenant on Civil and Political Rights (ICCPR), Thailand has been transparent about the exercise of its right of derogation under the Covenant in light of the declaration of a severe emergency situation in certain parts of the country. It has also been observing the letter and the spirit of the Thai Constitution, especially those provisions dealing with freedom of expression, and emphasising as its core policy the importance of the rule of law and good governance.

- The Emergency Decree provides various safeguards against human rights abuses.

- For example, with regard to detention, Section 12 of the Decree stipulates that the authorities must seek court permission before making an arrest and the arrest shall not exceed seven days. The Decree also provides that suspected persons shall not be treated as a convict, and that court permission is required for extension of the custody period which can be extended by seven days at a time not to exceed a total period of thirty days. Upon the expiration of such period, if the detention is still required, the competent official shall proceed under the normal Criminal Procedure Code.

- Furthermore, the Decree provides that the authorities must file a report on the arrest and detention of suspected persons for submission to the court. A copy of such report shall be deposited at the office of the competent official so that relatives of the suspected persons may access such reports for the entire duration of the detention. There is therefore no risk of disappearances.

- There is also no blanket immunity provided to officers under the Emergency Decree. Under Section 17 of the Decree, an official can still be made liable for acts which are discriminatory, unreasonable, exceeds the extent of necessity or performed in bad faith. Furthermore, victims have retained the right to seek compensation under the law on liability for wrongful acts. As officials know that they can be held accountable for abuses and mistreatment, the risk of human rights abuses is minimised.

- Importantly, in carrying out these operations, the officers – as in all other cases – abided strictly by the rules of engagement established by the Government in accordance with international standards. The operations were also conducted transparently, with members of the media, both domestic and international, able to report upon the security force's operations.

- At the same time, as made clear by the Prime Minister, the Government is open to scrutiny and stands ready to be accountable in accordance with the law. It also stands ready to cooperate with inquiries by independent agencies such as the National Human Rights Commission as well as the National Anti-Corruption Commission.

- On the suggestion of bringing the issue to the International Criminal Court, it should be amply evident that what has transpired in Thailand does not have elements that would constitute a "crime against humanity". The situation is about maintenance of the rule of law, and the Thai legal system is adequate for bringing the perpetrators of violent incidents to justice.

12. Why does the Government not accept international intervention? Should international peacekeeping forces be dispatched to help maintain peace and order?

- The Government is fully capable of handling the situation. All along, it has acted patiently, cautiously and with restraint – not because it cannot enforce the law, but because it chooses to avoid unnecessary violence.

- The situation is about maintaining the rule of law in the face of unlawful protests with armed elements using heavy weapons against officers and innocent people. In so doing, the security officers operated under strict rules of engagement that emphasise a graduated approach in taking measures from light to heavier ones, and strict rules in using live ammunition.

- Despite the international attention it has received, the situation that has occurred is a matter of Thailand's internal affairs that the Thai people can and should resolve among ourselves. Any international intervention beyond friendly expression of concern could further complicate on-going efforts in this regard.

13. Has the Government applied double standards in dealing with cases against different political groups, i.e. the People's Alliance for Democracy (PAD) vs. the United Front for Democracy against Dictatorship (UDD)? Are there also double standards in the handling of the demonstrations by the UDD as compared to those of the PAD?

- For the present Government, there is only one standard and all are equal before the law.

- It recognises frustration of some people about the pace of the cases against the PAD. But the fact is the judicial system in Thailand is independent and separate from the executive system. The Government could not interfere.

- How quickly each case proceeds depends on its complexity, which includes the number of evidence and witnesses involved. Certain cases against the PAD have already been submitted for prosecution, such as the one on intrusion into a TV station. But cases like the blockade of the airport requires more time given the large number of witnesses. Likewise, some cases involving the UDD, for example, their attack on the prime minister's car at the Ministry of Interior last April, remain under investigation.

- The Government has in fact asked the police and the Attorney-General's Office to expedite their work on all major cases which are of interest to the public. The Prime Minister has also instructed the police to come up with a report on the status of major cases, which include those against the PAD and UDD leaders alike.

- With regard to the operations in dealing with demonstrations, the security officers carry out their function in maintaining peace and order within the framework of the law. As opposed to the previous administration, the present Government, in declaring the use of the Internal Security Act and then the Emergency Decree, has made clear that the Cabinet would take full responsibility for the operations. The Government works closely with the police and the military. There is also a clear *modus operandi*. All these have enabled the officers to perform their duties with confidence.

Current Political Situation in Thailand

Background

- For more than seven decades since becoming a democracy with a constitutional monarchy, Thailand has been going through the **process of becoming a full-fledged democracy**. In recent years, this process of democratisation has focused on overcoming the vestiges and legacies not only of military authoritarianism marked by intermittent coups – the latest being in September 2006. Thai society has also strived to get rid of the influence of **money politics and abuses of power by political office holders**, as could be seen during the time of the Thaksin Shinawatra administration. It was this which led to widespread street protests in 2005 and 2006, culminating in a coup and a period of protests and counter-protests by opposing sides, even after elections were held in December 2007.
- Against this backdrop, on 12 March 2010, demonstrators from the group called the United Front for Democracy against Dictatorship (UDD) that is supportive of former prime minister Thaksin Shinawatra, began staging rallies in Bangkok, **demanding the dissolution of the House of Representatives and holding of general elections**. These demonstrators were composed of different groups with different underlying agendas.
- First, there were those with **legitimate grievances**, including problems related to poverty, hardship, unfair treatment or economic and social disparities, which they wanted resolved. Like its predecessors, the present Government has been working to address these grievances through, among other things, implementation of various welfare and development schemes.
- Second, there were those who want to bring down the present Government in order to **bring back former prime minister Thaksin Shinawatra**, without having him serve his prison terms as sentenced by the Court on the criminal charge of conflict of interest.
- Third, there were **Marxist-Leninist ideologists** who worked as strategists.
- In addition, there were **armed elements, equipped with weapons of war**, who infiltrated among the demonstrators.
- In their call for early elections, the protest leaders accused the present Thai Government of being “illegitimate” and focused on **discrepancies in Thailand’s democracy and the current political regime as their rallying point** – employing class-based terms and interpreting Thai society in a manner that does not reflect the present situation. While such political demands could be made through peaceful assembly, **using violent means to force a legitimate government out of office could not be accepted**, as it would set a dangerous norm in the democratisation process of the country. Indeed, based on speeches and activities of the protest leaders, it remains unclear if this was actually their only demands as there have also been talks about state power or the notion of “**a new Thai state.**”
- **The connection among these various different groups** – who earlier seemed to work separately – **have now become clearer**. Moreover, some members of the **opposition party had joined UDD** protest leaders on the stage at their protest sites. In this regard, the moves made by various personalities – be they from opposition parties or protest leaders to draw attention from the local and foreign media or to appeal to the masses in other provinces or diplomatic corps – were not co-incidental or unplanned.

- At the same time, there were links with networks operating through various means such as the internet and other media who conducted activities and disseminated messages or information variedly verging on subverting the country's monarchical institution and **calling for a change in Thailand's present political regime**. All these have to be further looked into.

- Against the backdrop of these movements has been **former prime minister Thaksin, who had continuously provided them with support**, covertly and overtly, manoeuvring from overseas not least by linking in through video, phone calls or other electronic means inciting the crowds to carry on with their unlawful rallies and attempting to undermine a legitimate government by violent means. He acted similarly during the riots in April 2009. In this regard, on 25 May 2010, the Criminal Court – having considered evidence and witnesses from both the authorities' and former prime minister Thaksin's sides – found that there was sufficient evidence to approve an arrest warrant against the former prime minister as requested by the Department of Special Investigation (DSI) on a **charge related to terrorism** in accordance with the Thai Criminal Code.

- To press his case, the former prime minister has recently **hired an international legal counsel to conduct a global public relations campaign** – on his behalf – using and spreading distorted information against the Government. Nevertheless, the fact that he was once an elected leader and ousted by a coup does not absolve him from accountability and responsibilities from his malicious behaviours and wrongdoings.

- Despite his continued popularity, Mr. Thaksin is by law a **fugitive in a criminal case**. Instead of accepting the legal system, which he himself continues to use against others, he has chosen to live abroad to avoid serving his two-year prison sentence, having fled Thailand in October 2008, just two months before the **Thai Supreme Court's Criminal Division for Persons Holding Political Positions** – set up pursuant to the Constitution of 1997 – **found him guilty of conflict of interest** in accordance with the country's anti-corruption laws. A number of other cases against him remain pending with the court or ongoing investigations, involving charges of corruption, conflict of interest and abuse of power. In addition, in February 2010, the Court also found that, while in office, the former prime minister had committed acts that inappropriately benefited a company in which he, through various nominees and shell companies, was actually the main shareholder in contravention of the law. Consequently, the Court ordered the **seizure of part of his assets** (approximately US\$ 1.4 billion). The verdict has also pointed to certain inappropriate acts which could lead to further legal and administrative actions.

- Besides court cases, numerous allegations of **human rights violation** have been made against former prime minister Thaksin, in connection with his policy in launching a **war on drugs** that resulted in thousands of cases of alleged **extra-judicial killings**, as well as in handling the situation in the **Southern Border Provinces** which had exacerbated the problems there. Many also believe that he is hardly a true believer of democracy, given his tendencies towards **parliamentary authoritarianism and widespread nepotism** – putting those close to him in important position.

Developments during March – April 2010

- At the beginning, the UDD rallies had been largely peaceful. The Government had allowed them to continue as part of the exercise of the people's constitutional **right to**

peaceful assembly, regarding this as a process through which people could participate in the country's political life. At the same time, to enable police, military and civilian officers to take measures to prevent and contain the situation from escalating, the Government had to **invoke the Internal Security Act (ISA)**, which – as evident from previous cases – did not affect the right of peaceful assembly.

- Towards early April, however, the **demonstrations escalated**, with protesters occupying the business district around Ratchaprasong Intersection, blocking areas and roads and storming into the Parliament building, while defying efforts by the authorities to enforce the law. Their rallies thus **transformed from what was peaceful assembly to unlawful action beyond the limit sanctioned by the Constitution**, causing serious disruption to the daily life of the general public, as well as having a severe economic and social impact upon the country. This was reaffirmed by the Civil Court on 5 April 2010, which found – based on the Government's petition and the objection submitted by the UDD, as well as other evidence and facts regarding the situation – that the UDD demonstrations were unlawful, and that the Government has the authority to resolve, prevent and restore the situation back to normalcy.

- Given the continued escalation, the Government on 7 April 2010 declared a severe emergency situation pursuant to the **Emergency Decree on Public Administration in Emergency Situation B.E. 2548 (2005)** in the areas of Bangkok and some districts in nearby provinces in order to empower officials concerned to restore normalcy and return the areas occupied by demonstrators to the general public.¹

- In discharging their duties, the security officers – military, police and civilian – have been provided with **clear procedures** governing their operations, undertaking measures only as necessary and proportionate to the situation. Due consideration have been given to people's rights and safety. They also have established rules of engagement for **crowd control in accordance with international standards**,² including a **strict rule on use of live bullets** – which at the time was permitted only in two cases, namely, to shoot warning shots into the air and to defend themselves when their lives are threatened.³ Their actions were

¹ On 13 and 16 May 2010, the Cabinet approved the use of the Emergency Decree in additional provinces, putting the total of provinces declared as having emergency situation at 22. This is in order to enable the officers – police, military and civilian – to ensure law and order and prevent any possible disturbances in those areas.

