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East Asia Southeast Asia

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Police, Military Countermand UNTAC at Border

*93SE0031A Bangkok DAILY NEWS in Thai
23 Oct 92 pp 1, 16, 17*

[Text] Following its confiscation of a van, Army Captain Peters, chief of the UNTAC [United Nations Transitional Authority in Cambodia] unit in Poipet, asked the Thai Police Department to send a senior police official to take it back along with accompanying evidence. Police Major-General Thammanit Pitaniabut, deputy commander of the Provincial Police Region I, and Mr. Khomkrit Worakhamin, chief of the Thai-Cambodia Border Coordination Office, Ministry of Foreign Affairs, met with Army Captain Peters and Army Captain (Phyne Ky) UNTAC civil police officers, to take possession of the blue-grey Nissan van, license number 8th-2304 Bangkok, belonging to Mr. Phisit Phisasonghkram, at 220, Lat Yao. It disappeared on 13 Oct 1992 and was reported missing on 14 Oct at Lat Phrao police station.

In negotiations with Police Captain Thi Sumit, chief of Poipet Police force and Lieutenant Colonel Po Wanna, the commanding officer at Poipet, UNTAC was ready to return the stolen car since it had seized it. However Lt. Col. Po Wanna refused to do so and claimed that this van had been purchased from a Thai national for 300,000 Baht. He also claimed that he did not know that it was a stolen car because he had bought it in Cambodia. Mr. Khomkrit tried to persuade him to return the car in the interest of good relationships but the Cambodian officer refused and UNTAC officers could come to no agreement. Police Major General Thammanit then informed the Cambodian officers that Thai Police policy was not to pay ransom for cars. The Cambodian Officer then stated that if the car's owner met him with money, the car would be returned.

After three hours of negotiations, the Cambodian officers refused to return the car and Police Maj. Gen. Thammanit and his entourage returned to Thailand.

Chakkraphong Discusses Sihanouk Presidency

*93SE0010A Phnom Penh PRACHEACHON
in Cambodian 23 Sep 92 pp 1, 2*

[Interview with CPP CC [Cambodian People's Party Central Committee] member and SOC [State of Cambodia] Deputy Prime Minister Norodom Chakkraphong by PRACHEACHON; place and date not given]

[Text] All the people of the country want to personally elect Prince Norodom Sihanouk head of state or president before the National Assembly elections. An interview with his Royal Highness Norodom Chakraong, a permanent member of the Central Committee of the Cambodian People's Party and deputy chairman of the Council of Ministers on Cambodian television.

[PRACHEACHON] Your Highness, in the past, the Cambodian People's Party [CPP] has made the suggestion to hold elections for a president or chief of state before those for a constituent assembly; what do you think about this?

[Norodom Chakkraphong] We realize that this is an important matter. According to what I know, I have heard and we all know that, since the Paris Agreement on 23 October 1991, the general opinion, both from members of the Supreme National Council (SNC), who all agree that they want to give power to the chief of state, Prince Norodom Sihanouk, from UNTAC [United National Transitional Authority in Cambodia] authorities, from members of countries that signed the agreement, and from the SNC members who insist that they want to give the power. Since the prince came back, the State of Cambodia and the Cambodian People's Party have wanted to make him chief of state of Cambodia as he was in 1970. But, to really give the power and care about the interests of our people in the present and into the future, we must give the power in order to have stability because we consider public opinion as a base and follow free, democratic principles which we all want. Because one person says that he wants to give the power to the prince, you must reinforce the power of the SNC in order to give the power to Samdech Eov. So, one person wants to give power to Samdech Eov; in my opinion we can analyze this as a pretext to divert us and take things for themselves. If they are honest with the people and with the prince, this is an occasion where we must give the chief of state the clear stability of a free democracy in the elections. According to what I have learned, during the last meeting in Siem Reap Province under the chairmanship of Prince Norodom Sihanouk, the other three factions said that we have to give power to Samdech Eov and do it immediately. It is not important if only a party gives the power or it is given in words only, but there is a great danger because giving the power in word only can lead us into confusion and we can take it back just as well. I'll give you an example; I don't want to stir up all the mistakes in our past history, but I ask you to recall the coup d'etat of 18 March 1970. At that time, the people wanted to elect Samdech Eov to be chief of state, but the assembly actually elected him as chief of state. Then, suddenly, on 18 March, using as a pretext the expulsion of the Vietnamese, it turned into a coup d'etat. It was only a pretext of giving power to Samdech Eov because the national assembly took those rights away. If we are frank with Samdech Eov and with the people and think about the benefits for us, we must have Samdech Eov elected directly by the people. That power is not simply conferred upon one person by another person or by a party or by anyone or by the assembly, rather this ruling power, this power as chief of state, comes from the people. Therefore it is only the people who can chose the president or chief of state. The National Assembly does not have the right to vote and leave the people out.

Therefore the people, if they are satisfied with the elections or not, they will be able to vote again in four or five years and if they are not satisfied, they won't vote for the prince. This is a free democracy and this is a real conferring of power. If we get together and say that the giving of power is dependent on the party or on an individual, it will be a great mistake and we will not be able to go back because we will have a black mark on our record as we have in the past and, historically, we must learn that lesson and not repeat

the same mistake. The people's party and the State of Cambodia do this because we understand the opinion of the masses and the people throughout the country and they want to give power to Norodom Sihanouk. Therefore, we, as members of the party or representatives of the people, must listen to our people. Doing this does not mean that the party or the government will do as it wishes, we listen to news from every quarter. That is why we are making this request and understand the importance of the matter of national stability. If we do not vote for a president or chief of state before the general elections it will be a disaster. How will it be a disaster? First of all, it will be a disaster if we follow certain parties and they want to have the elections for president after the elections for an assembly. What if there is not a single party in the assembly with enough votes to form a government? This will mean a postponement and during this postponement who will watch over the activities in our country? If the term of the Supreme National Council has expired, who will be responsible? There is no one to take on this responsibility. Secondly, if the National Assembly meets and declares that now the chief of state will be elected by the assembly; well then! we will have returned to the events of 18 March 1970. All this means that if we really love the people and are honest with them, we must take this opportunity and elect a president before electing a National Assembly. If we don't do it this way, I say that now and in the future there will be no political stability. Everyone must realize that ever since he returned to Cambodia, Prince Norodom Sihanouk has worked for peace, progress, stability, and nationally reconciliation. This is why we must give him full powers.

[PRACHEACHON] This request of ours to have the presidential election, is it in violation of the Paris Agreement?

[Norodom Chakkraphong] The request by our country to vote for a president is in no way contrary to the agreement because the agreement does not say anything about the question of presidential elections. Therefore, the elections for a president or chief of state of Cambodia are a matter for the Cambodian people. We must respect the sovereignty of the people. All of this is important and is not contrary to the agreement. If foreign powers are opposed to this, they will be interfering into the sovereignty of our country again; if other parties are opposed they all do not respect the aspirations of our people. It is up to the people to judge.

But, if we want to have stability and profit we must vote very quickly in order to ensure stability in Cambodia. You are already aware; I don't need to tell you that there are many countries in which the UN has made decisions to solve their problems, but, in a high percentage of these countries, the problems have not been solved. The problem of Cambodia can be solved by us with the mediation of Prince Norodom Sihanouk. Therefore, I believe that Prince Sihanouk can bring about stability and

national reconciliation; in order to give him the strength and the power to do this we must vote in a free democratic way where the people give the power. Our implementation of this is not contrary to the agreement. If some person or some foreign country disapproves of the elections saying that there is no budget for them; even though Cambodia is having economic difficulties, we realize that the election of a president is important. Cambodia controls more than 90 percent of the people and we will agree to take the responsibility for the elections and these elections will be fully democratic because only one Cambodia and one party already control 90 percent of the population. Therefore, for really free elections there must be more than 50 percent and that will be enough; if we control up to 90 percent that will exceed the free democracies. We welcome all and we appeal to every party that has a national interest at heart and loves the people, we appeal for presidential or chief of state elections before National Assembly elections; this is a necessity. Some have said that we can hold the election after that for the assembly or at the same time. I believe that simultaneous elections would be difficult because there would be confusion in the voting. First of all, some parties will claim, "Hey! Vote for us; our party is the party of Samdech Eov." Therefore, there is confusion. Let the people exercise clear judgment and make clear choices in the election. We will still have a chief of state and government activities will continue so as not to have any interruption in the elections. If there are interruptions in the elections [portion appears to be missing] this is in the national interest.

[PRACHEACHON] In the past, some have suggested that the Cambodian Government's request that the prince run for president so that elections will be legal, is only a policy to dupe everyone and when His Highness is elected, he will not have any rights or power. What are your thoughts about this?

[Norodom Chakkraphong] Anyone who talks this way is talking without any basis because they are confused or only showing off; it is not really a problem. If people talk this way, then what do you think about the people who vote for the prince? Do we respect the opinions of the masses or not? A free democratic regime has the people as its foundation. If the votes of the people are the foundation and they say that these votes don't count; I will not answer that; let the people make a clear decision; whomever they chose will be the one. Because they love a free democracy and in a free democracy the power comes from the people through elections. As the people have voted then and they say it doesn't count; I will leave that up to the people to make a clear decision about those people or any party which says this. This is in the national interest and I definitely believe that the people know this well. As for the power, it exists in the constitution which we have prepared—what kind of power does the president have? That depends on whether the assembly votes for the constitution. You don't need a prince but you must have a president because if you do not, the National Assembly

will take advantage of the power they say they got from the people as representatives of the people and they can do anything that they want without considering the wishes of the people. This is why we must vote separately for a president or chief of state and for an assembly. This is the

understanding of the people's party and the State of Cambodia. Doing this shows that we are listening to the opinion of the masses; we are listening to the opinion of the people of Cambodia and have the interests of the people of Cambodia at heart now and on into the future.

ECONOMIC

Japan Wants To Expand Economic Relations

93SE0059A Jakarta ANGKATAN BERSENJATA
in Indonesian 16 Nov 92 pp 1, 7

[Text] Jakarta (ANGKATAN BERSENJATA)—Japan is interested in expanding its economic relations with Indonesia, especially in the non-oil-and-gas sector, Japanese Keidanren [Japan Federation of Economic Organizations] Chairman Gaichi Hiraiwa told reporters Saturday [14 November] after he called on President Suharto at Freedom Palace.

With KADIN [Chamber of Commerce and Industry] Chairman Sotion Ardjanggi at his side, the chief of state had discussed Indonesia's various development efforts. "I was impressed with how hard the president is working to expand economic development in Indonesia," Hiraiwa said.

In the meeting, Sotion Ardjanggi had also described the latest developments, including economic development, in Indonesia.

Quoting the president, Sotion Ardjanggi said Indonesian economic development is now at an important point as it faces PJPT II [Second Long-Term Development Phase].

Development in Indonesia, including economic development, depends upon a system that ensures continuance of development, which is consistent with the broad polices of the development trilogy.

"We have developed this system over a period of 25 years, and have established it as a national development management system. The development trilogy is its foundation," Sotion said.

He explained that the Japanese Keidanren is different from the Japanese KADIN in that the Japanese KADIN represents large, medium, and small companies seeking direct business opportunities.

The Keidanren is broader, because it is oriented more generally to things like infrastructure, human resource development, and continuity of strategies in these areas.

The Keidanren can influence people wanting to invest capital, because this group [words missing as published] whereas the Japanese KADIN represents individual companies.

Improve Infrastructure

Japan feels that to attract foreign investment, Indonesia needs to improve its infrastructure and its general protection of international companies.

Gaichi Hiraiwa said these things to reporters at the Jakarta Grand Hyatt as he described the results of the Keidanren mission to Indonesia.

He also said that a relationship between ASEAN and NAFTA [North American Free Trade Alliance] needs to be developed, although Japan understands that the NAFTA issue has received attention in Indonesia.

According to Hiraiwa, Indonesia does not need to worry that it will not be a top priority in the eyes of Japanese investors. "Japanese investors are continuing to expand their investments in Indonesia while they are increasing their investments in China," he said.

Hiraiwa, who was accompanied by Takesu, deputy Japanese ambassador in Jakarta, went on to say that an agreement has been reached for more detailed Japan-Indonesia talks on new initiatives for increasing investment in Indonesia.

He said Japan is impressed with Indonesian development efforts, particularly for increasing non-oil-and-gas exports and attracting foreign investment.

Hiraiwa also mentioned the EAEC (East Asia Economic Caucus), on which he feels there needs to be an ASEAN consensus. He said the EAEC effort should emphasize the openness of the EAEC. "I am sure the EAEC will not be the only form of regionalism, because there are many other types of economic groups," he asserted.

The Keidanren delegation to Indonesia had meetings with President Suharto; the coordinating minister for economics, finance, industry, and development control; the minister of industry; the minister of research and technology; the governor of Bank Indonesia; and KADIN.

Not True

Meanwhile, Shoichiro Toyoda, head of the Toyota Motor Corporation, said he was surprised at a report in a Jakarta newspaper that his company plans to buy Astra stock.

"I do not know where the stock will be going, but Toyota Motor Corporation is definitely not buying any," Toyoda declared.

He said further that contacts have been made with Astra on ways to improve management. "There probably have been efforts to study the matter," Toyoda added.

There was earlier speculation that Toyota Motor Corporation would buy some of the shares William Soeryadijaya is releasing from Astra.

Japanese Economist Says Financial Regulation Inadequate

93SE0052A Jakarta BISNIS INDONESIA
in Indonesian 17 Nov 92 p 1

[Text] Ciloto (BISNIS)—A Japanese economist says there are three areas that the Indonesian Government has not yet regulated: interest rates, foreign exchange control, and segmentation of financial institutions. Indonesia acknowledges that this is so.

"There are at least three basic areas of economic development that Indonesia has not yet regulated," Japanese economist Masahiko Yumino said yesterday as sole speaker at a seminar entitled "Development of Capital Markets and the Financial Sector."

The three areas Masahiko referred to are interest rates, foreign exchange control, and segmentation of financial institutions. "In general terms, Indonesia has become

integrated with the international economy and world money markets, but the regulatory aspect of developing this country's economy is not yet complete," he said.

Junior Minister of Finance Nasruddin Sumintapura acknowledged the truth of the point made by Masahiko, who is general manager of the Bank of Tokyo Ltd. In his statements at the opening of the seminar, sponsored by the Foundation for Advanced Information and Research (FAIR) of Japan and the Board for Financial and Monetary Analysis of the Department of Finance, Junior Minister Nasruddin admitted that the deregulation process in Indonesia is still far from complete, despite progress in various areas.

"Although we have made some progress, there is still much we must do," he stated.

Referring to Japan's experience at the end of World War II, Masahiko said his country implemented regulation in these three basic areas as part of its effort to restore the economy. The three basic types of regulation must be performed to develop the national economy of a country.

In Masahiko's view, the Indonesian Government has introduced a foreign exchange system that is free but supervised. "This has attracted foreign corporations to invest their capital here," he added. He recommended that Indonesian financial deregulation be continued, such as in the financial sector, in selective fiscal policies, and in policies focusing on industry.

Junior Minister of Finance Nasruddin said, "If we feel such deregulation is beneficial to us, we must be confident that the process will continue." As examples, he cited the new banking law and the laws on insurance and pension funds. "These are evidences of rejuvenation from the legal aspect of deregulation."

The capital markets sector has also equipped itself with regulations, standards, and sanctions for people who use the market. The regulations were issued in 1991.

Status of Trade With Australia

93SE0059B Jakarta ANGKATAN BERSENJATA
in Indonesian 17 Nov 92 p 3

[Text] Jakarta (ANGKATAN BERSENJATA)—Australia has agreed to help Indonesia by sending experts to resolve dumping charges and to advise on health and foodstuff standards so that Indonesian exports will comply with Australian regulations.

This was one of the agreements produced by a meeting on bilateral matters held yesterday afternoon in Jakarta between Minister of Trade Arifin M. Siregar and Australian Minister of Foreign Affairs and Trade Gareth Evans.

The meeting, which was also attended by Australian Ambassador Philips Flood and Indonesian Ambassador to Australia Sabam Siagian, also approved an Indonesian request that Australian customs authorities responsible for implementing antidumping policies toward Indonesian products officially submit charges to the Indonesian government.

"In this way, the government can call on the business community to take steps to avoid dumping charges. In the past, Australia never officially informed the Indonesian government," Arifin Siregar said.

No Hindrance

After the meeting, which was also attended by Director General for Foreign Trade K. Algamar and Director of Foreign Economic Relations Halida Milyani of the Department of Trade, Gareth Evans told reporters that Australia has not imposed any significant obstacles on trade with Indonesia.

"On the contrary, we have constantly tried to reduce import tariffs to give Indonesian export products more opportunity for sales in Australia," he said.

Australia intends to eliminate the global quota system it uses. When the system is abolished in March 1993, all export products can be freely brought into Australia.

Import tariffs will also be reduced to only about 5 percent in 1996. Only textiles and finished clothing will incur tariffs of up to 30 percent.

"Australia will also keep helping Indonesia to even the balance of trade between the two countries by giving financial help for export promotion and expert assistance," Evans said.

In its conduct of trade, Australia does not want to discriminate between Indonesia and other developing countries but will continue to encourage free trade. Australia's objective is to encourage other countries to open their markets even more and to shun unfair trade practices.

"Although Australia has a small population of only 17 million, it has very great purchasing power. It is up to Indonesian businesses to seize markets in Australia. Market opportunities and openings always exist, particularly for competitively priced export products," Evans said.

Sympathetic

Responding to Gareth Evans' remarks, Arifin Siregar said Australia's action shows it is sympathetic to Indonesia's effort to increase its export trade with Australia.

Large increases in exports of things like foodstuffs, athletic shoes, textiles, and finished clothing may spark complaints from Australian businesses, however, and may give rise to dumping charges or other hindrances to trade.

For example, Indonesia has long been accused of dumping automobile batteries, sorbitol, "clear float glass," and writing tablets.

Indonesia still has a deficit in its balance of trade with Australia. In 1991, Indonesia's direct exports totaled \$628 million, while imports from Australia amounted to \$1.378 billion, making a deficit of \$750 million. In the balance of trade via third countries, Indonesia's exports to Australia were worth \$902 million, and imports from Australia totaled \$1.449 billion, producing a deficit of \$547 million for Indonesia.

Indonesia's market share in Australia makes up of 2.1 percent of all Indonesian exports. From the aspect of imports, Australia ranks sixth largest, with 5.3 percent of total imports.

Australian investments in Indonesia of \$1.25 billion put it in 10th place after the United States.

On its part, Indonesia has invested \$127 million [Australian dollars] in the automobile battery industry in Australia.

Report on Investments in PRC, Interest by Others

*93SE0043D Jakarta EDITOR in Indonesian
7 Nov 92 p 74*

[Article by Syatria Utama: "Planting Capital in China"]

[Text] Economic reformation in China is encouraging to investors. More economic activities are being handed over to market mechanisms. Bureaucratic control of those activities is being reduced. Prices of goods and services are being left to supply and demand mechanisms. Communist ideology remains as a unifying umbrella, however, lest China become like the Soviet Union.

With its population of more than a billion and the comfort of doing business there, China is becoming an attraction to investors. According to *BUSINESS TIMES*, a newspaper published in Singapore, some Indonesian conglomerates have already invested, or plan to invest, in Mainland China. They include the Sinar Mas Group (Eka Tjipta Widjaja), the Lippo Group (Mochtar Riady), the Bakrie Group (Aburizal Bakrie), and the Salim Group (Liem Sioe Liong).

In fact, President Suharto said some time ago that there is nothing wrong with our businessmen's investing their capital in China, as long as it is in the context of expanding our nonoil exports.

An example would be the formation of a joint venture with foreign businesses to build a crude palm oil processing plant. Chris Walean, executive director of the Indonesia-China Committee of the Indonesian Chamber of Commerce and Industry (KADIN), said that is what Malaysia has done.

Thus, overseas investments by our businesses cannot always be accurately called capital flight, which often has a negative connotation. In this era of globalization, we should give broad opportunity to our businesses to achieve the status of multinational corporations.

Apparently, Eka Tjipta Widjaja anticipated this change in perception when he in June dared to take over 55 percent of the stock of a Chinese-Government-owned paper mill in Ling Po. The 50,000-ton annual capacity of the plant is to be doubled.

In addition, Eka is also planning to invest \$30 million to build a paper mill with a capacity of 200,000 tons per year. Eka told *BISNIS INDONESIA* that if Chinese regulations allow, he plans to build the plant himself. He will make HVS [wood-free], photocopy, and computer (continuous

form) paper. He will make up 30 percent of the funding from his own capital, and the rest will come from bank loans.

Opening a paper mill in China has many advantages for Eka. According to Chris Walean, if we export paper products, the import tariffs are from 30 to 40 percent; but if we export pulp as a raw material for paper, the tariff is 2 to 5 percent. By building a paper mill there, the Sinar Mas Group can reduce its tariffs by 25 percent.

The Sinar Mas Group also plans to expand the annual pulp capacity of its PT Indah Kiat Pulp and Paper Company (IKPPC) at Perawang, Riau, from about 400,000 tons to 800,000 tons. The group's domestic pulp consumption will be about 500,000 tons per year, and the remaining 300,000 tons will be exported to China to meet the demands of its paper mills there.

Xie Yinghua, second secretary at the Chinese Embassy in Jakarta, said economic reforms in China afford investment opportunities to Indonesian businesses. For example, he said, PT Indah Kiat Pulp and Paper Corporation plans a cooperative effort for the construction of a paper mill in China. The pulp for it is to be exported from Indonesia. "Construction of the paper mill is only at the discussion stage," Yinghua told *EDITOR*.

In addition, Sudwikatmono and Liem Sioe Liong want to build a flour mill and bakery in China through an investment of \$50 million. "Funds for the investment will come from loans from banks in Hong Kong and Japan," said Sudwikatmono, who is nicknamed Pak Dwi.

There are many attractions for capital investment in China, said Pak Dwi, including 100-year business use rights. Prices are cheap, about \$2 per square meter, and consumption is quite high in that country of a billion people. That, of course, is a market with much potential.

When can this be realized? He does not know, for he is still monitoring the latest developments in the Bamboo Curtain country.

ASEAN Preferential Trading Agreements Comments Noted

*92SE0030A Jakarta KOMPAS in Indonesian
2 Oct 92 pp 4, 5*

[Article by Tanggor Sihombing]

[Text] Shifting economic and political configurations make it necessary for all parties concerned to take a closer and more accurate look at business opportunities. The government has the responsibility to do better at creating business opportunities and incentives; and industrialists, as agents of business, can in turn anticipate and take advantage of those opportunities.

Since the end of the Cold War, international economic changes have sprung forward to become the prime topic of debate at every national and international conference.

Considering the history and development of the Indonesian economy, which has recently been modernizing, one pressing need is to improve both the internal and external efficiency of every sector of the economy. Business has

shifted to a more outward-looking orientation; this can be seen in the rapid increases in nonoil and gas exports, which are also spurred by limited domestic markets.

AFTA [ASEAN Free Trade Area]

At first, in an effort to achieve ASEAN trade cooperation, the economic ministers of the ASEAN member states granted trade incentives for certain commodities.

AFTA (ASEAN Preferential Trading Arrangements [PTA]) are trade incentive facilities among ASEAN member states. By means of these facilities, industrialists have preferential tariffs, basically in the form of reduced import duties for certain goods and the conditions required of those imports. The hope is that ASEAN

industrialists will be able to take advantage of materials which are excess supply in one country but in short supply in another, and vice versa.

Another goal of these incentives is to enable goods exported by one member state to compete, especially in price, with goods from nonmember states. This can stimulate Indonesian industry. Given ASEAN-PTA facilities, there can be significant changes in the development of Indonesian imports and exports. An example is that in 1987 our imports amounted to \$15.3 million and in 1990 they were \$40.7 million, whereas our 1987 exports came to \$24.9 million and in 1990 they amounted to \$285.3 million (see table below) [figures as published]. Imports without AFTA facilities also continued to rise.

In 1987 Indonesian imports from ASEAN nations amounted to \$1,243 billion, and in 1990 they had risen to \$1,835 billion [figures as published].

Indonesian Exports and Imports With ASEAN-PTA Facilities

| Country | Imports | | | | Exports | | | |
|----------------------|----------|----------|-----------|----------|----------|----------|----------|----------|
| | 1987 | 1988 | 1989 | 1990 | 1987 | 1988 | 1989 | 1990 |
| 1. Brunei Darussalam | - | - | - | - | - | - | - | - |
| 2. Malaysia | 4,869.0 | 8,080.9 | 5,401.6 | 6,266.9 | 6,654.7 | 14,619.7 | 15,644.1 | 34,266.9 |
| 3. Philippines | 1,857.1 | 2,801.1 | 2,826.4 | 3,040.7 | 4,247.4 | 12,688.3 | 14,442.9 | 656.8 |
| 4. Singapore | 2,742.3 | 4,484.9 | 13,600.1 | 21,832.6 | 11,836.8 | 25,941.8 | 28,956.1 | 47,231.3 |
| 5. Thailand | 5,790.2 | 10,999.8 | 6,012.1 | 9,516.3 | 1,867.7 | 4,194.7 | 25,352.2 | 11,802.3 |
| | 15,258.6 | 26,365.7 | 270,840.2 | 40,656.5 | 24,906.6 | 57,444.5 | 84,395.3 | 285,273 |

Note: Thousands of U.S. dollars

Source: All-Indonesia Regional Trade Office and Jakarta SGS

There are indications that these figures do not have maximal coverage of the economy. Many industrialists do not take advantage of these facilities. One of the many obstacles faced by both the government and by industrialists is that on the list of goods receiving preferential treatment there are many items which are unsalable in the member states. They are unsalable in the sense that there is little consumption of these goods in the individual countries, so that from a commercial point of view it is unprofitable for an industrialist to sell them, or that it is difficult to further process these goods into other products.

Another problem is that each of the member states has diversified in almost the same way, so that few of the goods receiving preferential treatment are needed by a neighboring country and vice versa. Products which are similar to domestically produced goods result in few transactions between fellow ASEAN states. An example: Malaysia's agricultural and forestry products are of the same type, form, and quality as Indonesia's.

AFTA

When AFTA was in operation [as published], at ASEAN's high-level conference held in Singapore in January 1992, additional efforts were made to create new AFTA facilities in order to speed the growth of ASEAN trade. It is believed that these efforts can be put into effect in January 1993. In

principle, AFTA, a continuation of what was called ASEAN-PTA, will grant or lower import duties to between zero and five percent. In the eyes of industrialists, AFTA will not achieve maximum results unless it expands its outlook and scope.

Considering the limits on ASEAN-PTA, there is a pressing need to look for a way out if we are really determined to encourage this kind of trade. We only need time and extra caution so that we do not interfere with our common interests.

Taking this problem as a starting point, we must extend the scope of AFTA. ASEAN-PTA had a list of about 15,725 products which received preferential treatment in 1991. AFTA should have a larger list. It is important that these products be salable, in the sense that industrialists have more variation in materials and packaging.

In achieving a trade balance with fellow ASEAN members, another very important factor is the weakness of our sea and air transportation infrastructures. This is a very pressing need in our efforts to shift over to an outward-looking viewpoint. Malaysia and Singapore have land transportation infrastructures, and this can be a separate calculation in the export-import problem. Land transportation will be rapid and will enable products to be less expensive.

Efficiency

The goal of ASEAN in general and of the Indonesian government in particular is to make our economic agents stronger internally and externally. Increasing efficiency is an important part of managing our enterprises. It is hoped that reducing production costs by decreasing import duties will increase the ability of our industrialists to compete. Prices can be lowered with the result that ASEAN member states will continue to be competitive on the international market.

America, Mexico and Canada have recently also formed a regional group in the form of NAFTA (North American Free Trade Area). This is a big challenge for our industrialists.

It is hoped that our industrialists will also play a bigger role in the domestic economy. The condition of local content, which requires that at least 40 percent domestic materials or packaging be used, can provide an impetus for taking a look at domestic products. It is not yet clear whether local content means national content, single country content or ASEAN content; but whatever it is eventually they will continue to be more attractive.

Internal improvements are no less important for those interested in AFTA facilities. Industrialists will be required to provide a system of representative and up-to-date documentation. These infrastructures and systems are also part of a necessary set of conditions because every facility will certainly require a large system of reporting and storing.

Tanggor Sihombing is an alumnus of Indonesian Advent University, Bandung.

Sumitro on Nation's Economy

93SE0043A Jakarta EDITOR in Indonesian
7 Nov 92 pp 71, 72

[Article by Syatrya Utama: "A Red Light for Our Economy"]

[Text] Prof. Sumitro Djojohadikusumo always dares to be different. He predicts that our economy will not show any significant change during REPELITA VI [Sixth Five-Year Development Plan] (1993-98). "My prediction is indeed somewhat different from the views of other economists, who are optimistic about economic developments in 1993," Sumitro said Saturday, 25 October, at the opening program of the National Seminar of the Indonesian Association of Agricultural Economists (PERHEPI).

There were many reasons why Sumitro, who is president commissioner of PT [Limited Company] Astra International, thinks this way. One of the reasons is our foreign debt, which has now climbed to \$78 billion, including \$33 billion in private indebtedness. Prof. Sarbini Somawinata, a senior economist, wrote in the 7 October edition of BUSINESS NEWS that, according to a World Bank report, our debt and interest payment burden is \$10 billion this year. Next year, it will be \$12.5 billion, and it will increase

to \$15 billion by 1995. If this growing installment burden is not offset by increased exports, it will enlarge the debt service ratio (DSR).

With exports at last year's level of \$29.2 billion, the DSR—which is the ratio of payments on principal, plus interest, to total exports—will be about 34 percent. This naturally becomes a red light, not just a yellow one. The safe limit is 20-25 percent. Annual exports must be increased to \$40 billion, or to \$50 billion if we want the DSR to be 25 percent.

Sumitro said exports can be increased more than we have projected by eliminating protections and monopolies, which recently have become excessive. In this way, we will improve the competitiveness of our products on international markets.

A growth of 17-20 percent in exports of industrial products is an important prerequisite for reducing the DSR, said Minister of Industry Hartarto. Our export target for industrial products in 1993-94 is \$22.35 billion, an increase of 17 percent over such exports in 1992-93. "Thanks to God, we have always realized a little more than our target," he told reporters at his office on Tuesday, 27 October.

Nevertheless, said Hartarto, there are many hurdles. Import quotas, repeated charges of dumping, and the spread of regulations that work like nontariff barriers are obstacles we must anticipate. "We must also be prepared to face possible elimination of GSP [Generalized System of Preferences] facilities by countries for which our exports are intended," Hartarto added.

Dr. Hadi Soesastro said that we should indeed be careful about a high DSR but that what Sumitro presented is not anything new. In fact, government adviser Prof. Ali Wardhana said the same thing on 7 September at a seminar held in Banjarmasin by the Indonesian Association of Economics Graduates. "I don't understand why Pak Mitro [Prof. Sumitro] made that statement. It was nothing new; he just dramatized it," Hadi told EDITOR.

Minister of State and State Secretary Murdiono said the same thing. "If Pak Mitro's statement was for the government, it is nothing new," Murdiono said Tuesday, 27 October, at the Department of Finance after a meeting with Minister of Finance J.B. Sumarlin, Bank Indonesia Governor Adrianus Mooy, and BAPPENAS [National Development Planning Board] Chairman Saleh Afiff. The government, Murdiono said, as reported by MERDEKA, knows exactly what the country's foreign debt problem is.

Hadi said what the government has done is to supervise foreign loans through the Foreign Commercial Loan Team, whose job it is to screen the loans. Ali Wardhana said in Banjarmasin that he hopes the team will be made permanent.

Radius Prawiro said that although we are quite concerned over the growing DSR figure, we should not remain stunned without doing something to reduce loans. "We are trying to cut government loans. We are also calling on the

private sector to be careful about using foreign funds, because private business cannot get soft loans.

