

JPRS-SEA-91-013
20 MAY 1991



JPRS Report

19980512 137

DISTRIBUTION STATEMENT A
Approved for public release;
Distribution Unlimited

East Asia

Southeast Asia

DTIC QUALITY INSPECTED 8

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

East Asia Southeast Asia

JPRS-SEA-91-013

CONTENTS

20 May 1991

BURMA

Amendment of Profit Tax Law Announced [THE WORKING PEOPLE'S DAILY 1 Apr]	1
Joint-Venture Garment Factory Inaugurated [THE WORKING PEOPLE'S DAILY 31 Mar]	1
SLORC Secretary-1 Views Border Development Projects [THE WORKING PEOPLE'S DAILY 30 Mar]	1
37.5-Mile Railway Inaugurated [THE WORKING PEOPLE'S DAILY 30 Mar]	2
Cornerstone Laid for 300-Bed Hospital [THE WORKING PEOPLE'S DAILY 3 Apr]	2

CAMBODIA

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Spokesman Denies KPNLF-Khmer Rouge Link [Bangkok BANGKOK POST 24 Mar]	3
Khmer Rouge Support to KPNLF Described [Bangkok BANGKOK POST 22 Mar]	3
Civilian Casualties in Khmer Rouge Area [Bangkok BANGKOK POST 26 Mar]	3
Khmer Rouge Civilians Flee to Thai Border [Bangkok THE NATION 2 Apr]	3
Amnesty Says Khmer Rouge Executes 30 Dissidents [AFP]	4

STATE OF CAMBODIA

Columnist Views Government Weaknesses [Bangkok BANGKOK POST 6 Apr]	4
Impact of Government Offensive Assessed [Bangkok BANGKOK POST 22 Mar]	5
Troops Seize PRC-Supplied Heavy Artillery [Bangkok BANGKOK POST 2 May]	5
Troops in Kampot Experiencing Problems [Bangkok BANGKOK POST 2 May]	6
Gold Mine Fees To Help Fund Military Effort [AFP]	6
Lack of Water Disrupts Farming in Kompong Thom [Phnom Penh Radio]	7
Food Shortages Drive Refugees to Thailand [Bangkok BANGKOK POST 4 May]	7
Water Shortages Blamed on Power Outages [SPK]	7
India Donates 18 Tons of Supplies to Hospital [SPK]	8

INDONESIA

POLITICAL

Prominent People Involved in Aceh Disturbance [TEMPO 23 Mar]	9
--	---

MILITARY

Air Force Staff Chief on Technology, Training [KOMPAS 9 Apr]	10
--	----

ECONOMIC

Bank Shares Weaken in Wake of February Package [SUARA PEMBARUAN 19 Mar]	11
Experts Propose Measures To Improve Farm Income [KOMPAS 6 Apr]	12

LAOS

Suchinda-Kaysone Family Links, Business Climate [Bangkok THAI RAT 13 Mar]	15
Cooperation Pact Signed With Soviet Amity Group [VIENTIANE MAI 21 Feb]	15
Vientiane Seeks Foreign Trade, Investment [PASASON 8 Mar]	15
Problems, Imbalance Continue in Foreign Trade [PASASON 6 Mar]	16
Xaignabouli Bank Autonomy, Operations [PASASON 1 Mar]	16

MALAYSIA

POLITICAL

Editorial Sees No Future for Spirit of '46 [UTUSAN MALAYSIA 2 Apr]	17
Ghaffar Assures Jobs for Dismissed Kelantan Workers [UTUSAN MALAYSIA 5 Apr]	17
Call for Razaleigh To Disband Spirit of '46 [UTUSAN MALAYSIA 10 Apr]	18

ECONOMIC

Italian Company Awarded Steel Mill Contract [UTUSAN MALAYSIA 3 Apr]	19
Japanese Firms To Build Textile Mill in Perak [UTUSAN MALAYSIA 3 Apr]	19