² The established rules of engagement of security officers stipulate that seven steps be taken in a graduated manner in the handling of the crowd situation, namely: 1) show of force by lining up the security officers holding riot shields and batons; 2) informing and warning the protesters that the officers are about to use force; 3) use of shields; 4) use of water cannon or high-powered amplifiers; 5) use of throw-type tear gas; 6) use of batons; and 7) use of rubber bullets.

³ Following the incidents on 10 April 2010, during which use of weapons by armed elements among the protesters cost the lives of not just unarmed demonstrators but also a number of security officers, this rule has been revised for the operations to cordon off the Ratchaprasong Area in May to permit use of live bullets in one additional case, namely: to retaliate against clearly identified elements armed with weapons. Also, with a view to preventing casualties due to close confrontation as happened on 10 April, shotguns may be used against armed groups and terrorist elements approaching security units to prevent them from causing harm to others, and in this case, security forces would only aim below the knee level. The use of tear-gas launcher is also permitted in order to maintain distance between the officers and armed protesters. As a principle, security units would not use lethal weapons against unarmed demonstrators and in no circumstances would they be used against women and children.

also guided by the relevant rulings of the Administrative Court and the Civil Court, which do not prohibit dispersal of the demonstrations, but state that any measure to be taken must be as necessary and appropriate to the situation and in accordance with international standards.

Incidents in April 2010

- On **10 April 2010**, while security officers tried to enforce the law by asking the demonstrators to give back the areas they occupied around Phan Fah Bridge, they were met with strong resistance from the demonstrators in various forms, including the **use of lethal weapon by armed elements** among them, leading to over 20 deaths and several hundred injured among both the security officers and demonstrators as well as innocent bystanders.
- The Government regrets the losses that occurred. The Government also regrets underestimating, at the time, the readiness of armed elements among the protestors to use lethal weapon to harm fellow Thais – at times indiscriminately against demonstrators, bystanders and security officers alike – to worsen the situation and instigate further violence.
- Judging from evidence and video footage taken by both the local and international media, it is clear that these **armed elements among the demonstrators used terrorist tactics and weapons of war with indiscriminate effect**, leading to loss of lives and injuries on both sides. Photographs and video footages show that tear gas launchers, M 67 hand grenades, M 79 grenade launchers, AK 47 machine guns as well as improvised weapons were used against security officers who were not equipped with these types of weapons.
- As for the incident on **22 April 2010**, while a group of people – comprising residents in the Silom area and those described by the media as “**multi-coloured shirts**” – gathered on Silom Road at Saladang Intersection to express their opposition to the UDD, M 79 grenade launchers were used by unknown person(s) to fire into the former group, resulting in one death and injuring several others. Then on **29 April 2010**, beyond anyone’s expectations, a group of demonstrators blockaded and **intruded into Chulalongkorn Hospital**, which is next to the protest site, making it necessary for the hospital to move patients to farther buildings or transfer them to other hospitals.

Attempt to cordon off the Ratchaprasong Area from 13 May 2010 onwards

- After the efforts at negotiation and compromise had failed – particularly with the **UDD leaders’ rejection of the five-point reconciliation plan** proposed by Prime Minister Abhisit Vejjajiva on 3 May 2010, and given the increasingly adverse effect of the prolonged protests on Thai society and its economy, the Government decided on **13 May 2010 to cordon off the area around Ratchaprasong Intersection so as to pressure the protesters to end their demonstrations**. Measures include setting up of check points along the outer perimeter of the area to prevent people from joining the rallies, and suspending public utilities and transportation services in the area. There has been **no instruction to disperse or “crackdown” on the protests**, and no intention to cause harm to anyone, as misrepresented or alleged. The authorities had also facilitated efforts by charity groups and NGOs to bring innocent protesters, particularly women, children and the elderly, out of the protest area or to safe locations.

- Be that as it may, security officers sent in to set up and man the **check points on the perimeter were attacked** – not just by sling shots and homemade bombs – but by live ammunition and war weapons, particularly hand grenades and M 79 grenades. From 13 to 19 May 2010, more than a hundred M 79 grenades were launched against the security officers. All these affected people in the areas and compelled the officers to respond to defend themselves as well as innocent bystanders, including members of the media and emergency medical service personnel working in the areas. There is also visual evidence of these armed elements using innocent people, including children, as human shields. It should be noted that all these incidents took place well outside the immediate protest area, and the security officers were holding their ground without making any attempt to enter therein.

- On **19 May 2010** at 05.45 hrs., the Government therefore began operations to **tighten the cordon to secure the perimeter around the protest site** so as to better provide security and safety for the public in those areas. The operation also sought to secure the area around Lumpini Park, which was used by armed elements to hoard their weapons and launch attacks upon security forces. Although the operation was met with stiff resistance from the armed elements, the area around Lumpini Park was secured by late morning. Under pressure, **UDD protest leaders announced the end of protests** at around 13.45 hrs., following which the security officers were ordered to halt their operations. Those protest leaders who turned themselves in with the police are being detained in accordance with the warrants issued under the Emergency Decree. Others had escaped and remain at large. As for other protesters, their safe passage home was facilitated by the Government.

- Be that as it may, some protesters, especially the **hard core elements**, continued to **instigate disturbances and rioting** in some areas of the city, destroying properties and **setting buildings on fire**, targeting in particular members of the media whom they believed were responsible for reports not in their favour. Such incidents took place not only in Bangkok and also in some other provinces such as Khon Kaen, Udon Thani and Ubon Ratchathani. All these occurred swiftly indicating that they were **premeditated with well-planned preparations made in advance**. Attempts were also made to resist and obstruct officers from mitigating these incidents.

- To enable security officers to enforce law, restore order and protect the public, the Government had to invoke the Emergency Decree in additional 16 provinces,⁴ and impose **curfew** during the late night to early morning period from 19 to 28 May 2010.

- A few days after the protests ended, the situation has continued to improve, and normal lives gradually restored. Nevertheless, the Government cannot afford to be complacent. The **Emergency Decree remains necessary** as a tool for officers to ensure public safety and bring perpetrators to the legal process, although measures and regulations have been gradually relaxed.

⁴ The Emergency Decree is currently in effect in 24 provinces, namely: Bangkok, Nonthaburi, Samut Prakan, Pathumthani, Nakhon Pathom, Ayutthaya, Chonburi, Chiangmai, Chiangrai, Lampang, Nakhon Sawan, Nan, Khon Kaen, Udon Thani, Chaiyaphum, Nakhon Rachasima, Si Sa Ket, Ubon Ratchathani, Nong Bua Lampoo, Mahasarakham, Roi-Et, Sakon Nakhon, Kalasin and Mukdahan.

The government's legitimacy and approaches to resolving the situation

- **The present Thai Government assumed office through normal, parliamentary means under a democratic system.** Despite efforts by protest leaders to portray the present Thai Government as "illegitimate", the fact remains that Mr. Abhisit Vejjajiva – a seven-time member of parliament – was **voted prime minister by a majority in the House of Representatives** in exactly the same manner and by exactly the same House as his two predecessors, to whom Mr. Abhisit had earlier lost the contests to lead in forming a government, and who had subsequently been disqualified due to violation of relevant laws. That the House may decide to give a chance to form a government to a party other than the one which won the most seats but fell short of a clear majority, and that political parties may switch support from one party to another is not unusual in a democracy with a multi-party system, particularly when there is a hung parliament.

- The overall objective of the Royal Thai Government in addressing the current political situation is not merely to return normalcy to the areas affected by the protests. It is also working to **maintain the rule of law, return normalcy to the country and protect the country's principal institution** from being drawn into the political conflict. The Government has always maintained that **both security and political solutions must be found and grievances addressed.** Importantly, any solution must not result in creating a political norm which allows the use of terrorist means, violence, intimidation or threats to force or overthrow a legitimate government and achieve political ends, as this is related to the future of democracy.

- First, with regards to **the grievances of the demonstrators on such issues as poverty, injustice and unequal treatment**, the present Government recognises its duty to tackle them, as successive Thai governments have endeavoured to do. Indeed, since taking office, it has implemented a number of measures, including through such schemes as income guarantee for farmers, free health care, free education, provision of subsistence support for the elderly, and measures to address the informal debt problems. which are problems that cannot be resolved within a short period of time,

- Second, on the **political demands**, including Constitution amendments and the dissolution of the House of Representatives, the Government views that these **must be resolved politically through consultations.** On its part, the Government has not rejected these demands and has all along shown its **readiness to engage in dialogue with the protest leaders.** The Prime Minister himself met with them twice and indicated his readiness to dissolve the House of Representatives in nine months, providing sufficient time for crucial conditions to be met. First, various problematic provisions in the Constitution should be amended and put to the people through a referendum, so that mutually acceptable election rules will be in place. Second, a conducive environment has to be achieved so as to enable politicians of all parties to campaign freely without fear of threats. Third, the Government wishes to see through the passage of the budget to ensure continuity of the country's economic recovery and on-going stimulus programmes. This proposal was rejected out of hand by the protest leaders.

The Prime Minister's reconciliation plan

- In an effort to address the grievances and concerns not only of the protesters but also the majority of Thais in other sectors of society, Prime Minister Abhisit Vejjajiva put

forward before the Thai public a **five-point reconciliation plan** to restore peace and normalcy to Thai society. The said plan, which was **formulated based on the views and grievances from all groups of people**, be they the protesters, academics, civil society organizations or ordinary people, encompasses the need: 1) to uphold and protect the monarchy – which is a unifying force among Thai people – from being violated or drawn into the political conflict; 2) to resolve fundamental problems of social justice systematically and with participation by all sectors of society; 3) to ensure that the media can operate freely and constructively and not be misused to create conflict or hatred; 4) to establish facts about violent incidents through setting up of an independent commission to investigate all violent incidents and deaths that took place to seek out the truth and ensure justice for all concerned; and 5) to establish mutually acceptable political rules by putting issues, including certain provisions of the Constitution or laws seen as unfair, on the table and set up a mechanism to solicit views from all sides to bring about justice for those involved in the political conflict, so that these issues would no longer lead to rejection of the political process and conflict in the future. **At the time, the Prime Minister also proposed that should his reconciliation plan be acceptable to all sides, elections could be held as early as 14 November 2010.**

- The reconciliation plan has been **welcomed by people in various sectors of society**, including key figures in the opposition party, as offering a way not only towards ending the demonstrations and restoring normalcy, but also towards resolving some of the fundamental problems in Thai society in a longer run. The UDD leaders, in fact, had also accepted it in principle but after days of talks with the Government, they rejected it, refusing among others, to end their protests to join the process of reconciliation. With the UDD's rejection, the Prime Minister had to drop his proposal on the election date, which would be determined later once the situation becomes conducive. **Meanwhile, the Government has continued to work with the civil society sector and others concerned, including the media, to move forward on the five elements under the reconciliation plan.**

- On the issue of the **breaking of the law and matters of security and the safety of the public**, particularly acts of violence which can be considered "terrorist acts" under Thai law and use of weapons in the afore-mentioned instances, the Government regarded this as a pressing problem, and **there was no alternative but for the authorities to enforce the law in accordance with the principle of the rule of law and due respect to human rights principles.**

- Despite the call for the Government to take more forceful measures to disperse the protesters and maintain law and order, **the Government had all along exercised utmost restraint and avoided using force.** This was not because it could not enforce the law but because it wanted to avoid unnecessary violence. And in cases where force was used, the officers were not the first to resort to it. Meanwhile, in light of the demonstrators' attempts to spread distorted and incisive information, some of which have also been picked up and spread by normal media, including international ones, the authorities have been making efforts to disseminate facts so that people understand the situation.

