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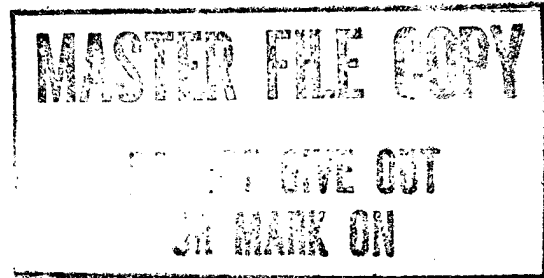
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Thailand: Prospects for the Coalition Government



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An Intelligence Assessment



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Thailand: Prospects for the Coalition Government

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An Intelligence Assessment

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Thailand: Prospects for the Coalition Government



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Key Judgments

Information available as of 10 August 1983 was used in this report.

Thailand's three-month-old coalition government has shown surprising strength, but contentious issues on the horizon could cause problems:

- Army Commander in Chief Athit's moves to restore the military's former dominant position in the legislature could be the most volatile issue. Athit—who wants the prime-ministership—has been operating behind the scenes to consolidate his control over the military apparatus and is likely to have one of the smaller, military-backed parties reintroduce controversial constitutional amendments aimed at restoring the military's lost position.
- Unpopular fiscal austerity measures such as reduced subsidies to state enterprises and increased public utility prices could provoke mass protests and demonstrations.
- The opposition Thai Nation Party intends to make things difficult for the new administration by introducing contentious legislation, including its own constitutional amendments aimed at further reducing the military's influence, and by attempting to split the coalition over economic issues.
- Interparty rivalry within the coalition, only just below the surface, could flare over both the military and economic questions.

Despite these looming difficulties, we believe Prime Minister Prem will remain in office but may be forced to shuffle his Cabinet to include the opposition party. Prem retains considerable military and popular support and could head any foreseeable coalition. A nascent economic recovery should ameliorate some of the coalition's vulnerabilities over economic issues by reducing opportunities for the Thai Nation to orchestrate demonstrations by farmers, organized labor, and students. Moreover, we believe that any attempt by Athit to reintroduce his amendments is likely to succeed the second time around, thus ensuring continued strong military support for the Prem government.



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The Military's Constitutional Amendments—Round One

Army Commander in Chief Athit's demands for constitutional amendments to ensure the armed forces dominance of the political process in Thailand plunged the country into a constitutional crisis. Introduced in Parliament in January by a small, military-backed party, the amendments would have:

- *Retained the crucial power of the Senate to support the government by maintaining the right of the upper house to vote on a wide range of matters, particularly motions of no confidence.*
- *Reversed the new constitutional provision allowing the party winning the majority of votes in a province to take all the House seats for the province—a procedure that favors the larger, established political parties and creates the possibility that one party may win enough votes to form a government on its own.*
- *Allowed professional civil servants—military officers in particular—to hold Cabinet positions while on active duty.*

Parliament in mid-March rejected the military's amendments. The bill had earlier passed two readings in the National Assembly with overwhelming majorities each time. In the final reading, the combined House and Senate cast 254 votes for passage—10 short of the required majority. Ironically, Athit

and 11 other senior military officers had earlier resigned from the Senate. Leaders of the Social Action, Thai Nation, and Democrat Parties—Thailand's largest—ordered nearly 170 members of Parliament to abstain from voting, defeating the bill. They probably backed down from supporting the amendments because they had not been allowed to introduce compromise language during the second reading. In addition, party leaders may have come to believe Athit was going to renege on promises to obtain political favors for them in return for votes. Armed Forces Supreme Commander Saiyut Koetphon—a rival of Athit who is known to have political aspirations—also led an estimated 30 Senate votes against the amendments.

Athit was shocked by the defeat of the amendments

Athit eventually backed down but forced Prem to dissolve the House of Representatives and call early national elections in mid-April on the military's terms—before preexisting provisions of the Constitution expired. Under these provisions, none of the civilian parties were able to gain a majority of seats in the House. The early election date thus insured continued civilian political fragmentation.

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Thailand: Prospects for the Coalition Government

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Although Thailand's coalition government has shown surprising strength since its formation three months ago, the going will get tougher over the next few months. The Army's powerful Commander in Chief, Gen. Athit Kamlang-ek—who is scheduled to visit the United States in late August—is determined to reinstate the military's recently expired dominant position in the legislature, a goal opposed by civilian politicians. The opposition party plans to introduce provocative legislation that would further dilute the power of the military, and it is likely to continue its attempts to unseat the coalition by focusing on politically sensitive economic issues.