PHILIPPINES

Danding Cojuangco Criticizes Bases Compensation [DIYARYO PILIPINO 16 Mar]	20
Columnist Says No Dominant Political Party [SUN STAR 16 Mar]	20
30 Supporters of Rebel Leader Nobel Indicted [DIYARYO PILIPINO 19 Mar]	21
Military Claims Successes in Negros Operation [MANILA BULLETIN 6 May]	21
Troops Pursue 200 NPA Rebels in Mindanao [MANILA BULLETIN 6 May]	22
1,000 NPA Under Attack in Marag Valley [MANILA BULLETIN 6 May]	22
9 MNLF Commanders, 35 Others Surrender to Ramos [MANILA BULLETIN 12 May]	23
Government Troops Drive NPA From 17 Barangays [MANILA BULLETIN 14 May]	23
Plot To Harm Imelda Marcos Feared [SUN STAR 18 Mar]	23
Ramos Lauds Ethnic Chinese on Economy, Nationalism [SUN STAR 17 Mar]	24
Stronger Trade Ties to Eastern Bloc Urged [THE CHRONICLE 13 May]	24
Foreign Businessmen Urge Liberal Investment Bill [PHILIPPINE DAILY INQUIRER 23 Apr]	25
EMB Study Warns of Toxic Contamination at Bases [DIYARYO PILIPINO 18 Mar]	25

THAILAND

POLITICAL

Ex-Minister Thanat Views Bush's 'New World Order' [KHAO PHISSET 18-24 Mar]	27
Central Bank Declines To Aid Cambodian Bank [BANGKOK POST 3 Apr]	28
Democrat Ex-MP's Asked To Join New Military Party [BANGKOK POST 9 May]	28

MILITARY

Air Force Commander's Aide Describes Coup [KHAO PHISSET 18-24 Mar]	28
--	----

ECONOMIC

Industry, Investment Officials Set Policies	31
Minister on Private Sector Input [DAILY NEWS 9 Mar]	31
BOI Chief on Investment Targets [BAN MUANG 10 Mar]	31
Minister on Petrochemical Liberalization [BAN MUANG 10 Mar]	31
BOI Chief, Others View Objectives [MATICHON 7 Mar]	32
Manager Comments on Fisheries Negotiations With SRV [NAEO NA (LOK THURAKHIT SUPPLEMENT) 14 Mar]	32
Agriculture Minister on Export Credit, Council Plans [MATICHON 20 Mar]	33
Central Bank Official on Baht Role in Indochina [THAI RAT 7 Mar]	33
Electricity Expansion Plans Explained [BAN MUANG 5 Mar]	33
State Firms Share Debt-Service Funds [SIAM RAT THURAKIT 7 Mar]	33
Wiraphong Ex-Im Bank Plan Opposed [BANGKOK POST 3 Apr]	34
Crackdown on Sales of Unlicensed Clothing Reviewed [THE NATION 10 Apr]	34
Foreign Cigarette Distributors Face Boycott [THE NATION 5 Apr]	36
Malaysia-SRV Deal Worries Rice Exporters [BANGKOK POST 3 Apr]	36
Rice Exporter Views Declining Prospects [BANGKOK POST 9 Apr]	37
NPKC Wants Emphasis on Farm Debt, Land Reform [THE NATION 31 Mar]	37
Commerce Ministry Plans Rice Market Intervention [THE NATION 28 Mar]	38

VIETNAM

POLITICAL

Hanoi Intelligentsia Contributes to Party Report [HANOI MOI 4 Mar] 39

MILITARY

Colonel Discusses 1991 Military Training Tasks [QUAN DOI NHAN DAN 26 Feb] 39
Article Discusses Main Concerns in Training [QUAN DOI NHAN DAN 28 Feb] 40