- The Prime Minister has noted that there are various groups of people among the demonstrators, with some being subject to arrest warrants, some using violence and some being innocent people. By law, they cannot be treated in the same manner. In this regard, most of the protesters have returned home, while those armed elements or instigators of disturbances would be arrested.

Investigations into violent incidents and losses

- The Prime Minister has reaffirmed that the Government is open to scrutiny and ready to be subject to the legal process in accordance with the law. Everyone, including himself, is under the law, and no one, including former prime minister Thaksin Shinawatra, should be exempted from the judicial process.

- In this regard, investigations are being conducted into the violent incidents and losses that occurred during the UDD protests, as well as other incidents involving the use of war weapons, including sporadic grenade attacks and the firing of an RPG rocket at an oil reserve tank. These efforts are led by the Department of Special Investigation (DSI). A fact-finding committee headed by the Permanent Secretary of the Office of the Prime Minister has also been established.

- In addition, an independent commission is now in the process of being set up to look into all the incidents that took place during the protests, which is crucial for reconciliation. The Government also stands ready to cooperate with other efforts being conducted by Parliament as well as by independent organs such as the National Human Rights Commission (NHRC), which has launched an inquiry process of its own, and the National Counter-Corruption Commission. On 31 May and 1 June 2010, during the no-confidence debate in the House of Representatives against the Government which focused on the incidents and deaths that occurred during the protests, the Prime Minister had also provided information which has helped to dispel the rumours spread and confusion caused.

Remedies and rehabilitation

- The Government has been working to provide remedies to those affected – on both security officers' and demonstrators' sides – by the unfortunate incidents, as well as measures to assist businesses which had to close due to the prolonged protests and which were damaged by the rioting that followed. Of particular concerns are employees who could not earn their living, and owners of small and medium sized businesses which face liquidity problems or have lost their shops or stalls. Assistance would come in such forms as one-off monetary compensation, relocation to temporary places, low-interest loans as well as tax measures. A committee has been set up, chaired by the Secretary-General to the Prime Minister, Korbsak Sabhavasut, to oversee these issues, in cooperation with various concerned agencies as well as the private sector.



Joint Foreign Chambers of Commerce in Thailand

31 May 2010

Mr. Marwaan Maan-Marker
 The Foreign Correspondents' Club of Thailand
 Penthouse, Manecya Center
 518/5 Ploenchit Road
 Patumwan,
 Bangkok 10330

Dear Sir,

The Joint Foreign Chambers of Commerce in Thailand (JFCCT) is the umbrella organization consisting of the 30 Foreign Chambers of Commerce and Business Associations in Thailand representing over 9,000 companies. The JFCCT is non political and non partisan and our focus is on economic development of Thailand. We support positive propositions but at the same oppose threats including certain government policies which may harm Thailand's positive long term development.

The unfortunate happenings over the past week or so were very sad for Thailand with lives lost, lots of casualties and properties destroyed.

The JFCCT very much cherishes free and fair media of points of view and reporting on events. We believe it to be important that the international community is well informed. Many publications, local and foreign have built up a strong reputation and many are world-wide considered as trusted sources of information.

It is legitimate that reporting is done with a perspective in recognition of a particular viewer- and readership. Reports may be written that they are understood by such viewer- and readership. We also know that there can be no one single 'correct' view. However we do believe that reporting must be fair, accurate and balanced.

Unfortunately we have had to note that, in more than just a few cases, several trusted foreign media have not, in our view, variously reported the facts accurately or have taken a very one-sided view resulting in the wrong impression being given about Thailand. We are aware for example of many instances of comments from nationals from the country of publication of some of the foreign media (who previously have lived in Thailand or do so currently) commenting that the facts are not accurately reported or that

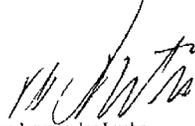
the reporting is very biased. The main problem for people living abroad is that the so called sources were their sole source of information and they fully believe what was reported.

The JFCCT has no political allegiance and does not take any side with any of the parties involved. We also recognize that the very fact of unrest will unavoidably raise questions about foreign investment as well as tourism in Thailand. We know that any newsworthy event should be reported, whether that has a negative or positive effect on the Thai economy. However we would caution that wrong or one sided reporting can wrongly impact potential Foreign Direct Investment to Thailand as well as tourism. Decision makers without any resources in Thailand may base their investment policies or travel schedules on what they have read and heard; their perception has in many cases been in contrast with the facts.

The JFCCT would like to encourage the members of the Foreign Correspondents Club to the view that fair, accurate and balanced reporting is itself a worthy aspiration.

We would appreciate if you could circulate our concerns to your esteemed members.

Yours Sincerely,
Joint Foreign Chambers of Commerce in Thailand (JFCCT)



Nandor von der Luehe
Chairman



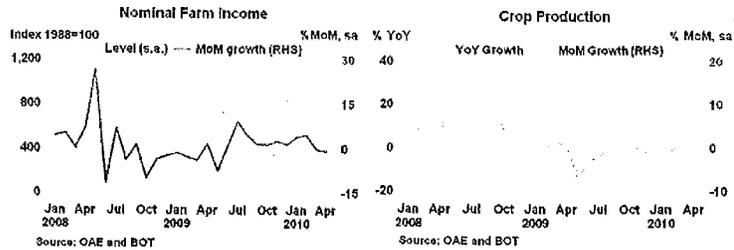
Macroeconomic Assessment

31 May 2010

Farm Income From Major Crops

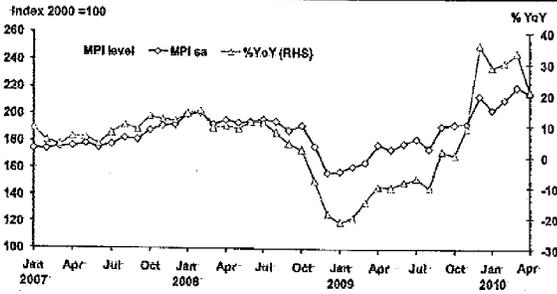
| (%YoY) | 2008 | | 2009 | | | | 2010 | |
|---------------------|------|------|-------|------|-------|------|------|------|
| | Year | H1 | H2 | Q3 | Q4 | Q1 | Mar | Apr |
| Nominal farm income | 33.1 | -9.0 | -10.0 | -7.9 | -16.4 | 1.1 | 16.4 | 21.9 |
| Crop production | 9.0 | -1.6 | -1.4 | -1.7 | -1.7 | 1.2* | 4.0* | 5.4* |
| Crop price | 22.1 | -7.5 | -8.7 | -6.3 | -14.9 | 2.8 | 16.0 | 15.6 |

Source: OAE and BOT's calculation



Manufacturing Production Index (MPI)

| | 2009 | 2009 | | | | 2010 | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr | |
| MPI Level | 180.5 | 167.2 | 186.0 | 201.4 | 213.1 | 205.3 | 235.9 | 199.5 | |
| % YoY | -5.1 | -14.0 | -5.0 | 14.2 | 31.2 | 30.5 | 33.6 | 21.3 | |
| sa, %QoQ, %MoM | - | - | 5.3 | 7.8 | 5.3 | 3.6 | 4.5 | -2.0 | |
| CAPU (%) | 60.9 | 58.1 | 61.4 | 65.9 | 68.6 | 65.3 | 75.0 | 62.3 | |



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Manufacturing Production Index (MPI)

| sa %QoQ %MoM | Weight | 2009 | | 2010 | | | |
|--------------|--------|------|-----|------|-----|-----|------|
| MPI | 100 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| | | 5.3 | 7.9 | 5.3 | 3.6 | 4.5 | -2.0 |

| sa %QoQ %MoM | Weight | 2009 | | 2010 | | | |
|--------------|--------|------|-----|------|-----|-----|------|
| Ex <30% | 34.0 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| | | 4.1 | 9.7 | 5.4 | 4.4 | 0.8 | -3.2 |

| sa %QoQ %MoM | Weight | 2009 | | 2010 | | | |
|--------------|--------|------|-----|------|-----|-----|------|
| Ex >60% | 35.1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| | | 6.8 | 5.2 | 8.9 | 3.8 | 4.4 | -0.8 |

Index 2000 = 100

MPI

level sa — 3mma, sa

Index 2000 = 100

MPI o/w export < 30%

level sa — 3mma, sa

Index 2000 = 100

MPI o/w 30% < export < 60%

level sa — 3mma, sa

Index 2000 = 100

MPI o/w export > 60%

level sa — 3mma, sa

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Manufacturing Production Index (MPI)

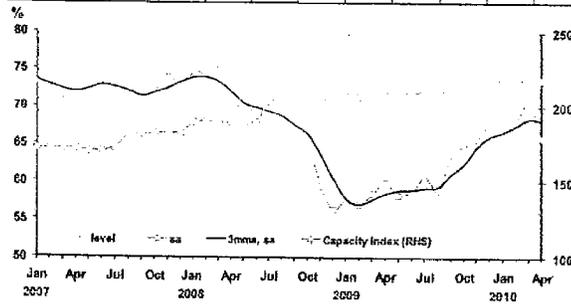
| (%YoY) | Weight 2000 | 2009 | 2009 | | | 2010 | | | |
|-----------------------------|-------------|-------|-------|-------|------|------|-------|-------|------------------|
| | | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr ^P |
| Textiles | 12.23 | -6.2 | -4.0 | -9.5 | -7.6 | -3.2 | -2.3 | 2.5 | -5.4 |
| Electronic | 10.31 | 2.2 | -11.0 | 2.4 | 28.8 | 61.1 | 55.9 | 57.4 | 43.8 |
| Petroleum | 9.48 | 4.3 | -0.7 | 10.1 | 9.0 | 4.3 | 9.6 | 1.6 | -1.0 |
| Vehicles | 6.85 | -23.3 | -49.0 | -19.3 | 8.7 | 87.6 | 102.8 | 110.6 | 73.7 |
| Food | 6.82 | -0.3 | -3.7 | -2.1 | 10.9 | 2.9 | -1.3 | 6.6 | 4.4 |
| Beverages | 5.11 | -8.7 | -7.1 | -21.1 | 0.0 | -3.2 | -3.2 | -11.8 | -11.8 |
| Electrical app. | 5.05 | -14.6 | -27.7 | -10.4 | 15.7 | 52.2 | 54.3 | 61.2 | 30.2 |
| Leather | 2.79 | -16.8 | -25.7 | -12.6 | 1.1 | 14.1 | 26.9 | 25.0 | 20.7 |
| Chemical | 2.36 | 4.1 | -4.6 | 5.7 | 24.5 | -2.3 | -3.6 | -3.8 | 3.0 |
| Iron & steel | 2.21 | -11.0 | -35.2 | -10.8 | 81.9 | 63.6 | 61.5 | 79.8 | 44.6 |
| Construction | 1.84 | -3.6 | -9.2 | -2.4 | 7.7 | 8.5 | 9.3 | 3.4 | 11.9 |
| Others | 10.62 | -5.2 | -9.0 | -6.9 | 4.6 | 10.8 | 5.2 | 16.2 | -0.1 |
| Tobacco | 1.20 | -8.5 | -5.1 | -22.5 | 0.1 | 1.9 | -21.4 | 52.7 | -36.7 |
| MPI (76 products) | 75.68 | -5.1 | -14.0 | -5.0 | 14.2 | 31.2 | 30.5 | 33.6 | 21.3 |
| MPI (sa) % from last period | 75.68 | - | - | 5.3 | 7.8 | 5.3 | 3.6 | 4.5 | -2.0 |