Unlike loans by the government, private commercial loans from overseas are very expensive. They usually have high interest and short repayment periods. Nevertheless, Hadi said, when compared with domestic funds, the cost of using foreign funds is still low. That is economic theory.

Not surprisingly, private loans have recently taken off and have now reached \$33 billion. On the other hand, government debts have been declining. This year's loans through the CGI [Consultative Group for Indonesia] alone were only \$4.5 billion. "Private loans are the cause of our worries. The problem is, the loans are short-term, and interest is higher than for the government's foreign loans," Hadi Soesastro said.

On the other hand, the private sector needs foreign loans to maintain the momentum of development. The heart of the problem, Sarbini said, is that our people are not yet able to supply the funds needed for investment. We have not been able to avoid a gap between investment demand and savings. This is called the "investment-savings gap."

During Long-Term Development Phase Two (PJPT II), Sarbini said, the "incremental capital output ratio" [ICOR] (the ratio of investment demand to economic growth) will be about five to one. In other words, the projected returns from development are only one-fifth of the total funds invested.

If we want an economic growth of 6 percent, we need investment of six times 5 percent, or 30 percent, from the GDP [gross domestic product]. Funds gathered from the public (government savings, family savings, and business savings) amount only to about 22 percent of the GDP. Thus, the funds gathered from the public for investment in national development still falls short by 8 percent.

This gap is a very basic national problem, Sarbini said. Why? The fact is that this gap reflects the extent to which the nation can muster public self-sufficiency to finance development with its own resources.

Most of this shortfall is covered by foreign debt, because it would be unwise for investment to depend on savings alone. With an ICOR of 5 and investment at 22 percent of the GDP, economic growth plummets, Sarbini said. With a growth of 4.4 percent, recession is the result. To reduce investment would be the same as dashing our hopes of entering the takeoff era.

Therefore, the rate of growth of foreign indebtedness is being reduced by improving efficiency in the use of those loans. The size of the ICOR—which has reached 5—shows inefficiency in the management of investment funds. Sumitro said the ideal ICOR is between 3 and 3.5. Thus, the level of investment will be sufficient at 21 percent of the GDP to keep a growth rate of 6 percent.

Waste in the investment sector is because of the inadequacy of infrastructures such as roads and telecommunications, said Sumitro, who is called the "high priest" of the economy. He also said there is inappropriate operation

and maintenance of factories. The most serious thing is that there has been a divergence between practice and morality. In polite language, that means the commercialization of office. Bluntly, it means corruption.

Hadi said the problem is how to manage the foreign loans efficiently. A borrower's ultimate inability to repay a loan may increase the current account deficit. It will also widen the gulf between investment demand and savings.

Besides swelling our foreign debt obligation, we face at the same time a very large current account deficit. The deficit is now \$4.5 billion, whereas in 1989 it was only \$1.6 billion.

Sarbini says this trend is disturbing and will be a big problem for the deficit. It has a big influence on the value of our currency and on inflation. It also reduces foreign confidence in the investment climate here, and the impact of that is beginning to be felt.

These conditions are apparently what prompted Sumitro still to predict a dark future for our economy. If there is an economist who thinks conditions will be better, Sumitro indicated that such an economist has "whitewashed" our national economic problems. "They are afraid to disagree with policy makers," Sumitro said. "These days, the minister is always right, isn't he?"

Hadi Soesastro does indeed disagree with Prof. Sumitro. "Our economic growth in 1993 will not be bad. It is expected to be around 5.9 to 6 percent, as long as oil prices do not fall and nonoil exports rise by 15-18 percent," Hadi said.

Views on Decline of Civil Service Employment

*93SE0043B Jakarta EDITOR in Indonesian
7 Nov 92 pp 8, 9*

[Opinions expressed under the "Readers Speak" rubric on the subject of "Exodus of Government Employees"]

[Text] According to Minister of State for Administrative Reform Sarwono Kusumaatmadja, hundreds of government employees are running to the private sector because salaries are high and challenges are more attractive. Is it true that they are unpatriotic?

Dr. Djamaluddin Ancok, Lecturer at the Psychology Faculty of Gajah Mada University

There are three reasons for the exodus of civilian government employees to the private sector. The first is the growing shortage of skilled manpower. I predict that the peak of the shortage of skilled people will occur in the year 2001. Second, it is a side effect of the economic growth principle that we follow, namely spurring economic motivation in the community. People tend to look for more pleasant jobs.

Not the least important, however, is the fact that the "appraisal" system for government employees makes it difficult for them to develop. Everything is oriented to procedural issues, bureaucracy, and seniority. Therefore, there is the joke about what PGPS [Civil Service Salary Regulations] means: "Smart [P] or stupid [G], ratings [P]

are the same [S].” Those who feel they are smart are dissatisfied because they are not treated fairly. In the private sector, however, appraisals are generally based on the merit system. If they perform, they can be promoted in a week. As a government employee, however, promotion is not certain even after three-four years.

Dr. Yul Iskandar, Psychiatrist, Recently Moved From Department of Health to a Consulting Bureau

The exodus of many civil servants is only normal, because young people with expertise are rare. They are needed. If someone wants to pay them more, they go. Apart from that, the civil service system can be frustrating to them. They get tired of the excessive regulation. Take, for example, the rules for being promoted to another category. We are the ones who are asked to apply for promotion, whereas it should be automatic and based on performance. I twice experienced losing my position when I returned from overseas studies.

As a result, many people are stressed because of their jobs. This can cause illness (stress-related disease). There are also behavioral disorders caused by stress (stress-related behavior). I think many government employees are suffering from stomach and heart trouble, which are illnesses related to stress. They move to the private sector, because their existence is better.

Rear Admiral Suyoso Sukarno, Secretary to Minister of State for Administrative Reform

The recent exodus of civilian government employees is, in my opinion, a natural thing. It is natural now that we are moving toward the takeoff era. It is not that they are unpatriotic, but life is now more advanced and competition is stiffer. Because of this competition, people naturally seek what is better. The capable ones move ahead, and those with strong motivation win. That is the reason many government employees are moving to the private sector. Because they are outside the sphere of government employment, the challenges are greater. Salaries are higher, and they can develop. That is normal, is it not?

To keep them from leaving, the work atmosphere must be made more pleasant. Among other things, the salary structure needs to be improved. Then, the process of selection and assignment and the challenges of jobs need to be reorganized. For example, the outstanding people should get appropriate positions, and those who are less than outstanding should have jobs that are adapted to them.

Djali Ahimsa, Director General of the National Atomic Energy Board

Since fiscal 1985-86, more than 200 people have left, or 20 percent of all BATAN [National Atomic Energy Board] employees. Their average age is 27-30, and they worked only two or three years. That was a period of training. If in that period of time they do not develop loyalty and dedication to work, I cannot hold on to them.

They have the right to find a better livelihood. Their main reason for leaving is the bigger salaries in the private sector. They used BATAN merely as a stepping stone. I do

not blame them, because their actions are merely human. Therefore, I do not think they are unpatriotic because they moved to the private sector.

To keep this from constantly happening, however, we are providing motivation to make them satisfied to work with us. We are creating functional positions in BATAN, so that they can be promoted without having to go through structural positions.

Investment Still Needed in Forestry Sector

*93SE0052C Jakarta BISNIS INDONESIA
in Indonesian 13 Nov 92 p 6*

[Text] Jakarta (BISNIS)—The forestry subsector still needs \$565 million per year in investments to carry economic growth in this area to 3 percent, the minister of forestry says.

That investment figure consists of \$312 million for new planting, \$90 million for replanting and regeneration, \$45 million for infrastructure construction, and \$90 million for forest products processing plants.

“This investment need has been calculated for a growth target of 3 percent per year, using data obtained since the beginning of REPELITA V [Fifth Five-Year Development Plan],” Minister of Forestry Hasjru Harahap said yesterday in a working meeting with DPR [Parliament] Commission VI at the DPR/MPR [People’s Consultative Council] Building.

He explained that with this rate of growth, the forestry subsector’s role in REPELITA V continues to be the backbone and underpinning of growth in the industrial sector. The industrial sector has achieved an average growth of 8.8 percent throughout REPELITA V.

In addition, he continued, a 3 percent growth rate will enable continued utilization of 6 million workers—including seasonal workers—throughout the forestry sector.

Hasjru said he hopes the required foreign exchange target for this subsector can be reached. The foreign exchange revenue target for the end of REPELITA V is \$6 billion. Realization was \$4 billion in 1989 and declined to \$3.5 billion in 1990-91 because of high export taxes on sawn lumber.

Foreign exchange income rose again in 1991-92 to \$3.62 billion. In 1992-93, the target is \$5 billion, and \$2.331 billion was earned as of July.

The minister of forestry added that not all the needed investment is the responsibility of the government. He hopes that the private sector will have a role in investing in the forestry subsector.

“With the opening of opportunities for investment, both PMA [foreign capital investment] and PMDN [domestic capital investment], the participation of third parties through the Forest Exploitation Concession [HPH] system can sharply increase forest product output,” he said.

Touching on new investments, Hasjrul said the greatest need is for new planting, such as in creating HTI's [industrial cultivated forests], for which 1.5 million hectares were targeted for the REPELITA.

Most DPR Commission VI members focused their attention on the HTI program. Syarif S. Alkadri of the FKP [Development Function Faction] and Awal Kusumah (FKP) cited cases of HTI development that they believed were hindrances to program implementation.

Hasjrul confirmed that cumulative realization as of April 1992 was only 498,379 hectares. For that reason, HTI development needs to be encouraged. Specifically for 1991, 100 companies holding HPH's have been designated to develop 615,000 hectares in HTI-Trans [expansion not given].

In addition, 356 companies with a reserve area of 13,191 hectares were registered as potential HTI developers as of the end of fiscal 1991-92.

The obstacle faced in reaching the HTI development target, the minister of forestry said, is the difficulty in getting land or production forest areas that meet HTI development criteria. "HTI development is not permitted in forest areas where vegetation is still dense."

He added that private sector development of HTI's has been slow because of difficulties in getting the initial funds that are the responsibility of holders of IPP's (licenses for trial planting). This situation is made more serious by difficulties in finding skilled labor at HTI locations.

Nevertheless, the government is trying to resolve these problems by, among other things, issuing basic regulations on HTI development and providing HTI development guarantees.

President's Son Actively Expands Business

*93SE0043C Jakarta EDITOR in Indonesian
31 Oct 92 pp 74, 75*

[Article by Syatria Utama: "Action by the Humpuss Group"]

[Text] Hutomo Mandala Putra, general chairman of the BPPC (Cloves Support and Marketing Board) and head of the Humpuss Business Group, is again attracting attention. Two weeks ago, for example, Tommy openly presented a BPPC plan to ask the government to postpone repayment of Bank Indonesia liquidity credit (KLBI) that has come due. "We have not repaid any KLBI, but the BPPC pays the interest every month," said Hutomo Mandala Putra, who is nicknamed Tommy Suharto, on Tuesday, 13 October.

The BPPC has used a total KLBI of 759 billion rupiah. The funds were obtained from two implementing banks: People's Bank of Indonesia (BRI) and Bank Bumi Daya (BBD). Payments were received in two stages. The first stage, in April 1991, totaled 259 billion rupiah, and the second stage, in October 1991, was 300 billion rupiah. The money was for buying cloves from growers.

Part of the money is now in cloves, and the rest of it is in reserve for buying cloves during next year's harvest. "We still need KLBI to support grower cloves in the 1992-93 harvest," Tommy told reporters. "There will be no repayment until the middle of 1993."

It is expected that there will be about 26,000 tons of additional cloves that must be bought from growers by the BPPC in its three areas of operation, namely Yogyakarta, East Java, and Central Java. Tommy said that as of 10 October there were about 172,000 tons of cloves stored in warehouses leased by the BPPC. After sales of 150,000 tons between July 1992 and June 1994 under contracts with 16 cigarette manufacturers, 48,000 tons will be left, not including cloves purchases to be made in 1994.

Apparently, market conditions and cloves purchases were the things that caused Tommy to ask that repayment of the KLBI principal to the government be postponed. "If the government presses us for repayment, however, we are prepared to give them these cloves stocks," Tommy said. The government reportedly had approved Tommy's request.

As businessmen, however, Tommy and his colleagues continue to act. Through the Humpuss Group, which Tommy leads, he is now working on several projects that need large amounts of money. In January of next year, for example, they will bring to realization the construction of the Kujang Fertilizer II project, which is worth \$325 million, or almost 700 billion rupiah. Humpuss holds 25 percent of the project's stock. PT [Limited Company] Citra Janesia Persad (owned by Siti Hardyanti Rukmana, nicknamed Mbak Tutut) has 20 percent, and the Dakab Foundation (headed by President Suharto) holds 15 percent. The other stockholder is PT Kujang Fertilizer itself, which owns 40 percent.

The Kujang Fertilizer II project is located east of Kujang Fertilizer I at Cikampek, West Java. The project, which is spread over 60 hectares of land, has an annual capacity of 570,000 tons of urea and 330,000 tons of ammonia, which is the same capacity as that of Kujang Fertilizer I.

According to Bernardino M. Vega, Jr., C.E. [Chemical Engineer], M.B.A. [Master of Business Administration], junior controlling director of the Humpuss Group, Humpuss took up the project for various reasons. The first is that the demand for urea and ammonia is rising every year. The second is that fertilizer is important for improving the efficiency and productivity of food production. Third, from the economic aspect, Bernardino said, the project has good prospects for profit.

Construction of the Kujang Fertilizer II project should have begun in July of last year, but it was postponed because of tight money policies, although a syndicate headed by Bank Exim Italia was prepared to make a loan (offshore loan) of 70 percent of the project cost. Originally, the value of the project was set at \$250 million. For some reason, Kujang Fertilizer II stockholders turned about to take an offshore loan from Switzerland and France, and the cost of the project has now grown to \$325 million.

It has apparently not been very difficult for Kujang Fertilizer II stockholders to get loan approval from the Foreign Commercial Loan (PKLN) Team, headed by Radius Prawiro, coordinating minister for economics, finance, industry, and development control. "The process consists merely of waiting for approval from the PKLN Team, which is to issue its plan at the end of this year," Sutrisno, director of research and development for PT Kujang Fertilizer, told BISNIS INDONESIA.

Humpuss is also awaiting approval from the PKLN Team for PT Marga Mandalasakti (MM), builders of the Tangerang-Merak toll road. Humpuss is trying to get investment funds of 210 billion rupiah for that project. The money is needed to build the 43.2 kilometers that make up the second phase of the toll road. The 34.2 kilometers in phase one received 167 billion rupiah in "bridging financing" from BAPINDO [State Trading Bank].

According to Idris Ranadipura, director of PT MM, there are three sources of financing for phase two. The first is foreign commercial loans, but they require approval of the PKLN Team. The second is revenues from operation of the toll road during the first phase. The third would be to issue bonds for 100 billion rupiah. "The funds from those sources not only would finance the second phase, however, but would also meet obligations to BAPINDO."

Humpuss had also made an earlier request to the PKLN team for commercial loans to build a methanol plant at Bunyu, East Kalimantan. Working with PT East Kalimantan Fertilizer (PK), PT Humpuss already markets methanol made by PT Bunyu PERTAMINA [National Oil and Natural Gas Company] Methanol. This marketing is done through PT East Kalimantan Methanol Industry (KMI). Humpuss controls 80 percent of KMI's stock, and PK holds 20 percent. There have been recent reports that Humpuss will be taking 100 percent control of KMI's stock. It was KMI that needed at least \$250 million to build the methanol plant.

While waiting for approval from the PKLN Team, Humpuss is continuing to move in other fields. In cooperation with PT Babco Mitra, PT Humpuss has just signed a memorandum of understanding with Minister of Home Affairs Rudini for a computerized system for collecting development taxes from hotels and restaurants. The pilot project encompasses North Sumatra, East Java, Bali, and West Nusa Tenggara. "If successful, the project will be used throughout the country," said Ongki P. Sumarno, executive director of PT Humpuss.

In August, in the most recent Humpuss action, a consortium of PT Samudera Reksabuana (owned by Humpuss), Mitsui (Japan), and P & O (Australia) submitted a feasibility study for the construction of Container Terminals III and VI [as published] at Tanjung Priok, Jakarta. In collaboration with the Public Corporation for Ports (a state-owned business enterprise), they are now analyzing the study. The estimated cost of the project is \$825 million.

Slow Decline in Loan Rates Seen As Problem

93SE0043E Jakarta EDITOR in Indonesian
7 Nov 92 p 76

[Article by Burhanuddin Abe: "Still a Problem of Tight Credit"]

[Text] More credit! More credit! The hot topic of conversation among bankers and businessmen in recent weeks has still been the problem of loans. Since PAKTO [Package of 27 October 1988] was introduced four years ago, it is accurate to say that the bank-mindedness target has almost been achieved. Recent conditions appear more like the reverse, however. Although the national economy has begun to cool off, bankers are still reluctant to pour out credit on the real sector. "We can't make credit a bargain the way we used to," said Indra Widjaja, president director of Bank Internasional Indonesia [BII].

The position held by the son of business tycoon Eka Tjipta Widjaja apparently is much imitated by other bankers. It used to be that, in the language of traders in Glodok (Jakarta), it was a sin to store even one penny in the safe for one night. In other words, as soon as they gathered money from a third party, they directly routed it back to the community.

It is not surprising, then, that during the 1988-90 period not only did money flow into the banks, but the bank credit spigot was wide open. The credit position rose from 42.45 trillion rupiah in 1988 to 96.97 trillion rupiah in 1990, an increase of 56 percent.

In the midst of booming credit and skyrocketing inflation, the government struck with a tight money policy. Interest rates went up, and the flow of credit was checked. Although the numbers are big, the nation's credit grew by only 5 percent during the first six months of 1992 (from 115 trillion rupiah to 120 trillion rupiah). In other words, if these conditions continue, credit growth during the entire year will not reach the 10 percent figure.

It is not that monetary authorities are idle. According to Dahlan M. Satalaksana, chief of money market and giro affairs at Bank Indonesia, the Central Bank has intervened with market mechanisms by using Bank Indonesia certificates (SBI's) and money market certificates (SBPU's). Signals given by monetary authorities, whether through the SBI COR ("cutoff rate") or Bank Indonesia's moving of funds to and from the public, have been followed by changes in the form of reductions or increases in bank time deposit rates, which in turn affect loan interest rates.

In an effort to relax the tight money policy, Bank Indonesia has lowered interest rates on SBI's and SBPU's four times. As of September, for example, the COR for SBI's was under 15 percent, and the COR for SBI's and SBPU's was under 16.5 percent. Strangely, despite low interest rates, positions of bank funds parked in SBI's have actually skyrocketed. By the third week of September such funds had exceeded 17.8 trillion rupiah. "Not all of that money is from our banks, however. Some of it comes from overseas," said Okkie Monterrie, deputy president director of BII.

Bank Indonesia's objectives are thus somewhat fulfilled. The interest on time deposits is now 17 to 18 percent per annum, but the loan interest rate remains at its previous level of 24 to 26 percent. In the view of Dr. Sjahrir, chairman of the Rice and Cotton Foundation, deposit interest has declined gradually by 5 percent over the last nine months. Nevertheless, the average decline in credit interest has been only between 0.5 and 1 percent.

The time lag between reduced deposit rates and lower loan rates is clearly a serious problem, as is the "spread margin" between deposit rates and credit rates. "It used to be that I would let money go with a 1 percent profit, but it is difficult now," said Indra Widjaja, BII president director.

The issue now is no longer merely supply and demand, for banks have been faced with more basic matters since the launching of the Package of January 1990, and then the Package of February 1991, which require banks to meet ratios related to bank health. These ratios involve small business credit, capital adequacy ratio, loan-to-deposit ratio, and legal lending limits.

A connection between the slow decline in credit interest and the expansion of credit can also be seen in the lack of a resolution of the tight credit problem in both private and government banks. High credit rates are still needed to compensate for the high risk of credit. It is this situation that makes businessmen squirm.

"I hope these conditions will not persist indefinitely," Probosutedjo commented.

According to Probosutedjo, who is the boss of PT [Limited Company] Mercu Buana, the government should take steps to ensure that loans from banks can continue to move smoothly. At the very least, these conditions require the serious attention of monetary authorities and the banks themselves.

Worker Demonstrations Focus on Wages

*93SE0052B Jakarta BISNIS INDONESIA
in Indonesian 17 Nov 92 p 16*

[Text] Jakarta (BISNIS)—As the MPR [People's Consultative Council] General Assembly approaches, workers have now held 177 demonstrations—compared with 130 in 1991—related to companies that ignore labor regulations and laws.

Imam Soedarwo, general chairman of the SPSI (All-Indonesia Labor Federation), says that as of November about 65 percent of the cases were about wage problems.

"Thus, most of the demonstrations occur because workers are demanding better wages. In other words, their employers are stubborn and do not understand, or do not want to know about, labor regulations," Imam Soedarwo said yesterday in Jakarta at a meeting between the minister of manpower and mass media editors.

At the initiative of Subrata, director general for press and graphics of the Department of Information, minister of Manpower Cosmas Batubara gave to the editors the government's explanation of worker unrest as it relates to manpower issues.

Earlier in the meeting, Cosmas Batubara said the recent cases tended to be directed toward companies that have SPSI locals and KKB's (joint labor agreements).

"In fact, we suspect that outside parties—competitors with Indonesian businesses—have had a part in causing unrest among workers at factories," Cosmas Batubara said.

These suspicions, Cosmas Batubara said, arose because the demands made by workers in the demonstrations were the same. The only things that were different were the names of the companies where the demonstrations were held.

"The authorities discovered that a labor attache from another country was present at a demonstration at Tangerang," Cosmas Batubara said.

Most of the worker unrest has occurred in the garment, textile, and shoe manufacturing sector—a mainstay sector that has grown greatly in its contribution to Indonesia's nonoil exports.

All the senior journalists present at the question-and-answer session took the side of the workers and asked for firm law enforcement against companies that violate labor laws.

Cosmas Batubara said many businesses have been brought to court over the last two years. In Jakarta, 26 employers have been punished with sentences of one week to one month in prison. In Tangerang, five employers paid fines of 200,000 rupiah to 1,000,000 rupiah, and in Bekasi four were sentenced to jail.

Gypsum Mining Production Described*93SE0041A Vientiane PASASON in Lao 7 Oct 92 p 2*

[Report by Phin Saisomsop: "Gypsum Would Bring a Higher Price if Highway 9 Were Repaired"]

[Excerpts] The gypsum mine is an enormously valuable natural resource for the nation. It is the largest mine in the country. The figures from the survey of 1979 indicate that it is 25 km long and 6 km wide. It can be exploited for many hundreds of years more. The area of the mine includes areas of Kutbon Canton and Nong-gnama Canton, and it extends to the border of Nonglamchan Canton. These cantons are affiliated with Champhon District of Savannakhet Province. Although the the factory was built to supply domestic needs, nevertheless there is enough to mine and sell abroad.

Mr. Bounleung Maisavan, the head of this gypsum mining company which is affiliated with the Ministry of Industry, told our group of reporters more about the history of the company. Initially the Lao Government brought in Vietnamese experts to clear land and engage in production. Then in 1979 the Vietnamese side turned over the factory to Laos after having begun it three years previously. The Vietnamese side turned over all the vehicles and equipment including a number of tools to Laos. A number of experts continued to help the Lao specialists increase their skills until 1986. The specialists for both sides continued to cooperate in many ways until 1989. Then the factory for processing gypsum switched to fixed price production. The technology and production, etc. belonged to the company which was self-sufficient. The company consisted of three large departments: the administrative department, the production department, and the department for economic planning. [passage omitted] The company had branches in

two locations: there were company offices in the Savannakhet Municipality and in the Vientiane Municipality.

Mr. Bounleung also explained that gypsum production had increased every year to keep up with customer demand. In 1992 production had been 53,034 tons. In 1991 total production had been 76,776 tons. In 1992 total production would be 79,863 tons. The company's principle customer was Vietnam. The company had received many foreign guests from Thailand, England, and Japan, etc., who saw that the quality was good. But the p1p-foreign customers were sorry that our roads, especially highway 9, made transportation costs many times higher than the cost of the goods. If highway 9 were in good shape or if there were a railroad, the company could sell at a good price and would not have to sell at 5,600 kip per ton.

In the past the company has stopped production each year during the rainy season from June to October. Or there was a small amount of production during the rainy season, and the rest was stockpiled during the dry season. But the plan for 1997 calls for a great deal of production in the dry season to build up stocks for the rainy season so that production and distribution can proceed normally. With regard to the living standards of the cadres and workers, although they have few difficulties during the rainy season nevertheless company officials have balanced the funds for them. They believe that they have taken care of the funds each year. The lowest paid cadre or worker in 1990 earned an average of not less than 16,000 kip per month. In 1992 the average cadre earned 30,000 kip per month. In addition in order to provide jobs for the people, especially the young people in nearby cantons, namely Phondok Canton, Kutbon Canton, Nong-gnama Canton, and Nongsamlan Canton, the company hired them as daily workers who earned an average of 130,000 to 150,000 kip per year. The company also has regular obligations to the state. For example in the seven months of 1992 the company fulfilled its obligation to the state in the amount of 56,986,378 kip.

POLITICAL

Paper Backs End To Support for Khmer Rouge

93SE0032B Bangkok SIAM RAT in Thai 17 Oct 92 p 3

[Editorial: "Is Thailand Pro-Khmer Rouge?"]

[Excerpts] The United Nations is now taking action to pressure the Khmer Rouge to adhere to the peace plan for Cambodia. [passage omitted]

Things are becoming difficult for Thailand because of the Khmer Rouge's failure to adhere to the UN peace plan in Cambodia. There are criticisms that Thailand is still supporting the Khmer Rouge because of the interests of certain groups in Thailand that are more interested in trading with the Khmer Rouge than facing other facts.

Ever since Vietnam won the war in Vietnam and reunited the south with the north and began sending troops into Cambodia, Thailand has sided with and supported the various Cambodian resistance factions, particularly the Khmer Rouge. Thailand has used these factions as a buffer to prevent communism from spreading from Vietnam to Thailand. This support has benefited certain Thai groups that have traded with the Khmer Rouge, particularly in logs and gemstones, which can be found in this faction's zone of influence.

This is an important reason for the Khmer Rouge's ability to survive the 13-year civil war against the Phnom Penh faction and Vietnam and negotiate a peace plan.

The fact that the United Nations has taken this attitude toward the Khmer Rouge and threatened to send UN troops to control the Cambodian-Thai border in order to prevent trade with the Khmer Rouge and the fact that criticisms have been leveled about the profits being made by the Thais who are dealing with the Khmer Rouge are not good for Thailand's image in the eyes of the world. In particular, in building good relations with a neighboring country, you can't be on friendly terms with just one particular group, particularly when considering the long-term economic interests of the country as a whole.

Just after he was appointed minister of foreign affairs, Squadron Leader Prasong Sunsiri said that it was time for Thailand to stop trading with the Khmer Rouge. But shortly after that, the foreign minister's attitude changed when he said that that would be up to the cabinet to decide.

Recent reports have stated that several politicians are trying to pull strings to keep the Thai border open in the Khmer Rouge zones in order to maintain the interests of their groups. If this is true, it's sad that the actions taken by the government depend on the influence wielded by certain interest groups. This will just cause problems for our country in the future.

Curriculum Vitae on Cabinet Members

Cabinet Minister Profiles

93SE0025A Bangkok MATICHON in Thai
30 Sep 92 p 22

[Excerpts] Secretary to the Prime Minister

Mr. Thawat Wichaidit (unaffiliated) was born on 12 May 1940. He is now 52 years old. He earned his bachelor's degree from Si Nakhon Tharawit University and a degree in administrative development, with honors, from the Institute of Administrative Development in 1967. He earned his M.A. degree in political science from the University of Wisconsin and his Ph.D. in political science from the same university. He began his career with the Provincial Water Works Authority and became the director. Since 1985, he has served as an adviser to the Ministry of Interior, and in 1991 he became a member of the National Legislative Council. [passage omitted]

Ministry of Communications

Minister: Colonel Winai Sompong (Moral Force Party) was born on 16 January 1943. He is now 49 years old. He earned his B.A. degree from the Chulachomklao Royal Military Academy [CRMA] as a member of Class 14. He is the class president. He began his military career as an artillery officer in 1966. He earned his M.A. degree from the University of Kansas in the United States. During the Vietnam War, he was the commander of a mobile artillery company. He taught at the Army Command and General Staff College. He joined the Moral Force Party and became the deputy governor of Bangkok for administration during the time that Major General Chamlong Simuang served as governor of Bangkok. In the election in March 1992, he was elected as an MP [member of parliament] from Bangkok, Dusit Zone.

Deputy minister: Mr. Sawai Phattano (Democrat Party) was born on 1 October 1934. He is now 58 years old. He earned his B.A. degree in law from Thammasat University. He is a lawyer. He joined the Democrat Party in 1975 and won election to parliament in Zone 2, Songkhla Province. He has won every election since. He served as an adviser to the prime minister during the period 1981-1983. During the period 1986-1988, he served as deputy minister of interior, and he served as the 2d deputy Speaker of the House following the election of 1988.

Deputy minister: Mr. Thawi Kraikhup (New Aspiration Party) was born on 29 May 1939. He is now 53 years old. He earned his B.S. degree in engineering from Chulalongkorn University. He has worked as a businessman selling building materials. He has been a member of several political parties, including the Thai Citizens Party, the Social Action Party, and the New Aspiration Party. In the 1988 election, he won election to parliament in zone 1, Ratburi Province, as a member of the Social Action Party. In the election of 1992, he joined the New Aspiration Party. In the past, he served as the deputy minister of commerce.

Deputy minister: Mr. Charat Phuachuai (Moral Force Party) was born on 24 September 1950. He is now 43 years old. He earned a B.A. in arts and science from Chiang Mai University. He belonged to several other parties before finally joining the Moral Force Party. He has been an MP from Phetchabun for six terms. He once served as deputy minister of foreign affairs.

Deputy minister: Mr. Somsak Thepsuthin (Social Action Party) was born on 13 January 1955. He is now 37 years old. He earned his B.S. Degree in engineering at the King Monkut Institute of Technology. He joined the Social Action Party in 1983 and has served as an MP from Sukhothai. He has always belonged to the Social Action Party. He has held several important positions such as secretary to the minister of communications and has been assigned to the Office of the Secretary of the Prime Minister.

Ministry of Finance

Minister: Mr. Tharin Nimmanmoen (quota of the Democrat Party) was born on 29 October 1945. He earned his B.A. degree from Harvard and his M.A. degree in business administration from Stanford. He was made managing director of the Thai Commerce Bank in 1984. His was the first bank to introduce the use of ATM cards in Thailand. He was the president of the Thai Bankers Association the year that the World Bank held a conference in Thailand. He has constantly supported the Democrat Party, particularly during the recent election.

Deputy minister: Mr. Trairong Suwannakhiri (Democrat Party) was born on 24 June 1944. He earned his Ph.D. in economics in the United States. He was one of the original supporters of General Prem and served as government spokesman during the Prem administration. He served as the deputy minister of interior during the next administration. This time, there were rumors that the seven-man team from Songkhla would be given positions and that he would be made deputy minister of interior again. But in order to preserve the image of the south, he was given this position instead, and people from the northeast were put under Big Chiu.

Deputy minister: Mr. Bunchu Trithong (New Aspiration Party) is well suited to this position because he is one of the important "money men" of the New Aspiration Party. It's said that he is very close to the party's northern campaign manager, Colonel Sorachai Montriwat, who had a hand in having him appointed minister. But regardless of how he was chosen, if the New Aspiration Party is in the government, he will certainly have a position. **Ministry of Interior** [passage omitted]

Deputy minister: Mr. Chaowawat Sudlapha (Social Action Party) is an MP from Lopburi. He earned his M.A. degree in political science from Thammasat University. He was born on 1 June 1933. He is now 59 years old. He has served as the governor of Phangnga, Lopburi, Kamphaengphet, and Phetchabun Provinces and Bangkok. He has also served as the deputy minister of interior. He has been an MP for three terms.