ECONOMIC

Lease Possible for Asiasat Transponder [AFP] 41
Foreign Companies Register for Oil Refinery Bid [VNA] 42
Committee Grants Licenses to 32 Investment Projects [Hanoi International] 42
Heavy Industry Raises Farm Tool, Materials Output [VNA] 42
Seminar Held on Training Economic Managers [VNA] 42
Japanese Joint Venture in Garment Industry [VNA] 42
Briefs on Brewery, Japanese Venture, Tea Factory [AFP] 42
VNA Reports Progress in Electronics Industry [VNA] 43
Thuan Hai Completes Satellite TV Receiving Station [Hanoi TV] 43
Ha Nam Ninh Exports Embroidery, Carpets [VNA] 43
Finnish-Financed Shipyard Increases Capacity [VNA] 43
1990-91 Winter Crops Ease Early Food Shortages [VNA] 44
Long An People Moving to Dong Thap Muoi [Hanoi Radio] 44

SOCIAL

Britain, UN Help Fight Illiteracy Among Blind [VNA] 44
UN-Funded Daycare Project Yields Good Results [VNA] 44
UNICEF Approves Cooperation Program [VNA] 44
Illegal Videotapes 'Pouring' Into Country [AFP] 45

Amendment of Profit Tax Law Announced

91SE0228E Rangoon *THE WORKING PEOPLE'S DAILY* in English 1 Apr 91 pp 1, 6

[Text] Yangon, 31 Mar (MNA)—The Law Amending the Profit Tax Law, promulgated by the State Law and Order Restoration Council under its Law No 7/91, contains two points. The first point mentions that people are generously making donations for development activities being carried out under the auspices of State organizations at different levels throughout the country and as such, donations made to any religious or charitable organization by those who are paying profit tax to the State shall be deducted from the total income and tax shall be computed on the remaining income.

The second point mentions that chargeable tax for the income kyats 8001 to kyats 10000, contained in the present Profit Tax Law shall be deleted.

The State Law and Order Restoration Council Law Amending the Profit Tax Law

(The State Law and Order Restoration Council Law No. 7/91)

The 2nd Waning Day of Hnaung Tagu, 1352 ME (31st March, 1991)

The State Law and Order Restoration Council hereby enacts the following Law:

1. This Law shall be called the Law Amending the Profit Tax Law.
2. The provisions of this Law shall come into force commencing from the assessment year 1991-92.
3. In section 5 of the Profit Tax Law, the following sub-section shall be inserted as sub-section (c):

(c) donations made to any religious or charitable organization sponsored by the different levels of the State Organization or recognized by one Minister for the Ministry of Planning and Finance by notification for the purpose of this sub-section or any fund relating to such purposes shall be deducted from the total income and tax shall be computed on the remaining income. Provided that the deducted amount shall not exceed twenty five per cent of the total income of the assessee.

Explanation. Charity includes contributions for public benefit such as education, health, relief and welfare of the poor and needy.

4. (a) The expression lowest income "kyats 8001" contained in clause 1 of the annexed Schedule of the Profit Tax Law shall be substituted by the expression "kyats 10001";

(b) The expression "Chargeable tax of 240 kyats, for the income kyats 8001 to kyats 10000" contained under clause 1 of the tax schedule according to the class of income in the annexed Schedule of the Profit Tax Law shall be deleted.

(Sd.) Saw Maung
Senior General
Chairman

The State Law and Order Restoration Council

Joint-Venture Garment Factory Inaugurated

91SE0228A Rangoon *THE WORKING PEOPLE'S DAILY* in English 31 Mar 91 p 16

[Text] Yangon, 30 Mar (MNA)—The Myanmar-Segye International Limited Garment Factory, jointly established by the Union of Myanmar Economic Holdings Limited and the Segye Corporation of the Republic of Korea, was inaugurated at the Pyinmabin Garment Factory premises in Mingaladon this morning.

Present at the opening ceremony were Chairman of the Board of Directors of the Union of Myanmar Economic Holdings Limited Commander Maj-Gen Myo Nyunt, Managing Director Minister Brig-Gen Abel and members of Board of Directors, Ambassador of ROK to Union of Myanmar Mr Hang Kyung Kim, Chairman of Board of Directors of Segye Corporation Mr O N Kim and members, senior officers from the Ministry of Defence, directors-general and managing directors of departments and enterprises, among others.