Note : P = Preliminary
Source: BOT Survey

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Capacity Utilization and Capacity Index

| | 2009 | 2009 | | | 2010 | | | |
|----------------------|------|------|----|----|------|-----|-----|-----|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| level | | | | | | | | |
| sa | | | | | | | | |
| 3mna, sa | | | | | | | | |
| Capacity Index (RHS) | | | | | | | | |



Note : CAIU constructed by using 69 industry categories which represent 59.1% of V.A. in manufacturing sector
P = Preliminary
Source: BOT Survey

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Capacity Utilization

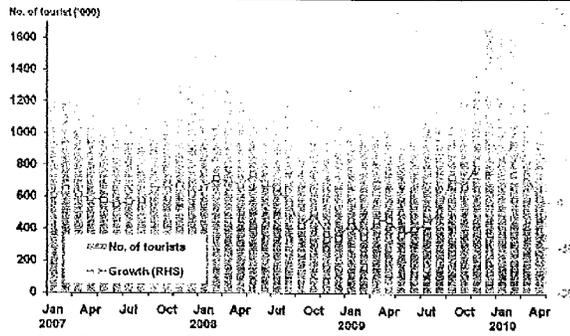
| (%) | Weight 2000 | 2009 | 2009 | | | 2010 | | | |
|--------------------|-------------|------|------|------|------|------|------|------|------------------|
| | | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr ^P |
| Electronic | 10.3 | 61.3 | 52.7 | 68.8 | 70.1 | 71.4 | 68.5 | 78.5 | 69.6 |
| Petroleum | 9.5 | 78.3 | 79.4 | 77.9 | 76.5 | 76.5 | 71.2 | 81.7 | 73.4 |
| Vehicles | 6.9 | 53.4 | 43.3 | 57.6 | 69.5 | 72.5 | 71.0 | 83.4 | 61.1 |
| Beverages | 5.1 | 64.8 | 68.2 | 52.7 | 70.5 | 70.4 | 65.0 | 83.5 | 64.7 |
| Electrical app. | 5.1 | 53.2 | 47.8 | 57.3 | 59.6 | 56.0 | 54.5 | 67.3 | 52.6 |
| Food | 4.3 | 60.6 | 67.8 | 45.8 | 60.9 | 83.5 | 83.9 | 79.1 | 52.9 |
| Leather | 2.8 | 25.7 | 25.3 | 24.8 | 27.3 | 29.8 | 28.9 | 32.4 | 29.1 |
| Chemical | 2.4 | 87.5 | 85.2 | 93.3 | 86.2 | 81.1 | 71.9 | 85.4 | 90.0 |
| Iron & steel | 2.2 | 44.6 | 38.6 | 46.0 | 54.9 | 58.7 | 59.0 | 63.6 | 50.9 |
| Construction | 1.8 | 68.4 | 67.2 | 69.2 | 70.1 | 72.8 | 70.0 | 76.0 | 68.3 |
| Paper | 1.5 | 77.5 | 74.0 | 82.4 | 79.6 | 80.8 | 76.5 | 83.9 | 78.3 |
| Rubber | 1.4 | 53.9 | 51.3 | 51.0 | 62.2 | 68.6 | 70.1 | 66.2 | 50.4 |
| Others | 5.9 | 51.8 | 50.5 | 53.6 | 52.7 | 57.3 | 60.7 | 63.9 | 52.0 |
| Tobacco | 1.2 | 48.7 | 50.9 | 44.2 | 48.7 | 53.4 | 39.1 | 70.1 | 47.7 |
| CAPU (69 products) | 59.1 | 60.9 | 58.1 | 61.4 | 65.9 | 68.6 | 65.3 | 75.0 | 62.3 |
| CAPU sa | 59.1 | - | - | 61.6 | 65.6 | 68.4 | 66.2 | 70.4 | 65.9 |

^P: Preliminary
Source : Constructed from BDT survey,

Director of Analysis Team Tel. 0-2283-5633

Tourism

| %YoY | 2009 | 2009 P | | | 2010 F | | | |
|-------|-------|--------|-------|-------|--------|-------|-------|-----|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| 105.8 | 1,410 | 1,370 | 1,390 | 1,380 | 1,360 | 1,410 | 1,410 | |



Source : Tourism Authority of Thailand

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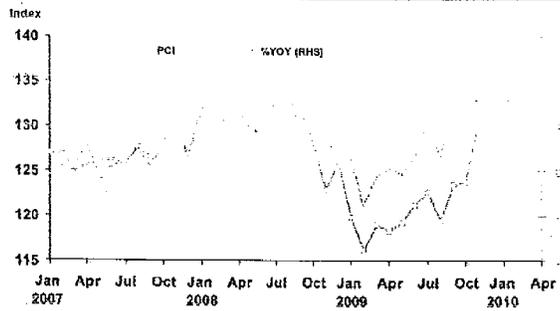
Private Consumption Indicators (SA, % change from last period)

| %MoM, %QoQ | 2009 | 2009 | | | 2010 | | | |
|--|-------|-------|------|------|------|------|-------|-------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| Car Index | -12.2 | -13.8 | 13.8 | 16.1 | 7.8 | 0.6 | -10.0 | 17.3 |
| - Passenger car | -6.6 | -10.0 | 18.4 | 21.0 | 9.0 | -1.3 | -18.4 | 26.3 |
| - Motorcycle | -17.3 | -18.9 | 13.5 | 7.8 | 11.6 | -1.9 | 13.5 | -15.6 |
| - Commercial car | -23.5 | -15.3 | 6.2 | 7.8 | 20.6 | 3.1 | -2.7 | -14.1 |
| Fuel Index | 5.9 | 5.4 | 1.1 | 0.3 | -0.9 | 6.0 | -3.0 | -0.3 |
| - Benzene& Gasohol | 6.0 | 1.8 | 3.2 | -4.2 | -5.0 | 5.6 | -6.1 | 4.6 |
| - Diesel | 4.5 | 6.8 | 0.5 | 0.5 | -2.2 | 7.1 | -4.0 | -0.2 |
| - LPG | -1.0 | -4.7 | 0.4 | 3.4 | 3.4 | 2.5 | 0.7 | 0.5 |
| - NGV | 73.6 | 30.3 | 6.6 | 10.7 | 7.3 | 8.4 | 1.9 | 0.3 |
| Household Electricity | 4.5 | 2.6 | 2.4 | 1.0 | 6.1 | -5.2 | -1.9 | 5.5 |
| Imports of Consumer Goods (real terms) | -11.3 | -13.1 | 16.3 | 6.0 | 5.5 | 4.5 | -1.9 | -4.7 |
| VAT (real terms) | -13.1 | -15.5 | 6.6 | 6.3 | 3.6 | -1.8 | 10.1 | -3.7 |

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Private Consumption Index (PCI) (Seasonally adjusted, 2000=100)

| | 2009 | 2009 | | | 2010 | | | |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| PCI | 121.7 | 123.7 | 125.1 | 127.0 | 122.5 | 123.9 | 125.5 | 124.0 |
| %YOY (RHS) | -6.6 | -1.4 | 1.1 | 1.7 | -4.7 | -1.1 | 1.2 | -1.1 |



Source : Bank of Thailand

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Private Investment Indicators (SA, 3m ma % change from last period)

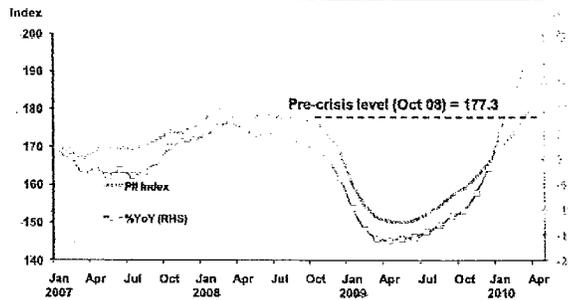
| % MoM, %QoQ | 2009 | 2009 | | | 2010 | | | |
|--------------------------------------|-------|-------|------|------|------|------|------|------------------|
| | | H1 | Q3 | Q4 | Q1 | Feb. | Mar | Apr |
| Construction Area Permitted (12m ma) | -6.0 | -4.5 | -0.8 | -1.3 | 9.5 | 1.7 | 2.7 | 3.8 ^E |
| Cement Sales (thousand tonne) | -3.7 | -1.2 | 3.5 | 2.3 | -0.1 | -1.2 | -0.1 | 1.7 |
| Real Imports of Capital Goods | -18.2 | -19.3 | 4.0 | 9.3 | 7.3 | 2.8 | 6.5 | 2.6 |
| Real Domestic Machinery Sales | -21.0 | -22.7 | 4.1 | 10.1 | 14.1 | 4.0 | -0.5 | n.a. |
| Commercial Car Sales (unit) | -23.9 | -18.7 | 11.3 | 8.4 | 16.5 | 5.9 | 4.9 | -3.5 |

Note: E = Estimated data

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Private Investment Index (PII) Seasonally adjusted, 3-month moving average

| | 2009 | 2009 | | | 2010 | | | |
|------------|-------|-------|-------|-------|-------|-------|-------|------------------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr ^E |
| PII | 158.2 | 150.8 | 157.2 | 155.8 | 178.5 | 173.3 | 175.6 | 159.1 |
| %YoY (RHS) | -11.5 | -15.0 | -1.1 | -1.1 | 11.1 | 12.7 | 1.5 | -11.0 |
| %QoQ | -2.7 | -4.7 | 4.3 | 3.5 | 7.3 | 2.7 | 3.1 | -4.1 |



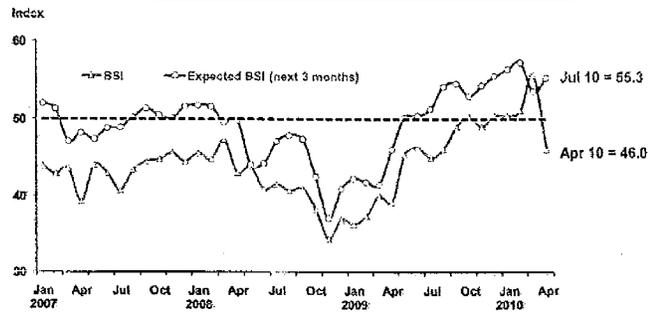
Note: PII series are rebased according to MOC import prices index. Hence, data from 2009 onwards are disseminated.
E = Estimated by assuming this month's data (seasonally-adjusted and moving average) equal to previous month's.

