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US faces delicate situation in Thailand

It condemns coup but harsh actions may push Bangkok closer to Beijing

By Leslie Lopez

BANGKOK - WHILE President George W. Bush was telling an American audience about the virtues of democracy last month, Thailand, one of the US' closest South-east Asian allies, was shredding its Constitution.

But the White House wasted no time in showing its displeasure with the military coup that ousted Mr Thaksin Shinawatra's government on Sept 19.

It immediately suspended millions of dollars in military funding which Thai armed forces have long relied on. Also, special economic privileges that have helped Thai exports penetrate the US market will not be renewed when they expire later this year.

'To say that Washington is unhappy about the coup would be an understatement,' says a US government official.

Now, as concerns mount that the coup leaders may be eyeing a more permanent political role, some local and foreign analysts are hoping that Washington will use its influence with Bangkok to prevent that happening.

'The US knows its unique role here and they are putting some pressure on the junta,' says a senior Thai economist who, like the many people interviewed for this article, asked not to be named for fear of slighting the military rulers who have imposed tight restrictions on the media and political activity.

The US Embassy in Bangkok declined official comment for this article, but many Bangkok-based diplomats and regional economists say Washington is caught in an awkward position, as it realises it cannot overplay its hand in Thailand.

The US fears that by coming down too hard on Thailand, it could risk pushing the country's military leaders closer to China, a fast-growing Asian superpower whose growing influence in the region is making Washington rather uneasy.

While the US, the European Union and Australia have openly criticised the coup in Thailand, China has warmly welcomed the military's appointment of interim Prime Minister Surayud Chulanont.

'The China factor is a key variable in the Thailand mess,' says a Bangkok-based European diplomat who has been in close contact with his US colleagues.

Since Thailand became a constitutional monarchy in 1932, the military has directly or indirectly controlled the political process, staging a total of 18 coups. While some of these regimes helped modernise Thailand's largely agricultural economy, others were hugely corrupt and autocratic.

But despite the somewhat questionable record of the military, the US has always maintained intimate security ties with Bangkok.

It has had a sizable security and intelligence presence in Thailand since the mid-1960s, when Bangkok provided air bases and ports to American forces and the country was the nerve centre of CIA and military operations in Vietnam and Laos.

Today, the US Embassy in Bangkok is one of Washington's five largest diplomatic missions and agencies such as the US Drug Enforcement Administration and the CIA use Thailand as a base from which to monitor countries such as Myanmar, Laos and Cambodia.

In recent years, Bangkok and Washington have also forged cooperation in the war against terror, with a CIA-Thai joint initiative leading to the capture of Jemaah Islamiah's chief strategist Hambali three years ago.

But last month's coup has caused serious damage to the special relations Washington has long enjoyed with Bangkok, say diplomats.

Mr Thaksin's ouster immediately triggered Section 508 of the Foreign Operations Appropriations Act, a provision under US law calling for suspension of any military assistance to a country whose elected government is overthrown by undemocratic means.

According to regional diplomats, Washington has so far suspended nearly US\$25 million (S\$39 million) in military aid, while a plan to prepare Thai soldiers for peacekeeping operations in conflict zones has also been put on hold.

The imposition of Section 508 also has regional ramifications, as the US has been forced to suspend indefinitely a US\$200 million programme to provide regional governments, including Thailand's, with hardware to beef up the patrolling of the busy shipping lanes in the Strait of Malacca and the Andaman Sea.

Security issues aside, Thailand could also suffer economically.

Currently, nearly 18 per cent of the country's exports go to the US, mainly because of the low tariffs that Thailand enjoys under a programme called the Generalised Systems of Preferences, or GSP.

The GSP benefits that Thailand reaps will expire later this year and economists say that the new interim government has yet to come up with a plan for dealing with the potential fall in exports to the US.

So what would it take for Bangkok to get back into Washington's good books?

Regional diplomats say the lifting of martial law would be a good start.

Thailand's military leaders have refused to lift martial law on grounds that the security situation in the country remains fragile, an assertion that many diplomats and Thais say is unfounded.

Diplomats are also closely watching whether the military will seek a more permanent role under the country's yet-to-be written new Constitution.

'Any role in politics would be a serious blow,' says a European diplomat, noting that such a move would trigger political turmoil, similar to that seen in 1991 and 1992, when the military's move to stay in power led to violent street demonstrations.

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A SERIOUS MATTER

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A US GOVERNMENT OFFICIAL INSIDE KNOWLEDGE

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