Ministry of Industry

Minister: Major General Sanan Khachonprasat (Democrat Party) has been an MP from Phichit Province for five terms. He was born on 7 September 1935. He is now 57 years old. He graduated from CRMA. He served as a staff officer and as an aide to General Chalathir Hirsiri, the leader of the 26 March 1977 coup. He was elected to parliament the first time in 1983. He has served as deputy minister of communications and minister of agriculture and cooperatives.

Deputy minister: Mr. Phonthep Techaphaibun (Democrat Party) has been an MP from Buriram Province for four terms. He was born on 17 May 1953. He is now 39 years old. He earned his B.A. degree in business administration from Boston University in the United States. He was elected to parliament the first time in 1986. He has served as deputy secretary to the minister of commerce.

Deputy minister: Mr. Kiettichai Chaichaowarat (New Aspiration Party) has been an MP from Udon Thani Province for four terms. He was born on 11 December 1938. He is now 54 years old. He earned his B.S. Degree in agricultural technology from Sakon Nakhon University.

Ministry of Agriculture and Cooperatives

Minister: Mr. Niphon Phromphan (Democrat Party) was born on 13 September 1952. He is now 40 years old. He completed high school in Australia. He joined the Democrat Party in 1986 and won election to parliament from Nakhon Ratchasima Province that year. He was appointed deputy secretary to the minister of interior. Following the 1988 election, he was appointed deputy minister of finance. He is one of the party's youngest ministers.

Deputy minister: Mr. Suthep Thuaksuban (Democrat Party) was born on 7 July 1949. He earned his M.A. degree in the United States. He joined the Democrat Party in 1979 and won election to parliament from Surat Thani Province, Zone 2. In 1981, he was appointed secretary to the minister. In 1986 he was appointed deputy minister of agriculture. In the 1988 election, he was elected chairman of a Ministry of Agriculture subcommittee. He is a rival of Mr. Chirayut Nawaket, and he is the founder of the National Agricultural Council.

Deputy minister: Mr. Sawat Subsaiphrom (New Aspiration Party) was born on 8 January 1943. He is now 49 years old. He attended an agricultural college. He has been a member of several political parties. He joined the Social Action Party in 1986. After that, he moved to the Democrat Party and then the People's Party. Most recently, he joined the New Aspiration Party. He first ran for election in Sisaket Province but failed to win election. After joining the Democrat Party, he won election. After the 1988 election, he was appointed assistant secretary of the Public Health and Environment Subcommittee. In the recent election, he was at the head of the ticket in Zone 2, Sisaket Province, that won by a landslide.

Deputy minister: Mr. Thawin Chanthaprasong (Moral Force Party) was born on 13 February 1932. He is now 60 years old. He earned his B.A. degree in political science in

England. He first became involved in politics as a member of the Democrat Party in 1979. In 1988 he transferred to the Thai Nation Party and was elected MP from Nonthaburi Province, Zone 2. But in the election of March 1992, he transferred to the Moral Force Party and was again elected to parliament. He has a large number of business interests in Nonthaburi Province, particularly [land] development.

Ministry of Commerce [passage omitted]

Deputy minister: Mr. Chaiyayot Sasomsap (Solidarity Party) was born on 5 December 1950. He is now 42 years old. He earned his B.A. degree in business administration and finance in the United States. He joined the Progressive Party in 1986. He was elected MP from Nakhon Pathom Province, Zone 1. He has served on the communications subcommittee. He is one of the wealthiest businessmen in the Solidarity Party.

Deputy minister: Mr. Churin Laksanawisit (Democrat Party) was born on 15 March 1956. He is now 36 years old. He received his B.A. degree in law from Chulalongkorn University. He then earned his M.A. and Ph.D. degrees from Syracuse University. He joined the Democrat Party in 1983. He ran for election in Phangnga Province but was defeated. He ran again in 1986 and won. He has held the following political positions: member of the National Legislative Council, secretary to Suphatra Matsadit, deputy secretary to the deputy prime minister, and deputy minister of agriculture in 1988.

Deputy minister: Mr. Phaithun Kaothong (New Aspiration Party) was born on 18 August 1936. He is now 56 years old. After earning his B.S. degree in engineering from Chulalongkorn University, he went to work as an engineer for the Department of Highways. But in 1975, he changed course and was elected to parliament from Phichit Province as a member of the New Force Party. After that, he changed parties several times. He became well known during the time that he belonged to the Ratsadon Party. He has held the positions of assistant secretary to the minister of interior and deputy minister of industry.

Ministry of Education

Minister: Mr. Samphan Thongsamak (Democrat Party) was born on 9 December 1942. He is now 50 years old. He received his B.A. degree from Si Nakhrin Tarawitrot University. He worked as a public school teacher, but he liked politics and so he joined the Democrat Party and ran for election in Nakhon Sithammarat Province in 1975. He has won every election since. He served as deputy minister of education in 1983 and so it is no surprise that he has been appointed minister this time.

Deputy minister: Mr. Pramot Sukhum (Democrat Party) was born on 9 October 1940. He is now 52 years old. He received his B.A. degree in architecture from the University of Utah in the United States and his M.A. from the University of Florida. He worked as an architect and worked for the City Planning Office. He joined the Democrat Party and ran for election in Bangkok in 1986. In the recent election, he defeated the leader of the Moral Force Party. He has served as the clerk of Pathaya City, the

deputy government spokesman, and deputy secretary-general to the prime minister for politics.

Deputy minister: Mr. Sangthong Sitharet (New Aspiration Party) was born on 30 June 1941. He is now 51 years old. He received his law degree from Ramkhamhaeng University. He worked as a radio announcer using the name "Instructor Thong Thieothung." During the period 1983-1988, he served as a Social Action Party MP from Kalasin Province. After that, he transferred to the New Aspiration Party and has been appointed deputy prime minister. Besides this, he has also served as assistant secretary to the minister of interior and spokesman for the Education Subcommittee.

Deputy minister: Mr. Adison Phiangket (Moral Force Party) was born on 6 September 1952. He is now 40 years old. He earned his law degree from Thammasat University. He worked as a lawyer before entering politics as a member of the Democratic Labor Party. He ran for election in Khon Kaen Province but was defeated. After that, he transferred to the Mass Party and was elected. In the 1988 election, he transferred to the Moral Force Party and succeeded in winning election in Khon Kaen Province. He once served on the Labor Subcommittee. [passage omitted]

Minister attached to the Office of the Prime Minister

Mr. Thoetphong Chaiyanan (Democrat Party), who is an MP from Tak Province and a "professional" politician, was born on 25 March 1944. He is now 48 years old. He graduated with a degree in engineering from the King Monkut Institute of Technology and a degree in economics from Thammasat University. He earned his M.A. degree from NIDA [National Institute for Development Administration]. He won election to parliament for the first time in 1975. He has served as the deputy minister of public health and the minister of public health.

Mr. Surasak Thiamprasoet (New Aspiration Party) is an MP from Ubon Ratchathani Province. He is a professional politician and has been an MP for six terms, winning election for the first time in 1975.

Special Colonel Chinnawut Sunthorasima (Moral Force Party) was born in June 1927. He is now 65 years old. He earned his Ph.D. in economics from the University of Michigan and spent his career in the military. This is his third term as an MP from Bangkok. He once taught at the National Defense College and served as the secretary-general of the Moral Force Party in 1991.

Mr. Sawit Phothiwihot (quota of the Democrat Party) was born on 19 August 1945. He is now 47 years old. He earned his Ph.D. in systems analysis and decision making processes at Harvard University. His previous government position was acting director of the Office of the Southern Seaboard Development Board. He once served as an adviser to the prime minister for economic affairs.

Ministry of Science and Technology

Minister: Mr. Phisan Mulasatsathon (New Aspiration Party) was born on 10 May 1929. He is now 63 years old. He earned a degree in political science from Chulalongkorn University. He was a member of Sing Dam [Black Lions] Class 1. He has constantly played a very important role, serving as deputy district officer, district

officer, provincial lieutenant governor, provincial governor, and under secretary of interior. After retiring, he joined the New Aspiration Party and was elected MP from Surin Province. But he is disappointed at having been appointed minister of science, because he has long worked for the interior ministry. As for other political positions, he has also served on the National Legislative Council and on the Administrative Reform Council and as a member of the Administrative Subcommittee.

Deputy minister: Dr. Pricha Musikun (Democrat Party) was born on 1 April 1937. He is now 55 years old. He earned a degree in medicine from Chulalongkorn University. As a member of the Democrat Party, he has won elections and lost elections in line with the fortunes of the party. In the 1976 election, he won election to parliament from Kamphaengphet Province and was appointed deputy minister of public health. Following the 1988 election, he was appointed to the Labor Subcommittee.

Ministry of Justice

Minister: Mr. Suwit Khunkoetti (Social Action Party) was born on 17 October 1957. He is 35 years old. He earned his M.A. degree in chemistry in the United States. He has worked as a businessman. He joined the Social Action Party and ran for election in Khon Kaen Province. He has won election five times. He transferred to the Solidarity Party for a period because of conflicts with Mr. Phong Sarasin. After the time of Mr. Phong, he returned to the Social Action Party. He is considered to be one of the Social Action Party's most talented MPs today. He has served as the secretary to the minister of commerce and to the minister of university affairs.

Office of University Affairs

Minister: Mr. Suthep Atthakon (Moral Force Party) was born on 9 October 1931. He is now 61 years old. He earned his bachelor's degree in law from Thammasat University. He then earned an M.A. degree in England. He taught at Thammasat University and the Naval Academy and was a special instructor at the Naval Command and General Staff College. He once belonged to the Social Action Party and held seminars in social engineering for this party before transferring to the Moral Force Party, for which he has held political engineering seminars. He won election to parliament from Bangkok the first time he ran because of Chamlong's prestige. He has served as a senator and as the secretary to the minister of interior.

Ministry of Public Health

Minister: Mr. Bunphan Kaewattana (Social Action Party), an MP from Ayuthaya Province, was born on 6 January 1930. He is now 62 years old. He completed upper secondary school from the Wachirawut Withayalai School. He has been an MP for five terms, winning his first election in 1976. He was appointed secretary-general of the Social Action Party in 1992.

Deputy minister: Mr. Rakkiet Sukthana (Social Action Party), an MP from Udon Thani Province, was born on 4 April 1954. He is now 38 years old. He earned his bachelor's degree in law from Ramkhamhaeng University.

He has been an MP for five terms, winning election for the first time in 1983. He has served as the secretary to the minister of science.

Deputy minister: Dr. Udomsin Sisaengnam (Moral Force Party), an MP from Bangkok, was born on 20 November 1942. He is now 50 years old. He received his medical degree from Mahidol University. He has been an MP for three terms, winning election for the first time in 1988.

Deputy minister: Mr. Anek Thapsuwan (Democrat Party), an MP from Samut Sakhon Province, was born on 1 January 1937. He is now 55 years old. He has been an MP for six terms, winning election for the first time in 1976. He completed lower secondary school. He has served as deputy minister of communications, deputy minister of public health, and deputy secretary-general to the prime minister.

Further on Cabinet Members

93SE0025B Bangkok THAI RAT in Thai
30 Sep 92 pp 6, 7

[Excerpts] [passage omitted] Deputy Prime Ministers

Mr Banyat Banthaththan

He has been in politics six years less than the prime minister, but he is one of Mr. Chuan Likphai's most trusted colleagues in the Democrat Party. Thus, he had him appointed first deputy prime minister. It's said that if the prime minister can't carry out his tasks, this is the man who will act in his place. He did not seek a minister's position for a long time in order to allow others to take positions. During the time that he was out of politics, he played snooker, because he wanted to be as good as Tong Sitchoi. His teammate was Chai Ratchawat. He is a first-rate player. But he does not like false supporters. He likes those who can accomplish things. Now that he has been appointed first deputy prime minister, not having false supporters is appropriate in this atmosphere.

Mr. Amnuai Wirawan

Even before the election, Big Chiu, the leader of the New Aspiration Party, said that he would appoint Mr. Amnuai to the position of deputy prime minister. He likes politics, but refused to run for election. He is currently the president of the Development Council. He served as the chairman of the board of Bangkok Bank, and when he was young, he was Field Marshal Sarit's right-hand man for economic affairs during the time that he worked for the Ministry of Development. After that, he moved to the Ministry of Finance, rising to become the under secretary of finance. He served as the minister of finance during the time of the Prem 1 administration. This time, he left Bangkok Bank. This is a great relief to Chatri Sophanaphanit.

Mr. Bunchu Rotchanasathian

He has served in several administrations. It appeared that he would go far, but things never turned out that way. Everyone in parliament refers to him as professor. He has changed parties many times. This time he asked the Moral

Force Party to have him appointed third deputy prime minister. His goal is to oversee all economic activities. But that will be difficult for him to do, because no one wants him overseeing things. He won't even be able to oversee the work of the Moral Force Party ministers. That's because there is someone else, that is, Major General Chamlong Simuang, who will be overseeing the work of the party's ministers. It doesn't seem that Deputy Prime Minister Bunchu will enjoy this position. [passage omitted]

Ministers Attached to the Office of the Prime Minister

Mr. Thoetphong Chaiyanan

He is the son of one of the founders of the Democrat Party, Mr. Thiam Chaiyanan. He is a polite man who does not have the bearing of a politician. But he is an MP from Tak Province and has never lost an election. He has been a member of the Democrat Party for a long time. He has served as minister of public health. This time, he wanted the position of minister of education, but another talented politician from Nakhon Sithammarat was appointed instead. He is well-liked by the people and associates with them easily.

Mr. Sawit Phothiwhot

His first time as an MP in the Democrat Party, he has been appointed a minister. He was involved in various projects during the Prem, Chatchai, Anan, and Suchinda administrations. He was involved in a suit against Mr. Samak Sunthorawet and won the case in court. He likes to drink alone and chat with the bartenders. The Democrat Party has great confidence in his abilities on the economic front. If it hadn't, he definitely wouldn't have been appointed minister during his first term as an MP.

Mr. Surasak Thiamprasoet

He is a member of the Khwo Tongmong faction. He has served many terms as an MP from Ubon Ratchathani Province. He has both won and lost elections. And he has changed parties several times. He is also an investor. For example, he has invested in several projects in South Korea. He once promised to take Social Action Party MPs on a tour, but the coup put an end to that idea. Thus, his friends in the Social Action Party like to say that the "toilet at his house is usually broken." This time, he wanted to be the New Aspiration Party's deputy minister of agriculture in the camp of "Phisan Mulasatsathon."

Colonel Chinnawut Sunthorasima

He is a former military officer and scholar. He taught many of the senior officers in the military. Many of his former students are now generals. But he remained a colonel. After entering politics, he was appointed secretary general of the Moral Force Party. He refused to allow anyone else to negotiate the establishment of the government. He is considered to be a bookworm. He is an expert in the field of political science. Since joining the party of Chamlong Simuang, he has written several books on the Dharma. Every time that he talks to the party or gives a

speech in parliament, he always refers to the Dharma [teachings of the Buddha]. He enjoys chatting with friends and telling jokes.

Ministry of Finance

Mr. Tharin Nimmanmoen, Minister

Before his death, Suakraisi Nimmanmoen told his son that he wanted him to become minister. But Mr. Tharin was afraid to run for parliament. But this time he has accepted the position of minister of finance without concern for his position as managing director of the Thai Commerce Bank. He is an outsider who was appointed minister as part of the quota of the Democrat Party. This talented man has a very good image. After reports appeared stating that he would be appointed minister of finance, the stock market rose sharply.

Mr. Trairong Suwannakhiri, Deputy Minister

He was the author of the "pla chon pae sa" formula during the time that he served as government spokesman in the Prem administration. He is the son-in-law of a general, but as a politician he often criticizes the military. And he has had the audacity to say that being an MP is more difficult than being a general. He would like to be the minister of defense so that he could fire six or seven generals. Thus, some people have said that if he talked less, he would go farther politically. One of his special qualities is that when he speaks, he talks with a southern accent. But when he sings, he loses his accent.

Mr. Bunchu Trithot, Deputy Minister

He is the main financial backer of Big Chiu [General Chawalit Yongchaiyut]. He has won every election that he has run in. He is a well-known figure in the "horse carriage" town. He is a businessman who has sold all types of communications equipment to the Thai military. And he is one of the largest importers of timber from Burma. Whenever he drives somewhere, other drivers and even policemen turn white in the face. He dresses very well and uses a lot of cologne.

Minister of Defense

General Wichit Sukmak, Minister

He is a cavalryman and former subordinate of General Prem. When he was a student at Westpoint, a close friend of his was Peter, that is, General Phichit Kunlawanit, a fellow member of CRMA [Chulachomklao Royal Military Academy] Class 2. It is thought that Prime Minister Chuan considered him to be the most appropriate person for this position in the present situation. He does not dislike CRMA Class 5, but he does not favor members of that class either. He is a calm man who was an excellent student, placing first while Big Sua [Gen. Phichit] placed second. If he had not been pushed aside and moved to Supreme Command, he would have been promoted to Army commander in chief by now. He was almost promoted to the rank of field marshal, because he was supposed to be appointed chief of staff officers on 1 October. But he was appointed minister instead.

Major General Sombat Rotphothong, Deputy Minister

He was the final MP elected from Bangkok on 13 September, because it was midnight before the election results were known. He is a close friend of Major General Manun Rupkhachon and Major General Chamlong Simuang, fellow members of CRMA Class 7. He served as an aide to General San Chitpatima, and both of them fled to Burma following the Young Turk rebellion in April 1981. After returning to Thailand, he was one of the first businessmen to speculate in land and build condominiums. Before running for parliament, Major General Chamlong Simuang appointed him deputy governor of Bangkok. But shortly after that, he resigned. It is thought that he is the final minister of the Moral Force Party. [passage omitted]

Ministry of Foreign Affairs**Mr. Surin Phitsuwan, Deputy Minister**

He earned his Ph.D. from Harvard. His Moslem name is Abdul Harim Ismael. He is the son of an Islamic teacher in Nakhon Sithammarat Province. He has always worked in the foreign affairs sector for Prime Minister Chuan and loves to work in the field of foreign affairs. He does not want any other position. Some people think that there may be conflicts between him and his boss, because their views on foreign affairs matters are quite different. Personally, he is a very nice person. He is a scholar and speaks English even more fluently than Thai. Whenever he talks politics, he always talks as a Democrat.

Ministry of Agriculture and Cooperatives**Mr. Nippon Phromphan, Minister**

This new Democrat "warlord" from the northeast is a wealthy man who loves to drive very expensive cars that no one else in Thailand has. Whenever he sees someone else driving a car like his, he abandons that car. His license plate number is 11111. He is considered to be very young to have been appointed minister of agriculture, but that is because he played an important role in the election after Prachuap Chaiyasan left over an integrity issue. The Democrat Party has great confidence in him, because there is no reason for him to engage in corruption. That's because his father left him a very wealthy man.

Mr. Suthep Thuaksuban, Deputy Minister

He just missed being appointed minister. He is a rival of Mr. Chirayut Nawaket from Satun. They have clashed before. He is experienced in the field of agriculture, because he has worked in this ministry for a long time. He is the one who founded the National Agricultural Council. He becomes upset easily and is impatient. He gives orders in a loud tone of voice. Thus, others think that they are being criticized. But he gets along well with his friends. He is a widower, and thus a very eligible bachelor.

Mr. Sawat Subsaiphrom, Deputy Minister

He has served as an MP from Sisaket Province for several terms and has been a member of several parties. He began his political career with the Democrat Party and then transferred to the People's Party. Now, he is a member of the New Aspiration Party. This tall man with a mustache

was appointed deputy minister because he is an important figure in Sisaket. He headed the team that almost destroyed Piyanat Watcharapon. Actually, Mr. Phisan Mulasatsathon was in favor of appointing Mr. Bunsong Wisommai to this position. But Mr. Sawat won because he belonged to the Leng Corporation.

Mr. Thawin Chantharaprasong, Deputy Minister

He has been a member of several parties, including the Thai Nation and Democrat Parties. He is an investor who built a housing development in Nonthaburi. He is a person with two personalities. When he is eating and drinking, he is a totally different person from his normal self. But that usually takes the form of laughing and joking. He is involved in many business ventures. The largest place of entertainment in Nonthaburi belongs to him. Because of his great wealth, he is one of the major financiers of the Moral Force Party. As for his personal life, every female singer in Nonthaburi knows him. Everyone calls him "Uncle Win," because he gives large tips.

Ministry of Communications**Colonel Winai Somphong, Minister**

He is a supporter of Major General Chamlong Simuang. One of his dreams was to become governor of Bangkok, but he never reached his goal. He is a member of CRMA Class 14, placing first in his class. He is the class president. He took the staff officers course in the United States just like Maj. Gen. Chamlong. Politically, he has tried to follow in Chamlong's footsteps. But he has consistently failed in that. He wanted to be appointed minister in the Ministry of Interior but wound up in the Ministry of Communications instead. His appointment has frightened businessmen, and Thai Airways International shares have not risen at all.

Mr. Charat Phuachuai, Deputy Minister

He has been an MP for six terms and has served as deputy minister of foreign affairs. He was criticized as being a Lao agent, because of the results of the negotiations and his close contacts with Laos. He lives in Phetchabun Province and sent some sweet tamarind as a present to friends in Vientiane. Actually, he wanted to be appointed deputy minister of agriculture this time, but when he heard that Maj. Gen. Sanan Khachonprasat was going to be appointed minister of agriculture, he asked to be appointed deputy minister of communications. He was a student of Mr. Bunchu Rotchanasathian. This time, he was the first person to succeed in planting the flag of the Moral Force Party in the north.

Mr. Sawai Phattano, Deputy Minister

He has always been loyal to the Democrat Party, and he has never failed to win election in Songkhla Province. He showed his talents when he served as deputy minister of interior. Because whenever problems arose somewhere, he always went there and took quick action. He is an orderly and imaginative person who writes biting poetry. He can hurt someone more by writing a poem than by talking. He served as the chairman of the subcommittee to build a canal across the Kra Isthmus and went to observe things in

the Netherlands, Egypt, and Germany. He should be able to get along with Mr. Colonel Winai Somphong, because he does not have any problems when it comes to human relations. He carries out important tasks in a straightforward manner.

Mr. Thawi Kraikhup, Deputy Minister

He is a protege of Gen. Prem. He was one of those who called for extending Gen. Prem's term as Army commander and sent out postcards to survey public opinion. He has been a member of many parties, finally settling down with the New Aspiration Party. Big Chiu has great trust in him and cares for him a lot. He earned a degree in engineering and earned his living selling building materials, particularly support piles. In politics, he is considered to be a fierce competitor who never lets up on his enemies. Thus, he is considered to be bold enough for this position.

Mr. Somsak Thepsuthin, Deputy Minister

This man is the shadow of Mr. Montri Phongphanit. He has served in this ministry since the time that he was the secretary to the leader of the Social Action Party. And he served as deputy minister of public health. He is a young man in whom the party leader has great confidence. Many of the MPs in the ministry are his friends. Politically, he does not enjoy debates. What he is most skilled in is backstage politics, and he has often met with success. Among young MPs, everyone is in awe of him.

Ministry of Justice

Mr. Suwit Khunkoetti, Minister

He is the "showpiece" of the Social Action Party today, because he is a very young and talented MP. He has been an MP for five terms. He was elected the first time when he was just 25 years old. He once left the Social Action Party and joined the Solidarity Party for a period because of a conflict with Mr. Phong Sarasin. After Mr. Phong left the Social Action Party, he immediately rejoined this party. This time, he has been given a challenging position as minister of justice, because this is a very difficult period. And he has never been a minister before. He earned a degree in science. But using science to solve legal problems seems odd.

Ministry of Science

Mr. Phisan Mulasatsathon

Never in his life did he ever dream that he would be appointed minister of science. He always dreamed of being minister of interior. He was a member of the Black Lions [Chulalongkorn University] Class 1, and he is a key man in the New Aspiration Party today. He became well known during the Prem administration. The nickname that people still remember is "Under Secretary Hi," because he was one of the first in Thailand to lift a poster as agile as an Hitachi television set. When he was in the Ministry of Interior, he built the largest "earthen jar" in the world, with the result that mosquitoes filled it with their eggs. As minister of science, he will now have a chance to find a way to kill the mosquitoes in that jar.

Dr. Pricha Musikun, Deputy minister

Because he is a doctor, he was supposed to have been appointed deputy minister of public health. But that was not possible because of the lack of a quota. The fact that he has been appointed deputy minister of science is another fluke, because Mr. Akhom Engchuan, an MP from Krabi, sacrificed the south's quota to the northeast. Dr. Pricha has run for parliament as a member of the Democrat Party many times, winning some races and losing others. As for his personal life, he is a quiet person who prefers not to socialize or mix with others. When his name was presented by the Democrat Party, many people had to ask: Who?

Ministry of Commerce

Mr. Uthai Phimchaichon, Minister

The man who defeated the eastern godfather is a politician from Chonburi who led eight other members of the Solidarity Party to victory. He has now been appointed minister of commerce. He is a politician who has run together with Chuan Likphai. He earned a name for himself as the youngest person ever to serve as speaker of the House. And he created history by being elected speaker of the House even though his party had only three people in parliament. He generated quite a stir during the time that he was minister of justice in the Chatchai administration. While other members of the cabinet went to pledge their loyalty to the king, he was on an island. Thus, he had to go pledge his loyalty alone.

Mr. Chaiyayot Sasomsap, Deputy Minister

He is a son-in-law in the Techaphaibun family, and is one of the main financial backers of the Solidarity party. He is very close to Mr. Uthai Phimchaichon. They have been together ever since the Progressive Party was established. This is why he has now been appointed deputy minister of commerce, subordinate to his party's leader. He studied abroad, and is a fine person with class. He is a major businessman in Nakhon Pathom and operates several businesses, particularly service stations. Occasionally, he has allowed people to fill their tanks free of charge.

Mr. Churin Laksanawisit, Deputy Minister

"Ut Da" is the first newspaper cartoonist in Thailand to succeed politically. He has tried to become a "copy" of Chuan Likphai, but he is not at all like him. However, Mr. Chuan has great trust in him. He leads a simple life, but he has made steady progress politically. He has served as secretary to Suphatra Matsadit, deputy secretary general to the deputy prime minister assigned to Mr. Chuan Likphai, and spokesman for the Democrat Party. This time, he has been appointed a deputy minister.

Mr. Phaithun Kaeothong, Deputy Minister

This is a man whom Mr. Banhan Silapa-acha likes to stand close to, because he is a half cm shorter than Mr. Banhan. Thus, he is the shortest member of parliament. In the past, he served as deputy minister of industry. During that period, he made history in Thai political circles by asking to serve only half a term and asking that Mr. Bunthung Phonphanit be allowed to serve the other half of the term.

That was when they were both members of the Ratsadon Party. But when the time came, he seemed to forget, with the result that a fight broke out in the press, which created quite a stir throughout the country.

Ministry of Education

Mr. Samphan Thongsamak, Minister

This member of the Democrat Party, whose nickname is "Mo Phi" [Spirit Doctor], strongly believes in black magic. He is the one who took the initiative in building a shrine to mark the center of Nakhon Sithammarat City. A bear, tiger, and hawk were used in the ceremony. In the past, he worked as a teacher in a local government school. He has served as the deputy minister of education. During the time that he was director-general of the Department of Religious Affairs, he got into an argument with monks throughout the country because of his desire to cleanse the clergy. This time, his dream of becoming minister of education has come true. He has wanted this position so much that he has stayed in the party. He uses betel and can be very caustic.

Mr. Pramot Sukhum, Deputy Minister

This man, who studied abroad, is a gentleman in every sense of the word. An interesting activity of his is that every Buddhist sabbath, he adheres strictly to the eight moral precepts. He sits and chants in the temple hall all day. This is the first time that he has been appointed a deputy minister. He should be able to get along well with the minister. He was the first member of the Democrat Party to be given a ministerial portfolio, because he won a stunning victory by defeating Moral Force Party leader Admiral Siri Sirirangsi in Zone 8, Bangkok.

Mr. Sangthong Sitharet, Deputy Minister

He has served many terms as an MP from Kalasin Province. He, too, works for the Leng Corporation. The villagers have called him "Khru Thong Thieu Thung" ever since he directed a popular radio program. He first became interested in politics from listening to a radio program that alternated discussing politics with playing music. Like Kluai Luksarakham and Songtham Panyadi, he started his political career in the Social Action Party. But his career took off after he joined the New Aspiration Party, being appointed to a ministerial portfolio. He has a degree in education and so he is well-suited to the position of deputy minister of education.

Mr. Adison Phiangket, Deputy Minister

He is the son of Mr. Thongpak Phiangket, an important figure in plateau region. He moved to the Moral Force Party from the Mass Party and beat Gen. Phat Aknibut and Suthat Sirattanaphan, the "Leng Corporation" team of the New Aspiration Party in Khon Kaen, and Prasom Prakhunsuksaphan. He succeeded in planting the flag of the Moral Force Party in Khon Kaen and for that he has been rewarded with the position of deputy minister of education. He is definitely a northeasterner, with his favorite foods being "chaeo hon" and cold beer.

Ministry of Interior

General Chawalit Yongchaiyut, Minister

This man wears a black Ferrari jacket to every function. One of his special talents is that he has succeeded as the middleman in the formation of several administrations. But since becoming involved in politics himself, others have formed the administrations. He owns a large house on Pinpraphakhom Lane near Khae Rai intersection in Nonthaburi. At the head of the lane, there are three pink-colored buildings that people are constantly entering and leaving at all hours of the night. Thus, people wonder how serious he will be in carrying on Police General Phao Sarasin's policy of suppressing prostitution and controlling AIDS.

Mr. Den Tomina, Deputy Minister

He has served as an MP from Pattani every term. He once served as deputy minister of public health for two months. He is a fine politician whom every party would love to have. That's because in an election, he always carries the rest of the slate to victory with him. He has been a member of several parties. He used to belong to the Democrat Party but left with the 10 January group to join the People's Party. After that, he joined the Solidarity Party and then the Thai Nation Party. Finally, he joined the New Aspiration Party. The fact that he has been appointed deputy minister of interior has great meaning for the Moslem community in the five southern border provinces.

Mr. Suthat Ngoenmun, Deputy Minister

He is an alumnus of Thammasat University. Fellow classmates include Banyat Banthaththan, Trairong Suwannakhiri, and Prachuap Chaiyasan. He is a small, stout man who built a name for himself as a public lawyer. He represented villagers who could not pay. He has such a gift for debating using common language that "doctors" find it difficult to compete with him. He took the position of deputy minister of interior with the objective of improving the image of the Democrat Party.

Mr. Chamni Sakdiset, Deputy Minister

The head of the three-man slate that ran for election in the name of the Moral Force Party in Zone 3, Nakhon Sithammarat Province, is a close friend of Mr. Samphan Thongsamak of the Democrat Party. He is a former student leader who looked for truth in the jungle. He once served as a Socialist Party MP. The woman of whom he is most afraid is Suphatra Matsadit. The Moral Force Party appointed him deputy minister of interior with the objective of making him a "warlord" to counter the Democrat Party.

Mr. Chaowawat Sudlapha, Deputy Minister

This "fighting fish" of the Ministry of Interior used to be a regular government official and once served as the secretary to the minister during the time of Field Marshal Praphat Charusathian. He rose through the ranks in this ministry and so he is very familiar with the work of this ministry. He once served as the governor of Bangkok and promoted the policy of turning Bangkok into a green city.

And the city did turn green when soldiers filled the city during the April 1981 rebellion. Governor Chaowawat and his friends had to suffer the consequences. When the chance arose, he took the position of deputy minister of interior during the administration of General Kriangsak Chamanan. But three days later, the prime minister resigned. He does not like brandy, preferring coffee instead.