Source : Bank of Thailand

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Business Sentiment Index

| | 2009 | | | 2010 | | | | |
|--------------|------|------|------|------|------|------|------|------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| BSI | 44.5 | 40.6 | 40.7 | 49.9 | 52.5 | 51.3 | 55.7 | 46.0 |
| Expected BSI | 49.6 | 45.4 | 53.4 | 54.3 | 59.7 | 57.3 | 53.5 | 55.3 |



Government Revenue (by Collection Tax Base)

Mar = 148.1 Bn. (18.5%) Apr = 191.2 Bn (61.4%)

| %YoY | Share 2009 | FY 09 ^P | | | FY 10 ^P | | | |
|---------------------|---------------|--------------------|-------|-------|--------------------|-------|-------|-------|
| | | Total | Q4 | Q1 | Q2 | Feb | Mar | Apr |
| 1. Tax | 90 | -8.7 | -0.0 | 15.5 | 22.4 | 22.0 | 27.6 | 15.1 |
| 1.1 Income Tax | 6 | -1.0 | -1.0 | -1.0 | -0.1 | 4.0 | 2.4 | -1.5 |
| Personal | 12 | -3.3 | -3.6 | 2.2 | 4.3 | -1.7 | 12.4 | 5.7 |
| Corporate | 23 | -14.9 | -20.4 | 0.3 | 3.7 | -4.8 | 17.6 | -10.0 |
| Petroleum | 5 | 22.5 | -37.0 | -78.0 | -52.1 | -94.0 | -51.7 | -99.4 |
| 1.2 Consumption Tax | 46 | -1.0 | 2.0 | 11.0 | 16.1 | 20.0 | 21.5 | 11.1 |
| VAT | 26 | -14.2 | -15.5 | 4.5 | 25.8 | 29.9 | 30.8 | 23.7 |
| Specific business | 1 | -27.0 | -3.9 | -11.7 | -9.0 | -10.8 | 2.2 | -3.5 |
| Excise | 17 | 4.6 | 42.0 | 76.1 | 55.5 | 47.3 | 35.6 | 27.2 |
| 1.3 Int'l Trade | 5 | -20.4 | -10.5 | 2.6 | 31.3 | 43.9 | 30.5 | 44.1 |
| 1.4 Other Taxes | 1 | 2.6 | 4.3 | 34.1 | 13.8 | -5.4 | 39.2 | 171.0 |
| 2. Non-tax | 10 | -5.1 | 5.6 | 24.0 | -15.7 | -13.1 | -14.0 | 377.5 |
| 3. Total Revenue | 100 | -8.3 | -8.0 | 16.4 | 18.0 | 15.7 | 18.5 | 61.4 |

Source: Fiscal Policy Office, Revenue Department

Export Growth (in terms of US\$)

Mar 2010 = \$ 16.1 Bn (41.0%) Apr 2010 = \$ 13.8 Bn (34.6%)

| %YoY | 2009 | 2009 | | | 2010 | | | |
|--------------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| Agriculture | -21.4 | -34.6 | -33.2 | 35.4 | 60.2 | 45.1 | 57.0 | 41.9 |
| Fishery | -5.0 | -8.6 | -6.8 | 3.6 | 25.4 | 19.9 | 32.9 | 10.6 |
| Manufacturing | -13.3 | -22.4 | -15.8 | 10.4 | 29.3 | 21.3 | 39.3 | 35.7 |
| Labor : | -0.5 | 9.4 | -4.5 | -14.5 | -40.8 | -60.1 | 4.5 | 111.8 |
| Excl.Gold | -18.1 | -21.6 | -21.8 | -6.1 | 11.0 | 4.7 | 23.3 | -5.2 |
| High – tech | -17.1 | -29.0 | -19.5 | 14.4 | 48.4 | 53.0 | 44.6 | 29.5 |
| Resource base | -3.7 | -8.0 | -7.0 | 8.2 | 33.2 | 33.3 | 44.0 | 17.1 |
| Total | -13.9 | -23.2 | -17.5 | 12.2 | 32.0 | 23.5 | 41.0 | 34.6 |
| Price | 0.3 | -1.8 | -2.2 | 7.5 | 12.1 | 12.0 | 13.1 | 12.1 |
| Quantity : | -14.2 | -21.8 | -15.8 | 4.4 | 17.7 | 10.2 | 24.8 | 20.1 |
| (sa, %mom, %qoq) | | | 5.7 | 6.2 | 9.2 | 1.0 | 1.6 | -2.0 |
| Quantity (Ex.gold) | -15.8 | -24.6 | -17.1 | 6.3 | 28.1 | 29.6 | 27.2 | 12.4 |
| (sa, %mom, %qoq) | | | 4.1 | 7.8 | 9.5 | 2.2 | -0.8 | -9.3 |

Source: Constructed from data of Customs Department

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Import Growth (in terms of US\$)

Mar 2010 = \$ 15.0 Bn (62.0%) Apr 2010 = \$ 14.0 Bn (43.1%)

| %YoY | 2009 | 2009 | | | 2010 | | | |
|-------------------------|--------------|--------------|--------------|------------|-------------|-------------|-------------|-------------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| Consumer | -7.0 | -17.7 | -4.4 | 12.7 | 22.7 | 41.2 | 71.5 | 27.7 |
| Raw material | -29.7 | -41.6 | -32.8 | 2.9 | 70.4 | 86.9 | 66.1 | 52.9 |
| Capital | -14.8 | -21.1 | -16.4 | -0.5 | 38.0 | 25.0 | 60.0 | 34.0 |
| Vehicle & parts | -16.3 | -37.2 | -11.8 | 24.0 | 102.8 | 171.8 | -10.7 | 29.1 |
| Fuel | -33.2 | -43.0 | -35.1 | -2.5 | 41.7 | 48.0 | 34.8 | 67.7 |
| Total Value | -24.8 | -35.2 | -28.3 | 1.4 | 62.0 | 56.8 | 62.0 | 43.1 |
| Price | -2.5 | -5.9 | -4.5 | 6.6 | 11.0 | 11.2 | 11.2 | 11.8 |
| Quantity : | -23.0 | -31.1 | -24.9 | -4.8 | 47.4 | 62.8 | 45.7 | 28.1 |
| (sa, %mom, %qoq) | | -30.2 | 10.7 | 14.3 | 11.8 | 2.6 | 3.5 | -7.9 |
| Total Value(Excl.Gold) | -24.5 | -35.3 | -27.0 | 2.8 | 52.3 | 63.4 | 54.1 | 49.4 |
| Quantity (Excl.Gold) | -22.6 | -31.3 | -23.4 | -3.3 | 36.7 | 48.3 | 38.1 | 33.2 |
| (sa, %mom, %qoq) | | | 11.8 | 11.7 | 6.4 | 0.6 | 6.8 | -3.4 |

Source: Constructed from data of Customs Department

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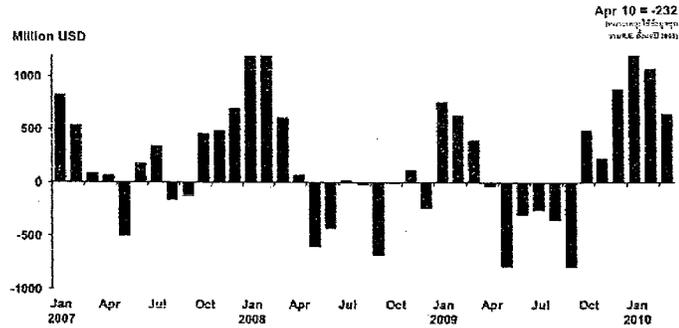
Balance of Payments

| Billion USD | 2009 | 2009 | | | 2010 | | | |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar | Apr |
| Trade balance | 19.4 | 11.6 | 5.1 | 2.7 | 2.1 | 0.5 | 1.1 | -0.2 |
| Export | 150.9 | 67.3 | 40.7 | 42.9 | 44.0 | 14.3 | 16.1 | 13.8 |
| %YoY | -13.9 | -23.2 | -17.5 | 12.2 | 32.0 | 23.5 | 41.0 | 34.6 |
| Import | 131.5 | 55.7 | 35.6 | 40.2 | 41.8 | 13.8 | 15.0 | 14.0 |
| %YoY | -24.9 | -35.2 | -28.3 | 1.4 | 63.6 | 80.8 | 62.0 | 43.1 |
| Services & transfer | 0.9 | 0.7 | -1.4 | 1.6 | 3.1 | 1.1 | 0.6 | -0.2 |
| Current A/C | 20.3 | 12.3 | 3.7 | 4.3 | 5.3 | 1.5 | 1.7 | -0.4 |
| Net capital movement | -1.2 | -6.7 | 2.8 | 2.6 | 6.1 | -0.2 | 2.5 | 3.0 |
| Monetary authorities | 1.5 | -0.2 | 1.7 | 0.0 | 0.6 | 0.0 | 0.4 | -0.3 |
| Government | -0.3 | -0.9 | 0.5 | 0.1 | 0.8 | 0.1 | 0.7 | 0.4 |
| Bank | 8.4 | -1.0 | 4.4 | 5.0 | 1.2 | -0.1 | 0.2 | 1.2 |
| Others | -10.8 | -4.5 | -3.8 | -2.5 | 3.5 | -0.2 | 1.1 | 1.7 |
| Overall balance | 24.1 | 8.7 | 7.7 | 7.8 | 6.2 | 0.1 | 3.1 | 3.7 |
| Gross Reserves | 138.4 | 120.8 | 131.8 | 138.4 | 144.1 | 141.8 | 144.1 | 147.5 |