New Ground Rules

Although the coalition is the fourth consecutive one under Prime Minister Prem since 1980, this government is operating under markedly different conditions. Constitutional provisions giving effective control of the government to the appointed Senate—made up largely of senior military officers—lapsed in April. In the past the Senate has kept the elected lower house under control and has ensured a conservative, military-sanctioned approach to foreign relations, economic policy, and domestic issues.

Senior Army officers—spearheaded by General Athit—unsuccessfully attempted early this year to have the constitution amended to preserve the military's power. The proposed amendments were defeated by only 10 votes in the National Assembly because of the opposition of major civilian political parties. As a result, Thailand is operating under an elected, fully functioning parliamentary system for only the second time in its history.

The opposition—the Thai Nation Party, a member of the previous Prem government—is now the largest single party in Thailand. Thai Nation leader Praman Adireksan hopes to force a cabinet shuffle and gain his party's inclusion in the present government, according to the US Embassy.

The Thai Nation may succeed in part because the coalition could split between civilian and military interests that are intensified by personal rivalries. The Social Action Party and the Democrat Party continue to oppose promilitary constitutional amendments championed by the smaller Thai Citizens Party and National Democratic Party. In addition, the heads of the Democrat and Thai Citizens Parties are long-standing enemies.

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Other factors, however, have at least temporarily offset these potentially destabilizing changes. The new coalition is strikingly similar to the previous one, which the military supported. Prem stayed on as Prime Minister, and two of the three parties in the last coalition are in the new one. In the Cabinet, half of the 44 ministers and deputies are carryovers from the previous Cabinet, and most of the top positions are unchanged. Prem has continued as Defense Minister, for example, and Sitthi Sawetsila as Foreign Minister. In important security and economic posts, Interior Minister Sitthi Chirarot and Finance Minister Sommai Huntrakun also stayed on.

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The military, moreover, still wields considerable influence, primarily through Athit's regular consultations with Prime Minister Prem. In addition, two promilitary parties gained entry into the coalition government. Finally, the military-dominated Senate retains the power to vote on constitutional amendments and matters pertaining to the monarchy.

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Coalition Survives Initial Tests

A concerted effort by Prem to ensure coalition unity has paid off thus far. The government used its overwhelming majority in Parliament and single-party control of most ministries to ease interparty rivalry in the Cabinet.¹ In addition, civilian politicians

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¹ In previous Prem administrations, the posts of minister and deputy minister were divided among the parties, which led to constant bickering as well as the delay of major economic development projects.

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Table 1
The New Thai Government

Party	Seats in Parliament	Leader	Comments
Social Action (SAP)	92	Khukrit Pramot	Civilian-backed; largest party prior to April elections; claims economic, rural development expertise.
Democrat (DP)	56	Phichai Rattakun	Civilian-backed; made strong gains in elections; leader is bitter enemy of TCP head.
Thai Citizens (TCP)	36	Samak Sunthorawet	Promilitary; monarchist, populist rhetoric; palace backing alleged.
National Democratic (NDP)	15	Kriangsak Chamanan	Nominally promilitary; opportunistic; party serves mainly as vehicle for former Prime Minister Kriangsak's return to politics.
The Opposition			
Thai Nation (TNP)	108 ^a	Praman Adireksan	Formerly associated with military-industrial establishment; party lost military support when it opposed promilitary constitutional amendments; further offended military by postelection attempt to set up coalition government headed by Praman.

^a Number of TNP affiliates swelled after elections as independents and splinter parties joined to comply with new political parties law. Party control over these new members uncertain.

are probably trying to avoid actions that might prompt military intervention. And Prem is skillfully developing new administrative devices to keep House members in line. The new Parliamentary Coordinating Committee, for example, develops strategy for moving government legislation through the House. [redacted]

Despite the fact that Prem can no longer count on Senate voting to pass key legislation or support the government in no-confidence votes, the coalition passed its first two parliamentary tests with impressive strength. The government moved the budget bill—traditionally contentious—through the elected House of Representatives in late June on its first reading with surprisingly little trouble. Despite attempts to focus debate on a secret, anti-insurgency fund in the defense budget, the opposition failed in its principal goal of inducing disunity in the governing coalition's ranks, according to the US Embassy. [redacted]