Ministry of Industry

Major General Sanan Khachonprasat, Minister

The real administrative manager has had to make a greater sacrifice than anyone else and give up his positions in the ministries of interior, agriculture, and defense. Now he has been appointed minister of industry, because there was nothing else for him to sacrifice. He is a person with high tastes. But he does drink cheap wine—the kind that they serve on Thai Airways International. But his taste for snuff is just the opposite, because he orders his snuff from Germany. He does not use a pipe. He stores it in a jade jar before carefully spreading it on a small jade block and using his little finger to put some in his nose.

Mr. Phonthep Techaphaibun, Deputy Minister

He is the son of a distillery godfather. He loves to ride horses and is the president of the Horse Riders Association. Actually, he would have liked to live the life of a son in a wealthy family. But his family wanted him to become involved in politics in order to bring honor to the family. One of his outstanding achievements was securing the return of the figure of the reclining Rama from the United States. This is his first appointment as a minister. He has been disappointed several times even though he is a major financial backer of the Democrat Party.

Mr. Kiattichai Chaichaowarat, Deputy Minister

He is a politician from Udon Thani Province. He has won elections and lost elections. And what is normal for that province, a person who wants to be minister must belong to the Leng Corporation. He is a tall man with long sideburns like Elvis. He keeps to himself and does not like to speak in parliament. He loves his friends. What he likes the most is cattle. He has his own cattle ranch and likes to keep cattle tied near the polling place when people go to vote.

Ministry of Public Health

Mr. Bunphan Khaewattana, Minister

He has been in the Thai parliament for a long time. Even though he is a quiet person, members of parliament call him "Uncle Phan. He has been appointed minister of public health, but his real interest is in images of the Buddha. He has collected so many that no one knows who has more, the minister of science or the minister of public health. In the past, he served as minister of public health for 48 days. He leads a simple life and is easy to please. He is willing to serve in any position assigned him by Montri Phongphanit.

Mr. Rakkiet Sukthana, Deputy Minister

Actually, he should have been appointed minister of justice, because he graduated with a degree in law. But he was glad for the chance to get away from the Ministry of Justice and happy that he was appointed deputy minister of public health. He feels that he has escaped the storm there. And what he is very happy about is that he was not appointed minister the first time he was given a ministerial portfolio, because it would have been difficult to get away. He is a very intelligent man and a rival of Chuap from Udon Thani. Normally, Chuap succeeds in defeating others. But he failed to defeat Rakkiet.

Mr. Anek Thapsuwan, Deputy Minister

He has been a member of the Democrat party and the deputy party leader for a long time. But he has never had a chance to become a minister. Prior to this, he served as deputy minister of communications. This time, because of the quota, he had to take the position of deputy minister of public health under "Dr. Phan." He is a very outspoken person, but he is liked by everyone. He does not like to give interviews but likes to give lollipops to reporters.

Dr. Udomsin Sisaengnam, Deputy Minister

This doctor is an avid jogger. Politically, he has been "jogging" to be appointed minister ever since he tried to get the Moral Force Party to join the Chatchai administration, with the result that he had to leave the party for a period. Now he has returned and has been appointed deputy minister of public health, which probably satisfies him. He was the campaign manager for the Moral Force Party. But when the negotiations were held on the formation of the government, Squadron Leader Prasong Sunsiri took over all the duties. Thus, these people are rivals in this party.

Office of University Affairs

Mr. Suthep Atthakon, Minister

He is the acting leader of the Moral Force Party. In that position, he is to be pitied, because it is another party member, Major General Chamlong Simuang, who actually controls things. In the past, he was a Social Action Party manager who originated the social engineering seminars. But then he became a political engineer for the Moral Force Party. He lives his life in the manner of Santi Asoke. He is considered to be well suited to the position of minister of the Office of University Affairs, because in the past he was a university instructor.

Moral Force Party Leaders' Assets Described

93SE0032A Bangkok MATICHON SUT SAPDA
in Thai 23 Oct 92 pp 17, 18

[Excerpt] Finally, the assets of the 11 ministers who belong to the Moral Force Party have been revealed to the public, and this has caused quite a stir.

The details of their assets are as follows:

1. Mr. Suthep Atthakon, the acting party leader and minister of the Office of University Affairs:

- 1.1. Land both in Bangkok and the provinces valued at approximately 12.97 million baht.
- 1.2. An apartment valued at 2.2 million baht.
- 1.3. Other real property valued at 840,000 baht.
- 1.4. Deposits at banks and other financial institutions totaling 4,458,948.26 baht.
- 1.5. Shares with a value of 524,660 baht.
- 1.6. Vehicles valued at 420,000 baht.
- 1.7. Other personal property valued at approximately 100,000 baht.
- 1.8. Total liabilities of 1,558,000 baht.

Total net worth is 19,953,608.26 baht.

2. Mr. Bunchu Rotchanasathian, party adviser and deputy prime minister:
 - 2.1. Land valued at 298,663,500 baht.
 - 2.2. House in Bangkok valued at 8 million baht.
 - 2.3. Vacation house in Nakhon Sawan Province valued at 3.5 million baht.
 - 2.4. Bank deposits totaling 30,363,319.50 baht.
 - 2.5. Shares with a value of 34,384,660.25 baht.
 - 2.6. Vehicles valued at 4,150,000 baht.
 - 2.7. Debtors and two loan companies, 46,993,427.20 baht.
 - 2.8. Other personal property valued at 7,130,000 baht.

Total assets equal 433,184,906.95 baht.

Mrs. Renu Rotchanasathian, his wife, has a promissory note valued at 750,000 baht, shares with a value of 2 million baht, and moneys owed to her totaling 328,960.75 baht. Her total assets are 3,078,980.75 baht.

Combined assets of Mr. Bunchu and Mrs. Renu total 436,263,887.70 baht.

3. Colonel Winai Somphong, the deputy party leader and minister of communications:
 - 3.1. Three plots of developed land in Bangkok and Nonthaburi and a house and developed property that he purchased in 1980 for 480,000 baht for which there is no current appraisal.
 - 3.2. Bank deposits totaling 1,999,805.17 baht.
 - 3.3. Two cars with a total value of 400,000 baht.

Total estimated assets of 2,879,805.17 baht.

4. Mr. Charat Phuachuai, member of the party executive committee and deputy minister of communications:
 - 4.1. Nine plots of land that have not been appraised. Houses have been built on two of these properties in Bangkok. The other pieces of land are located in Ayuthaya, Pathum Thani, Chanthaburi, Chiang Mai, Phetchabun, Narathiwat, and Rayong provinces.
 - 4.2. Three commercial buildings with 27-year leases in the Chatuchak zone with bank mortgages of 4 million baht.
 - 4.3. Two commercial buildings in Chiang Mai valued at 3.2 million baht.
 - 4.4. One commercial building in Khon Kaen valued at 750,000 baht.
 - 4.5. Bank deposits totaling 800,000 baht.

- 4.6. Three vehicles valued at 1.6 million baht.
- 4.7. One-hundred and twenty beef cattle and buffaloes and American Brahman breeding cattle worth approximately 900,000 baht.
- 4.8. Loan liabilities totaling 3.4 million baht.

Total net worth is about 7,850,000 baht. But this does not include the estimated value of the land in Bangkok and in the provinces.

5. Mr. Thawin Chanthaprasong, a member of the executive committee and deputy minister of agriculture and cooperatives:
 - 5.1. Eighteen pieces of land in Bangkok and the provinces with an appraised value of 85,039,500 baht and an estimated current fair market value of approximately 226,970,000 baht.
 - 5.2. Bank deposits were not revealed. He claimed only a small amount of money on deposit.
 - 5.3. Vehicles valued at 2,580,000 baht.
 - 5.4. Liabilities totaling approximately 6 million baht.

Total net worth is 82,619,500 baht.

Mrs. Phimpha Chanthaprasong, his wife, owns a building that she rents out for 10,000 baht a month and 19 other plots of land. She has bank deposits totaling 5 million baht, owns 300 shares of the Thai-Asia Mutual Fund Securities Company, and has a car valued at 1.9 million baht.

Their total combined assets are approximately 333,500,000 baht.

6. Colonel Chinnawut Sunthonsima, the party secretary and minister attached to the Office of the Prime Minister:
 - 6.1. Land valued at approximately 104,960,000 baht.
 - 6.2. An apartment in Chonburi valued at 4 million baht.
 - 6.3. Other real property valued at 7 million baht.
 - 6.4. Deposits at banks and securities companies totaling 43,353,816 baht.
 - 6.5. Shares valued at 22,662,100 baht.
 - 6.6. Three cars with a total value of 1,950,000 baht.
 - 6.7. Debts owed him and loan funds totaling 4.6 million baht.
 - 6.8. Gemstones valued at 6,527,000 baht.
 - 6.9. Debts owed to securities companies totaling 1.3 million baht.

Total net worth is 193,752,916 baht.

7. Squadron Leader Prasong Sunsiri, party adviser and minister of foreign affairs:
 - 7.1. Land with an assessed value as of 14 October 1992 of 4 million baht.
 - 7.2. Other real property with an assessed value as of 14 October 1992 of 4 million baht.
 - 7.3. Bank deposits totaling 10,385,855.25 baht.
 - 7.4. A Toyota car valued at 430,000 baht.

Total assets of 18,815,855.25 baht.

8. Mr. Chamni Sakdiset, the deputy minister of interior:
 - 8.1. Land in Bangkok valued at 914,440 baht.
 - 8.2. Real property valued at 445,609 baht.

- 8.3. Nine bank accounts with deposits totaling 894,481.78 baht.
- 8.4. Shares in two companies with a value of 600,000 baht.
- 8.5. Two vehicles valued at 900,000 baht.
- 8.6. Overage debts of 116,000 baht and other liabilities totaling 500,000 baht.

Total net worth is 3,138,481.78 baht.

- 9. Major General Sombat Rotphothong, the deputy minister of defense.
 - 9.1. Thirty-three plots of land in Bangkok and the provinces with a value of 108,945,500 baht.
 - 9.2. Eight apartments with a total value of 12,859,000 baht.
 - 9.3. Three other pieces of real property valued at 7.7 million baht.
 - 9.4. Eleven bank accounts with deposits totaling 10,532,664.59 baht.
 - 9.5. Shares in seven companies with a total value of 6,849,800 baht.
 - 9.6. One car valued at 2.8 million baht.
 - 9.7. Jewelry, with a value of 2.5 million baht.
 - 9.8. Liabilities totaling 14,632,081.14 baht.

Total net worth is 137,563,833.30 baht.

Mrs. Phachun Rotphothong, his wife, has six pieces of land valued at 15.5 million baht, three apartments valued at 1,475,000 baht, 10 bank accounts with deposits totaling 6,456,441.89 baht, shares in seven companies worth 9,380,000 baht, four vehicles valued at 2,110,226 baht, three debts owed her worth 2.6 million baht, jewelry valued at 10,934,000 baht, and debts to banks and securities companies totaling 2,809,250 baht. Her total net worth is 45,696,417.89 baht.

The combined assets of Maj. Gen. Sombat and his wife total 183,260,301.19 baht.

- 10. Dr. Udomsin Sisaengnam, the deputy minister of public health:
 - 10.1. Sixteen pieces of land valued at 116,906,600 baht.
 - 10.2. Other real property valued at 5 million baht.
 - 10.3. A five-unit apartment complex valued at 2,927,933 baht.
 - 10.4. Four bank accounts with deposits totaling 7,589,880.32 baht.
 - 10.5. Shares in 14 companies valued at 936,500 baht.
 - 10.6. Three vehicles valued at 936,500 baht.
 - 10.7. Other assets valued at 475,751 baht.
 - 10.8. Liabilities totaling 16 million baht.

Total net worth is approximately 118,153,914.50 baht.

Mrs. Morakot Sisaengnam, his wife, has three pieces of property worth 14,015,000 baht, two apartments valued at 1,201,509 baht, two bank accounts with deposits totaling 13,437 baht, a car and motorcycle valued at 630,000 baht, and shares in three companies valued at 800,000 baht. Her total assets are 16,168,027 baht.

The total net worth of Dr. Udom and his wife is 134,321,942 baht.

- 11. Mr. Adison Phiangket, the deputy minister of education:
 - 11.1. Land valued at 2 million baht.
 - 11.2. Buildings and lease rights valued at 350,000 baht.
 - 11.3. Three vehicles valued at 750,000 baht.
 - 11.4. Liabilities of 100,000 baht.

Total net worth of 2,650,000 baht.

The total assets of the 11 ministers belonging to the Moral Force Party is approximately 1,336,386,795 baht. [passage omitted]

| | Total (millions of baht) | Cash (millions of baht) | Land/Build- ings (mil- lions of baht) | Shares (millions of baht) | Vehicles (Number) | Other (millions of baht) | Liabilities (millions of baht) |
|---------------------------------|--------------------------------|-------------------------------|--|---------------------------------|----------------------|--------------------------------|--------------------------------------|
| Mr. Suthep Atthakon | 21.50 | 4.458 | 12.97 | 0.524 | 2 | — | 1.558 |
| Colonel Chinnawut Sunthonsima | 195.05 | 43.353 | 115.96 | 22.622 | 3 | 11.13 | 1.3 |
| Mr. Charat Phuachuai | — | 8 | 348 rai | — | 3 | 121 head of cattle | 3.4 |
| Mr. Thawin Chanthaprasong | 428.12 | 5.0 | 419.5 | — | 2 | — | 6.0 |
| Mr. Adison Phiangket | 2.75 | — | 2.0 | — | 2 | — | 0.1 |
| Maj. Gen. Sombat Rotphothong | 200.68 | 10.532 | 129.5 | 6.85 | 1 | 2.5 | 17.42 |
| Mr Bunchu Rotchanasathian | 436.26 | 30.36 | 310.1 | 34.38 | 1 | 54.1 | — |
| Squadron Leader Prasong Sunsiri | 18.82 | 10.385 | 4.0 | — | 1 | — | — |
| Mr. Chamni Sakdiset | 3.75 | 0.89 | 1.36 | 0.6 | 2 | — | 0.61 |
| Dr Udomsin Sisaengnam | 150.31 | 7.589 | 126.70 | 0.48 | 2 | 1.2 | 16.0 |
| Col. Winai Somphong | — | 1.9 | 4 plots | — | 2 | — | — |

Note: For Mr. Thawin Chanthaprasong, if his land is assessed at fair market value, it will be worth an additional 140 million baht.

Hotel Magnate on Support for Chamlong Party

93SE0029A Bangkok KHAO PHISSET in Thai
16-22 Oct 92 pp 25-29

[Report on Interview with Hotel Owner Akon Huntrakun by Piyanat Worasiri and Yuphin Chittichanon; place and date not given]

[Excerpts] A hotel magnate named Akon Huntrakun is now a full-fledged politician. He defeated two Thai Citizen Party candidates in the Dusit Zone, which usually backs that party, much to the satisfaction of the Moral Force Party.

He was known as a candidate who was frequently in the news. The notebook of his personal secretary was filled with interview dates. Some people complained that he "promoted" himself too much. But he feels that that is what enabled him to win. [passage omitted]

Mr. Akon's popularity stems from the fact that he was a "sapper" in the BMS [Business Management Services] group, a group of young businessmen who played a daring role following the events in May. Businessmen had to become involved in politics, and Akon drew even more attention to himself by running in the name of the Moral Force Party. [passage omitted]

"I would like to clarify something first. Many people have asked why I joined the Moral Force Party in view of the fact that I have many friends in the Democrat Party and have been in contact with that party for more than 10 years. I know Mr. Chuan, Mr. Banyat, Mr. Suthep, and Mrs. Aeo very well. I want democracy to flourish in Thailand. I felt that the Democrat Party was the only good party in Thailand. It is not an exclusive party. It does not belong to a particular group. They formed it based on their political ideals.

"Then I took a look at the other political parties and saw that the Moral Force Party was another good party with ideals. I thought that I could help it. I would like to tell other businessmen, university instructors, and soldiers to come and help build up this party. In another 10-20 years, this party will rival the Democrat Party with members who share similar ideas. Those who like or have personal relations with people in the Democrat Party can support that party. Those who like the Moral Force Party can join this party. These will be the two major political parties. If the Democrat Party forms a government, the Moral Force Party will be the opposition party, and vice versa. We will have a two-party system. This will take time to develop.

"The lines of the Democrat and Moral Force parties are quite similar. Today, the political parties are focusing mainly on economic issues. Communism or Marxism is now a dead issue. Russia and Eastern Europe are no longer communist. In China, the Communist Party is still in power, but management, particularly the economic mechanism, is free. The question is what we will do to expand the economy so that we can compete with other countries." [passage omitted]

Some institutes have said that businessmen don't support Major General Chamlong and the Moral Force Party,

because they are afraid that this party will cause problems for them. Thus, they support the Democrat Party, which is taking a middle path politically and giving consideration to stability, which is what is needed by an economy that wants to revive itself. As a businessman, Akon did not respond directly to this.

"Chamlong was the governor of Bangkok. He ran for election, and then there were the terrible events of May. Chamlong has not had a chance to meet with businessmen. Since the very beginning, he has not trusted businessmen very much. Businessmen seem to be interested only in earning a profit. But if Chamlong takes a more liberal view, so will the businessmen. If Chamlong meets with businessmen and listens to their views, businessmen will come to trust Chamlong more. If Chamlong keeps to himself, there will be a lack of understanding.

"Chamlong established this party only four years ago. And things got underway in earnest only on 22 March, which is less than six months. Thus, Chamlong knows only about Bangkok. He does not know much about banking, the stock market, or brokers. He has only a general idea and has not come in contact with these things, because he has been concerned with the affairs of Bangkok. Give him time. There are many things that he doesn't know. Take Chuan as an example. People say that he doesn't know anything about economic matters. But there is no reason to be concerned, because he has brought in Tharin and Suphachai.

"Take, for example, the matter of Chamlong's saying that he won't accept a political position. I told the party that I thought he was correct to say that. But the mass media and people in general think that everyone who runs for office wants to be a minister. When Chamlong said that he didn't want a position, they were stunned, wondering if he had a plan. His main target is to build a large party. He is proud of this, just like Mr. Khuang Aphaiwong, who built up the Democrat Party more than 40 years ago. The Democrat Party is proud of that.

"Chamlong feels that the party has made good progress by winning 47 seats after just four years. There isn't any support money. Because of the prestige and goodness of Chamlong, Dr. Krasae, I, Mr. Prasong Sunsiri, and many others have joined the party. Chamlong has not had time to meet with people because he has been busy building the party. But he will have to open himself up and meet with businessmen, academics, and regular government officials. We don't think that he is narrowminded or hard as some people think. There are those who accept him and who have seen the real man. As he opens himself up, the Moral Force Party will grow.

"If you are a minister, you have to work from 0700 to perhaps 2000-2100. Chamlong is a very diligent person. When he was the governor of Bangkok, he started work early in the morning, inspecting roads to see if the garbage was being hauled away, if water pipes were clogged, and if the water pumps were working. Then regular government

officials came to discuss things with him. Chamlong worked 18 hours a day. He didn't have time to meet with other people.

"I am glad that Chamlong did not become prime minister, because party building is very important. Some people think that the Moral Force Party belongs to Maj. Gen. Chamlong alone. The party must be turned into a party of the people. I believe in the honesty and ideals of Chamlong. I believe that he wants to expand this party and bring in more people. It's not true that this party will collapse if Chamlong resigns or leaves."

With such views, Akon managed to "sell" some important ideas to the top leader of the Moral Force Party concerning important people such as Anan Panyarachun on 4 July. Our personal view is that that man can still be of great use to the country in the future. [passage omitted]

One person leads a strict life and the other leads a merry life, and so how could they work together? Akon laughed, took a sip of wine, and then said:

"I have known Chamlong ever since he served as secretary to General Prem. And I got to know him better after he became governor of Bangkok. I contacted him many times when he was governor. From my contacts with him, I came to realize that he was not a selfish person. He eats just one meal a day. When I invited him for lunch, he drank water while I had wine. But that's fine. That's up to him. But other people became upset. I had to tell them about his sincerity. I don't know if Chamlong was upset that I smoked.

"He has said that he may run for election again and open a school to teach children moral qualities. I think that he can do that and that he could be another Mahatma Gandhi. I think that he will be a major figure, although not as large as Gandhi. Chamlong is not at all selfish. He wants to build the party and bring in many people. I think that turning the Moral Force party into a major political party within the next 20-30 years would please him much more than becoming prime minister. Just like Mahatma Gandhi won the country's independence from England. I believe him regarding this. During the two months that I have been close to him, I have had a chance to talk with him about many things. I think that he is a very sincere person."

Akon is known to be a very frank person. Those who don't know him very well may think that he is reckless and aggressive. But that day, his manner did not show him to be that way at all. Or perhaps he has cultivated a new personality since becoming a member of parliament. But the important this is that he explained political matters:

"I have been interested in politics ever since I was a child. I majored in economics and minored in political philosophy. My father was not interested in politics at all and criticized me for studying politics.

"Campaigning in a military zone was a lot of fun. I was received very well. Some people ignored me, but not too many. Some showed their opposition. Some days I met a thousand people. Some of those who opposed me 'asked' if I knew how to greet a monk and if I ate just vegetables. I

just smiled and walked on. Those people think that the Moral Force Party sides with the Santi Asoke temple. If I could not drink, I would not be in this party. I won't allow people to control my life.

"When I was there, I met the Thai Citizen Party candidates just once. Nothing happened. I waved to them. I give Chamlong 80 percent of the credit for my victory this time. I think that only 20 percent can be attributed to my efforts. If I had run on my own or run in the name of the Justice Liberal Party [Phak Seritham], I would not have had a chance of winning. If I had run in the name of the Democrat Party, I might have won.

"Campaigning was like trying to sell goods to people. The good thing about democracy is that everyone can be a general, a millionaire, or the cook. Is there one vote or three votes? Actually, everyone should have one vote. Everyone should be equal. The people feel that during an election, if a person is a major figure, everyone has to try and get his vote.

"When campaigning, I don't think that people regarded me as a god. But if you had seen me during the time that we were building the Imperial Hotel just after the fire, I was very busy and kept to myself. It was very difficult to interview me. Before I ran for election, I gave interviews only once or twice a year. And I was choosy. People didn't know how busy I was. If I had not worked so hard, I would not have made such progress. If my feet had not touched the ground, they would not have gotten dusty.

"I think that it is historical that people such as Olan Chaiyaprawat, Suphachai Phanitchaphak, Anan Atsawaphokhin, and Thondi Sophanasiri helped me, a person who had never run for election before. When I asked them to help, they did so. But because they had been through this before, they enjoyed the campaign. They helped me on many occasions. Carrying bags and stacks of leaflets and passing out leaflets is very tiring.

"During the campaign, I got up between 0430 and 0530. I got used to that after about a week. But I was still groggy. I now drink much less. But now I get up between 0700 and 0800.

"I am not concerned about my political future. I am just trying to do my job. I must decide if I want to become a minister next time. If I don't, I will say so. But if I do, I will keep quiet (laughs), because others must choose me. This time, I said that I didn't want a position. People criticized me, asking why I didn't want a position. But I just didn't want any position. [passage omitted]

"Those of us who have been senior managers in companies, that is, from the middle echelon on up, have been talking with each other for 10-20 years. We wanted democracy, but we didn't want to become involved in politics ourselves. Then came the terrible events of May. We met and said that something had to be done. We either had to run for election or support a political party. Many people were not prepared. I was the only one in the BMS group. Next time, there could be 10-20 people. Some of these people are in the Democrat Party and some are in the

Moral Force Party. These are the two parties that we have always felt were good political parties and that it just depended on whom you were close to. It was not stipulated that this or that person would have to join this or that party.

"Sawit Phothiwihot was not a member. But he is thought of as a member of the BMS. He has long been close to the Democrat Party and once served as an adviser to Prime Minister Seni Pramot. Tharin and Suphachai are members of the BMS. Tharin certainly has ties to the Democrat Party; otherwise, Mr. Chuan probably wouldn't have chosen him to serve as minister of finance. But I don't know how close they are. As for Suphachai, in the past, he ran for election as a member of the Democrat Party. At that time, the BMS helped him. There is nothing wrong with Tharin and Suphachai belonging to the Democrat Party. We are still friends.

"Prior to the terrible events of May, we did not play any role. We just talked about the fact that Thailand should be a democracy. We felt frustrated for more than 10 years and felt that the time had finally come for us to become directly involved in politics.

"At the time of the 23 February coup, there was no opposition. Many people were happy about that, because that government had a bad image. There was much corruption.

"In my view, if the National Peace Keeping Council had not wanted to maintain its power, that could have been a good thing. The soldiers could have returned to their barracks and left others to settle things. But I don't want to talk about those events, because that is in the past. All of that is in the past, and so it's a waste of time to talk about those things. I don't think that it is good to talk about past events that could cause trouble for the country. I don't think we should talk about the events of May any more. But those events should be remembered as a lesson. They should not be forgotten. They should be remembered as a lesson.

"It may be good that two members of the BMS hold positions. One is a deputy prime minister and the other is the minister of finance. We have to awaken honest businessmen in the provinces to the fact that they must get involved in politics. Politics affects all of us. Thus, all of us have to take an interest in politics. We can't continue operating without knowing what is going on. We have to discuss things, but things must be allowed to happen naturally. We have to monitor this growth. Olan Chaiyaprawat will probably make a good finance minister in the future. I hope that in the next election, there are six or seven choices for the same position. It could be Tharin, Suphachai, Olan, Thondi, Narongchai, or even me. If I remember correctly, four years ago, the political parties couldn't find a finance minister and had to choose a neutral person. [passage omitted]

"Sometimes, people tend to think of the BMS group too much as an organization. Usually, we just meet to chat informally. We are not a formal organization or a political

party. We just discuss things informally. The BMS group is still just an informal group of people who meet to eat and drink together.

"I don't know how much financial support has been given. But that is not a BMS issue. That is the personal affair of each person. People collect money and provide support. Sometimes, people think that the BMS group is like an old businessman who has provided help and purchased a ministerial portfolio. They don't think that Tharin or Suphachai were appointed minister and deputy prime minister because of their capabilities.

"In the view of younger businessmen and managers and younger politicians, we don't want monopolies. We want there to be more competition. In Scotland, for example, you can open as many distilleries as you want. No one will stop you. No one has a monopoly. If you want to open a cement plant, you can. But it is not easy to open a cement plant. That requires a huge amount of capital."

Many people may not know or may have forgotten that following the coup staged by the National Peace Keeping Council, General Suchinda prospered greatly as the person who wielded both political and military power. Analysts from several institutes pointed out that he would definitely rise to the highest position in the country. Akon was one of those considered to be a close ally. Reports stated that that general and his close friends in business circles and the mass media often went to Akon's Imperial Hotel. People in Akon's class said that that relationship started even before that. And besides Akon, the name Suphachai Phanitchaphak has also been mentioned. He was asked to serve as the managing director of the Thai Military Bank during the time of the National Peace Keeping Council. And that included newspaper executives and major photographers.

One of the important things done by Akon that generated much publicity was his having a former student leader during the events of 14 October [1973], that is, Thirayut Bunmi, go and talk with Gen. Suchinda Khraprayun. Akon made only a short statement concerning these things:

"I have known Suchinda ever since he was a colonel, and I liked him personally. I think that he is a nice person. He is a cheerful fellow who has many friends. I used to meet him one to three times a year. We would have a drink and chat together or play a round of golf. Or we might see each other at some other function. We did not discuss his political views. I think that Suchinda cares more about the country than his own personal interests. During the time that he served as prime minister, no one ever said that he had profited personally. He was attacked for having retained power. I know Isaraphong, but we rarely talked. I think that Suchinda was a very interesting prime minister. He was forced from office after only 48 days.

"I know many people. My friends include academics, people in the mass media, soldiers, businessmen, and even labor leaders. I am an open person. We have a drink together and chat. I try to assimilate a wide range of ideas and get along with everyone. At that time, I wanted to give Suchinda a chance to meet former student leaders so he could learn their ideas. That included Thirayut Bunmi,

Prasasan Marukphithak, Chamni Sakdiset, and others. That was all there was to it. They met just once.

"I think that everyone who becomes the country's leader should be exposed to a variety of ideas and so they must meet as many people as possible. Field Marshal Sarit, for example, used Professor Pui Ungphakon, Professor Bunma Wongsan, and Dr. Amnuai Wirawan. Professor Pui did not like him, but at one point—I don't know if he will hit me or not—but at one point he agreed to work for the nation. He opposed Sarit for being a dictator, but he served as governor of the Bank of Thailand. I think that Field Marshal Sarit had some good qualities, too. I think that Professor Pui and the others worked for the country.

"During the time that Suchinda was a candidate for prime minister, I did not see him at all. After the National Peace Keeping Council was disbanded, I met him just twice. I never went to his house. We met at hotels or when playing golf. But I have not met him recently. I would like to see him. I would like to invite him to come have dinner. I told his aides that two-three months ago. I don't mind. He is a friend. He is my age. I am ready to have lunch with him at the Imperial Hotel if he wants to. I don't mind if many people see us. If that upsets Chamlong, that is his affair. But I don't think that Chamlong is that kind of person. I have told Chamlong that I have asked Suchinda to lunch. That is the type of person I am. Chamlong just smiled. He didn't object. [passage omitted]

1970 Era Activist Chatchai Aide on Opposition Role

*93SE0020A Bangkok KHAO PHISET
in Thai 2-8 Oct 92 pp 29-30*

[Report on Interview with National Development Party Spokesman Sunai Chunlaphongsathon by Anuson Siri-chat]

[Excerpts] He is a former activist of 14 October 1973 and an old supporter of the Democrat Party. He came into his political prime in the front lines waiting for bullets to be shot, and he set up armor to protect former Prime Minister Chatchai Chunhawan, in the name of the National Development Party.

With Sunai Chulaphongsathon in the position of spokesman of the election center of the National Development Party it was felt that Nachat [Chatchai Chunhawan] had a first-rate tactician because since he has begun work he has not disappointed his boss. He has done an outstanding job of protecting Nachat and is an excellent new leader. This could be seen in the results of the verbal jousting with relentless opponents such as the New Aspiration Party and when he held himself back with difficulty or threw bombs at Dr. San Hatthirat when he spoke out forcefully against the rise of General Chatchai Chunhawan to be Prime Minister.

The Former Activist of 14 October 1973 and His New, Happier Role

His important role as the spearhead of a new party such as the National Development Party made many people very

curious about who he was, where he came from, and how talented he was to be trusted by Nachat to take this position.

"Sunai Chulaphongsathon" has been interested in politics since the time when he studied at the Phramongkut School. He enjoyed going to see the politicians campaign in 1970. He received the opportunity to study with the Political Science Faculty of Chulalongkon University. He had a role in the movement against corruption at Chulalongkon. "At that time I would say our country was very dictatorial. This caused warfare on all sides and political insecurity. The government was not being run according to its system because powers outside the system were controlling it. At that time we set up a group for 'study of the government.' I was chairman of the meetings and also engaged in a great deal of political activity," Sunai told KHAO PHISET late in the afternoon at the end of last week.

If one questions people about his past, one learns that Sunai was part of the student leadership during 14 October 1973 along with Thirayut Bunmi, Seksan Prasoththakun, and Kriangkamon Laophairot, etc. "When I was studying, I liked the campaigning of my professors, Seni Pramot and [Samak Sunthonwet]. If they were campaigning somewhere, I would go. I was gradually impressed by this and became a member of the Democrat [Party] youth organization when I was a first year University student. At that time I helped observe the election for the Bangkok Assembly. After I finished my studies I became a lawyer and leaned toward the Democrat Party", the young lawyer who is gaining strength as a politician told us of his past.

Sunai joined the Democrat Party officially in 1985 and was first a candidate for a seat in a local assembly. He was elected as the district representative of Samphanthawong District. At that time his friends who took refuge with him in the Democrat Party included Suthat Ngoenmun, Mahin Tanbunphoem, and Ong-at Khlamphaibun.