Source: Compiled by Bank of Thailand

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Net Services and Transfers



Source: Bank of Thailand

BOP Analysis Team Tel. 0-2283-5636

External Debt Outstanding

| Billions of USD | 1997 (Peak) | 2009 | | | | 2010 ^P | | Change Mar/Feb10 | | |
|-------------------------|----------------|-------------|-------------|-------------|-------------|-------------------|-------------|------------------|------------|-------------|
| | | Q1 | Q2 | Q3 | Q4 | Feb | Mar | Total | Flow | VC* |
| 1. General government | 6.0 | 2.8 | 2.9 | 3.7 | 3.9 | 4.2 | 4.8 | 0.6 | 0.6 | 0.0 |
| 2. BOT | 7.2 | 0.4 | 0.3 | 2.0 | 2.0 | 2.2 | 2.6 | 0.4 | 0.4 | 0.0 |
| 3. Bank | 39.2 | 7.2 | 6.9 | 7.7 | 10.4 | 11.5 | 11.6 | 0.1 | 0.1 | 0.0 |
| 3.1 Commercial Bank | 9.1 | 7.2 | 6.9 | 7.7 | 10.4 | 11.5 | 11.6 | 0.1 | 0.1 | 0.0 |
| 3.2 BIBF | 30.1 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 4. Other sectors | 56.9 | 51.9 | 52.9 | 53.9 | 53.7 | 54.8 | 54.9 | 0.1 | 0.5 | -0.4 |
| 4.1 State enterprises | 10.9 | 8.9 | 9.2 | 9.4 | 9.3 | 9.3 | 9.1 | -0.2 | 0.0 | -0.2 |
| 4.2 Private enterprises | 46.0 | 43.0 | 43.7 | 44.5 | 44.4 | 45.5 | 45.8 | 0.3 | 0.5 | -0.2 |
| Total | 109.3 | 62.3 | 63.1 | 67.4 | 70.0 | 72.7 | 73.9 | 1.2 | 1.6 | -0.4 |
| Long-term (%) | 65.0 | 65.2 | 65.6 | 64.2 | 60.2 | 59.3 | 58.9 | | | |
| Short-term (%) | 35.0 | 34.8 | 34.4 | 35.8 | 39.8 | 40.7 | 41.1 | | | |

Note: ^P Includes SDR Allocations.
*Valuation change

Note: Totals may not equal sum of components because of independent rounding.

BOP Analysis Team Tel. 0-2283-5636

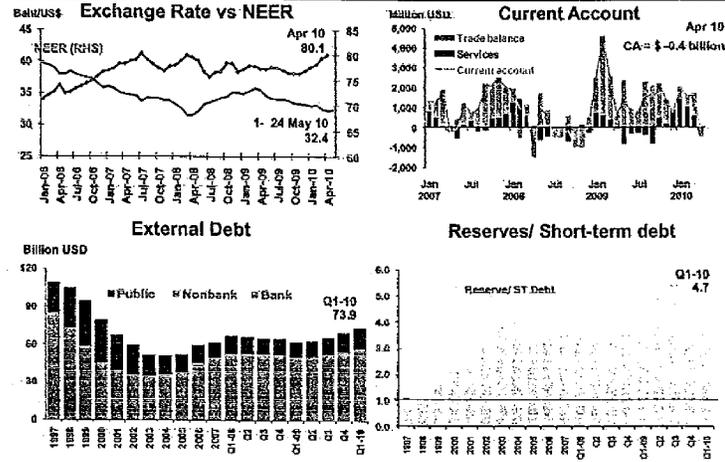
Net Capital Flows

| Millions of USD | 2009 | 2009 ^P | | | 2010 | | | |
|---------------------------|---------------|-------------------|--------------|--------------|--------------|-------------|------------------|------------------|
| | | H1 | Q3 | Q4 | Q1 | Feb | Mar ^P | Apr ^H |
| Monetary authorities | | | | | | | | |
| Government | | | | | | | | |
| Bank | | | | | | | | |
| o.w. port. liabilities | 1,106 | 723 | 373 | 9 | 396 | -65 | 509 | -243 |
| Other sectors | 1,756 | 3,021 | 1,375 | 1,726 | 1,754 | 599 | 700 | 518 |
| Non-bank | 5,734 | -663 | 60 | -194 | -143 | -97 | -191 | -135 |
| FDI | | | | | | | | |
| - Equity invest. | 6,122 | 3,021 | 1,375 | 1,726 | 1,754 | 599 | 700 | 518 |
| - Direct loans | -798 | -663 | 60 | -194 | -143 | -97 | -191 | -135 |
| Portfolio | | | | | | | | |
| - Foreign | 1,276 | 441 | 883 | 53 | 793 | 188 | 640 | 89 |
| Equity sec. | 1,023 | 448 | 745 | -169 | 260 | -20 | 535 | 21 |
| Debt sec. | 247 | -7 | 138 | 116 | 445 | 206 | 113 | 43 |
| - That | -11,559 | -4,564 | -4,787 | -2,206 | 671 | -520 | -329 | 436 |
| Loans (foreign) | -1,408 | -186 | -234 | -989 | 61 | -230 | 209 | -13 |
| Others | -2,381 | -1,561 | -548 | -232 | 672 | 111 | -30 | 733 |
| o/w Trade credits | 616 | -656 | 692 | 580 | 1,069 | 192 | 353 | 837 |
| State enterprises | -2,004 | -1,002 | -535 | -467 | -173 | -232 | 112 | 135 |
| Total capital flow | -1,199 | -6,664 | 2,848 | 2,617 | 6,091 | -203 | 2,502 | 2,999 |

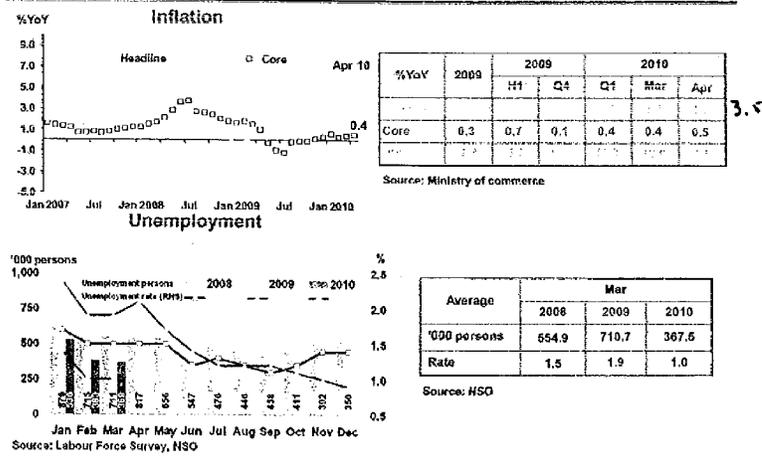
^P Estimated, may be revised later.
Source: Constructed from data set

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External Stability

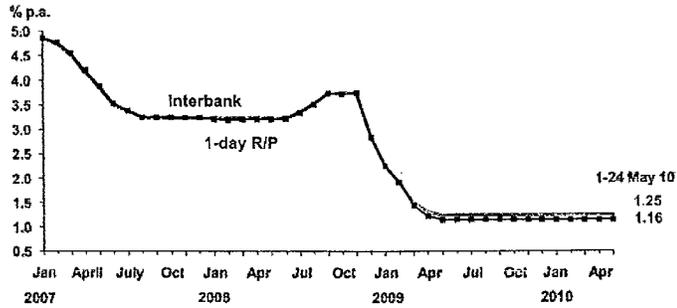


Internal Stability



Money Market Rates

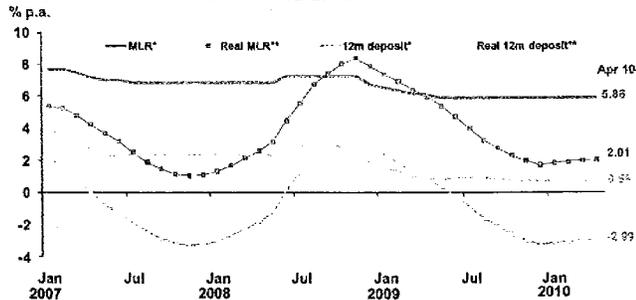
| (average over period) | 2008 | 2009 | Q3/09 | Q4/09 | Q1/10 | Mar 10 | Apr 10 | 1-24 May 10 |
|-----------------------|------|------|-------|-------|-------|--------|--------|-------------|
| R/P 1 day | 3.33 | 1.42 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Interbank (mode) | 3.35 | 1.34 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.16 |



Source: Bank of Thailand

Commercial Banks' Real Interest Rates

| End-month | Apr 08 | Nov 09 | Dec 09 | Jan 10 | Feb 10 | Mar 10 | Apr 10 |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| MLR | 6.86 | 5.36 | 5.86 | 5.86 | 5.86 | 5.36 | 5.86 |
| 12-m deposit | 6.53 | 6.70 | 6.70 | 6.73 | 6.76 | 6.63 | 6.66 |



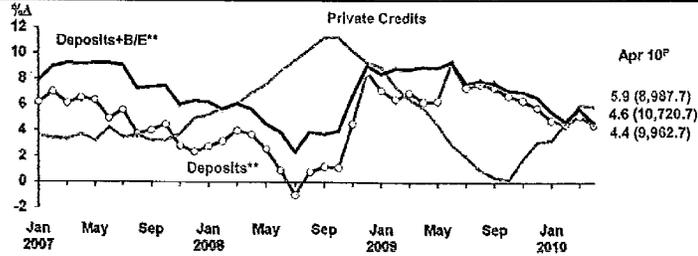
*Interest rates quoted by 4 largest Thai banks

** Real MLR and Real 12m deposit rates are adjusted by expected headline inflation 12 months ahead.

*/ Average Min-Max

Source : Bank of Thailand

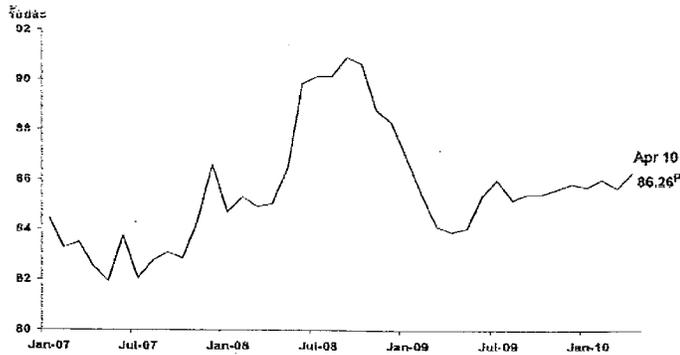
Other Depository Corporations Deposits and Private Credits**



| Change from end of previous period (billion baht) | 2008 | 2009 | Dec 09 | Jan 10 | Feb 10 | Mar 10 | Apr 10 ^P |
|---|-------|-------|--------|--------|--------|--------|---------------------|
| Δ Deposits | 724.1 | 532.1 | 123.1 | 9.2 | 80.9 | 160.3 | -23.0 |
| Δ Private credits | 728.4 | 287.5 | 151.8 | -39.9 | 81.4 | 93.7 | 19.9 |

Notes: * Depository Corporations comprise Domestically Registered Commercial Banks, Branches of Foreign Banks, International Banking Facilities, Finance Companies, Specialized Banks, Thrift and Credit Cooperatives, and Money Market Mutual Funds.
 ** Adjusted for items that are reclassified to be Negotiable Certificate of Deposit (NCD)
 P : Estimated Data
 Source: Bank of Thailand

Loan-to-Deposit Ratio of Banking System (Adjusted for B/E)*



* ข้อมูลรวมทุกสาขาของ ธก. ไทย ธพ. ต่างประเทศ

^P ข้อมูลเบื้องต้น ซึ่งอาจมีการเปลี่ยนแปลงและแก้ไขในเดือนถัดไป

ALR10310

S.L.C.