Commander Maj-Gen Myo Nyunt, and Mr O N Kim delivered speeches on the occasion.

After the opening ceremony, Commander Maj-Gen Myo Nyunt and guests went round viewing the different stages of production.

SLORC Secretary-1 Views Border Development Projects

91SE0228B Rangoon *THE WORKING PEOPLE'S DAILY* in English 30 Mar 91 p 6

[Text] SLORC [State Law and Order Restoration Council] Secretary-1 Maj-Gen Khin Nyunt, Chairman of the work Committee for Development of Border Areas and National Races and party inspected development activities in Chin/Kachin and Sagaing Division from 23 to 26 March.

The Secretary-1 and party inspected Kale, Tiddim, Falam, Haka in the Chin State, Hkamti, Lahe, and Nanyun in the Sagaing Division, Tanai, Myitkyina, Putao, Hopin, Ngar-Maing village in Mohnyin township, Galaigyaung hydel-power [as published] project site in the Kachin State.

The Secretary-1 and party held discussions with the responsible persons of the respective State/Division and Township LORCs, Tatmadawmen and their family members, and service personnel of the departments and explained in detail how the SLORC has been making efforts for development of border areas and national races and that over K200 million [kyats] had been spent up to date.

The development projects of Naga Mountain Range will be implemented in 1991/92 to ensure better transportation in the region. The Secretary-1 and party inspected the Hospital for Treatment of Drug Addicts in Myitkyina and spoke on measures for upgrading the hospital.

The Tatmadaw, with the guidance of the SLORC and specifically with the supervision of the work committee is working with might and main for the welfare of national

racess. It is striving to forge unity between national races and to narrow the gap between urban and border areas.

Prevalence of peace and tranquillity is essential for the development of any area of any country. And to gain peace and tranquillity, co-operation of the people is needed in eradication of insurgency in the region.

Due to the untiring efforts of the Tatmadaw some of the forces which took up arms and opposed the government at one time are now forsaking their policy of armed insurgency and are now working hand in hand with the Tatmadaw in the development of border areas.

With peace and tranquillity restored there are plans to implement vast projects of construction and development of border areas and national races with much speed up and tempo.

37.5-Mile Railway Inaugurated

91SE0228C Rangoon THE WORKING PEOPLE'S DAILY in English 30 Mar 91 p 6

[Text] Yangon, 29 Mar (MNA)—The Shwenyaung-Lawksaw railway of the Ministry of Transport & Communications was commissioned on 27 March morning.

The ceremony to mark the occasion at the Shwenyaung Railway Station was attended by member of the State Law and Order Restoration Council [LORC] Chairman of the Shan State LORC Commander of Eastern Command Maj-Gen Maung Aye, Chairman of the Shwenyaung-Lawksaw Railway Construction Supervision Committee Commander of Bahtoo Station Commandant of the Tatmadaw Combat Training School Brig-Gen Saw Lwin and Managing Director of the Myanmar Railways U Win Sein, among others.

Executive Engineer U Moe Naing of the Myanmar Railways formally commissioned the new railway at 10:58 am.

Commander of Eastern Command Maj-Gen Maung Aye and guests then left Shwenyaung for Lawksaw in a special train and they were greeted by local populace at stations along the railway.

Construction of the 37.5-mile railway began on 5 August 1990 and completed on 20 March 1991.

Cornerstone Laid for 300-Bed Hospital

91SE0228D Rangoon THE WORKING PEOPLE'S DAILY in English 3 Apr 91 pp 12, 5

[Text] Yangon, 2 Apr (MNA)—The ceremony to lay the corner-stone for the 300-bed hospital in Thingangyunn Township was held this morning.