KHAO PHISET asked him about the criticism of the Democrat Party that it "fled politically" when there was trouble but when the trouble was over the party was trusted again. The old party supporter thought awhile and then spoke softly. "Actually I would say that if you put it that way, it is not accurate. Each party has a different image. I am away from the Democrat Party now and can say objectively that the Democrat Party must admit that it is a party in the National Assembly system - it is not a party which can make big changes. It is a party which will solve problems according to the existing system. If something looks radical or out of bounds, they will not do it. If one were to speak frankly, which might not be convenient in some parties, one would say that the Democrat Party chose politicians who were professional politicians and who just accepted the continuing party policies. Their ideology is inflexible. This is the party's image - it is not one of cowardice," the former supporter of the Democrat Party said of the party which led him into politics.

If one is in the Democrat Party for a long time, one begins to feel inferior. If one is in this party, one does not see any way to rise politically. And so one moves the way Prachuap

Chaiyasan did to the National Development Party. "I would say with regard to the systems of the parties in general that there is no party with a strong system. Even those parties which have had a long time to develop cannot ignore the party itself in their procedures for dealing with problems."

Sunai also said that he had worked to help the party at all times whether the party was in trouble or achieving great success, but the problem of appointing civil servants was one which could not be solved although Democrat Party officials had learned a great many lessons. This was probably the reason that a former activist such as Sunai had to find a new organization. The National Development Party was his primary goal because it was a new party and still unblemished.

"As for my leaving, we talked a great deal about it and were disappointed in some aspects of our old party. We began to see that many parties were almost the same. General Chatchai was quite old but was modern in his thinking. He trusted the young people who were serious about their work. When I received an opportunity, I worked hard." It would appear that a former activist such as Sunai was happy to serve Nachat. He also said he received the opportunity to be the spokesman for Nachat because there was no one in the central government service who applied. The MP's [member's of parliament] were all against him. Just then a situation occurred which could be called an almost overwhelming attack. A resistance had to be organized, and he became the prime mover and the front line in responding to the charges.

The Parties Are in Essence Similar

The outstanding role played by the activist of 14 October 1973 began to be demonstrated when he was the "point man" of the National Development Party and showed no concern for the dignity of such people as Wira Musikaphong or General Chawalit Yongchaiyut.

The heavy artillery rounds which rained down on the heart of the New Aspiration Party were sent by Nachat via Sunai, his spokesman. The essence of the attacks was to "ask General Chawalit to aim at being elected representative before he talked about being prime minister because the opposition parties in Nonthaburi Province were attacking relentlessly and might crowd him out." [passage omitted]

The spokesman thought that the government under the leadership of Chuan Likphai would be made up of three groups. The first group would be the Democrat Party. The second group would be made up of the New Aspiration Party, the Moral Force Party and the Solidarity Party. And the last group would be the Social Action Party. Each group had an ideology which led it in a different direction.

"The parties are almost all the same. As for differences in degree when the Democrat Party is compared to other parties, it has more depth, otherwise they are very similar. For example during the events of May if one were asked which party was in the front lines trying to overthrow General Suchinda, one would have to say it was the Moral

Force Party. And if one were asked which party, during the same events, was in the front lines explaining that it was correct to take over the position of Prime Minister and to suppress the people, one would have to say it was the Social Action Party. But when the government was established, the group which decided that the Social Action Party should be in the government was the Moral Force Party. We would like to ask whether what they told the people - that it was an evil party - is past now," the spokesman of the National Development Party said of the roles played by the political parties which showed how similar they were. He also said that the reason that the Social Action Party was rehabilitated and accepted in the government was that if some other party were accepted, the ministries would have been divided up more. In essence the politicians were very similar.

"The Moral Force Party will probably gain the Ministry of Justice, but they do not want it. While they attacked the Social Action Party and the other parties for being dirty, they tried to force the Ministry of Justice on the Social Action Party. I think the people know why. It is because the Ministry of Justice has no advantages. At this point we can see that the political parties differ little in degree, appearance, and in rules. Their nature and thinking have not gone beyond this society," Sunai explained at length about the nature of the political parties in Thailand and what their similarities and differences were.

When we asked about the only son of Chatchai and whether he was involved in the activity to make his father prime minister a second time, Sunai said with humor that: "Professor Tong (Kraisak Chunhawan) is an academic and is his only son and so could not escape. He naturally became a sort of advisor but probably had no role in the National Development Party."

The Establishment of Chuan's First Government Is Influenced by TV

In the past my friends from 14 October have ended up in many different areas. Many have entered politics or are working in politics either up front or behind the scenes in various political parties. For example Wisa Khanthap and Saman Luatwonghat are in the Moral Force Party while Chaturon Chaisaeng and Khem Marukphithak are in the New Aspiration Party. They say that although they are in different parties and sections, they are still close friends.

Sunai also spoke of the unscrupulousness in the setting up of the present government. He said that the process was being influenced by television. It began on 13 September because the mass media had gradually increased its influence especially with regard to the setting up of this government. "The setting up of this government is being done by television. There are two people setting up this government. I do not know if anyone else agrees, but I believe that two people, Sutthichai Yun and Professor Chemsak Pinthong, are setting up this government indirectly instead of the executive," the spokesman, who acted as if he were in his prime, said loudly. [passage omitted]

MILITARY

Kitti Links Separatists, Malaysian State

93SE0037B Bangkok MATICHON in Thai
15 Oct 92 p 20

[Excerpt] Lieutenant General Kitti Ratnachaya, the Fourth Army Region Commander, said of the problem with the Owaeng group of bandit terrorists (KhChK) which had secretly engaged in sabotage and extortion and had skirmished with police officials in three border provinces in the South that the investigations of the Fourth Army Region indicated that this KhChK group was an armed unit which sought money to send to the top leader of the unit who was in Kelantan State in Malaysia. The Fourth Army Region was working with the central government in Kuala Lumpur, Malaysia, and had asked for help in quickly retrieving the leaders and members of the KhChK who had escaped and hidden in various states in Malaysia so that they would be give up as members of the Phatana Chat Thai [movement] [passage omitted].

Supreme Commander Warns of Trampling on Military

93SE0037A Bangkok MATICHON in Thai
16 Oct 92 p 19

[Interview with the Supreme Commander: "Waranat Aphichari' With Intense Feelings From the Sua Pa Grounds: 'the Military Has Pulled Back Already - Do Not Attack It Until It Is Trampled Down'"]

[Excerpts] [passage omitted] Air Chief Marshall Waranat Aphichari, the Supreme Commander [Thai Armed Forces] allowed MATICHON into building 602 in the Sua Pa Grounds to talk about the reform of the military in which there is a great deal of general interest. [passage omitted]

"When the country wants to revive the economy, the military cuts back. But this reduction means some losses. There must be something to compensate for the losses and that is that when the military cuts back, it must become quick and flexible. So the equipment purchased must be such that it can be modified for various uses and not such that it can be used for only one thing. It must be used for various duties. In addition the military must be able to respond to opposing forces. This is the principle in brief. If the military is to be smaller, this is what must be done." [passage omitted]

Do not trample on the military - it will not endure.

MATICHON asked him what he thought Mr. Chuan Likphai, the prime minister, had meant when he asked to be made aware of the decisions of the military.

The Supreme Commander responded almost immediately: "I do not know. I do not understand him. If he sat in on just one meeting of the Security Council, he would probably know much more. If he came and was not satisfied, he could come to talk again. But if he came he would probably understand a great deal".

"In fact if the prime minister sat in on the Security Council, he would learn about everything because everything has to be brought up. On the other hand Prime Minister Anan was in power for more than a year and did not come to the meetings at all. He did not know anything - how could he?"

Does this mean that he had the opportunity but did not come?

"Yes. General Chatchai Chunchawan held meetings almost every month when he was in power."

But he was still intimidated by the military?!? Laughter was the Supreme Commander's response. When he was asked whether the findings of the investigation into the cruel events of May that the military should be reformed would be cited with regard to the reform of the military, Air Chief Marshall Waranat said: "No, because that was a recommendation to the government not to the military."

After his response there was a question of whether he was afraid of having people outside the military see that he was not eager to reform the military.

He said: "those who do not know anything will complain but those who are aware of the situation will know that we cannot do anything. We are just waiting for the prime minister to sit in as chairman of the National Security Council. We do not now know when that will be - it is up to him."

It was asked whether, since the cruel events of May, he, as a member of the military, had drawn any lessons.

He responded immediately: "Very briefly, the military does not get involved in politics."

Should the politicians also not get involved with the military?

"We do not make any demands, but everyone should understand that if the military is trampled on, it will not survive. There must be mutual respect."

At what point will it be thought that the military is being trampled on?

"People know that in their hearts."

Are the demands for reform of the military considered interference?

"Actually they are not interference, but the media like to ask the same old questions."

If the military gave a clear answer, the questions would end.

"I cannot do that."

If we were clearly to specify in government policy that in the future the military was not to be involved in politics, would this help with the problem of interference in politics?

"I have already said that we do not get involved in politics. Do not ask us about politics constantly. You asked how long this government would last. I say that this is not

necessary - we already said that we do not get involved. Before the election we did not get involved, during the election we did not get involved, and after the government was established we did not get involved. Therefore it can be believed that we do not get involved. Why must it be written into policy. It can be seen from our actions that we do not get involved."

"When we in the military withdraw in this fashion, everyone should understand that while we are withdrawn, we conduct our own business, and the politicians conduct politics. There should not be a massive attack after the military has withdrawn such that the military is trampled down like this. This is impossible. Everyone should understand our good intentions - we have withdrawn so that the nation can be completely developed. With clear intentions such as these, instead of developing the nation, there are attacks like these. Actually the mass media are helping a great deal. Some newspapers have even stated that whatever the military does one should not get involved otherwise the military might do something. There are mutual suspicions."

The system of military classes should have ended long ago.

The Supreme Commander spoke of the system of military classes with a tone of voice indicating his certainty when he said: "It should have ended long ago."

MATICHON asked whether he spoke like this because he had been hurt by it.

He responded: "Never..never, but an old proverb stated that if one wanted to make progress, one should associate with wise men. If one associated with trouble-makers, it would lead to evil. This Thai proverb is very old. One's work depends on knowledge and ability and also seniority. One does not just work while people who know nothing pass you by. How would one feel if this happened? Therefore it must depend on: 1. knowledge and ability and 2. seniority. Aside from this it must depend on the merit system."

"Those in the more recent classes are progressive. If they see that staying in the confines of the military provides a good opportunity, everyone will do a good job. And one will not have to keep track of them morning and night."

4th Army Commander's Political, Development Initiatives

*93SE0023A Bangkok KHAO PHISSET
in Thai 2-8 Oct 92 pp 17-19*

[Text] The subdistrict council program has quietly gotten underway. For Lieutenant General Kitti Rattanachaya, the 4th Army Region commander, this is an important mission of his as Army region commander. He is relying on his close personal ties to various groups and organizations in the area in order to improve security for the people. The plan is to combine the forces in the 14 southern provinces, with military officials playing an activist role as advisers on all issues. And they will be the ones to implement all phases of this plan under the name "Srivijaya Program." This is a new mission of the 4th Army Area.

As a result of the initiative of Lt. Gen. Kitti Rattanachaya, last March the Srivijaya program got underway in accord with the plan formulated in the 14 southern provinces. The objective is to develop the south both economically and socially just like the Srivijayan empire of ancient times. Thus, development in the form of subdistrict councils has gotten underway. This is because both the government and the people feel that subdistrict councils are very important organizations for managing rural development. The subdistrict councils are the operations centers, with the 4th Army Region serving as the coordinating center for all factions, including civilians, the police, the military, and private organizations.

"The commander feels that there are no longer any Malaysian communist guerrillas or communist terrorists in the south, because they have all surrendered and are now participants in the development of Thailand. Thus, he has now shifted the focus of security work. After working to strengthen security, the Srivijaya program has now been initiated. He is relying on his close ties to private organizations and those with the ability to help the poor. These will be sources in coordinating the work," said Lieutenant Colonel Manat Khongpaen, the officer who is coordinating things on behalf of the 4th Army Region, about the start of the Subdistrict council program, which is being called the Srivijaya program. He also said that this program does not have its own budget apart from the New Hope program initiated by General Chawalit Yongchaiyut.

Unit commanders are in charge of carrying out the work and coordinating things with the provincial governors, district chiefs, subdistrict chiefs, and village headmen. The program was officially implemented on 1 February 1992 and will end on 30 September 1993. As for what has been accomplished, Lt. Col. Manat said that "we are now in the stage of holding training seminars for military officials and local leaders in order to determine what the problems are in each village. The next step will be to present matters to the ministries concerned, with the military simply serving as coordinator." As for when the program will end, even though the plan states that the program will end in September 1993, in actual practice, it will probably continue after that in the form of personal ties between the army region commander and others.

After the reshuffle of the military commanders in chief on 1 August, little was done in carrying on the program, because people had to wait to see what the attitude and policy of the new commander would be. With respect to this program, what is the position of the Ministry of Interior, which is responsible for administering the county's internal affairs? The answer is that, "Today, the Ministry of Interior is not clear about this program. But the governors of the 14 southern provinces all know about this. There shouldn't be any problem with respect to an overlapping of activities, because we are just facilitating things," said the same 4th Army Region officer to KHAO PHISSET.

Based on the plan formulated for the Srivijaya program, it can be seen that military officials will serve as advisers and also implement things in all stages. The military officials

have been divided into groups that will be responsible for administrative activities, village development activities, activities to maintain security and order, financial activities, public health activities, educational and cultural activities, and welfare and social activities. There will be a clear division of zones of responsibility. As for funds, the unit responsible for a particular area will be responsible for finding the money needed. Some of the funds can be obtained from the Popularization of Democracy in the Villages program. Besides this, in the special target areas, funds will be obtained from donations by people in the private sector, foundations, and public welfare funds. The unit in over-all charge of the program is the Civil Affairs Division of the 4th Army Region.

The New Hope program managed by the 4th Army Region, which is the principal unit in the area, in accord with the policy of the then Army commander in chief, General Chawalit Yongchaiyut, led to "conflicts" in the area between military officials and Ministry of Interior officials. Every time the military implemented a "development" program, this conflicted with the power structure of the Ministry of Interior. This was true not only in the case of the New Hope program but also in the case of the Green Northeast program and the "K.C.K." program.

A five-page typed document titled "The Srivijaya Program: A Strategy of the Jungle Encircling the Cities in Order To Restore the Power of the Military?," which is thought to have been written by civilian officials, clearly shows their "opposition" to this program. And this does not stop just with criticizing this program. It also shows the "lack of agreement" between military and civilian officials. This document charges that this program is aimed at "restoring the power" of the military after the "decline" of the military following the terrible events that occurred in May. It also charges that this is aimed at building a political "power base" for "certain people." One section states, "We cannot allow people to use their influence to misappropriate the taxes paid by the people to carry on development activities carelessly without a system or clear direction and without proper supervision and control just so that they can enhance their reputations and the prestige of the military and pave the way for certain people to engage in politics as happened in the past...."

While regular civilian officials feel that the Srivijaya program, which is supported by the central ISOC [Internal Security Operations Command], is no different from the Green Northeast, "K.C.K.," and New Hope programs, an officer subordinate to the ISOC told KHAO PHISIT that this program is not the policy of the central ISOC. Actually, the center did not know anything about this, and when it learned about this, it did not really agree with this. This is more like a "special" program.

It appears that this program was implemented with the approval of the Region 4 ISOC, which is under the control of Lt. Gen. Kitti Rattanachaya, the 4th Army Region commander, who was "not crushed" by the terrible events of May.

If that is the case, the criticism will be that this program is aimed at "paving the way politically" for this officer. And looking at his future in the military, it does not seem that he will rise much higher. Furthermore, it is charged that this political base will be used to help the Democrat Party, which is strong in the south. This attack will probably focus on the fact that there is a close relationship between the person who controls the military forces and those who control the political forces in the south. But there is still no clear picture of a close relationship. Furthermore, concerning the implementation of the Srivijaya program of the 4th Army Region commander, which is just a special program, viewing this from the standpoint of "affording opportunities," this may be a good aspiration and an effort to create a new role for the military. In particular, Lt. Gen. Kitti has much experience and has achieved results in carrying on development work. In particular, he has done a lot in the Chulaphon Village Development Program.

The "conflict and discord" between the military and the Ministry of Interior over the Srivijaya program has just begun. This will probably intensify and cause great pain to Gen. Chawalit Yongchaiyut, the new minister of interior, who initiated the Green Northeast and New Hope programs and who is now the "boss" of those civilian officials who have constantly opposed these development programs of the military. This will test the skills of Big Chiu [Gen. Chawalit].

Sections of the "Srivijaya Program on Subdistrict Councils"

4. Activities

4.1. Time period: 1 February 1992 to 30 September 1993.

4.2. Method of operation:

4.2.1. Targets in the rural areas: Things will be divided into four stages. In the first stage, activists will be chosen. In the second stage, the activists will be trained. In the third stage, activities will be carried on in the target areas. In the fourth stage, the results will be evaluated.

4.2.1.1. The people selected to carry out the program must be people who have good qualifications, who are well disciplined, who have good educational qualifications, who work well, and who have good human relations. Priority must be given to choosing people from among those who have popularized democracy in the villages.

4.2.1.2. In training the activists, the emphasis must be placed on teaching them about the economic, social, political, administrative, and military situation in the south and on carrying on actual activities in areas.

4.2.1.3. Activities in the target areas are to be carried on as follows:

- 4.2.1.3.1. Relationships must be established by eliminating suffering, establishing friendships, looking for common points, discussing the economic, social, political, and administrative problems, maintaining security in the south, and participating in sporting and recreational events.
 - 4.2.1.3.2. Projects to solve the problems, from the easy to the difficult, must be implemented. This must be done based on sharing ideas, studying things and working together, and having the government officials concerned provide help.
 - 4.2.1.3.3. Leaders must be selected using the committee form. These must be selected mainly from the existing committees. Knowledgeable and ethical people who are willing to make sacrifices and who know how to preserve the interests of the people must be selected.
 - 4.2.1.3.4. The organizations established must be developed so that they can carry out the important and complex activities.
 - 4.2.1.3.5. Things must be evaluated by observing them, interviewing people, and using questionnaires.
 - 4.2.2. Targets in the cities: Activities will be divided into two stages. In the first stage, the 4th Army Region commander will meet with and discuss things with the target groups. In the second stage, activities will be carried on as outlined in Paragraph 4.2.1.3.
- 5. Practices**
- 5.1. Administrative military officials will be responsible for making suggestions or giving advice on:
 - 5.1.1. Relieving the suffering and improving the lives of the people, such as activities to serve the people.
 - 5.1.2. Monitoring the villages so that things are done in accord with the laws, traditions and customs, and general policies of the nation. An example is making suggestions on doing things in accord with the law.
 - 5.1.3. Encouraging the people in the villages to take an interest in the democratic form of administration with the king at the head and local administration, such as public relations activities, democratic elections, and the dissemination of information from the government.
 - 5.1.4. Promoting solidarity among the people and fostering good mutual understanding, such as reconciling disputes within the villages.
 - 5.2. Military officials in the village development and occupational promotion sector are responsible for giving suggestions and advice and carrying out activities having to do with:
 - 5.2.1. Formulating village development plans and projects.
 - 5.2.2. Building, repairing, and improving the public facilities in the villages such as roads, bridges, ditches and canals, dredging the waterways, and so on.
 - 5.2.3. Developing the occupations of the people, such as rearing livestock and fish, cultivating family gardens, and engaging in cottage industries and encouraging the use of appropriate technology in production.
 - 5.2.4. Establishing various occupational groups.
 - 5.2.5. Carrying on things in accord with the various programs, such as the rice price guarantee program, the program to establish rice banks and cow-water buffalo banks, and the provincial-level rural job creation program.
 - 5.3. Military officials in the defense and security sector are responsible for giving suggestions and advice and carrying on activities have to do with:
 - 5.3.1. Establishing units to protect and maintain order in the villages. This includes setting guards, establishing a system of warning signals, and so on.
 - 5.3.2. Reducing vices such as drinking, gambling, and so on.
 - 5.3.3. Controlling narcotics such as heroin, opium, marijuana, glue, thinner, and so on.
 - 5.3.4. Establishing forces to control public disasters in the villages.
 - 5.4. Military officials in the financial sector are responsible for giving suggestions and advice and carrying on activities having to do with:
 - 5.4.1. Formulating plans to obtain, preserve, and control the use of village funds.
 - 5.4.2. Helping officials collect local improvement taxes and school taxes.
 - 5.4.3. Establishing village records.
 - 5.4.4. Establishing savings groups and village development funds.
 - 5.5. Military officials in the public health sector are responsible for giving suggestions and advice and carrying on activities having to do with:
 - 5.5.1. Helping the doctors and public health officials who work in the villages.
 - 5.5.2. Controlling the spread of diseases by giving vaccinations against cholera, smallpox, and diphtheria.
 - 5.5.3. Carrying on family planning activities.

- 5.5.4. Establishing medical supplies and drug funds and nutrition funds.
- 5.5.5. Carrying on public health activities and maintaining sanitation such as by setting up garbage cans, building water drainage ditches, digging cesspits, eliminating waste water, building septic tanks, and building containers to store clean water.
- 5.6. Military officials in the educational and cultural sectors are responsible for giving suggestions and advice and carrying on activities having to do with:
 - 5.6.1. Helping the schools and teachers.
 - 5.6.2. Arranging non-formal educational activities and village libraries.
 - 5.6.3. Promoting and preserving the morals, religious teachings, and local customs and restoring and developing religion.
 - 5.6.4. Promoting the activities of the youth groups and scouts.
 - 5.6.5. Promoting sporting and recreational activities such as building playgrounds and sports fields.
- 5.7. Military officials in the welfare and social sectors are responsible for giving suggestions and advice and carrying on activities having to do with:
 - 5.7.1. Conducting surveys and keeping lists of the poor people in the villages.
 - 5.7.2. Cooperating with officials and people in the private sector in providing welfare assistance.
 - 5.7.3. Looking after disabled people, orphans, and the elderly.
 - 5.7.4. Organizing public welfare programs in the villages such as welfare stores and so on.
 - 5.7.5. Establishing recreational areas such as public parks and so on.

6. Division of Responsibilities and Coordination of Activities

| Target Areas | Districts | Branch Districts | Subdistricts | Unit Responsible |
|-----------------------|-----------|------------------|--------------|---|
| 1. Nakhon Sithammarat | 18 | 1 | 163 | 41st Military Circle, 5th Artillery, 4th "P.R.P." Company, 15th Artillery Battalion, Nakhon Sithammarat Military Circle, 24th "SBR" Battalion, 24th Communications Battalion, 25th Artillery Battalion |
| 2. Songkhla | 15 | — | 125 | 5th Artillery Battalion 4th Development Division 5th Infantry Regiment, 1st Battalion of the 5th Infantry Regiment |
| 3. Phattalung | 8 | 2 | 64 | 402d Engineers Battalion |
| 4. Pattani | 8 | 4 | 112 | 2d Battalion of the 5th Infantry Regiment, Pattani Military Circle |
| 5. Yala | 6 | 1 | 57 | 3d Battalion of the 5th Infantry Regiment, 41st Thahan Phran Regiment |
| 6. Narathiwat | 12 | — | 77 | 5th Battalion of the 5th Infantry Regiment, 43d Thahan Phran Regiment |
| 7. Trang | 6 | 3 | 87 | 4th Battalion of the 15th Infantry Regiment, 42d Thahan Phran Regiment |
| 8. Krabi | 7 | 1 | 53 | 1st Battalion of the 15th Infantry Regiment |
| 9. Phuket | 3 | — | 17 | 41st Military Circle |
| 10. Phangnga | 8 | — | 48 | 45th Thahan Phran Regiment |
| 11. Ranong | 4 | — | 28 | 2d Battalion of the 25th Infantry Battalion |
| 12. Chumphon | 8 | — | 67 | Chumphon Military Circle, 1st Battalion of the 25th Infantry Regiment |
| 13. Surat Thani | 17 | 1 | 129 | Surat Thani Military Circle, 25th Infantry Regiment, 3d Battalion of the 25th Infantry Regiment |

Cadets, Officers on Politics, Career Goals

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5 Nov 92 pp 6, 7

[Article by Sombat Raksakun]

[Excerpts] Recently, I had a chance to talk with cadets and mid-echelon officers (majors-colonels) about today's economic and political issues. The views of these cadets and officers show that Army personnel have a good understanding of the political, economic, and social situation. The reasons that they gave can help people outside the military to know that the military is an institution that can be trusted and that soldiers understand and want to develop democracy and the economy just like other groups. Their views are very interesting.

The views expressed by younger soldiers seem to have changed even before the crisis in May. Economic competition in the world has forced Thailand to make adjustments so that it can compete efficiently on free markets and maintain its leading position on the world economic stage. This also affects our military strength.

Modern economic administration requires professionals who can maintain economic stability, with the result that the role of the military leaders will decline.

Even though some Thai generals are very intelligent people, there may not be any political role for them at a time when economic affairs are more important. The old expectation that the Army commander in chief will become prime minister is fading.

Even though older officers may not be aware of this trend, younger, lower-ranking soldiers and cadets are aware of these changes. Their objectives in becoming officers and government officials have changed, and those changes began even before the bloody events in May.

In the past, being a cadet meant having honor, not money. Besides having a secure career, it was believed that serving in the military represented defending the country. Thus, some people felt that this also meant leading the country in critical times.

Some of the cadets said that they entered the military because they want to have friends in military circles and because they want to gain knowledge and experience in military life in order to facilitate their business activities. Another objective is to gain the knowledge and technology necessary to survive in this new age in which economics leads politics.

One air force cadet said that his hero is not the military commander who later became prime minister but Dr. Taksin Chinnawat, a leader in the field of telecommunications. The achievements scored by the Chinnawat Corporation and its affiliates are splendid examples. (Dr. Chinnawat graduated from the Police Academy. After that, he began his own business, becoming an ASEAN businessman in 1992.)

One cadet said that people often think that cadets are privileged people of great ambition and that soldiers use their positions and the military to pave the way to the

position of prime minister. But in reality, soldiers don't think like that. It's not true that every cadet wants to be an officer after graduating. Cadets are just like students at the universities.

In the future, "after we graduate, we might become friends and work together. I am a Thai and hope to have a bright future just like other people. But achieving success does not mean just serving in the military.

"Besides studying military science, we also study economics, political science, and engineering just like university students. Thus, we understand the social changes that are taking place."

Even if cadets understand the importance of the military as one of the country's important organizations in maintaining the nation's security, they also understand that in the future, the military's role in administering the country will decline, with that role played more and more by civilians.

One cadet said that he wants to see a new dimension to the educational institutions of all four branches of service. They should perform the same duties as military institutions in Western countries. For example, at West Point, not all cadets spend the rest of their lives in the military. Some become successful industrialists, businessmen, and politicians.

Americans expect those who graduate from West Point to become leaders, because they believe that that will equip them with the necessary knowledge, experience, and discipline. And above all, they will have friends in military circles.

Another cadet said that the preference for attending the Chulachomkiao Royal Military Academy has not been affected by outside changes. This is clear from the fact that applications to this academy have not declined. It has maintained its importance.

Most cadets at this military academy come from middle-class families who do not have the money to send their children abroad to study. Thus, the military academy is the best choice. Many of these people have relatives or fathers who are serving in the military. They want to continue the family tradition. There are only a few cadets who have grown up on military bases who do not see the difference between senior military officers and lower-ranking officers or between soldiers and civilians. Thus, as young children, they are inspired by the dream of becoming officers. With the exception of these few people who hold such deeply-embedded ideas, most of the cadets and officers interviewed said that today's officers clearly understand the changes that have taken place in the world and society. Because of the education that they have received, they won't have any problem adjusting to the new society.

One major said that because society outside has changed, society within the military must change accordingly. Military society is no different from civilian society. "We will adjust in accord with our nature. We have not fallen off the stage of history as some people think."

The "brain drain" may pose a problem for the military. But this is not an important issue, because some of the old values still have influence over the Thai people. One battalion commander said that the changes in Thai society will not have much of an affect on mid-echelon officers. But those with low incomes and non-commissioned officers will have problems.

"In the past, the first priority of soldiers was the welfare of the men and junior officers. In my battalion, out of economic necessity, some non-commissioned officers have to drive motorcycles for hire in order to earn some extra money."

This has created differences between officers, non-commissioned officers, and privates, who once fought side-by-side during the struggle against the terrorists. These differences stem from economic pressures. This is a new problem for the military, and it could affect command if there is a war.

Another problem stemming from the economic changes, development, and the end of the Cold War is that the military is larger than necessary. People often think that soldiers don't want to reduce the size of the military, but this mid-echelon officer said that it would be appropriate to reduce the size of the military.

One colonel said that actually, the *thahan phran* irregulars and some other units should have been changed after the war with the communists, because these units were established in order to fight the terrorists. But the problem is, What are these soldiers supposed to do in today's modern society? Most of them have very little education. In the military, they can live within the command structure. The rank that they attain depends on their accomplishments. But in modern society, they won't be able to survive, because in civilian society, knowledge is power. This will not be a problem if the military continues to look after them using discipline and regulations. But if they leave the military, they might create problems for society. This is one reason why the military can't reduce its size as quickly as people would like.

The withdrawal by the military may be an important key in stimulating political changes. But it does not appear that this has had any effect on those applying to enter the military academy or other military schools.

Those bloody events have not changed the thinking or views of cadets, who believe that both sides made mistakes and should take responsibility. One cadet said that "I am sure that people will make a clear distinction between those bloody events and education at the military academy." This cadet also said that while those events were happening, he explained things over and over and gave his views and his friends and relatives all understood.

He said that the leaders on both sides were wrong. Ordering military forces to disburse the demonstrators was wrong, but Major General Chamlong Simuang should take responsibility for the movement of demonstrators from Sanam Luang during the night. It's impossible to determine who was really responsible. "We think that the

political struggle between those former generals is a personal matter and that it does not concern other officers in the military. It is an issue between senior military officers. It does not concern the military as an institution.

"I think that all of those concerned in the events of May, such as Gen. Suchinda Khraprayun, Gen. Chawalit Yongchaiyut, and Maj. Gen. Chamlong Simuang, made mistakes and should take responsibility for what happened. Those events should not affect the military as an institution." He also said that you can't say that the soldiers who were carrying out their orders were wrong while the demonstrators were right.

An Air Force cadet said that university students threatened him when he went to visit a friend. But nothing serious happened, because he was able to explain his viewpoint. He also said that students know exactly what happened, because they have watched the video tapes distributed by both sides and analyzed the events. Commanders and instructors have tried to explain the roots of the conflict that led to this terrible confrontation and allowed students to discuss the events freely.

He said that he hopes that the gap between university students and military cadets will narrow. If possible, they should exchange views in order to get to know each other's views.

From a report issued by a school on Sukhothai Lane in Bangkok that prepares students for the entrance examination to the military academy, it is clear that the desire to attend the military academy has not been affected at all. The number of upper secondary school students applying for the cram course has not changed. Many students will take the course in February and March. From the time that they are very young, Thai students are taught that servicemen are respected people in society. This is one reason why attending the military academy is still so popular.

A mid-echelon Army officer and battalion commander expressed satisfaction with the victory of the Democrat Party in the general election and the appointment of Mr. Chuan Likphai as prime minister, because he is well respected by the military.

A colonel said that this can be compared to the events of 6 October 1976. Because in the wake of the events of May, the military's image has been tarnished. Everyone feels hurt and upset. All officers have been criticized. People view soldiers as dictators. Soldiers have been under great pressure for more than four months and have not had a chance to explain things.

"No one knows how sorry we feel about those terrible events. We are professional soldiers who love democracy just like everyone else. We are regular soldiers and can't express or explain our feelings to the public."

Several mid-echelon officers said that they are satisfied with the election results and that this shows that the Thai people have political capabilities and that they understand that ordinary soldiers were not directly involved in the terrible events of May. Soldiers and people think the same way. They have reviewed the events logically. The people

favor compromise, and they elected the leader of the Democrat Party, who can accomplish things, rather than the leader of a party with extremist views. This is the real political culture of Thais.

Mr. Chuan unexpectedly led his party to victory in the election by taking a centrist position amidst the great confusion in May. He is a person who advocates waging a struggle based on the laws.