111TH CONGRESS
2^D SESSION**S. RES.** 538

Affirming the support of the United States for a strong and vital alliance
with Thailand.

IN THE SENATE OF THE UNITED STATES

Mr. WREN submitted the following resolution, which was referred to the
Committee on _____

RESOLUTION

Affirming the support of the United States for a strong
and vital alliance with Thailand.

Whereas Thailand became the first treaty ally of the United States in the Asia-Pacific region with the Treaty of Amity and Commerce, signed at Sia-Yut'hia (Bangkok) March 20, 1833, between the United States and Siam, during the administration of President Andrew Jackson and the reign of King Rama III;

Whereas the United States and Thailand furthered their alliance with the Southeast Asia Collective Defense Treaty, (commonly known as the "Manila Pact of 1954") signed at Manila September 8, 1954, and the United States designated Thailand as a major non-North Atlantic Treaty Organization (NATO) ally in December 2003;

Whereas, through the Treaty of Amity and Economic Relations, signed at Bangkok May 26, 1966, along with a diverse and growing trading relationship, the United States and Thailand have developed critical economic ties;

Whereas Thailand is a key partner of the United States in Southeast Asia and has supported closer relations between the United States and the Association of Southeast Asian Nations (ASEAN);

Whereas Thailand has the longest-serving monarch in the world, His Majesty King Bhumibol Adulyadej, who is loved and respected for his dedication to the people of Thailand;

Whereas Prime Minister Abhisit Vejjajiva has issued a 5-point roadmap designed to promote the peaceful resolution of the current political crisis in Thailand;

Whereas approximately 500,000 people of Thai descent live in the United States and foster strong cultural ties between the 2 countries; and

Whereas Thailand remains a steadfast friend with shared values of freedom, democracy, and liberty. Now, therefore, be it

1 *Resolved*, That the Senate—

2 (1) affirms the support of the people and the
3 Government of the United States for a strong and
4 vital alliance with Thailand;

5 (2) calls for the restoration of peace and sta-
6 bility throughout Thailand;

7 (3) urges all parties involved in the political cri-
8 sis in Thailand to renounce the use of violence and

1 to resolve their differences peacefully through dia-
2 logue;

3 (4) supports the goals of the 5-point roadmap
4 of the Government of Thailand for national rec-
5 oniliation, which seeks to

6 (A) uphold and protect respect for and the
7 institution of the constitutional monarchy;

8 (B) resolve fundamental problems of social
9 justice systematically and with participation by
10 all sectors of society;

11 (C) ensure that the media can operate
12 freely and constructively;

13 (D) establish facts about the recent vio-
14 lence through investigation by an independent
15 committee; and

16 (E) establish mutually acceptable political
17 rules through the solicitation of views from all
18 sides; and

19 (5) promotes the timely implementation of an
20 agreed plan for national reconciliation in Thailand
21 so that free and fair elections can be held.

P7_TA-PROV(2010)0195

Situation in Thailand

European Parliament resolution of 20 May 2010 on Thailand

The European Parliament,

- having regard to the Universal Declaration of Human Rights of 1948,
- having regard to the International Covenant on Civil and Political Rights (ICCPR) of 1966,
- having regard to the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials of 1990,
- having regard to the statements of 8 and 13 April 2010 by High Representative Catherine Ashton on the political situation in Thailand,
- having regard to the statement of 12 April 2010 by the Secretary-General of ASEAN on the situation in Thailand,
- having regard to Rule 122(5) of its Rules of Procedure,
- A. whereas Thailand has witnessed violent clashes between 'red-shirt' demonstrators and the government, together with the army supported by the 'yellow-shirt' movement, that have already claimed the lives of more than 60 people and left more than 1700 injured,
- B. whereas a state of emergency has been declared in more than 20 provinces across the country,
- C. whereas on 10 April 2010 violence broke out between demonstrators and security forces in Bangkok,
- D. whereas on 3 May 2010 Prime Minister Abhisit Vejjajiva presented a roadmap with a five-point plan which should lead to general elections on 14 November 2010,
- E. whereas since 13 May 2010 there has been a further wave of violence between militant demonstrators and security forces in Bangkok,
- F. whereas the state of emergency declared by the Thai Government has led to censorship of a satellite television station, several radio and television stations, and internet sites; whereas the European Union has expressed deep concern at the threats posed to media freedom and has reaffirmed that freedom of expression is a fundamental right, as enshrined in the Universal Declaration of Human Rights,
- G. whereas an army operation launched on 19 May 2010 to tighten up a security corridor around the demonstrators' main camp left several people, including an Italian journalist, dead and dozens injured,
- H. whereas the United Nations Secretary-General, Ban Ki-moon, has expressed concern over the violence and appealed to both the protestors and the Thai authorities to do all within their power to avoid further violence and loss of life; whereas Vietnam, which holds the chair of

ASEAN, has expressed concern at the worsening situation in Thailand and called on all sides to avoid violence and to seek reconciliation,

1. Expresses deep concern about the violent conflict between demonstrators and security forces in Thailand, which poses a threat to democracy in the country, and expresses its solidarity with the Thai people and all families who have suffered the loss of loved ones during the past weeks;
2. Recalls that the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials provide that authorities must, as far as possible, apply non-violent means before resorting to the use of force and firearms and, whenever the lawful use of force and firearms is unavoidable, must use restraint and act in proportion to the seriousness of the offence;
3. Calls on all parties to show the utmost self-restraint and to halt political violence;
4. Welcomes the Thai Government's decision to establish a committee comprising forensic experts and representatives of academic institutions to investigate the deaths that occurred during the incident on 10 April 2010, and calls on the government to extend those investigations to cover the recent deaths; endorses the initiative by the Ministry of Social Development and Human Security to set up a centre to provide assistance to injured people and relatives of those killed in clashes between state officers and supporters of the United Front for Democracy against Dictatorship;
5. Acknowledges the roadmap presented by Prime Minister Abhisit Vejjajiva on 3 May 2010;
6. Calls on the Thai Government to ensure that the declaration of a state of emergency does not lead to any disproportionate restriction of fundamental rights and individual freedoms; calls on the Thai Government to end censorship and restrictions on the right to freedom of expression;
7. Urges all parties to engage immediately in a constructive dialogue in order to seek a quick, negotiated settlement and to solve the current crisis by peaceful and democratic means;
8. Welcomes the National Human Rights Commission's calling of a consultative meeting of intellectuals, representatives of social movements, religious leaders and the four former Prime Ministers Anand Panyarachun, Banharn Silpa-archa, Chavalit Yongchaiyudh and Chuan Leekpai to look for and put forward a solution to end this crisis;
9. Stresses its will to support democracy in Thailand, taking into consideration the excellent nature of EU-Thai relations and Thailand's role as a source of prosperity and stability in the region;
10. Urges the international community to make every effort to stop the violence; urges the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy to monitor the political situation closely and coordinate action with ASEAN to foster dialogue and strengthen democracy in Thailand;
11. Instructs its President to forward this resolution to the Council, the Commission, the Member States, the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy, the Government of Thailand, the Secretary-General of ASEAN and the Secretary-General of the United Nations.

-Unofficial Summary-

PM proposes five-point roadmap for reconciliation towards elections by year-end

On 3 May 2010 at 21.15 hrs., Prime Minister Abhisit Vejjajiva gave a live televised address to propose a five-point reconciliation roadmap for resolving the current political situation.

Recalling his two-pronged approach of addressing both the security and political situation, the Prime Minister noted that progress has been made on the security side, including on-going investigations into cases related to terrorist acts and the seizure of war weapons, and that efforts in this regard as well as work on the legal side in pursuing criminal charges against perpetrators must continue. As for the political side, he felt that the timing was now conducive for him to inform the public of how the Government intends to proceed in resolving the political conflict.

The Prime Minister noted that the reasons for the on-going political situation are manifold, with problems of political, economic, social, legal and other aspects accumulating over the years, leading to divisions and escalating tensions. To address these issues, he proposed a **process of national reconciliation**. Based on the views and grievances from all groups of people, be they the protesters, academics, civil society organizations or ordinary people, the proposed process comprises five key points or elements, which, with public cooperation, would enable peace and normalcy to be restored to Thai society.

First, while Thailand is fortunate to have the monarchical institution as a unifying force among the people, the Prime Minister said that in recent years, certain individuals have drawn the monarchy into the political conflict. In this regard, for Thai society to return to normalcy, every Thai has the duty to protect the monarchy from being drawn into the present conflict, and to work together to uphold and promote a correct understanding about the institution, given the contributions which His Majesty the King and other members of the Royal Family have made to the nation. He also called on the public to help prevent any media from violating the revered institution.

Second, the Prime Minister highlighted the need for reform at the national level. Although the current conflict may be regarded as a political one, it is in fact based on injustices that exist in society and its economic system. There are grievances of different degrees among those joining the demonstrations, as well as among those not protesting, who may feel that they have been unjustly done by, marginalised, lacked opportunities or even harassed by those in positions of authority. These, he noted, are major problems which – if left unattended – could lead to broader conflict, politically and socially. In this regard, Prime Minister Abhisit called on the public not to allow these problems to be addressed in the same manner as in the past whereby each government would pursue its own policies aimed at resolving outstanding problems in an ad-hoc manner, which could not lead to justice systematically and structurally. It is high time that all Thai people are taken care of

through a reasonable welfare system, with equal opportunities with regard to education, health care and employment, and with income security. Those with particular grievances, such as those without land to make a living, overwhelmed by debt or facing serious difficulties in one way or another, should receive systematic care. In this connection, the process of reconciliation or national reform would draw all sectors of society together to help resolve these problems by coming up with concrete and synchronised measures and clear and assessable targets of raising income levels and creating opportunities for the people. This process, Prime Minister Abhisit emphasised, is what all governments must undertake.

Third, the Prime Minister noted that in today's information society, the right to freedom of expression and information must be respected. Nevertheless, with technological advances, the media – be they the internet, satellite television, cable television or community radios – have at times been used as political tools by exploiting legal loopholes. Even state television channels have been criticised as playing a part in the conflict. In this connection, Prime Minister Abhisit proposed that in the reconciliation process, the media must have freedom, but that such freedoms should be regulated by an independent mechanism in order to ensure that they are not misused to create conflict and hatred, thereby leading to violence. He believed that if the media could operate in a constructive manner, then Thai society would be able to overcome conflict and return swiftly to normalcy and harmony.

Fourth, the Prime Minister noted that since the demonstrations began in March, a number of incidents have occurred, causing losses and suspicions which could deepen the division and hatred. He stressed that every incident which has caused apprehension among the public must be investigated in order to establish the facts surrounding them. In this regard, the Prime Minister proposed that an independent fact-finding committee be set up to ensure justice for all concerned in these incidents and to seek out the truth for society. For peace to prevail, the society must live together on the basis of the truth.