In mid-June Prem's coalition easily derailed the Thai Nation Party's no-confidence motion against Communications Minister Samak, head of one of the four coalition parties. The ostensible reason for the vote was Samak's mismanagement of state enterprises under his control, especially the railway system, which raised passenger fares by 7 percent in June. Because transportation fares are politically sensitive, Thai Nation leader Praman hoped for some break in the unity of the governing parties on this issue, according to the US Embassy. The Parliamentary Coordinating Committee kept the no-confidence motion from coming to a vote, however. [redacted]

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Table 2
Thailand: Ministerial Positions

Politically unaffiliated	Prime Minister and Defense Minister ^a Deputy Prime Minister Ministers attached to the Prime Minister's office (4) Finance Interior
Social Action Party	Deputy Prime Minister Ministers attached to the Prime Minister's office (2) Foreign Affairs Agriculture and Cooperatives Commerce State University Bureau
Democratic Party	Deputy Prime Minister Minister attached to the Prime Minister's office Science, Technology, and Energy Education Public Health
Thai Citizens Party	Deputy Prime Minister Communications Justice
National Democratic Party	Industry

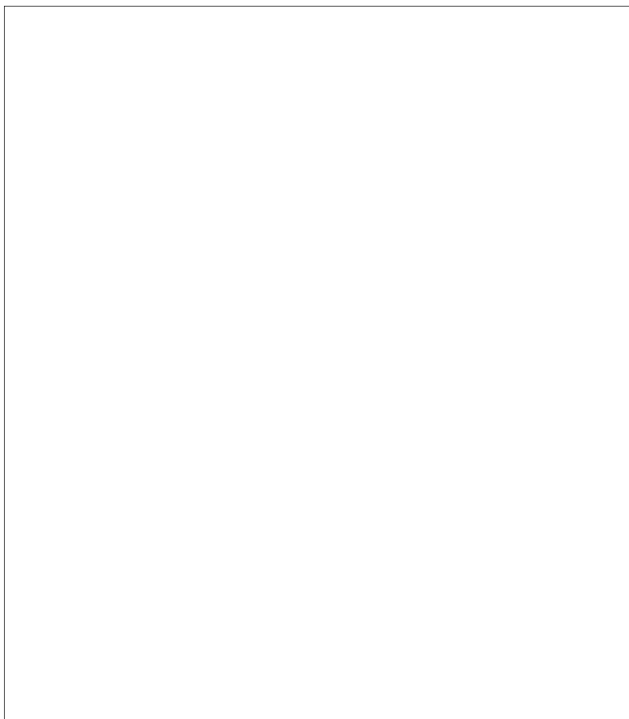
^a Prem holds both positions.

[Redacted]

Future Challenges

Over the next year the new government will face more serious problems, such as the likely reintroduction of amendments to reinstate the power of the Senate and continuing attacks by the opposition party. [Redacted]

The Military: Athit's moves to restore the military's power could be the most volatile of these challenges. We believe that Athit wants the prime-ministership. To gain that position, he must move before his mandatory retirement from the Army—his principal power base—in 1985. Since the defeat of the Army's proposed constitutional amendments last spring—a stunning setback to Athit, who had argued that the preservation of Senate power was essential to national stability—Athit has been operating quietly behind the scenes to consolidate his control over the military apparatus. [Redacted]



In recent weeks Athit has also moved to refurbish his public image, tarnished in the defeat of the amendments. His offer to mediate a still unsettled dockworkers' strike was his first reentry into the Thai political arena. Last fall Athit similarly used his position as head of the Bangkok Peacekeeping Force to involve himself successfully in a number of political and economic disputes, such as protests over bus fare increases, labor strikes, student protests, and farmer unrest over the government's rice policies. According to the US Embassy, Athit established himself in the public mind as an effective and fair mediator. [Redacted]

In late July Athit seized the opportunity of the joint US–Thai Navy amphibious landing exercise Cobra Gold to stage Army exercises on the Thai-Kampuchean border. According to the US Embassy, Athit did not want to attend the Cobra Gold landings because he would have been nominally subordinate to Saiyut. By staging the Army's own media event, Athit

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General Athit: Thailand's Next Prime Minister?