This officer said that many voters were tired of Maj. Gen. Chamlong's attempts to create conflicts between soldiers and civilians in order to increase his own prestige. The important thing is that Mr. Chuan has not shown any hatred for the military, which is still powerful.

Before the election, mid-echelon officers were afraid that the political parties would use their old tricks in attacking the military in an effort to win votes.

Another colonel said that the campaign waged by the Democrat Party resulted in it winning. This party was ready to compromise and did not try to take advantage of the situation. It avoided criticizing the military. He said that the Moral Force and New Aspiration parties were rejected by voters because of their extremist views. He said that he doesn't think that either Maj. Gen. Chamlong or Gen. Chawalit have any chance of becoming prime minister. Only the current political situation gives them a chance of winning the election. In the future, once the situation changes, they will not have such a chance again.

Several mid-echelon officers said that "the election results clearly show that the people are aware of our concerns and want to help solve the problems. We want to take this opportunity to thank the people."

The officers think that the prime minister will reach a compromise with the military and avoid interfering in the military reshuffle. They said that the government must protect the military from the sharp-tongued politicians, who were the cause of the coup on 23 February.

In February 1991, when the military staged a coup (National Peace Keeping Council), Class 5 officers seized power with the full support of mid-echelon officers. Their reason for doing that was that they wanted to maintain their honor.

"We felt that the military was being trampled on by dirty politicians. We wanted to defend our honor," said one battalion commander. All officers knew that staging a coup was risky. They knew that even if the coup succeeded, they would not receive any medals. But the military seized power that time, because the military, as an institution, was being trampled on. One battalion commander said that "our only thought was, if we don't do this, who will?"

A colonel said that "since the end of the Cold War, the role of the military has declined. The various dangers have declined, too. But a new problem is the natural overlapping of the military and politics. Actually, the military does not want to interfere in politics. But it's difficult to stipulate exactly what constitutes political activities in which the military should not interfere. In certain cases

having to do with military affairs, soldiers should have the right to express their views." He added that several universities have organized seminars. Why do people think that academics have the right to voice their opinions but soldiers don't? Aren't academics regular government officials just like soldiers? Or do they have special rights that others don't have?

Every group has its own interests that must be protected. The military is one of many interest groups in Thai society. Academics and laborers, for example, try to protect their own interests just like other countries. The people should view this as normal.

A colonel said that there are two forms of political unity on the part of the military, proper unity and improper unity (illegal interference using power—author). But even though that improper unity violates principles and people in the military may disagree with this, custom has prevented them from speaking out.

Interfering in politics by staging a coup is not the best way, because that ruins the nation's economy. Every time the military has seized power, problems have cropped up.

"No one knows how we feel when we have to participate in a coup," said one field-grade officer. While mid-echelon officers may not agree with staging a coup, they have always kept their feelings to themselves. He feels that making decisions carefully free of emotion is essential for those who want to keep the military out of politics.

The relationship between the military and political power should be looked for in the pages of history. The view that professional soldiers should stay out of politics completely is an outmoded idea that stems from the belief that if the two are kept separate, the military will not seize power.

But recently, this idea has changed. An attempt has been made to teach soldiers about politics so that officers will understand politics better.

It could be somewhat risky if the government decides to implement a policy of completely separating the military from politics. Because of this misunderstanding, if the military is affected by politics, it will be isolated and will not have the proper political understanding. What will happen if the country is ruled by dictators who don't have any political knowledge?

"Today, the views held by soldiers and civilians are very similar because most of us are middle-class Thais," said a major.

The development of these middle-class views stems from the fact that some officers have close ties to former student leaders. They frequently meet to exchange ideas. Some officers have earned their M.A. degree from a university. These officers have different and more progressive ideas than officers in the period prior to 14 October 1973. [passage omitted]

Mid-echelon officers said that the minister of defense should be someone with a good knowledge of military affairs. We shouldn't compare ourselves to the United States or Europe, because in those countries, civilian

politicians have a good knowledge of military affairs. This is because their educational systems are very broad. Things should be like that in Thailand.

"We don't oppose having a civilian serve as minister. But to form a strategic policy, the minister must have experience and knowledge of military affairs," said a colonel.

"The end of communist rule does not mean that the role of the military has come to an end. We still have a mission and must be prepared to fight. Vietnam may no longer be a short-term threat, but over the long term, once it has revived its economy, it could again pose a threat. An enemy never tells you when it plans to invade you. We cannot feel assured by the situation like civilians in general, because national security is our responsibility," said a colonel.

Now that the Cold War has ended, many military strategists think that even though there won't be a world war, wars will break out between countries that share a common border.

The rapid economic growth has given the military a new mission and new challenges. The role of the Thai military has changed since the collapse of the Communist Party of Thailand. Instead of fighting to defeat the communists, their new mission is to protect the nation's interests. We must have a modern and efficient military.

Taiwan's decision to buy a squadron of F-16 aircraft from the United States is a good example. In Thailand, this can be seen from the needs of the navy in defending our eastern seaboard. Most mid-echelon officers disagree with the idea of removing senior officers from the boards of the state enterprises. One colonel said that there should be at least one representative from the military on each of the state enterprise boards so that the strengths of the state enterprises can be mobilized in times of war. This mid-echelon officer warned that the demands for major changes in the state enterprises, such as the immediate replacement of the administrators, could lead to other problems such as disbanding Supreme Command, reducing the number of senators, and [changing the way that] provincial governors are elected.

The government should study the various issues very carefully using reason rather than emotion.

ECONOMIC

Tax Protocol With Vietnam; Pact With U.S. Pending

93SE0038B Bangkok NAO NA (LOK THURAKIT SUPPLEMENT) in Thai 26 Oct 92 p 9

[Excerpt] A source in the Revenue Department revealed that Thailand had reached a tax agreement with Vietnam, and the foreign ministries of both countries had signed it last week. This agreement was to function primarily through the use of tax credits - that is, if a Thai investor should invest in Vietnam or a Vietnamese investor should invest in Thailand, he would have to pay a tax on the business transaction, but he could ask for a tax credit from

his own country. As for transactions which took place because of encouragement by the BOI [Board of Investment], no tax would have to be paid when the transaction was made, and a tax credit could still be requested.

The discussions between Thailand and Vietnam to reach the agreement required only two meetings, and Vietnam agreed to almost all of Thailand's conditions so Thailand received many benefits. The agreement should encourage investment between the countries.

With regard to taxes on shipping between Thailand and Vietnam, previously Vietnam had wanted Thailand to exempt it from this tax altogether, but Thailand was able in discussions with Vietnam to keep half of the tax which Thailand collected from other countries which had no such agreement.

As for talks with the United States the problem at present did not rest with Thailand - the problem was that the United States was waiting for the law which included the 301 provision to pass the U.S. Congress. The details of the agreement were almost all set, but we had to wait to see if the United States would use the 301 measure to pressure Thailand. [passage omitted]

Bank of China Seeks To Open Branch in Country

93SE0038A Bangkok SIAM RAT in Thai 15 Oct 92 pp 7, 8

[Excerpt] [passage omitted] A source in the Bank of Thailand (ThPTh.) revealed that yesterday representatives from the Bank of China met with Mr. Wichit Suphinit, the Director of the Bank of Thailand, in order to request discussion about opening a branch in Thailand. An important factor was that Thailand would become a financial center (BIBF.) and its banks would have the opportunity to increase their business a great deal.

The Bank of China was considered to be the largest commercial bank in the PRC. It was a state bank which owned a world-wide trading group. In particular the trading group in Hong Kong had 13 branches and more than 100,000 employees. If the talks were successful and approval was granted to open the branch, it would be the first Chinese commercial bank to conduct business in Thailand. In any case the operations of the Bank of China in Thailand would be controlled by the central bank of China.

Mr. Prasong Uthaisaengchai, an assistant director of the Bank of Bangkok, said regarding this matter that it would be more beneficial than detrimental. If permission were granted by officials it would be the first step in allowing the many Thai commercial banks who so desired to open branches in that country. He felt it would be a mutual exchange of business. In particular the Bank of Bangkok received permission to open the first branch in Shantou on 7 November. After that it was to open two branches in Shanghai. With regard to foreign banks opening more branches here, he felt it would be a good development - although it would mean more competition, the benefits to the people would more than make up for it. [passage omitted]

Businesses in Burma, Bunchu Trithong Comments
93SE0033A Bangkok SIAM RAT SAPDA WICHAN
in Thai 25-31 Oct 92 pp 8-10

[Excerpts] [passage omitted] The policy of "changing the battlefield into a trading area" made Burma a "gold mine" for many Thai merchants, businessmen-politicians, and people with money. The situation had returned to the way it was. The enormous Thai profits in Burma were made by the following companies (the figures are from 1990):

The Thai Timber Businesses in Burma:

The Thiptharathong Company Ltd.

This was the first timber company to receive a logging concession from the Burmese Government. It made a contract for Marit District. General "Ch" was the important share-holder. The area of the concession was in Mergui District of Burma opposite Prachuap Khiri Khan Province and Ranong Province. The area of the concession was 100,000 acres. The concession was for three years and 1.7 million tons of wood. The company had to pay the Burmese Government U.S.\$100 for every ton of wood taken into Thailand. (The Thiptharathong Company operated in the border area in the Mae Sai District of Chiang Rai Province, the Mae Sot District of Tak Province, and the Ko Song District of Ranong Province. It engaged both in logging and black market activities and shared its profits with the Burmese Government at the rate of six to four.)

The Union Pha Company Ltd.

Its concession to engage in the timber trade expires in 1994. It made a contract in 1988 for the middle of "Phasong" District. It logged in "Kayah" state in an area of Karen Influence. The company was owned by Seri Tanchukiat. It employed local timber merchants as subcontractors, and the "son-in-law" of the head of a large political party was an important share-holder. It brought in lumber across the border at entry points in Khun Yuam District and Mae Sariang District in Mae Hong Son Province.

The Sirin Technology Company Ltd.

Originally "Bunchu Trithong," a timber businessman who had relations with many high-level people, was a major share-holder. It had an investment of more than 5 billion baht, more than 156,990 tons of teak and more than 2,198,000 tons of other wood. It logged in Kayah State in a Karen Area. The Thai Government allowed the timber to be brought across the border at Ban Mae Tan Village of Tha Song Yang District, Tak Province. The wood brought in each time was not less than 50,000 tons. Some shipments had to pass through Ban Huai Phong Village of Tha Song Yang District and Ban Phali Village of Mae Ramat District in Tak Province. The company and two subcontracting companies had to make initial installments of 150 million baht and later payments of 2.5 billion baht. Another entry point was at the Phoppkra outpost in Mae Sot District of Tak Province. The timber passed through a timber check-point at Ban Mae Village [in accord with] the agreement specifying the Burmese side. This was in the area of Mapale, Myawadi, Phasong.

The Silom Complex Company

The area for its concession was in [Mae Sai District of Chiang Rai Province opposite the Shan State of Burma]. A "son" of a former high officer was heavily involved. "Prathip Chirakit" was the owner. It brought out not less than 50,000 tons of logs each time. Its concession was for the period from 1989 to 1992, and it paid a fee to Burmese officials of U.S.\$100 to U.S.\$1,000 per ton. It made a contract for "Nongsa" District.

The Santi Lumber Company Ltd.

In general the area of its logging was in the South of Mese District in Kayah State. It brought out 50,000 tons of timber each time. It was close to the minorities, especially the Karen. There were timber inspection points in Khun Yuam District at Ban Pratu Muang Village and Ban Nai Soi Village and in the municipal district of Mae Hong Son Province. It belonged to "Santi Wayakonwichit" and had connections with former high-level officers. The Mae Moei Utsahakam Pa Mai Company of "Pho Liang Sa-at Piyawan" was its marketing affiliate. Its concession was larger than 100,000 acres. The concession followed the border next to Khun Yuam District and Mae Sariang District and also lay in the Salween River Valley near Mae Hong Son Province and Samlep District of Tak Province. Its contract was for five years.

The Sila International Company

This was owned by "Phichet Tancharoen." The shares were owned by the whole family. It was a timber business which operated on the Thai-Burmese border. It had many marketing affiliates and subcontractors such as the Winiwet Company, the Maesotphanakit Company, and the Muang Phama Company which were heavily involved in Phoppkra District, Tak Province and at Sop Moei in Mae Hong Son Province. It logged in "Kawil" District in Karen Territory.

The Winiwet Company Ltd.

It had a contract to log in the Shan State in the area of "Namsa-han" District. It was a subcontractor of the Sila International Company. Its contract was for two years.

The Thai Phong Sawmill Company Ltd.

It was one of five logging groups engaged in the timber business in Burma. It was owned by Sia Chun and "Che" along with many other share-holders. The area of its concession was in the Shan State in the area of "Mong Mu" District and "Malane." It used crossing points at Ban Sansai Village and Ban Phang-nga Village in Mae Sai District of Chiang Rai Province and Ban Wanglo Village in Chiang Saen District of Chiang Rai Province.

The Thai Teak Company Ltd.

It was associated with the Thai Phong Sawmill Company group. "Sia Chun," the director of the Bangkok City Bank, owned it. Its area of operation was next to Chiang Dao District of Chiang Mai Province. It was also associated with the Pathumthani Sawmill Company group. It had a crossing point at Ban "Thaton" Village in Mae Ai District, Chiang Mai Province.

The Thai Sawat Company Ltd.

It had a concession in the Shan State and operated in "Phangphakhayin" District.

The Forest Industry Organization

It had a two year contract for 54,000 cubic meters of wood. Its area of operation in general was opposite Prachuap Khiri Khan Province. It divided the fees it paid to Burma as follows: for grade A it paid U.S.\$180 per ton, for grade B it paid U.S.\$75 per ton, and for grade C it paid U.S.\$60 per ton. It had paid a total of \$50,000.

The Thai Sawat Import-Export Company

It had a crossing point in the area of Ban Arunothai Village in Chiang Dao District of Chiang Mai Province. Its concession was in the Shan State and was for 30,000 tons. Timber in this area was very expensive; it had to pay U.S.\$500 per ton. The profits from this area were not less than U.S.\$15 million.

The Plywood Company Ltd.

This was a Thai Government enterprise. It had a concession to log in the South of Burma.

The Thonkit Timber Company Ltd.

Its concession was in the area of "Ho-un" in Chiang Tung. It renewed its contract for one to two years at a time.

The Suwanni Industrial Company Ltd.

It had a logging concession in "Kham Muang The." Its contract was for two years.

The Sidenchai Suphanburi Company

Its major shareholders were "Prasit Phothasuthon" and Praphat Phothasuthon.

The Southwest Imax Company Ltd.

It engaged in logging together with 14 other affiliated Thai companies under a three year contract. The area of its concession in general was opposite Ranong Province. It cut about 25,000 tons per year and paid fees to Burma of U.S.\$80 per ton.

The Salawin Company Ltd.

It logged in "Klongmathe" District. Its concession was for two years.

The Ranong Victoria Point Company Ltd.

It logged in "Huai Khon" District. Its contract was for two years.

The PIO Thailand Company

It had a concession to log in Burma.

The Phibun Watthana Company

It logged in Burma opposite Chumphon Province, Thailand.

The Phanachai Saw Mill Company

It logged in Kayah State. It was allowed two years in the area next to Khun Yuam District of Mae Hong Son Province.

The Pathum Thani Saw Mill Ltd.

It made a contract in 1989 for Wan Phayak District in Kayah State and for the upper part of Hasong District and Phayathomu District in the Shan State. These were Karen areas. It processed timber on the opposite side in Thailand at Ban Soi Lang Village in the municipal district of Mae Hong Son Province. Its contract was to expire in 1994. In addition it was involved in other areas such as in Chiang Dao District of Chiang Mai Province, Mae Sot District of Tak Province, and Sangkhlaburi District of Kanchanaburi Province.

The Pathumthani-Tangkakanot Company

It logged in "Phrayathonsu" District of Kayin State. It was owned by Mr. Bunkiat Tangkhakanot. It consisted of a group of large saw mills attached to the first of the five logging groups. It included an important person, "Nam Thipchang," as a large shareholder. It has logged 50,000 tons in Karen territory.

The Mi [B] and F Company

It was engaged in logging. It had a contract for Loiathat District in the Shan State which was signed on 15 June 1989. Each contract was for two years.

The Chaithanakanot Company Ltd.

It was engaged in logging. It signed a two year contract on 5 June 1989 and started work on 1 October 1989. It logged in Kayah District and Khuchuang.

The Chaophraya-Irrawaddi Company Ltd.

It signed a contract for the "Luang Pho Yai" District. It was owned by "Sombat Phanitchiwa" of the Thai-Asahi group. It had connections with Burmese Government officials and high-level uniformed officials in Thailand. It logged the stretch from Kanchanaburi Province to Prachuap Khiri Khan Province and Ranong Province.

The Chok Panya Company Ltd.

It engaged in logging. It made a contract for Khlongkathung District which began on 1 October 1989. The contracts were for two years.

The Chumlin International Company

It has logged in Thayoengthoeng District since 1 June 1989. Its contracts were for two years.

The Forest Industry Organization

It logged in the area of the Wang Pao Inspection Station at Ban Hupprung Village in Huaithong Subdistrict, the Chunnun Inspection Station at Palako in O-noi Subdistrict, and the Singkhom Inspection Station in Prachuap Khiri Khan Province. It made a contract for "Miaoduang" District signed in May 1989 which began in June 1989 to cut timber in the South of Burma.

The Mae Moei Forest Industry Company Ltd.

It had a concession for the area opposite Ban Maesal-ituang Village in Thasongyang District of Tak Province. Mr Sa-at Piyawan was its owner.

The Mae Moei Thamchinmai Company Ltd.

It was in the form of a stock company owned by "Santi Wayaphonwichit" and "Sa-at Piyawan." It operated in the Salween River Valley and Mae Hong Son.

The Khun Thong Sawmill Company Ltd.

It was known under the name of the "Thengsong" group. It processed wood. "Udomsak Thangthong" was the owner. It made a contract in 1989.

The Mae Sot Lumber Company Ltd.

This was a company which engaged in logging with a free Karen group. It was very profitable. It made a contract in 1989 for the Khlonthong area. The contract specified that the logging be done in the upper part of Yinsiang District.

The Memoeri Forest Industry Company

It had a contract to log in the Kayah State and Kayin State. The contract was for three years beginning on 15 November 1989. There were restrictions on the contract for Kayin State.

The Burma Company Ltd.

It engaged in the timber business in the free Karen State. It took 50,000 tons. Its area of operation was opposite Phoppfra District and Mae Sot District in Tak Province.

Other Integrated Businesses

In addition to their involvement with the many lumber companies, Thai businessmen and politicians have also engaged in many other activities in Burma. For example the Thiptharathong Company was involved in integrated business activities which included hotels, fishing, stores in Rangoon, diamonds, gems, jade, furniture, wood products, frozen food, canned food, cold storage, automobile parts, electrical equipment, construction materials, and factories for liquor, beer and tobacco etc. A group of Thai big-businessmen was engaged in business related to fishing such as cold storage and canning etc.

The Suk Chok Fisheries Company Ltd. engaged in fishing. It had registered investment of more than 25 million baht. The Thai Government invested jointly to produce hydro-electric power on the river banks opposite Chiang Rai Province and Ranong Province and has also invested in fishing.

The Thai Soldiers' Bank Ltd. has opened a branch in Rangoon, and the Mining Industry Council of Thailand conducted a survey of at least 900 mines which mined for tin, wolframite, lead, zinc and antimony. In addition there was business in precious stones such as diamonds, gems and jade etc.

There were also other important activities such as tourism, commercial airlines, a gambling casino in the area of "Sopruak" on an island larger than 3,000 rai [a rai equals 0.4 of an acre] with more than 600 rai of golf links, boats and resorts and accommodations on more than 100 rai. There were also complete mining operations engaged in by companies such as the Phadaeng Industries Company,

Sithran Mining, the Fairmont Company, Satret and Mining etc. [passage omitted]

"I am a timber merchant" - the confession in the Assembly of the right hand of Big Chiu, "Bunchu Trithong."

After the royal decree making me a minister, I left "Sirin Technology Ltd." immediately. Therefore I am not involved in any way with this company.

With regard to the charges that I gave money to the Burmese military and the Karen in the course of the timber trade, I would like to point out that there have been no less than 57 companies which have engaged in the timber trade with Burma between 1988 and the present. It was not just my company. Sirin Technology Ltd. was the fifth company to bid on the logging in Burma. I talked with the Burmese about the location of the logging concession which was in an area of minority influence and asked whether the Burmese Government would provide protection for the company. The Burmese Government at that time (1988) indicated that it was not able to provide protection. This being the case I not only had to pay Burmese officials more than 4 million baht in fees but since they could not go to the area of the company's concession, 39 of them had to come to Thailand where I had to pay various expenses for them such as rent for housing and special allowances etc., for three years. And so I had to carry these expenses in the company's balance sheet. And when subcontractors cut timber in Burma, there were also expenses such as for protection paid to the minorities....

While we had to pay minority groups for protection because they considered themselves to be a government which had the right to demand various administrative fees, these groups provided us with receipts when they were paid and so I was able to report these to the Revenue Department without reservation as operating expenses.

It caused me concern that my paying money both to Burma and the Karen would cause a misunderstanding. I would like to explain that I reached an understanding with Burmese officials and so I was able to show my balance sheet to the Revenue Department without reservation. As for the circumstances whereby the balance sheet of the Sirin Technology Company showed a loss while I had a great deal of money to spend, I would like to explain that inasmuch as the concessions which the company obtained from Burma were for a short period of three to five years, the company had to rush to cut timber to be stockpiled. Therefore the deficit shown on the balance sheet was only on paper because I had to spend money to acquire the stocks of wood. Now I have a stock of 100,000 logs. If I were to sell this stock, I would receive a great deal of money. Therefore the losses were on paper. The money which I spent was my personal money not company money.

People such as Bunchu Trithong made a honest living which they could reveal with pride. They had no blemishes unlike the former government which was overthrown and whose members requested receipts after they were accused of corruption. I was engaged in business with the Karen who were wild men, but they were able to provide receipts

for me. Therefore I insist that I am a timber merchant who conducted his business with pride.

Military Bank To Open Ho Chi Minh City Branch

93SE0036A Bangkok BANGKOK POST (BUSINESS POST) in English 30 Oct 92 p 17

[Excerpt] The State Bank of Vietnam has granted a "licence in principle" for the Thai Military Bank (TMB) to operate a branch in Ho Chi Minh City.

A team of TMB executives from Bangkok, led by managing director Anuchart Chairapha, will call on State Bank governor Cao Sy Kiem at its headquarters in Hanoi to receive the licence tomorrow.

According to director Nguyen Cong Hai of the State Bank's foreign department, the TMB will then have to submit a plan detailing the set-up and personnel to qualify for a licence to operate. The process can be completed within a very short time, he said. [passage omitted]

Company Establishes Cayman Islands Office

93SE0036B Bangkok BANGKOK POST (BUSINESS POST) in English 20 Oct 92 p 26

[Text] Bangkok Land Co will establish Bangkok Land [B-Land] (Cayman Islands) Co to handle the issue of exchangeable notes worth 50 million Swiss francs (about 925 million baht) to provide capital for the expansion.

B-Land has told the Stock Exchange of Thailand of the plans. But the SET [Securities Exchange of Thailand], while awaiting further details, has placed an NP (notice pending) sign on the stock.

B-Land says it has no policy to list the exchangeable notes on any stock market. Bangkok Land (Cayman Islands) will handle only the issue of the notes.

The company's directors are Anant Karnjanapass, Sakorn Karnjanapass and Mrs Uboonwan Rongjalearnkitkul.

The potential major shareholders are expected to include Yee Hing Co, with an agreement expected in a month.

The notes will be sold totally to the Swiss with B-Land acting as the guarantor of the principal and interest.

Bangkok Land (Cayman Islands) will be quickly set up with a registered capital of US\$10,000 and B-Land will hold 100 per cent of the shares initially.

The company will issue five-year exchangeable notes with an interest yield of 4.5 per cent per year. These notes can be converted to common stock of B-LAND. The price is determined by using the average market price of B-LAND common stocks over 15 days.

The trustee for the exchangeable notes in Switzerland is DG (Switzerland) Ltd, a bank.

DG will also be the lead financial adviser. The trustee in Thailand is Bangkok Bank Ltd which will take care of all stocks transferred to the holder of the exchangeable notes.

All the money from the sale of the notes will, after deduction of all expenses for B-LAND, be lent out by Bangkok Land (Cayman Islands).

Bunchu Trithong's Sirin Technology Company Described

93SE0034A Bangkok MATICHON in Thai 23 Oct 92 pp 1, 20

[Text] For Bunchu Trithong the words "Sirin" and "Sirin Technology" have great meaning.

Because "Sirin," the first word, is the name of his only daughter.

"Sirin Technology" is the name of the company which helped make "Bunchu Trithong" a multimillionaire.

Today the name "Sirin Technology" has additional meaning for him. It was the big issue which the opposition parties made a great deal of noise about when he became a minister for the first time.

It is certain that this must hurt him more than he has ever been hurt before.

"Bunchu Trithong" began work as a teacher in a private school after he had completed his studies to become a teacher of physics at Prasanmit.

His hands were dirty with chalk for more than a year. Then the United Nations advertised for people who had completed their studies in physics. They were to be trained as experts in telecommunications. "Bunchu Trithong" gave up teaching and applied for this training.

After four years of training, his knowledge of physics and telecommunications was equivalent to that of an engineer. Then he was made an official in the ITU. (International Telecommunication Union), which was a unit of the United Nations.

Then the ITU was transferred to the telephone organization. Mr Bunchu transferred to become an official of the telephone organization also.

However since the salary for his position was small and there was no advancement, he looked for something else. Initially he received "jobs" as a communications expert from many private companies.

Then in 1978 he felt that he had enough experience to go out and compete in this business on his own. So he borrowed 1 million baht from "Metta Uthokphan" of Omrinkanphim to set up a company to distribute telecommunications equipment.

He named the company "Sirin Technology" after his only daughter.

The initial arrangement for the company was difficult because he had to rent office space in the Manarut Hotel from a friend.

This unhappy atmosphere caused female employees to leave in droves. The only ones left were Bunchu and two to three friends who were patient while business got worse.

The "Sirin Technology" Company had to struggle to save itself. The first thing they did was to move from the Manarut Hotel and expand into contracting to repair telecommunications equipment. This was enough to support them.

Then Mr. Bunchu was lucky. He found some telecommunications equipment which was of high quality and efficiency but which was expensive and hard to sell. Then he had an idea. Why not have the government, which owned the equipment, help out by providing 75 percent of the money as assistance in purchasing the equipment. The assistance would be provided to Thai Government units. Then the government or the government units would pay the other 25 percent and would get good quality equipment.

This idea worked well. The Thai Government was happy because it could buy good equipment at low cost. And this allowed "Sirin Technology" to sell a large quantity of equipment for the first time - it was worth 40 million baht!

The first government unit to be a customer of "Sirin Technology" was the "Thai military." Subsequently the "Thai military" became a big customer of his, and they developed close ties.

The initial 40 million baht project went on to become a 100 million baht project, a billion baht project and gradually more and more.

"Bunchu Trithong" became the god-father for projects involving communications equipment sales to the military in just a few years.

The business with the military brought him close to many high-level officers including General Chawalit Yongchaiyut, who was a signals officer.

As he became close to the military his situation improved quickly from that of one who just barely got by to wealth and then to being a multimillionaire by the time he was just over 40.

In 1988 because of "inside" information received because he was close to the military, especially the military under General Chawalit Yongchaiyut, or by some other means, the Sirin Technology Company became one of the five companies which were first able to engage in the lumber business with Burma.

Although this business was extremely profitable, nevertheless he had to admit it was a problem. Company officials were killed, and there was always extortion involved. This made him think about quitting this "hot" business.

In addition at that time he was invited by General Chawalit Yongchaiyut to enter politics, and this made him decide to get out of the business quickly.

In any case there were rumors that in the few years that the "Sirin Technology" Company engaged in the lumber business in Burma, it reaped enormous profits.

This coincides with his statement to the Assembly during a policy announcement that the Sirin Technology Company had 100,000 logs of Burmese lumber in stock, which would be worth many billion baht.

The enormous profits and the problems of the lumber business with Burma became an issue and a question which he was asked about and pressed for answers about constantly.

In addition when he entered politics, his business in Burmese lumber became an issue for which he received broad criticism.

Even though he insisted firmly that he had quit that business and was not involved with the "Sirin Technology" Company any more, this did not help end the questions at all.

Moreover on the day of his policy announcement "the business in Burmese lumber" became a weapon with which the opposition parties attacked him relentlessly. Even though he stood up to respond in a dignified manner, the waves in the sea of logs caused by the opposition parties dashed against him until he yielded.

So he became the first minister in the government of "Chuan Likphai" to hit the "jackpot"!!!

Commerce Reports Foreign Patent Registration

93SE0038C Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 23 Oct 92 p 9

[Text] Mr. Phiphat Intharasap, the director of the Department of Intellectual Property, said that he had written a letter to Mr. Uthai Phimchaichon, the minister of Commerce, recently concerning the appointment of a patent committee for medicine. It was expected that now that the government had announced its policy, it would be able to issue orders in this regard.

The appointment of a patent committee for medicine would require a period of time for the consideration of the choices for membership. Those who would be members would need to know how to control medicine prices and encourage the development of Thai medicines in the future. It was expected that the committee would have to be drawn from units involved in this area such as the Intellectual Properties Institute, the Thai Chamber of Commerce and the Industrial Institute of Thailand (SOTh.)

The patent law for medicine specified that the patent committee for medicine include the following positions: an Undersecretary of Commerce would serve as chairman, the director of the Department of Internal Trade would serve as secretary, and the director of the Department of Intellectual Property and the secretary of the Office of the Committee for Consumer Protection would be members. There would a total of twelve members. The cabinet would appoint the members for a period of two years.

Mr. Phiphat said that there had been a total of 5,000 patent registration requests for product designs. About 40 percent of these were Thai, the rest were foreign and came

from the European Economic Community, the United States and Japan. Of these 2,000 requests had been granted already, of which about 700 were to Thai people. The rest were to foreigners. There had been 12,000 requests for registration of patents for inventions. Most were foreign, and most had been granted. Of these 690 requests had been made by Thai people or about 6 percent of the total.

According to the law, copyrights were to be protected immediately with no need for registration. But department officials arranged for six branches of various copyright institutes to pass on any wishes of copyright holders to the department. So far no copyright holders have reported any wishes to the department.

Economic Advisory Team Profiled

*93SE0022A Bangkok KHAO PHISIT
in Thai 25 Sep 92-1 Oct 92 pp 23, 24*

[Excerpt] [passage omitted] **Bunchu Rotchanasathian, an Old Figure**

This able businessman-politician was born on 20 January 1921 in Chonburi. He is married to Renu Paphatrathon. They have two children. He earned a higher diploma equivalent to a master's degree from the Faculty of Business and Accounting, Thammasat University. He began his career with Bangkok Bank, rising to the position of managing director of the bank. That can be considered to be one of the high points in his life. He was a financial backer and one of the founders of the Social Action Party. In 1975 he ran for parliament in Chonburi Province and was appointed minister of finance. In 1980, he became deputy prime minister. He resigned during the Prem 2 government.

He is now a Moral Force Party MP [member of parliament] from Zone 2, Nakhon Sawan Province, and an adviser to this party. Without having to consult an astrologer, people in general think that he could serve in any economic ministry, because he looks at economic matters as a whole. Or he could serve as the deputy prime minister for economic affairs. Besides this, he attaches importance to increasing our domestic economic power, such as increasing our domestic purchasing power and expanding our domestic markets. And the thing that he is very concerned about is income distribution and rural development. These are the areas in which he is very skilled.

But the thing that remains a problem for Bunchu is that he still does things as if he were in the private sector. Because of this, he has not been able to adjust to the flow of things even though he has worked in many fields. A person familiar with this said that Bunchu still has a problem in changing his work style from one of putting himself above others, with everyone having to listen to what he says, to one in which there is both give and take.