Present on the occasion were State Law and Order Restoration Council Secretary-I Maj-Gen Khin Nyunt, Minister for Health and for Education Chief Commanding Officer of Universities Training Corps Col Pe Thein, Yangon Division LORC Chairman Yangon Command Headquarters Commander Maj-Gen Myo Nyunt, Yangon City Development Committee Chairman Yangon Mayor U Ko Lay, Health Department Director-General Dr Tin Oo, Public Works Managing Director U Khin Maung Yin, responsible personnel of the SLORC Office and No 2 Military Region Commander Col Win Hlaing, among others. Minister Col Pe Thein and Managing Director U Khin Maung Yin enshrined the precious stones in the jewel pit.

SLORC Secretary-I Maj-Gen Khin Nyunt, Yangon Command Headquarters Commander Maj-Gen Myo Nyunt, Yangon Mayor U Ko Lay, Health Department Director-General Dr Tin Oo, Managing Director U Khin Maung Yin, No 2 Military Region Commander Col Win Hlaing and responsible personnel of the Health Department and the Public Works laid the foundations.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Spokesman Denies KPNLF-Khmer Rouge Link

91SE0243C Bangkok BANGKOK POST in English
24 Mar 91 p 2

[Excerpts] The Khmer People's National Liberation Armed Forces (KPNLAF) has denied using Khmer Rouge forces as tank crew.

KPNLAF spokesman Ok Serei Sopheak said that a tank, which appeared in a photograph in the BANGKOK POST on 22 March, does not belong to the KPNLAF. [passage omitted]

Commenting on a report that troops dressed in plain fatigues on top of the tank were Khmer Rouge, Mr Sopheak said "Camouflage" or "plain" fatigues can be bought at local black markets run by Vietnamese and Phnom Penh authorities and worn to create images for use in propaganda.

"The KPNLAF has never used the Khmer Rouge as tank crew and has never allowed them to climb on their tanks," he said.

Khmer Rouge Support to KPNLF Described

91SE0243D Bangkok BANGKOK POST in English
22 Mar 91 p 5

[Text] Ta Phraya (AFP)—Khmer Rouge forces have moved to assist non-communist guerrillas in northwestern Cambodia in a bid to stave off Phnom Penh government troops, Thai military officers said yesterday.

Elements of Khmer Rouge Division 519, which is deployed in Cambodia just south of this Thai border town, have been approaching the Khmer People's National Liberation Front (KPNLF) stronghold of Thmar Puok since Wednesday, said the officers, stationed at the border.

Troops of Phnom Penh's pro-Vietnamese government launched an offensive on Thmar Puok, a KPNLF-controlled town some 25 kilometres east of here, earlier this month.

Guerrillas from the KPNLF, one of two small non-communist factions allied to the Peking-backed Khmer Rouge in a Guerrilla Coalition against the Phnom Penh forces, had checked the offensive by the end of last week.

But the Thai officers said government forces now threatened to encircle the town, which is home to some 8,000 people and located on a strategic supply route.

The officers said the Khmer Rouge was not yet directly involved in the fighting around Thmar Puok, although Division 519 had supplied ammunition to the KPNLF.

Ok Serei Sopheak, a spokesman for the non-communist guerrillas, this week dismissed reports that Khmer Rouge and KPNLF forces were fighting side by side around Thmar Puok.

Khmer Rouge military cooperation with the KPNLF and Prince Norodom Sihanouk's faction, the other anti-Phnom Penh non-communist guerrilla force, is a sensitive issue.

The United States, which provides both non-communist factions with non-military assistance, is required by law to stop its aid if they cooperate militarily with the Khmer Rouge because of the human rights record of Cambodia's former rulers.