The son of a Thai Army lieutenant colonel, Athit has risen through the ranks at an unprecedented rate since graduating from Thailand's military academy in 1948. Athit came to prominence in 1977 with increased concerns about the Communist insurgency. His anti-Communist sympathies and family ties to the monarchy brought him to the attention of his commanding officer, Gen. Prem Tinsulanon. Prem promoted Athit to major general and, after Prem's own elevation to Commander in Chief in 1979, placed Athit in charge of Bangkok's 1st Division—a pivotal unit in determining the fate of the government in coup attempts. [redacted]

Prem promoted Athit to lieutenant general and appointed him 1st Army Region commander, a position considered by all observers of Thai military politics to be essential to building a personal power base, after Athit supported the government in the unsuccessful April 1981 coup attempt by the "Young Turks" military faction. Athit became Assistant CINC in October 1981—the only assistant CINC who did not have to relinquish his troop command—and was promoted to full general shortly thereafter. With both troops and a prestigious position he became the Army's single most powerful officer and was

promoted to CINC in September 1982. Since October 1982 Athit has headed the Internal Security Operations Command, which gives him the power to declare a threat to national security and assume direct control over any military or police unit in the country. In addition, as director of the Bangkok Peacekeeping Command since April 1981, he has invigorated that formerly weak organization and has used it to involve himself in social and political issues. [redacted]

As Army CINC, Athit moved quickly to build a strong staff and expand his support base. His established role in the military decisionmaking process ensured that he had considerable influence in drawing up last year's annual promotion list even before becoming CINC. Important staff slots thus went to Athit's backers. [redacted]

Although the Supreme Commander theoretically outranks the heads of the Army, Navy, and Air Force, he has in the past—with no troops to command—exercised little power. We expect Athit, while retaining control of the Army, to use the Supreme Command to consolidate his control of the military apparatus. Even without the position of Supreme Commander, moreover, Athit is in a strong position to become Prime Minister. Six out of 14 individuals who have commanded the Army since the 1932 coup ending absolute monarchy have parlayed a military power base into full control of the government. [redacted]

US Embassy officials report that Athit is also cultivating a public image as a man who cares about not only the military but the welfare of all. In his interviews and speeches he tries to portray himself as the protector of traditional values. He has intervened to settle labor disputes, promoted slum renewal, visited fire victims, and traveled throughout the country to familiarize himself with national problems. [redacted]

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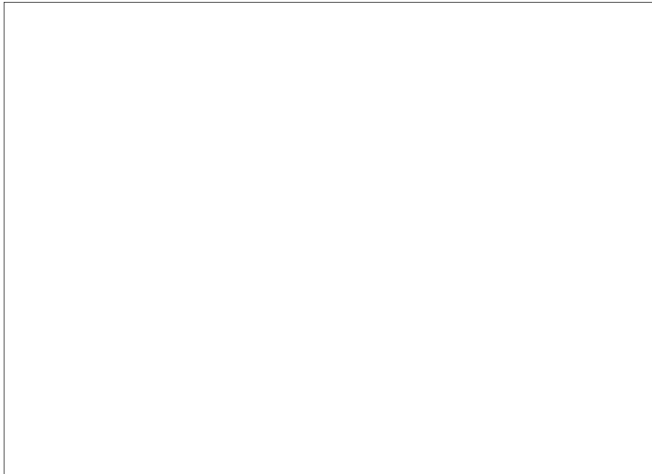
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After the election last April Athit was instrumental in forming the new government after bickering politicians had reached an impasse on cooperation. Athit induced the legislature to acquiesce to a coalition under Prem in which both military and civilian interests were represented by placing the troops in Bangkok on alert—the accepted signal for impending military intervention. [redacted]



Athit's US counterparts have described him as an ambitious, "street smart" soldier who prefers to command singlehandedly. They characterize him as capable, tough, and businesslike but say that he does not think well on his feet, is not particularly good with words, and tends to get in over his head on foreign affairs and economic matters. Athit is a controversial figure in Thailand. US Embassy officials in Bangkok report that some of his former superior officers resent him because they believe that his influence and rank are not commensurate with either his seniority or his ability. They claim that Athit's promotions constitute inordinate rewards for his role in suppressing an April 1981 coup attempt and that his rapid rise is largely due to his connections with Prem and the palace.



was able to detract from the successful performance of his rivals while simultaneously boosting his own public image. [redacted]

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We believe that Athit, once he has the positions of both Army CINC and Supreme Commander, will move to restore some of the military's lost control over the civilian government. He probably will have the military's amendments reintroduced by one of the military-backed parties. Athit is especially interested in restoring the provision allowing military officers to serve in the Cabinet. He could then add Defense Minister to his list of positions and be only a step away from the prime-ministership; in fact, he would be able to serve concurrently as Army head and Prime Minister, as did Prem. [redacted]

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The Opposition: The opposition Thai Nation Party clearly intends to make things difficult for the new administration. Formerly promilitary, the Thai Nation Party lost the military's favor when it abstained from the vote on Athit's amendments. After the elections in April, the party tried to form its own government but failed primarily because it could not get the backing of the military, which preferred to return Prem as Prime Minister and not gamble on the tenuous coalition of many splinter parties Thai Nation was proposing. Thai Nation [redacted] to introduce their own provocative constitutional amendments, aimed at further reducing the military's influence.