Dr. Amnuai Wirawan, a Planner

This well-known banker was born in 1933. He is married to Somsri Bunnak. They have three children. He earned his bachelor's degree from the Faculty of Commerce, Chulalongkorn University. He then earned a master's degree in

business administration (with honors) and economics and a Ph.D. in business administration from the University of Michigan in the United States. He began his career with the Ministry of National Development and served as the director of the Office of Research and Planning for five years. After that, he served as the director-general of the Customs Department and under secretary of finance. Following that, he turned his back on government service and became a banker. He served as the chairman of the board of Bangkok Bank. Most recently, he has served as the chairman of the National Economic and Social Development Board, whose duty is to draft the Seventh National Development Plan.

It hasn't been disclosed if Amnuai Wirawan will be appointed to a position in this administration. But what is known is that he would be appointed as part of the quota allotted to the New Aspiration Party, because he has long been very close to the leader of that party. In addition, because of his personal abilities, it is thought that he might be appointed a minister in this administration.

This banker is an expert in international trade. He attaches great importance to international economic growth, such as exports. If he is appointed to a position in the Ministry of Foreign Affairs or the Ministry of Commerce, he could handle that, because he has long been involved in such matters. But even if there is no ministerial portfolio open for him, it is thought that he will still play an important role on the Chuan administration's "economic board," because Gen. Chawalit Yongchaiyut, his close friend, has joined the government.

But because Amnuai was not elected, if he is appointed as part of a political party's quota, it will be difficult for the government parties, people, and regular government officials to accept his orders. When managing things in the private business sector, he can give orders to anyone he wants. But if he has to do things in accord with political methods, he will have to try and please all factions and compromise so that everyone can agree. This is similar to the problem that Bunchu has faced.

Sawit Phothiwihot, Master Plan

Sawit, who is 47 years old, worked in the public sector for 19 years. He grew tired of that and joined the Democrat Party in Zone 4, Bangkok. He earned a Ph.D. in systems analysis and decisionmaking processes from Harvard in the United States. This young man did not come as part of anyone's quota but as an elected MP. He is one person who may be appointed to an economic position in the new administration, because his party's leader is the prime minister. Besides this, he helped Tharin Nimmanmoen to be appointed to an economic position as part of the quota of the Democrat Party. They became acquainted as fellow members of the "BMS" group.

Dr. Sawit is an expert in regional development planning. He attaches greater importance to the overall economic picture than to the minor details of each issue. He tends to look at things from a wide angle. That is, he is not all that knowledgeable about the minor details of a specific issue such as this or that commodity or this or that tax. Rather,

he likes to look at the overall picture just like Bunchu Rotchanasathian. He shouldn't have any problem getting along with the politicians or pro-government parties, because he is a full-fledged politician himself who has changed his style from when he was a regular government official.

Tharin Nimmanmoen, Front-runner

This young banker is so mild-mannered that his friends have nicknamed him "babu." He really is a banker, but he earned a B.A. degree in political science before earning an M.A. degree in management. After returning home, he went to work for City Bank and then moved to the Thai Commerce Bank, where he held the position of credit manager. After just 10 years, he became the managing director. What earned him his reputation is that the Thai Commerce Bank was the first bank in Thailand to implement an ATM system for withdrawals and deposits and allow customers to pay their public utility bills and loans using ATM machines.

What made him very happy was that he was asked to serve as a monetary adviser to the government of General Chatchai Chunhawan. But before he had a chance to show what he could do, that government collapsed. Besides this, he was asked to serve as a senator during the time of the Suchinda Khraprayun government. He also served on the National Legislative Council during the time of the National Peace-Keeping Council. During the terrible events of May and afterwards, he was a prime mover in having three association issue a joint statement, which led to the formation of the BMS group. Tharin was one of those who played an important role in this group, but he stayed in the background. There have been rumors that he has been approached by the Democrat Party about serving as minister of finance. He is considered to be the "front-runner."

Tharin attaches great importance to economic growth in terms of markets, investment, and international trade. He is more interested in major economic matters than in minor details. But a great problem for a professional manager such as Tharin is adjusting to the political parties, because those who come from the private sector often can't do things as quickly as they could when they were in complete charge of things. The dream, however, will probably come true after being approached by several administrations about serving as a minister.

Suphachai Phanitchaphak, a Dark Horse

If this man is appointed, he will be appointed as part of the Democrat Party's quota, because he ran for parliament in the name of this party several years ago. He became well known, and there is a chance that he could be appointed to a position in this administration. Brilliant in his studies, Suphachai passed the test to study medicine when he was only 15, but he had to leave school for personal reasons. After that, he was awarded a Bank of Thailand grant to study economics. After more than 10 years, he earned his Ph.D. He then went to work to repay the Bank of Thailand.

Because of his interest in social and political affairs, in 1986 he gave up his promising career with the Bank of

Thailand to run for parliament in the Bang Kapi Zone as a member of the Democrat Party. He was appointed deputy minister of finance. When parliament was dissolved in 1988, he again ran for parliament, but this time he was defeated. After that, Anut Atsawanon asked him to serve on the advisory board. He was appointed to his highest position during the period that General Suchinda Khraprayun served the Army Commander in Chief and supported him for the position of managing director of the Thai Military Bank. There were rumors that he had been appointed minister of finance in the Suchinda government since "Kai Ho." But the situation changed and so he had to "wait."

Dr. Suphachai attaches importance to the development of our human resources and domestic potential, and he is concerned about income distribution. His viewpoint is similar to that of Bunchu, that is, he likes to look at the overall economic picture. Even though he is a banker, he is not an expert in international trading or investment. Tharin has more experience than he does in those fields. Thus, most people think that Tharin is more suited to the position of minister of finance. As for adjusting work methods in order to get along with the pro-government parties, all of those who are not MPs are similar in nature. But Suphachai may have an advantage in that he once served as deputy minister of finance. [passage omitted]

SOCIAL

Exiled Dissident on Military, Monarchy

*93SE0024A Bangkok KHAO PHISET in Thai
25 Sep 92-1 Oct 92 pp 14-19*

[Interview with Sulak Siwarak by KHAO PHISET in Sweden last August]

[Excerpts] This lengthy interview was conducted in Sweden last August while Sulak Siwarak, an important thinker in Thai society, was traveling there. This was an interview that he was "determined" to give and so it reflects his "qualities." This is the first time in more than a year that Sulak has voiced criticisms of Thai society in depth. He has been like a "man without a country" because of his attacks on the National Peace Keeping Council in August 1991 at Thammasat University. KHAO PHISET received this interview at the end of last week and decided to publish almost the entire text. Only certain sections had to be removed, because even the person who conducted the interview said that "if such statements were printed, they would file charges against me, too."

[KHAO PHISET] Today, most Thais feel that the situation in Thailand has improved, particularly now that the Anan government has removed those military officers who were responsible for the killings in May. Do you think that Thailand's political structure will really be free from military influence during the next four-five years?

[Sulak] In the short term, that will be difficult, because the military, particularly the Army, has been a state within a state for a long time. That has been the situation since at least 1947, or 1951 when the Army defeated the Navy

during the Manhattan rebellion. The height of military interference in political and economic affairs was during the time of Field Marshal Sarit. Since then, it has gradually declined. We have to understand this first. During the events of 14 October 1973, students thought that they had won. But actually, they had not defeated the military but only three despots. In the end, the military returned to power again in 1976. I think students then realized that they had not won. The people must realize that they haven't yet won. There is still the possibility of another 6 October. It may be more difficult than in 1976, but people shouldn't think that it can't happen. Just because certain members of Class 5 have been dismissed doesn't mean that they have lost all their power. Suchinda is still in Thailand. On his birthday, he held a large party, and on the queen's birthday, he went and signed his name on the list of well-wishers. He wants people to think that he is loyal. And recently, he verbally attacked Chai-anan Samutwanit and his colleagues. He certainly wouldn't do such things if he didn't think that he still had a power base supporting him. In 1973, Thanom and Praphat fled abroad, but it wasn't very long before they returned. Thanom became a monk to protect himself. Thus, I don't think that we can become careless, even with respect to those who were dismissed. But one good sign is that there are many good soldiers. In particular, the present minister of defense and Army and Air Force commanders in chief are known to be honest people. But honesty alone is not enough. You have to look and see if they have enough power and if they have a broad enough viewpoint to prevent the military from again becoming a state within a state. Not being a state within a state means that the military must realize that its only duty is to defend the country. Soldiers must stay in their barracks and live quietly. Some military elements do not live a tranquil life. They feel that playing golf is a part of life and that immersing themselves in sexual pleasures is an important part of life. Giving up such things is not easy. Moreover, politicians and businessmen must change, too. Given the structure of the state today, soldiers form a state within a state, and civilian officials are ready to side with the military. Politicians are ready to go along with the military. If the people realize this, they should look for ways to get along with the good soldiers and associate more with businessmen.

The important thing for Thailand today is to reduce greed. That is not easy, because Thailand is now more open than in the past. We believe that neighboring countries are enemies. Burma has a Burmese-style socialism. That is a right-wing type socialism. Indochina has a left-wing type socialism. We consider our society to be a liberal society that associates with the other ASEAN countries. We think that the ASEAN countries will always stand by our side. Burma is now beginning to open up the country after being closed for a long time. We think that they are dumber than us. We have tried to take advantage of things. Now that the socialist Indochina countries are opening up, we consider them to be dumber than us. We have tried to take advantage of this. This is a serious mistake. It's time that the Thai people took a close look at themselves. To use a religious term, we must become more introspective.

Because today, all we think about is how to make money and gain power. I think that soldiers learned a lesson from what happened in May. They should take a close look at themselves. If they do, they will see that soldiers are people who have an honorable profession. They serve the nation, religion, and monarchy just like civilians. If they see that, Thailand will have a good chance of being a democratic country, because democracy does not mean simply having elections. Election day, that is, 13 September, did not simply mean that Chatchai, Chuan, Chamlong, or Chawalit would become prime minister. That is just the form, and with respect to democracy, form is not that important. What is important is the substance. The substance of democracy is that the military must stick to its role of defending the country. If soldiers accept that role, they will have honor. But this role almost means that the military must purchase fewer weapons. The defense ministry's budget must be reduced. The secret government fund must be reduced or done away with completely. Or if there is such a fund, there must be accountability. If there isn't accountability this year, there must be next year. [passage omitted]

[KHAO PHISSET] Is there any way to ensure that the military plays such a role? Will the parliamentary system help? Or is there some way that we can compel the military to make concrete changes from within? [passage omitted]

[Sulak] We should make changes. The military should not be there just to defend the country. It should be there to enhance the prestige of the country and to play a role in developing the country. If the military understands this, the question that must be asked is, Is it necessary to have a military draft? Or should we have a volunteer Army? We could then develop those people so that they see the importance of being patriotic. This is what we should do. During the two years that they are in the military, they must be trained so that they will have a vocation once they leave the military. In the past, the "kalahom" [defense] controlled the north while the "mahatthai" [interior] controlled the south. Later on, changes were made and the "kalahom" was turned into a ministry with departments and divisions that prepared people to love and serve the country. How can the role of the Territorial Defense Corps be changed so that people love the country? And being patriotic does not mean showing respect to the country just at 0800 hours and 1800 hours. This does not refer to the form or to being compelled to love the country. Real patriotism means giving them a correct understanding of the country's foundations. The curriculum of the Chulachomklao Royal Military Academy should be changed, too, so that cadets don't think that they are studying to become prime minister. Instead, once they complete their studies, they will serve as honest and loyal soldiers who are part of the larger community. Most soldiers come from poor families. Thus, they should think of what they can do to help the poor. They should live simple lives and provide a foundation for religion. That is, they should not live a life of luxury, have dealings with businessmen, or be conceited or proud. If we can make these changes, there will be hope. That would be an important example for the world. That would be an example of a peaceful movement in the

ASEAN region. In particular, on the development front, the military could help train people to help develop the country. But development does not mean building more roads and dams. That time is past. Development refers to reducing the gap between the rich and the poor. [passage omitted]

[KHAO PHISSET] Is there any country in the world that has really changed the role of the military in development instead of just referring to development? [passage omitted]

[Sulak] Thais have been clever enough to maintain their independence. This is because we have always managed to change faster than others. If soldiers learn the lessons of May and really ponder those lessons, the military may undergo a real change. Thai soldiers might lead the way for ASEAN. They might even lead the world. Let me give you an example. Even though Singapore is wealthy, does anyone realize what Singapore has lost? Singapore has one of the largest Air Forces in Asia. That is a waste. Singapore still thinks that it will be attached by Indonesia. That is an outdated idea.

If we change our ideas like this, the Ministry of Defense and the Ministry of Foreign Affairs will have to work together in defending the country. The military will use diplomatic principles. There will be trade talks, diplomatic negotiations, and defense talks. If the military is smart, we will have a capable defense minister, Army commander, and Air Force commander. And their subordinates will have a chance to show their talents. In the past, we have not given people a chance, because No. 1 has dominated No. 2 and No. 3 and formulated plans in such a way that gives power only to those who side with him. They have formulated plans to make money and establish companies. That is nonsensical. But if changes are made, the military will have prestige and a good reputation. It will be pure. Most soldiers want that. And soldiers and civilians will form a whole. They will respect each other and be united. [passage omitted]

[KHAO PHISSET] What you have said about the monarchy in Thailand's political situation is very interesting. People now have a negative image of the military. And people think that politicians are interested only in gaining power. People do not yet have much respect for parliament. They feel that the only institution on which they can rely is the monarchy. The king has a difficult position in the political structure, because the monarchy could be drawn in and used as a tool. For example, people talk about a glass assembly or parliament that issues decrees for the king's consent. In such a situation, what do you think the position of the monarchy should be so that the power of the monarchy is not affected?

[Sulak] First of all, you have to understand that by nature, humans are weak and hesitant. They need something on which they can rely. During periods of injustice, they must look for something to justify things. This is something that people must understand. The monarchy is certainly a lofty institution that has long had great prestige. It has existed for 700-800 years and gone hand in hand with Thai society. I am talking about the institution, not the king. I

think that it is necessary for us to have this institution. It has the same prestige as the Buddhist order, which has existed since the time of the Buddha. This, too, is an institution with great prestige. We must distinguish between monks and the Buddhist order. Buddhism, as an institution, must be preserved. People must understand this point. That is, we must distinguish between the king and the monarchy. Today, the monarchy is coupled with the Buddhist order. These are prestigious institutions that are coupled with the nation. The nation is a splendid thing, because this is our nation. But within the Thai nation, there are both good and bad people. There is nothing inherently good about the nation. But as institutions and representatives of the country, nation, religion, and monarchy must be praised. We must understand these three institutions. If we don't, things will become confused. Unfortunately, there are many people who don't understand these institutions. When they talk about the nation or monarchy, they think of the flag. Or when they talk about the Buddhist order, they think about temples and Buddhist images. All of these things are just outward expressions. There must be a clear understanding.

Let me return to the monarchy. As an example, take Field Marshal Sarit, who seized power. He did not have any legitimacy and so he used the monarchy to give himself legitimacy. But he was a fraud, even though he did things in the name of loyalty. That is the danger. There have been many dishonest soldiers who have claimed to be loyal just as there are many people who do not believe in Buddhism but who wear images. But they are not at all religious. They just wear things in order to make themselves attractive to women or hang pictures of the queen in order to gain power. That is wrong. Similarly, many people are wrong when it comes to the monarchy. They think that the king belongs to them alone. In some cases, people who want to give suitable suggestions concerning the monarchy are accused of being disloyal. I understand, but I have to play this role for the state. I want to preserve the monarchy. But there is no way for this institution to avoid being used just like Buddhist images and the Buddha are used. Sometimes, people make vows to him. They make vows to the Emerald Buddha. But they are not really making an offering to him. That is not his fault. And in one respect, we have to sympathize with those who make such vows. They don't have anything else on which to rely. This is the point on which we have criticized Chai-anan. Those academics believe that he is someone on whom they can rely. They feel that because others have tried to use him, why can't they rely on his prestige?

When talking about the monarchy, we must also talk about the king. He is a man just like us. He has good qualities and is knowledgeable about certain things. For other things, he has to rely on those around him. The Privy Council has to help him, and he has other groups to help him. I understand. Regarding certain matters, Chai-anan would like to say this. In today's complex situation, it is difficult for the monarchy to play a role, because this person wants this and that person wants that. Thus, the best way is for the monarchy to remain above the conflicts. Saying that the monarchy should remain above the conflicts probably

displeases many people, because they don't think that that is the case. King Rama VII was the last king to reign in a time of absolute monarchy. When he was still king, he said that people should be allowed to criticize the king. Because if what is said is reasonable, people will listen and follow them. They should not be looked down on. But if what they say is unreasonable, people will forget what they say. What he had to say was very important.

People lack something on which they can rely, and so they look for a psychological support. They look to monks. If the monks can't satisfy them, they turn to black magic. But today, many monks dabble in black magic. People have grandfathers who are monks. Things are very confused. What they do pleases some people and displeases others. That's natural. This is a psychological support. As for social and political supports, there is nothing else. And if there were, it probably wouldn't be adequate. The military isn't an adequate support. Neither is the bureaucracy. People rely on the monarchy for support. We have to sympathize with them for doing that. But it must be understood that the best thing on which you can rely is yourself. As for how to rely on ourselves as much as possible, the private development organizations must turn to the people more. We must work together at the primary level. As for the monarchy, the king should be a symbol and rallying point. He should not be pulled this or that way. He should be a rallying point that is above things. He should be above politics. He should be above the conflicts and other such things. As for solving the problems, people shouldn't think that the king is Indra, Siva, or Rama or an incarnation of Rama that can do anything. That is wrong. If he remains above things, people must pay respect, and he will be a symbol as the head of the nation. That is the proper position for the monarchy.

[KHAO PHISSET] I would like to ask about the future of Thai society. In your view, will the political parties develop in a European form, that is, will they have clear ideals? And do you think that the House of Representatives will develop and improve?

[Sulak] The things you have asked about are fundamental problems. The Thai people have never talked about these things before. Or we have never talked about the basic issues. And I have not spoken seriously about this, because the political parties and parliament are Western imports. They don't work. Our military, police, and court systems don't work, because we have imitated foreigners. Take the courts, for example. Judges have to wear gowns and sit on a bench. The same is true even for our system of hospitals. But a good sign for our hospitals today is that we have a group of rural doctors. Younger doctors have begun to see the value of the older doctors and midwives. They see the value of religious healers and therapeutics. Based on this, things can be coordinated.

The same is true for the parliamentary system. Failing to see the value of our past democratic system and thinking that we first implemented such a system in 1932 is dangerous. Few of the political parties understand this, because the party system was implemented only after World War II. By "party," Thais mean a clique, not a set

of ideals. It means that there must be a leader. The Democrat Party is Mr. Khuang. Today, it is trying to raise Mr. Chuan. But will Mr. Chuan be able to become a leader like Mr. Khuang? Members of parliament [MPs] moved from one party to another, but Mr. Khuang was able to control the Democrat Party. But this is not the objective. These are not ideals.

It's interesting that our 60th year of democracy coincides with the 60th year of the founding of Wat Suan Mok by Phra Phutthathat, who has sought the roots of Buddhism in order to apply them in Thailand. But during our 60 years of democracy, why haven't we tried to find our original roots? These can be found in our village system, our temple system, and our Buddhist system. Even though our villages and temples are now very weak, these are our roots. They have been with Thai society for 800-900 years. Why don't we see this. Why do we look at foreigners instead, even though we don't understand. This is what is dangerous.

Thus, in my view, in order to solve the problems, we must look at the fundamental problems. But today, no one is prepared to do that. Unfortunately, I can't speak in a scholarly way, because that would take a lot of time. But the fact is, MPs will continue to act improperly for a time yet. Thus, you can't expect 13 September to produce a miracle. MPs consider how much they have invested and want to make five-10 times that amount. To do that, they have to become a minister or gain some other position. They may do something good. But their main goal is to recover their capital. That is the situation in general. There are only a few MPs who don't think about how to recover their capital. If they don't invest, they have little chance of being elected. Mr. Somkhit Sisangkhom was a good representative, but he was defeated because he didn't pay out money. Mr. Khlaeo Norapodi is another good representative who is praised by everyone. But there is little chance that he will be elected. This is because we have not changed the structure. It can be changed, but we haven't done so. We must accept the truth of this and not be disheartened. We must turn to the lesson of May. And that lesson refers backs to last December, when they opposed the World Bank conference, and to 14 October 1973. We have to understand the unbroken historical process. But 14 October 1973 was ruined by 6 October 1976.

In order to prevent 17 May 1992 from being ruined, we must find steps and talk with the military. We must not be too aggressive against the military. And the people's forces should not act too aggressively with respect to MPs. We should try and have a dialogue with the good MPs and try to get MPs to listen to public opinion. I think that this is necessary. We have to learn from past lessons. This may not bear fruit, but we must make changes. But to date, MPs have not listened to the people. They feel that all they have to do is give away things in order to win votes. They are not interested in the people unless it is election time. People must start to play a role and stop thinking only about their personal interests. Most of the pressure groups of foreigners exist for their own personal interests. This is one of the dangers in foreign parliamentary systems. Members

are interested only in their own affairs. Farmers are interested only in issues affecting farmers. This is not good. We must learn from the experiences of foreigners that we must protect the interests of others, too. We must take steps to help those who have few opportunities. Today, farmers are still weak. Academics and those who play a role should make demands on behalf of farmers and associate with farmers. Something must be done to get farmers to think and speak clearly and give them a chance. If this can be done, 13 September 1992 will have meaning. We won't have to worry about having to hold another election in six months, a year, or three years. If the organizations concerned with the people take a greater interest in such issues, we will have better and better MPs.

For the long term, the people's representatives must constantly think of what can be done to return to the old ways. During the elections, they can't simply promote themselves as being better than their opponent. Instead, the elections must be aimed at finding the best people. We must find good people who don't want to run and persuade them to run for election. This is the old system. And the important thing is to distribute power. Not all of the MPs should live in Bangkok. MPs must live all around the country and visit the villages. If we look at things closely, we will see that the village system is strong. They have their own representatives. They have their own people to look after things. The state should look after some things, and the towns should look after other things. But the most important thing is the system in which the villages administer their own affairs. But this has been misunderstood. Khukrit gave large sums of money to the villages. But this money destroyed the village system. The money was just

used to buy them, which caused splits. If we are to do this, we must use stratagems. We must be clever and be honest. We must respect others. In this way, the parliamentary system will come from below and be more real. We may not have to wait 100 years, because the Thai people have learned some very painful lessons since 1973. During the past 15-16 years, the Thai people have matured. They have been pushed and shoved. By chance, I happen to be one of those who has been kicked and shoved. Actually, I am not a brave person. I have constantly fled from them. We shouldn't hate them for doing this. Instead, we should cultivate a feeling of love. We should take a long-term view. There is hope. [passage omitted]

I have heard, unofficially, that the present Army commander in chief has said that I am a loyal person. I think that the military has begun to change. In the future, there will be unity. I have never hated the military. I have criticized only the bad soldiers who are corrupt. I have criticized only those who have cheated others. I criticized Field Marshal Sarit, Field Marshal Phibun, and Police General Phao. But I have never criticized soldiers in general. I think that good soldiers must distance themselves from dictatorship and corruption. They must distance themselves from using the monarchy as a tool to control themselves and destroy loyal people such as me. I consider myself to be a loyal subject. I am a person who wants to protect the monarchy, and I want to protect the military, too. But I want the military to be the country's fence, not a termite that eats away at the country. I think that soldiers want to be good and honorable people. In order to turn toward each other, we will have to forgive each other. [passage omitted]

MILITARY

Party Organizations Urged To Implement Resolution

932E0025A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Sep 92 pp 3-8

[Article by Senior Lieutenant General Le Kha Phieu, member of the CPV [Communist Party of Vietnam] Central Committee Secretariat and director of the VPA [Vietnamese People's Army] Political General Department: "Thoroughly Understand Resolution 3 of the CPV Central Committee on the Urgent Tasks of Party Renovation and Reorganization, and Strive To Build Clean and Strong Army Party Organizations"]

[Text] The Third Plenum of the CPV [Communist Party of Vietnam] Central Committee has resolved many important issues, both basic and urgent, in regard to foreign policies, national defense consolidation, national security, and party renovation and reorganization. **To renovate and reorganize the party is emerging as the most important issue having a decisive significance for the revolution as a whole.**

Through the most recent events in the collapse of the socialist regimes in a number of countries, first of all in the disintegration of a number of communist parties, including the CPSU, and through the reality of the revolution in our country, our party has been sternly looking at itself, looking more closely at the basic aspects of the party building task, and learning profound lessons in order to basically change its quality.

Our party was founded, trained, and led by President Ho Chi Minh, and was the successful product of the development of Marxism-Leninism and its combination with the workers' movement and patriotic movement in Vietnam, a semifeudal colonial country. Our party led the Vietnamese revolution from one victory to another. It is a staunch party, always loyal to Marxism-Leninism and the road to socialism, and has made correct creative moves on the renovation road. However, we are absolutely not subjective and must, instead, see all our weaknesses and shortcomings, be vigilant toward the dangers that threaten to make our party backward and degraded, and be vigilant toward the dangers within the party itself.

The adversary forces do not cease to carry out destructive activities against our country. They are applying the strategic "peaceful development" trick, the key point of which is to undermine our party and the Marxist-Leninist and Ho Chi Minh ideological system, with a hope for changing our correct party line on renovation and replacing it with another line, that of opportunism and surrender, and for abandoning the socialist road. In the meantime, our country has not yet escaped the conditions of a poor and backward country, nor has it come out of the socioeconomic crisis. We must develop a commodity economy having a multicomponent structure and moving along with a market mechanism, under state management, and expand our international relations in order to exploit the material and spiritual potential in society and the civilization and science-technology of the era—all of this being

necessary and correct. However, we must see the two-way effects of this effort, namely, beside the positive effects of promoting dynamic, busy, and effective economic activities in social life, there also appear everyday and every hour the social environments that create negative effects not only on individuals but also on organizations, including the party organizations. Many issues ranging from the perception, views, thoughts, morality, qualities, and capabilities of party cadres and members to organization of party machineries and bases, implementation of the principles of party activities and leadership, the relationships between the party and the state, between the party and the people, and so on, are being raised in regard to the party building task and must be considered and correctly resolved.

The goal of party renovation and reorganization is aimed at strengthening the leadership role of the party in all fields, boosting its fighting capacity, and satisfying the new needs of our revolution. The new stage is very different from the past one, when our party had not been in power, or when it had been leading the people in prosecuting the revolutionary war. Now our party is a ruling party that leads and builds the country in peacetime. This has been a basic change.

To be the ruling party can easily lead to the tendency on its part to do things in the place of the administration, to do everything for the administration, to turn its activities into "state activities" and "administrative activities," and to neglect its people-proselyting work. It is easy for party members and cadres to show signs of autocratic and authoritarian behavior, corruption, hunger for power and position, backwardness and degradation, and so on. In the socialist renovation process, beside a majority of cadres and party members who welcome and adhere to the party's correct views, there still are those who remain strongly dogmatic and conservative and resist the commodity economy and market mechanism, and those who are suspicious, nervous, rightist and opportunistic, and willing to depart from the socialist direction. Opportunism is expressed in many forms; although opportunists are few, they will become a force if we do not firmly fight against them. The corrupt people in the state machinery, and in the party as well, are becoming a dangerous ill, which is not solely economic but can sometimes become political and cannot be underestimated.

To defeat the wrong tendencies and views, such as dogmatism and opportunism, and corrupt people, our party must be politically, ideologically, and organizationally strong; its fighting capacity must be great.

First of all, we must **strengthen the theoretical and ideological front.** The enemy is seeking every possible trick to create an ideological change within the party, first of all in its leadership component. According to the realities in a number of countries, after Marxism-Leninism was abandoned and replaced by the sociodemocratic ideology, the bourgeois ideology would also take place in accordance with a carefully written scenario. Taking advantage of the critical state, in both theory and practice, of building a

realistic socialism and taking advantage of the developmental achievements of capitalism and imperialism, the opportunists and bourgeois ideologues sowed doubts in the mind of people. Doubts first appeared only among some people and at a certain place, but later they spread and turned many people into skeptics, who would have doubts about themselves, the meaning and necessity of the revolution, and even the goals and ideals that they as communists had vowed to fight all their life to follow.

Meanwhile, our theoretical and ideological front today is weak. This front *needs to have more strength in the party as a whole, to acquire more force, and to improve its quality.* Although we now have the forces that are in charge of theoretical work, they are not large enough and are far from well and tightly organized; therefore, we must consolidate and retrain them in order that our party, by its own intelligence, may assert by itself in a scientific manner the correctness of Marxism-Leninism and the Ho Chi Minh ideology. We need to find the theoretical issues and urgent realities that originate from life in our country, as well as in the world, and to get new answers that have a high degree of convincing power. We must continue to struggle to overcome dogmatism and conservatism, as well as the tendencies to depart from the socialist direction.

As to the **organizational aspect of party building**, there are many very basic issues. We must thoroughly understand the principle of basic party organization, strengthen internal party solidarity and unity, build party committee echelons and basic party organizations having great fighting capacity, build a party membership having a new concept of members' quality, and adhere to the understanding that cadres are the key link. An important need today is to widen democracy in the party and to create an atmosphere of loyalty, openness, ideological freedom, and leadership initiative. At the same time, we must pay extreme attention to emphasizing discipline and strict adherence to the party's principle of democratic centralism. Both democracy and centralism must be strengthened, with a mechanism allowing us to materialize the articles in the CPV statutes, while we both ensure total adoption of democracy and emphasize self-imposed and strict discipline.

International opportunism is attacking the principle of democratic centralism and demanding that it be abolished. Its followers want us to adopt the model of organizing social democratic parties in the style of political clubs to replace the neo-Leninist, -Ho Chi Minh parties. Realities have shown that those countries that took that road lost their parties. The fact that some parties became paralyzed, neutralized, and dissolved was because they had been unable to protect this principle. We must firmly protect and correctly carry out this principle.

We must effectively apply the principle of democratic centralism in order to correctly determine the party leadership formula and the relationships between the party and state machinery. We must guard against deviations ranging from the party doing everything to the tendency to blur its leadership role.

We must regularly strengthen the close relationships between the party and the people, further develop favorable conditions while in power, and at the same time guard against the dangers that a ruling party may have to face and overcome bureaucratic and aloof-from-the-masses behavior and the corruption and degradation among some of our cadres. The party and state must care about improving socioeconomic policies and aim at serving the people's interests and achieving prosperity as their top-most goal.

We must closely combine renovating and reorganizing the party with fulfilling the national defense-security tasks and expanding foreign-policy activities. These momentous issues, according to the resolution of the Second Plenum of the CPV Central Committee, must be closely linked with the socioeconomic tasks. All must be carried out in a synchronized manner, with the economic task being central and the party-building task playing the key role.

The Army party organizations must thoroughly understand the Central Committee resolution on renovating and reorganizing the party and adopt the right policies and measures to implement it in a manner commensurate with their need and task to lead the Army and with the characteristic situation of being the Army's party organizations, for the purpose of making themselves clean and strong.

First of all, we must **stick to the political task**, which is the most important task of the Army and the most basic task of Army party organizations to be fulfilled in order to achieve their renovation and reorganization. We must recognize the new developments in the function of defending the fatherland in the new situation, make a distinction between friends and foes, grasp the circumstances that have been anticipated, closely combine national defense with security, and so on. The party-building task in the Army must be aimed at attaining the goal of the party always controlling the Army, helping to maintain political stability, accelerating economic development, and strengthening the relationships between the party and the people in the Army and between the Army and the people. To build Army party organizations must be closely linked with raising the Army's fighting power; successfully implementing the policies on making strategic adjustments, adjusting the all-people national defense posture, and improving quality, first of all political quality; and raising the effectiveness of troops' training in order to ensure keeping weapons and technical equipment in good shape and the effectiveness of the Army doing economic work and ensuring the standard of living of its troops.