Photo Caption

Khmer People's National Liberation Front rebels (in camouflage fatigues) and Khmer Rouge guerrillas (in plain fatigues) on a T-54 tank near the Thai-Cambodian border. The Khmer Rouge claims to be the crew of the Soviet-made tank seized from a Heng Samrin force. Sources from the Khmer Rouge 519th Division—based opposite the Phnom Chat mountain range south of Ta Phraya—have provided the KPNLF rebels at a standoff position around Tamopuak in Sisophon with four truckloads of ammunition and artillery. About 1,000 Cambodians have streamed nearer towards the border of Ta Phraya to avoid the coming fighting inside Cambodia.

Civilian Casualties in Khmer Rouge Area

91SE0243A Bangkok BANGKOK POST in English
26 Mar 91 p 10

[Excerpt] Aranyaprathet (Reuter, AFP)—Fleeing Thai miners yesterday accused Cambodian government forces of purposely killing civilians during an offensive against a major gem-producing region under Khmer Rouge control.

"They fired into mining areas which are far away from Khmer Rouge bases," a Thai mining source told Reuters.

"The shells hit mining areas killing many people. The area stank of rotting corpses," he said.

Thai military sources confirmed the civilian deaths in the Pailin region of northwestern Cambodia but said it was impossible to provide an accurate casualty count.

"Many people died. But it's every man for himself among people working there and nobody keeps records," a Thai officer said.

Farther north, more fighting was reported in Cambodia's Thmar Pouk region controlled by another guerrilla force, the Khmer People's National Liberation Front (KPNLF).

A KPNLF field commander said the Khmer Rouge had helped his men turn back a Phnom Penh offensive and guerrillas were now firmly in control of Thmar Pouk, some 400 kilometres northwest of the Cambodian capital.

The commander, who asked not to be identified, said in an interview that the Khmer Rouge had provided both artillery and infantry support. [passage omitted]

Khmer Rouge Civilians Flee to Thai Border

91SE0243B Bangkok THE NATION in English
2 Apr 91 p A7

[Excerpt] Fighting between guerrillas and government troops in western Cambodia has forced almost 2,000 Khmer Rouge civilians to flee, Thai military and guerrilla sources said yesterday.

The mass evacuation to the Khmer Rouge controlled town of Phoum Thmai, only 15 kms from the Thai border, follows a massive attack by Phnom Penh troops against Khmer Rouge positions, the sources said.

The fighting started on Sunday when government troops at Ban Nimit base near the strategic Highway 5 used BM-21 multi-rocket launchers to pound the stronghold of the Khmer Rouge's 450 Division near Phnom Malai mountain, only two kilometres from Thai border, they said.

Another of the Khmer Rouge's major bases at Takuang Krao village near Si Sophon also came under heavy attack by Phnom Penh troops, the sources said. [passage omitted]

Amnesty Says Khmer Rouge Executes 30 Dissidents
BK1105132891 Hong Kong AFP in English 1308 GMT 11 May 91

[Excerpt] Bangkok, May 11 (AFP)—The Khmer Rouge has executed 30 members of its own party who were suspected of leading an internal rebellion, according to a report by Amnesty International seen here Saturday.

The members were accused of demanding greater personal and economic freedom, the report from the London-based human rights organisation said.

The alleged executions reportedly took place in July 1990 after the Khmer Rouge military police accused the victims of being dissidents and having instigated several episodes of unrest since 1987 among troops and non-combatant residents near a northern camp called Choam Sla.

The unrest was believed to be related to dissatisfaction over continuing restrictions on the means of livelihood, freedom of movement, contact with foreigners and freedom to practice religion, Amnesty said.

The Amnesty report said the executions took place at the Khmer Rouge base in forest between the northern Cambodian provinces of Siem Reap-Oddar Meanchey and Preah Vihear.

"The victims were kept there for a week. Six of them including a chairman of a company of division 616 special forces were reportedly shot dead in their beds before dawn on July 27," the report said.

The 24 others were taken shortly afterward into a nearby forest and were also feared killed.

Amnesty also charged that 70 others were detained in underground cells at a prison in Choam Sla where some of them were repeatedly and severely beaten by Khmer Rouge military police who tried to force them to identify the ringleaders of the unrest.