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Their amendments would:

- Require that future prime ministers be elected members of Parliament.
- Designate the speaker of the House instead of the president of the Senate—usually a military officer—as president of the National Assembly.
- Require parliamentary approval—in effect a no-confidence vote—for the policy statement required by the constitution of any new government.

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Economic Issues: Large budget deficits over the past three years have brought unpopular fiscal austerity measures tailor-made for the Thai Nation Party's attempts to embarrass and possibly dismantle Prem's

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coalition. In return for IMF and World Bank financial assistance, the Prem government committed itself to a program of fiscal reform that includes limiting the growth of government spending, increasing taxes, and placing the many unprofitable state enterprises on a sound financial footing. The fiscal 1984 budget, which takes effect on 1 October, slashes subsidies to state enterprises by 75 percent. Prices charged by these agencies, as well as the Bangkok bus system, are volatile issues in Bangkok:

- Public protests against higher bus fares late last year forced Prem to rescind the increase.
- The no-confidence vote against Samak was inspired by his approval of an increase in passenger train fares.
- This summer's dock strike was initiated because the Port Authority cut wages in response to its reduced government subsidy. [redacted]

Reduced state enterprise subsidies are also likely to produce further labor activism because the largest and strongest unions in Thailand are in the public sector. Although Bangkok's technocrats and Finance Minister Sommai are committed to reducing the losses of public-sector enterprises, others in the coalition—especially Samak's populist, Bangkok-based Thai Citizens Party—are likely to oppose them. Portfolios pertaining to economic matters are divided among the coalition parties, moreover, making consensus difficult. [redacted]

The depressed state of the rural economy may also generate public protests. Despite some improvements since the beginning of the year, the continuing low prices of rice, sugar, tin, and corn are depressing rural incomes. Budget austerity allows Prem little or no room to increase prices paid to farmers. Nonetheless, large demonstrations in central Thailand in late November over low government rice support prices led to a commitment to a higher price, a move the government may regret. [redacted]

The Thai Nation Party is likely to support or possibly instigate such demonstrations to achieve its goals. The local press reported that the party was involved in fomenting last winter's farmers' protests in order to embarrass its then coalition partner the Social Action Party, which promotes itself as a champion of rural issues. US Embassy sources report that the striking

dockworkers had substantially more money than would be normal and attribute this to Thai Nation backing. [redacted]

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Outlook

There is a danger that the opposition party's attempts to bring down the government will succeed. If economic recovery is slower than expected, especially in the rural areas, the US Embassy believes farmers could be more easily mobilized over such issues as the continuing low prices of sugar and rice. Student protesters—whose demonstrations toppled the military government in 1973—might also join the fray. [redacted] senior Army officers remain committed to restoring the military's former powers; a failure to do so could lead to pressure within the armed forces to take control. Athit might seize any of these opportunities to restrict the operation of parliamentary government—by abrogating the constitution, dismissing the National Assembly, or declaring martial law—in order to save the country from what he would describe as "democratic excesses." At least for the near term, such a move would probably be in support of Prem rather than a personal coup. [redacted]

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On balance, we believe that Prem will remain in office—although he may be forced to shuffle his Cabinet to include the opposition Thai Nation Party—because no party is likely to gain a majority in Parliament and propose its own candidate for Prime Minister. Moreover, Prem retains considerable military and popular support because of his military background, his strong support for the monarchy, and his reputation for honesty. Furthermore, a nascent economic recovery should ameliorate some economic problems, reducing the opportunity to attack the government. [redacted]

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[redacted] The US Embassy in Bangkok also recently noted that the current state of Thai politics is marked by an atmosphere of compromise and a search for ways to minimize differences between the parties constituting the ruling coalition. [redacted]

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Crucial for near-term stability is continued support for Prem by the military. This would be assured by the passage of constitutional amendments favoring the military, which we believe will meet with less opposition than last spring. The civilian parties that successfully opposed the amendments—the Social Action, Democrat, and Thai Nation Parties—no longer have a close working relationship, for example. Moreover, the bloc of votes in the Senate against the amendments has been eroded. [redacted]

[redacted] Prem packed the Senate—which would vote on any constitutional issue—with Athit's supporters. [redacted]

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