On the basis of thoroughly understanding the Central Committee resolution, we must fully adhere to the political task and the party-building goal while *correctly assessing the situation in party organizations* by recognizing their strengths, their weaknesses, and where leveling has been or has not yet been achieved, hence, clearly seeing what is the most urgent and basic thing to do now so as to draft their own programs of action in a realistic manner.

We must pay special attention to building Army party organizations in regard to **the political and ideological**

aspects and (to) raising political abilities and standards, on the basis of regular training to improve qualities, morality, intelligence, and knowledge of various kinds.

In our Army, many party members have staunchly fought under the banner of Marxism-Leninism and the Ho Chi Minh ideology, through the direct fight against the enemy on the battlefield. The socialist and communist ideals, revolutionary principles, and issues having to do with principles, which they had all absorbed, have become their invincible beliefs after many years of fierce testing. Those are the precious assets of the party and revolution. These precious assets are reflected in the stability of party organizations as a whole and of the body of party cadres and members, the nucleus of the stability in the Army in the face of the challenges of recent complicated events. To build and strengthen the party concept and the concept involving the principle of stability, which constituted one of the strengths and successes of the Army's party-building task in recent years, must continue to be carried out.

But, on the other hand, we must also recognize the signs of dogmatic and conservative behavior, which renders the acceptance of new things less easy. Some party cadres and members are reluctant to learn, are far from sensitive toward the party line on renovation, are slow in admitting the new realistic and theoretical issues that are being raised, and feel easily lost in the face of the fast-evolving and new events. In addition, because phenomena tend to happen when we talk about renovation, to remain indecisive in regard to principles-related issues may lead to deviation from the socialist road. Even in the national defense and military field and in the Army, beside stability and correctness there still exist signs of conservative and rightist behavior, indecision, lack of vigilance, and particularly subjective tendencies to underestimate the enemy's "peaceful development" plots and tricks, which prevent the understanding of the party's new strategic ideas from becoming profound and strong. In theoretical studies, as well as in the realities of training, combat, school work, maintenance of technical equipment, and so on, there exist signs of incorrectness. Although the recent corruption cases in the Army were individual ones, we should not fail to investigate them seriously and to provide leadership for properly correcting them.

A noteworthy characteristic of the body of party members in our Army today is the fact that the number of older party members who have had much experience has been decreasing and the number of young party members has been increasing (in spite of the fact that the actual numbers are smaller). This characteristic indicates that the question of educating and training party members must be actively raised and that new measures must be taken to conform to it.

Therefore, we must thoroughly understand and materialize the views expressed in the resolution of the Third Plenum of the CPV Central Committee on the political and ideological aspects of party building, attach importance to both training in qualities and morality and raising intellectual power and political abilities, and make the

ideological and theoretical work in Army party organizations and in the Army as a whole stronger and more persuasive, with action both pro and con bringing about realistic results.

About **organization and method of leadership**, within Army party organizations there must be attention paid to assuming leadership over resolving the relationships between cadres and soldiers, ensuring maintaining democracy and fairness in all fields, mostly in the field of material distribution and in the treatment of soldiers and lower echelons in case of their committing mistakes and having shortcomings, and making the fine nature of our Army, the qualities of "Uncle Ho's Army," shine brightly in the Army and in its relationships with the people; on this basis, we must strengthen confidence, internal solidarity, and solidarity between the Army and the people. On the other hand, we must properly resolve the relationships between leadership and command, between political and military matters. We must overcome the signs of excessive praise of individuals, autocracy, authoritarianism, bureaucracy, militarism, disregard for collective party committee leadership, and underestimation of party and political work. At the same time, we must also overcome lack of self-reliance, dependence on collectives, de-emphasis of individual responsibility, rightist tendencies, lack of the will to fight, and lack of the ability to effectively carry out the party's principle of democratic centralism and the Army's principle of unified centralism.

At present, the class and social structure is undergoing new changes. Youths are joining the Army not in the proportions of the past. The length of military service now is only two years. Only a certain percentage of those officers who serve by law becomes professional ones having a long career in the Army. The new state of social mind arising from the commodity economy and market mechanism acts both positively and negatively on the Army. All of these facts require that we resolve the ideological, organizational, and cadres- and party members-related work in the Army in a correct manner and in accordance with a new concept having a lot to do with the new perception of socialism as applied to the characteristic situation and tasks of our Army.

Army party organizations must adopt a correct method; thoroughly understand the spirit of Resolution 3 of the Central Committee and the resolution of the Military Commission of the CPV Central Committee on party building; and, on the basis of their own internal realities, properly prepare materials for drafting practical, correct, and keenly effective policies, programs of action, and measures aimed at generating real changes in the renovation and reorganization of the party.

We must organize the implementation of the resolution on party renovation and reorganization in a firm and total manner, without any halfway steps; the implementing effort requires not one, two, or a few stages but regular and continual action, and close linking with the fulfillment of the tasks of the Army and units.

ECONOMIC

Foreign Investment Projects in Steel Production

93SE0055A Hanoi VIETNAM NEWS
in English 24 Nov 92 pp 1, 2

[Text] Work is being accelerated for the completion of feasibility studies for five foreign investment projects in steel production and iron ore mining, according to the Vietnam Steel Corporation (VSC).

VSC, the sole national contact in the field, is joining experts from South Korea, Singapore, Japan and Germany in elaborating feasibility studies and other documents for government approval in building four new steel works and opening an iron ore mine in the port city of Haiphong and the provinces of Thai Nguyen, Ha Tinh and Dong Nai, VSC officials said.

South Korean giant Pohang Iron and Steel Co. (POSCO), the only foreign company operating in steel production in Vietnam at present, is giving the final touches to paper procedures for the implementation of two more projects. One is the construction of a foundry equipped with arc electric furnaces and capable of producing 200,000 tonnes of steel a year. The other is a plant to make steel pipes with a designed capacity of 30,000 tonnes a year. The two VSC-POSCO joint ventures are to be located in the port city of Haiphong.

The first joint venture POSCO has entered into with the Southern Steel Union (SSU) is a 3.9 million dollar plant to make flat and corrugated roofings on a 50-50 basis. The plant has turned out more than 10,000 tonnes of roofing materials since its commission in Ho Chi Minh City's suburbs last April. Last preparations are being made to raise the plant's production capacity to 50,000 tonnes a year the coming period. At the same time, a new line making pipes is being installed at the joint venture. When commissioned in the next few months, the line is capable of producing as many as 50,000 tonnes a year.

NatSteel of Singapore is coordinating with the Thai Nguyen Steel Complex to prepare feasibility studies for a jointly funded foundry and rolling mill to be set up at Luu Xa in Thai Nguyen, a midland province north of Hanoi. When operational sometime in December last year, the joint venture can turn out 60,000 tonnes of steel a year. Another and bigger foundry and rolling mill is to be built in Bien Hoa, a major industrial complex north of HCM City. It is a joint venture between Kyoci steel company in Japan and VSC. Currently efforts are being made to complete feasibility studies for the mill which is capable of producing up to 200,000 tonnes of steel a year, or more than three times the output of the NatSteel-Thai Nguyen plant.

Krupp, a giant steel corporation in Germany, is in the final phase of completing feasibility studies for the mining of Thach Khe mine, in Ha Tinh province on the central coast. If Krupp's plans are approved by the Vietnamese government in the second quarter next year, the giant German steel manufacturer is expected to pour up to 1 billion

dollars into iron ore extraction at Thach Khe, one of the biggest deposits ever found in the country, foreign sources said.

Steel manufacturers from China and India, for their part, have struck no deals. Yet they remain to be regular suppliers of equipment to the fledgling steel industry, VSC officials said. Their supplies including big arc furnaces, electric transformers and non-stop casting equipment, have been used to raise production capacity at the two major production centres the Thai Nguyen steel complex and SSU.

Finance Minister on Inflation, Tax, Budget

932E0023A Ho Chi Minh City THOI BAO KINH TE
SAIGON in Vietnamese 15-21 Oct 92 pp 9, 25

[Interview with Finance Minister Ho Te by Duc Lien; place and date not given: "Four Major Tasks of the Financial Sector in the Time To Come"]

[Text] [Editor's note] Mr. Ho Te has been retained by the Ninth National Assembly (first session) in the position of finance minister in the new government. He has granted the reporter of THOI BAO KINH TE SAIGON an interview during this session. [end editor's note]

[Lien] Please let us know about the fight against inflation and about any results that may have been obtained in the tax-collecting task since the beginning of 1992.

[Te] In the government report presented at the first session of the Ninth National Assembly, Deputy Premier Phan Van Khai has affirmed this: "To limit and fight back inflation was an outstanding achievement in the first nine months of 1992." What happened to prices lately has proved that confirmation. Around the end of 1991, in conjunction with the feverish fluctuations of prices of gold, dollar, and many other commodities, the commodities-services price indexes had increased at the monthly rate of five-six points. As we entered 1992, the prices of gold and dollar gradually decreased; grain prices became stable and somehow dropped to a level lower than we had expected. The nine-month average price index got down to around 1.5% per month. In September 1992, generally speaking, prices did not increase. Compared to August 1992, prices of grain decreased by 1.3 percent; gold and dollar, 2.3 and 1.2 percent, respectively. As to the state budget, its deficit equalled to only 78 percent of the level authorized by the National Assembly.

The above results have been the consequences of the many anti-inflationary measures that were carried out in previous years. For several years, the state has been concentrating its investment on such vital industries as oil and gas, cement, and energy, and on a number of light industries and marine and sea product processing. As a result, these industries have begun to show good growth. To invest in production in order to develop production, to encourage circulation of goods, and to accelerate export-import serves as a basis for guaranteeing a balance among the major industries in the economy, such as grain, energy, gasoline and oil, fertilizers, building materials, and other vital materials. Among these the grain production front

made remarkable achievements by not only satisfying all of our domestic consumption and reserve needs but also boosting export—a condition for price stabilization. Those were important factors among the synchronized solutions having to do with controlling, limiting, and driving back inflation; at the same time, they were the conditions for widely extending and quickly increasing the sources of income for the state budget, and satisfying in time the state's regular and urgent spending needs.

Also something new and important in 1992 was the fact that the state did not print new money to cover the budgetary deficit, but instead it borrowed money from the people by issuing treasury bonds and from other sources.

Generally speaking, the above-mentioned anti-inflationary achievements were the combined result of many policies and measures adopted by the party and government in recent years. They were due to the energy and efforts of all sectors and echelons, both central and local, and basic economic units, with a rather considerable share contributed by tax work. In the first nine months of 1992, the tax sector adopted many measures aimed at fighting failure to pay tax and encouraging collection and payment of tax, and attained 71 percent of the set goal, an increase of 113 percent over the same period of 1991. Collection of tax from state enterprises (accounting for as much as 40 percent of the income under the tax sector's management) attained 74.2 percent of the goal; other collections did increase compared to the same period in the previous year, such as tax collected from joint enterprises showing an increase of 175.5 percent. The key state enterprises that provide the budget with large income sources, such as Aviation General Corporation, Gasoline and Oil General Corporation, cement plants, cigarette factories, beer breweries, commercial banks, and so on, all complied with their tax payment schedules. Many localities succeeded in getting higher tax collection than in the same period last year because production there had been gradually revived and had been expanding in an active manner against the background of an economy that has been getting more stable and inflation has been reduced and controlled; as a result, businesses, economic organizations, and production-business households have been in a better position to fulfill their tax-paying obligation to the state. Furthermore, the tax sector made many efforts to raise its specialized and professional capabilities, and worked closely with the basic-level economic units in order to guide, control, and supervise them.

However, we must also be aware that in the last nine months, the tax that had been owed and unpaid and the amount of uncollected tax, in spite of a decrease compared to previous years, remained large, and that tax evasion still took place in many forms and smuggling was still serious. This is one of the problems that we should continue to be concerned about and to try to resolve in the last months of the year and the coming years. We hope that the tax sector would continue to receive the concern and coordination of other sectors and echelons, and particularly the close cooperation of the mass communication organs so as to properly fulfill its task.

[Lien] Can you tell us about the measures aimed at resolving and balancing the state budget in connection with our country's socioeconomic development in the time to come (from now until the end of 1992 and in 1993)?

[Te] To have enough capital and cash to guarantee fulfillment of the state budget in the fourth quarter and in 1992 as a whole, to satisfy the needs for socioeconomic development as our projected goal, and to prepare for setting the 1993 financial and budgetary preconditions, the Ministry of Finance is concentrating efforts on leading the state tax and treasury system and financial organs at all levels toward closely coordinating their work with the State Bank, customs sector, market management sector, and internal affairs organs and trying to win the leadership of administrations at different levels so as to strengthen the management, control, and supervision of tax collection and payment, and collection of other items in specific economic components; to accelerate the second stage of payment of debts, in order to get more unpaid tax settled and put into the state budget; to actively collect all paid-by-cash tax items and to put them into the state treasury; and to borrow more money from foreign countries to be used as capital, all for the purpose of overfulfilling the goal in the plan approved by the National Assembly to get income for the 1992 state budget. At the same time, it continues to issue more treasury bonds as a source of cash for the fourth-quarter spending needs of the state treasury, as a means to fill the gap created by the 1992 budgetary deficit, and as a cushion for the first quarter of 1993.

To reach the socioeconomic development goals set in the five-year plan of 1991-1995 and in 1993, we have many extremely heavy financial and budgetary tasks in 1993.

One, to create sources of capital investment in favor of production so as to strive to boost the rate of growth of the national economy by 10-12 percent compared to 1992; to increase export by about 25 percent over 1992 so as to have enough foreign currency to import materials and equipment in order to satisfy domestic production needs.

Two, to strive to raise the GDP [Gross Domestic Products] portion mobilized for the state budget to about 13-13.5 percent so as to be capable of concentrating capital investment on the state's key capital construction and infrastructural projects serving socioeconomic development.

Three, to continue to renovate our economic and financial management and to accelerate the reorganization of state-operated businesses by issuing state enterprise stocks as a means to improve production and business efficiency and to create large sources of income for the state budget.

Four, to continue to limit and drive back inflation and to maintain stability in connection with prices and market, as well as stability in the economy. On this basis, to create favorable conditions for concentrating our efforts on improving the living standard and wages situation in favor of the working people, workers, civil servants, and members of the armed forces; to resolve the unemployment problem and to readjust the organization and staffs of the state management machinery in accordance with the policies adopted by the party and government.

Along with the above-mentioned key points, let us strive to make the budgetary deficit in 1993 lower than that in 1992 so as to gradually achieve in the coming years a balanced state budget.

Drafting, Approving Foreign Investment Projects

932E0023B Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 15-21 Oct 92 p 12

["Summarized" text of document: "Ho Chi Minh City People's Committee's Regulation on Establishment and Approval of Foreign Investment Projects"]

[Text] [Editor's note] On 5 October 1992, the Ho Chi Minh City People's Committee issued Document No. 4793/QD-UB signed by its chairman, Nguyen Van Huan, to regulate the drafting and approval of foreign investment projects within Ho Chi Minh City. Following is a summary of this regulation [end editors note]:

Selection of Investment Goals and Partners

—On the basis of planning regarding the municipality's total work areas, the direction for its socioeconomic strategy, and its five-year and annual socioeconomic plans, the services, sectors, and units concerned must set their own investment goals; the Ho Chi Minh City Investment Cooperation and Supervision Committee (ICSC) and the Planning Committee are to combine and adjust these goals so as to make an investment list for the purpose of reporting it to the Standing Committee of the Ho Chi Minh City People's Committee.

—Units bear responsibility for recommending foreign investment partners in regard to their legal status, ability to provide capital, technical capacity, business reputation in the world and their own country, and so on.

—When foreign investors look for Vietnamese partners, and vice versa, the following organs are responsible for introducing them to one another: the Ho Chi Minh City ICSC; the Ho Chi Minh City Foreign Economic Affairs Service; and the Ho Chi Minh City Foreign Trade Development Center.

Positions Regarding Drafting Investment Projects

—All positions regarding investment within Ho Chi Minh City are taken by the Standing Committee of the Ho Chi Minh City People's Committee and approved by collective decision.

The Standing Committee of the ICSC is the organ that supplies answers to investors regarding the investment positions that the Standing Committee of the Ho Chi Minh City People's Committee has or has not approved.

—To affirm the positions having to do with the projects under the municipality's management, the ICSC Standing Committee, in coordination with the services and sectors concerned, organizes advisory activities allowing the Ho Chi Minh City People's Committee to consider projects on the basis of these five requirements:

1. Are the investment goals and the products or work to be created in the future suitable and will they bring

about socioeconomic results? Are the scientific, technical, and industrial levels appropriate?

2. Are foreign and domestic partners eligible in terms of legal status, financial capacity, and production-business?
3. Abilities to satisfy the projects' needs regarding labor, raw materials, electric power, water, transportation, and so on.
4. To determine the properties and capital to be contributed to the joint business.
5. Are the projects' locations suitable for the sector's and municipality's territorial planning, and how do they affect the environment and sociocultural background?

—As to the goals of investment projects of units subordinate to central sectors operating within Ho Chi Minh City which are considered appropriate for their specialized functions as approved by their own ministry, they will get the support of the Ho Chi Minh City People's Committee. Although the degree of consideration granted these units is different from that granted the units that are subordinate to the municipality, the Municipal People's Committee still must be concerned about the matters that it is responsible for considering, such as products, industry and equipment, legal status and financial capacity, electric power, water, raw materials, location, environment, land area and water surface rents, and so on.

Preparations for Investment Project Files

Vietnamese and foreign partners who want to invest within the municipality must basically agree on the "economic and technical framework" parameters for their investment project and propose that the Standing Committee of the Ho Chi Minh City People's Committee consider their project and issue its positions. This proposal is sent to the latter through the ICSC.

—Vietnamese partners are owners of the investment project on the Vietnamese side, are responsible for preparing the project from the beginning to the end, directly deal with the sectors concerned if further understanding is needed, and directly submit the project file to the ICSC.

—Vietnamese partners can sign documents with foreign investors for the purpose of remembering what has been agreed on.

When it drafts contracts with foreign countries, the Vietnamese side needs to consult with the ICSC prior to any signing so as to avoid any future trouble due to their project failing to get approved.

—The actual drafting of projects and establishment of files can be done by units themselves or paid for as a provided service. In the latter case, it must be done by one of the investment service corporations authorized by the state.

Consideration of Investment Projects

—After the Standing Committee of the Ho Chi Minh City People's Committee gives an affirmative answer, the two Vietnamese and foreign sides are to provide economic and technical arguments and legal documents in order to set up a file for application for investment—this requirement is needed even for projects that are 100 percent financed by foreign capital. The file, to be made in eight sets of copies, is to be sent directly to the ICSC. It must have the affirmation of such authorities as the ministerial level organ in charge, service, and chairman of district or precinct people's committee. The files of projects being 100 percent financed by foreign capital are to be submitted directly to the ICSC.

—The ICSC organizes consideration of investment files in accordance with Decision 366/HDBT of the Council of Ministers and establishes an examination council consisting of members of the ICSC and the management organs at municipal level of the sectors concerned.

In addition, depending on the nature of various kinds of projects, the examination council can invite members of the organs in charge or project owners on the Vietnamese side to participate.

—Between the time an investment project is received and the time it is considered and approved, the maximum interval is 30 days, which do not include holidays and Tet.

In the case of projects that cannot be considered and approved within the above-mentioned time limit, the ICSC must promptly notify their partners of it.

Expenses involving investment services, which are performed by the corporations that do business in services, are not within the scope of this regulation.

Discussion Held on Revising Investment Law

932E0024A Ho Chi Minh City TUOI TRE
in Vietnamese 8 Oct 92 p 3

[Article by Phuc Tien: "What Needs To Be Changed, Added to Investment Law?"]

[Text] Five years of implementing the Investment Law have not only brought about concrete economic benefits but also provided a process from which many important lessons have been learned in order to improve the law itself.

On the basis of this reality, the State Commission for Cooperation and Investment (SCCI) has collected some issues requiring revising and supplementing the Investment Law to submit to the National Assembly for consideration. On 6 October, a meeting was held by SCCI with representatives of the people's committees of the southern provinces and a number of economic experts, who expressed their opinion on these issues.

What additional preferential treatment would be needed to encourage foreigners to increase capital investment?

An SCCI report raised two issues that would require revision in order to create additional preferential treatment aimed at encouraging investors. SCCI proposed that enterprises having 100 percent of foreign capital be granted total tax exemption or tax reduction in the first years, the same treatment that has been granted joint enterprises (articles 27 and 28 of the Investment Law). SCCI also proposed that enterprises having foreign capital be allowed to operate for more than 20 years, even up to 99 years depending on specific cases (article 15 of the Investment Law sets a limit of 20 years; article 44 of Decree 28/HDBT, 50 years).

There was a unanimous opinion on the fact that we should not be afraid of 100 percent investment by foreign countries in the fields where we would be incapable of investing. The Vung Tau representative said Vietnam would be unable to contribute to a current port construction project requiring up to U.S.\$900 million. He said that if we contributed only 20 percent (nearly U.S.\$200 million), the profit would be very little, and that he would therefore advise against going along with the project. Lam Vo Hoang, an economic expert, noted that the form of 100 percent capital investment was a common practice in the world. Meanwhile, 74 percent of projects being in the form of joint venture was somewhat uncommon. As to allowing enterprises having foreign capital to operate for a longer period, many participants believed that we should carefully consider many aspects of the issue. Pham Chanh Truc, vice chairman of the Municipal People's Committee, suggested that the duration of projects be based on the socioeconomic strategy of the country as a whole and of localities in different stages. Other participants agreed that the general method of calculating the period of operation would be to allow sufficient time to retrieve capital plus profit, and a number of years could be further granted as preferential treatment.

SCCI also proposed that we include in the Investment Law articles on the nonretroactivity of the law and the basic principles regulating export processing zones. Investors were concerned about possible future changes of regulations that could adversely affect the projects that had been signed; at the same time, the issues relating to export processing zones should be part of the law, instead of being dealt with in regulations as they are now.

About the question of letting foreign countries invest in Vietnam by buying domestic enterprise stocks, SCCI thought that we would eventually arrive at it, but for the time being it could not be achieved because we have had no experience in offering stocks of business enterprises and in establishing a stock exchange.

Would people in the country get preferential treatment?

Lawyer Trinh Dinh Ban said he was very happy because SCCI has proposed that private businesses be allowed to directly cooperate with foreign countries. Until recently, according to the Investment Law, only companies of limited responsibilities or stock companies, i.e., "private

collectives," would be allowed to do so. This would not conform to the multicomponent economic policy that the Constitution has accepted.

Other participants unanimously believed that because a private business satisfied the qualifications of a "corporate entity," it would also be qualified as a "legal person" in all aspects of its economic activities.

How would land be used as a capital contribution?

A topic that drew the hottest discussion at the meeting was to use land as capital to be contributed to a joint business. Speakers agreed that this topic should not be dropped because at present land was a source of capital being available for investment projects. However, we would have to change our view and work method in regard to using land as a share of capital contributed to a joint business.

Pham Chanh Truc suggested that we make a distinction between rent collected from land and value of commercial rights of land (or value of land use). Recently the state has set the rate of land rent (in average, U.S.\$18 per square meter) without consideration of commercial-rights value of specific plots. With such a low rate, rent collected from leasing land would be very low; the amount of capital coming from rent and contributed to a joint business would therefore be also very low.

The representative of the Ho Chi Minh City Foreign Trade Service said that if the state granted the right to use land to some units, these units should have the right to use it as a permanent asset. As a result, the Vietnamese side should have the right to set land prices on the basis of the commercial value of land for the purpose of negotiating.

Other participants also unanimously thought that the state could let the Vietnamese side lease land and charge preferred rent, and let rent be borrowed as a part of the capital being contributed to a joint business, but that the state should not give it free rent. Lam Vo Hoang expressed the concern that the state should have strict planning in regard to land so that when it leased land, there would not be any damaging consequences in the future.

Government Simplifies Projects Evaluation Procedure

*93SE0046B Hanoi VIETNAM NEWS
in English 18 Nov 92 p 1*

[Text] The government has taken another step to facilitate foreign investment by simplifying project evaluation at lower levels.

A decision (366/HDBT) taken on November 7 provides that ministries and municipal or provincial people's committees are no longer required to evaluate all aspects of an investment project.

They are now asked to see if an investment project is compatible with local development objectives and if there really is a need for foreign investment.

They will look into the legal status, financial as well as production and business capacity of both the foreign and native partners.

Studies shall be made regarding local supplies in labour, materials, energy, water, transport, etc.

Evaluation shall be made of assets contributed to the joint venture by the Vietnamese partner.

Finally, ministries and municipal or provincial administrations shall determine if the site for the project fits in local territorial planning. They shall also propose rents for land, water surface and sea surface.

The government decision quoted in a note sent out Monday by the State Committee for Cooperation and Investment (SCCI), gives local authorities 20 days for considering a project and asks them to submit written evaluations to the SCCI.

As regards investors, they shall now send their applications and all relevant documents directly to the SCCI, along with duplicates for the interested local authorities.

First Factory at Export Processing Zone To Operate Soon

*93SE0046C Hanoi VIETNAM NEWS in English
18 Nov 92 p 1*

[Text] According to the management of the Tan Thuan Export Processing Zone (EPZ) currently under construction in Ho Chi Minh City, the first factory in the zone will be put into operation in early 1993.

The Tan Thuan EPZ, 4km from the centre of Ho Chi Minh City, covers 300 hectares and is designed to house about 200 factories of foreign companies. Construction started on February 6, 1992 and is expected to take six years to complete.

Investments totalling 89 million U.S. dollars are contributed by a joint venture company between the Tan Thuan industrial development company in Ho Chi Minh City and two Taiwanese companies (Central Trading and Development Corporation and Pan Viet Corporation).

By the end of October this year, foreign companies had registered to build 37 factories on 83.5 hectares, half of which are Taiwanese. The rest are companies from Singapore, Malaysia, Thailand, South Korea, Australia, Japan and Hongkong.

Most companies have deposited their securities, except those from Australia, Japan and Hong Kong.

The power plant is the largest unit requiring 250 million U.S. dollars to build. It will be jointly built by a Taiwanese and a Hongkong Company, each sharing 50 percent of the cost.

The second biggest facility is a concrete factory, capitalised at 50 million U.S. dollars. It will be built by Taiwan.

The remaining installations are priced at from 1 to 25 million U.S. dollars. They will mainly produce garments, textiles, leather, sport gear and metal wares.

City's Decision on Foreign Investment Drafts

93SE0045A Ho Chi Minh City THE SAIGON TIMES
in English 15-21 Oct 92 p 26

[Text] On October 5, 1992, the City Government issued Decision No. 4793/QD-UB, signed by Vice-chairman Nguyen Van Huan. This stipulates the establishment and passing of foreign investment drafts in the HCM [Ho Chi Minh] City area. It is summarised as follows:

Selecting Target and Investment Counterparts:

- On the basis of planning the City's total area, orienting socio-economic strategy and five-year and annual socio-economic plans, related offices, branches and units should set their own investment targets. The Investment Cooperation and Supervision Committee (ICSC) together with the Planning Committee, will gather and adjust the investment index to report to the Standing Committee of the City Government.
- When foreign investors need Vietnamese counterparts and vice versa, the introduction is to be authorized by the following organs:
- HCM City The Investment Cooperation and Supervision Committee—HCM City Office of Foreign Affairs—Foreign Trade Developing Center.

Stating the Policies for Establishing Investment Drafts:

- All the investment policies in the City's area must be passed under the collective decision of the Standing Committee of the City Government.
- Standing The Investment Cooperation and Supervision Committee will be in charge of answering the investors about whether their drafts have been approved or not.
- In order to confirm the policy for those projects controlled by the City, the Standing The Investment Cooperation and Supervision Committee, jointly related offices and branches make consultancy to be examined by the City according to the five following requirements:
 1. Will the investment target, products or work have any future socio-economic effects? Is the technology and industry suitable?
 2. Can foreign and domestic counterparts fulfil the conditions of corporation, finance capacity and business competency?
 3. Ability to meet the labour, raw material, electricity, water, and transportation requirements.
 4. Evaluating property and joint-venture capital.
 5. The intended location must be in accordance with the territory plan of the department and the city. How does this affect the environment, and social and cultural background?
- Investment projects from units of the central government located in the HCMC area, which are accepted by the concerned ministry and approved by the HCMC People's Committee, will be examined in a

slightly different way as those of the city but the City Government will pay a lot of attention to products, production lines and equipment, legal status and financial liability, electricity and water supplies, materials, location, environment, land lease and water surface lease, etc.

Compiling Investment Project:

- Vietnamese and foreign counterparts, who invest in the area of HCMC, must agree on "the economic and technological framework" for the project and petition the executive of HCMC Government for approval. The petition must be sent to HCMC Government through the HCMC Investment Cooperation and Supervision Committee.
- The Vietnamese partner is responsible for preparing the project from A to Z. They must directly make contact with the concerned organizations, if necessary, and submit the file to the Investment Cooperation and Supervision Committee.
- Vietnamese partner may sign a memorandum with the foreign owner of the project.

In drafting contracts with its foreign counterpart the Vietnamese side should notify the ICSC in advance to avoid trouble if the project is not approved.

- Project drafting services and the file compilation must be hired or done by the project owner itself. In case of hiring, the file must be compiled by legal investment service companies.

Investment Project Approval

After being approved by the executive of HCMC Government the Vietnamese and foreign partners (including projects with 100% foreign capital) make a feasibility study and other documents to form a file for approval. The file and its 7 copies will be sent to ICSC. The file must be certified by an administrative organ of the concerned ministry and the chairman of the District People's Committee. Only the files of projects with 100% capital from abroad will be sent directly to ICSC.

- ICSC considers the file according to the decision 366/HDBT from the Government and forms a committee to approve it consisting of members from ICSC and the City's administrative organs of concerned branches.
- This committee can also invite an administrative organ or the Vietnamese owner of the project to attend, this depends on the project characteristics.
- The time from receipt to approval of the file, is not over 30 days except at Vietnamese New Years and public holidays as regulated by the Government.

In case of the project needing more time for consideration, ICSC must inform both partners of the project promptly.

The fees or costs of investment services done by service companies are not part of this regulation.

Total Rice Output Estimated at 24 Million Tons

93SE0046A Hanoi VIETNAM NEWS
in English 14 Nov 92 p 1

[Text] Vietnam is very likely to have an excellent rice crop this year with output estimated at 24 million tonnes nationwide.

According to the General Department of Statistics, average per hectare yield is 2.76 tonnes.

The average in the northern provinces is higher, at 2.9, because of better weather. In the south it is 2.63.

By November 5, farmers in the whole country had reaped more than 1,118,000 hectares of summer-autumn rice, or nearly 41 percent of the area under this crop.

Of the figure 953,000 hectares were in the north and 165,000 hectares in the south. Apart from harvesting this main rice crop, farmers throughout the country have planted 358,000 hectares of subsidiary winter food crops, 8.5 percent higher than last year.

Exporters meanwhile are looking forward to brisker business, hoping to swell 1990's record volume of 1.5 million tonnes by 300,000 additional tonnes.

Rice for overseas sales this year would gain bigger profits thanks to improvement of product quality which is guaranteed for 70 percent of the volume as compared with a rate of 16 percent in 1990, they said.

By the end of October, 1.4 million tonnes had been exported, according to the Ministry of Agriculture and Food Industry. That was about 400,000 tonnes more than the whole volume exported last year. The biggest exporter was the General Food Company 2 which sold 335,000 tonnes in all.

The surge in rice export was made possible by both government incentive policies and investment in irrigation expansion and land reclamation in the Mekong river delta, the biggest rice bowl of the country, as well as by effort on the part of individual farmers who are now more familiar with new farming techniques and new high-yield rice varieties. New equipment and techniques in processing and storage also play a significant part in boosting export.

Exporters will have several hurdles to overcome, though. One is to get sufficient cash to buy the crop from farmers.

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