Fifth, the Prime Minister noted that in a democratic system, politicians must represent the people. The political conflict over the past 4-5 years has created the feeling of injustice in many aspects, including the rules, such as the Constitution, certain laws and the deprivation of certain rights of politicians. It is therefore high time to put all these issues on the table and set up a mechanism to solicit views from all sides to bring about justice for those involved in the political conflict, so that they would no longer lead to rejection of the political process and conflict in the future.

With everyone working together on the afore-mentioned five elements, and with the Government, Parliament and civil society able to perform their duties unimpeded, without anyone attempting to create division or disturbances or violence, Prime Minister Abhisit expressed his confidence that in no time, Thai society would be able to restore harmony and normalcy. In such a case, the Government would be ready to hold fresh elections so that the Thai people can make their political decision once again. He believed that if the reconciliation process begins and peace is restored

from today onwards, elections could be held on 14 November 2010. This is the target that the Government is ready to work on. However, should the disturbances persist, the Government would still be committed to his five-point roadmap, although the process could be delayed and a clear election timeframe not able to be determined.

Before closing, Prime Minister Abhisit addressed the demonstrators and those who oppose them.

To demonstrators of the United Front for Democracy against Dictatorship (UDD), he affirmed that their demands have been fully taken into account although he would not be able to accommodate their call for dissolution of the House of Representatives, either immediately, within 15 days or within 30 days. More important to demonstrators with genuine grievances, he believed, his proposal would address their problems in a systematic and sustainable way, and although it may not fully satisfy them, it would be the beginning leading to the eventual resolution of their grievances.

To those against the protests and supporting the Government, the Prime Minister said that although they may not agree with the dissolution of the House or the shortening of the Government's tenure by about one year, his proposal was based on the principle of the rule of law, aimed at preserving the democratic system with a constitutional monarchy, which he believed would provide a lasting political solution.

Noting that, as is its nature, such a proposal for reconciliation may not fully satisfy anybody and that it required flexibility and sacrifice from all sides, Prime Minister Abhisit expressed his sincere belief that – based upon his consultations with various group – this was the best solution for the country. In this regard, he hoped that his proposed roadmap would be accepted by all sides.

campaign. Thaksin swiftly denied the charges.

There was a simple honesty to our arrangement with the fighters, but their death threat didn't preclude Thai-style hospitality. Only one man voiced displeasure with our presence; he asked his comrades about us, but he used the Thai pronoun for "it".

As the sun set on May 14 behind the UDD's bamboo-and-lime fortress erected in the heart of one of Bangkok's top commercial districts, the men ate hot noodles and whispered anxiously about army shooters. Snipers angered them.

Twenty-four hours earlier, Bangkok had been plunged into chaos after the man whom they said issued their orders directly, renegade army officer Maj Gen Khattiya Sawasdiplol, was struck down and eventually died from a sniper's bullet as he spoke to a reporter. The government has denied responsibility for the hit.

Khattiya, a celebrity rogue revered by many red shirts, often spoke fondly of what he called the "Ronin Warriors" - Ronin being samurai with no lord or master. In February, he boasted to reporters of training an undisclosed number of former military men to defend the red shirts, but later publicly denied leading them.

Absent Khattiya's leadership, discipline inside the red fortress was on the decline. Alcohol flowed freely, fueling tempers and fist-fights. Earlier in the day a Ronin fighter fired an Israeli-made TAR-21 assault rifle, seized from the army in April, at an army helicopter overhead.

Compelling personalities vied for dominance among the disordered Ronin, but the bearded man who spoke little was calling the shots for now. "Do you know who is in charge here?" he said. "It's me."

At least until another unnamed commandant he described as second to Khattiya arrived to assume command and investigate why journalists were with the gunmen.

"Not Terrorists Not Violent. Only Peaceful and Democracy," read a banner hanging outside the barrier of jumbled tires. Inside, it was an open secret who the gunmen were; no less secret were the perimeter bombs, connected by dirty gray cables, designed to inflict heavy casualties on any advancing government army soldiers.

Some of the men held their firearms tightly concealed under jackets. Just after sunset, oblong packages wrapped in black plastic were carried into tents in Lumpini Park from elsewhere in the camp. Running at a crouch, we were moved to a different tent nearer the memorial statue of Thai King Rama VI. The Ronin moved between tents often in this way to avoid detection from government snipers.

Twenty-seven men crouched in darkness inside the tent. Newspapers covered any illuminated displays from radios or other electronics, and we were asked to turn off our cell phones. One gunman suggested army snipers would kill them all at first light if they had the chance.

"Don't worry; safe. Thai-style," their combat medic said to us in English, gesturing to layers of tarps obscuring the ground from potential snipers where we were camped with them.

Fewer than half were paramilitaries, the rest regular black-shirts providing support and catering to the gunmen's needs. Some ran errands, others fetched water, coffee and M-150 energy drinks. The Ronin were structured like a military unit, complete with a radioman and the combat medic. They apparently had had training in explosives and munitions, which they put to use in handling plastic explosives and planting bombs for remote-detonation along the camp's edge.

Despite media speculation that the Ronin were comprised of

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former anti-communist commandos, most of the men we met were much too young, looking to be in their early 20s. Many had been paratroopers and one said he came from the navy. Most originated from the same upcountry, rice-basket provinces the majority of red shirts called home. Several said they were still active-duty soldiers.

Eventually a call came in from a UDD guard. The army had succeeded in securing a location near Pratunam, the intersection bounding the northern extent of the red-occupied commercial district, and was pushing hard against protesters. They needed help.

M16 and AR-15 rifles slid free from concealment under plastic or inside their clothing. In less than 10 minutes, the gunmen loaded ammunition into clips and locked them into place.

Ammunition was running low, they said. Each fighter was given no more than 30 rounds to carry. Although we didn't see any M79 grenade launchers, the Ronin discussed a bulky sack of grenades they were carrying. Just after 9 pm, the dozen fighters rose and scurried silently into the night to sow another round of mayhem.

For the next nine hours, bursts of intense gunfire erupted from areas around the red-zone perimeter, first from the direction of Pratunam, later from points along Rama IV Road.

Their tactics were consistent with those of trained guerrillas and snipers, letting off brief fusillades of gunfire before repositioning. They terrorized regular Thai army soldiers throughout the night, winding them up and denying them sleep.

At 6 am on May 16, they swaggered back into the camp under covering fire from homemade rockets to the cheers of the assembled reds. Visibly weary but beaming triumphant smiles, the men shouldered the night's spoils - body armor, riot shields, batons, helmets, flashlights and other gear taken from Thai security forces - some of which they handed out as gifts.

If the battle for Bangkok was largely a hearts-and-minds campaign for public support, the Ronin's actions undermined the nonviolent ethos espoused by the UDD.

They described their purpose as "protecting" the demonstrators and standing as a force-equalizer against Thai security forces. They perceived themselves as "black angels" watching over the unarmed farmers and families who comprised the red shirt rank and file.

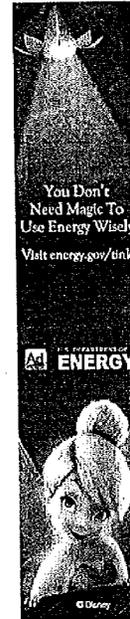
Despite this heroic self-image, these angels brought death and chaos. Their campaign of violence is believed to have claimed a number of innocent lives and possibly provoked the deaths of dozens more.

Prime Minister Abhisit Vejjajiva and his government, along with other observers, blame them for tipping an already tense stand-off on April 10 into bloody pandemonium by killing army officers and attacking soldiers, who then fired live rounds into red shirt crowds. Twenty-five people died that day.

"Soldiers are lining up with their war weapons and shooting into crowds of red shirts, all of whom are completely unarmed," UDD spokesman Sean Boonpraong said from the Ratchaprasong stage on May 15, only hours after the Ronin returned from their mission.

Their actions also handed the civilian government the excuse it needed to send in troops with deadly purpose on May 19 to end the UDD's six-week occupation of Ratchaprasong. Seeking to justify the government's use of lethal force, Deputy Prime Minister Suthep Thaugsuban revealed seized weaponry before foreign diplomats and the press on May 22.

"Terrorists have used these weapons to attack officials and



innocent people," he said.

Earlier this month, Abhisit branded their now deceased chief, Khattiya, a "terrorist" ringleader. Before he was shot, Khattiya, a larger-than-life character given to brash claims and with an uncanny ability to predict unclaimed grenade attacks across Bangkok, sometimes made little effort to conceal his role as Ronin commander.

When hundreds of pro-government protestors rallied near the UDD's fortress on April 22, he announced the imminent arrival of "some men wearing black" to aid the reds. Soon thereafter, five M79 grenades landed near a pro-government group, killing a 26-year-old woman and injuring nearly 100 others. That weapon, the M79 grenade launcher, is consistent with a months-long campaign of violence and property destruction, which the government has also pinned on the UDD.

In his May 3 comments, Abhisit also linked Khattiya to Thaksin, the fugitive billionaire the UDD aims to return to power. Khattiya's relationship with Thaksin raises the question, as posed by the government's terrorism case, what is the politician's knowledge of the commandos?

He didn't address the question when it was put to him directly in an interview on Wednesday with the Australian Broadcast Corporation. "There is no evidence at all, it's just the allegations," he said. {1}

Khattiya traveled to Dubai to meet Thaksin in March, according to press reports. He also said they spoke by telephone on occasion, most recently on May 3. That was one week before Thaksin is believed to have scuttled a peace plan and Khattiya threatened to seize control of the UDD from its more moderate leadership.

Those leaders were poised to accept Abhisit's five-point "reconciliation road map", which included a proposal for early elections in November, and the deal's collapse precipitated the military crackdown. On the day of the crackdown, the Ronin fought the army as they fell back in an organized withdrawal from the red fortress.

Just after 1:30 pm on May 19, these correspondents witnessed two Thai soldiers and a Canadian journalist seriously injured by one of many M79 grenades fired from an elevated position believed to be a nearby Skytrain station. Later, as Central World Plaza mall, was set alight and burned, they engaged in a fierce firefight with the army several blocks away. Then they just disappeared.

It isn't clear why the Ronin raised the veil of secrecy for us, but perhaps it was knowledge that their fight, and possibly their lives, could soon end with the coming military crackdown. That doesn't seem to have happened, however.

Leaders of the UDD may have surrendered to police and their followers have dispersed or been arrested, but the deadly fighters are believed to be loose in the city, ready to fight another day. Thaksin suggested without elaborating after May 19 that angry UDD protestors might resort to "guerrilla" tactics.

Meanwhile, Bangkok struggles to reclaim a sense of normalcy while the gunmen remain at large. On Monday, Suthep Thaugsuban argued for extending a curfew then in effect, citing fears that an "underground movement" planning to cause chaos was still loose in the capital.

Note:

1. For interview, see [here](#).

Kenneth Todd Ruiz is a freelance journalist living in Bangkok and blogging at [reporterinoxile.com](#). Olivier Sarbil is a Bangkok-based photojournalist whose images of recent events in Thailand are online at [OlivierSarbil.com](#).