"Those reportedly killed were apparently named in the confession extracted," the report said.

The report did not say whether the 70 are still being held.

Amnesty said it has sent letters expressing concern about the alleged killings to Khmer Rouge nominal leader Khieu Samphan and leaders of two other non-communist factions loosely allied to the Marxist group—former Cambodian Prime Minister Son Sann and Prince Norodom Ranariddh.

But only Mr. Son Sann's faction responded to the letter. He sent Amnesty a copy of a letter he had written to Mr. Khieu to express his concern about "the accusations of human rights violations of which the party is constantly accused" and about its failure to provide evidence to clarify the alleged abuses. [passage omitted]

STATE OF CAMBODIA

Columnist Views Government Weaknesses

9ISE0242B Bangkok BANGKOK POST in English 6 Apr 91 p 4

[From the "Cambodian Diary" column by Jacques Bekaert: "Who Is on the Offensive?"]

[Excerpts] [passage omitted] There has indeed been an increase in military operations since late January. Not only along the Thai-Cambodian border but also in Kompong Thom and Kampot. [passage omitted]

But there is no doubt that at first the resistance was surprised by the intensity of the shelling (as in Kompong Thom in February and March) and by the use of tanks in a much more aggressive role than in the past.

Tanks until recently were used more as artillery than offensive weapons. During the recent battle for Thmar Pouk both resistance and diplomatic sources said Phnom Penh used a fairly large number of Soviet-built T54 to break through the KPNLAF [Khmer People's National Liberation Armed Forces] perimeter of defence. The terrain near Thmar Pouk is flat, ideal for armoured vehicles.

The CPAF offensive started on 9 March and fighting lasted until 28 March. A reliable resistance source said about 10 tanks and an equal number of armoured Personnel Carriers (APCs) were used at first. "There was little our troops could do," the source said. "We had to let tanks go through our lines, and try to cut them from their infantry support." KPNLAF sources declared that tank crews appeared well trained, but that the infantry operating alongside the tanks demonstrated little will to fight and poor discipline.

"Many fled rather quickly," the source said. The KPNLAF also noticed that the CPAF apparently lacked manpower to occupy the ground "liberated" by the tanks. This shortage of men to fully occupy vast tracks of land is a problem faced apparently by all factions and all armies in Cambodia (with the possible exception of the Vietnamese, before 1989).

For the KPNLAF the priority was to stop the tanks, later to push the enemy back far enough to keep Thmar Pouk out of range of CPAF artillery. On such flat terrain ambushes are extremely hazardous. The KPNLAF's best anti-tank weapon, the German-made Armbrust has a very short range (about 60 metres). Finally two tanks were damaged by Chinese-made DDR 74.6mm. Two others hit mines.

There was also plenty of shelling in Battambang, around Pailin, although resistance sources said that the Khmer Rouge did not concede any ground even if mining was seriously disrupted by the intervention of helicopters. [passage omitted]

Most of the war appears to consist largely of exchange of artillery fire, and few major positions have changed hands in the past three months.

The new element is the growing role played by tank units. It did serve Phnom Penh well, but the CPAF was unable to build on its initial advantage. As to knowing who is winning the present dry season offensive, one has to first decide which side is on the offensive.

Impact of Government Offensive Assessed

91SE0242A Bangkok BANGKOK POST in English
22 Mar 91 p 4

[From "Cambodian Diary" column by Jacques Bekaert: "War and Amendments"]

[Excerpt] [passage omitted] Many observers have been wondering if the moderate increase in military activity and the recent offensives launched by the Cambodian People's Armed Forces (CPAF) have anything to do with possible forthcoming negotiations on the Perm Five plan.

In Kompong Thom, Siem Reap, Banteay Meanchey and perhaps Kampot too, the CPAF has tried to push back the resistance and regain certain positions. In Kompong Thom the resistance admits it lost some ground, but remarks that following heavy shelling and brief occupation of towns and villages, the CPAF and local forces usually retreated to their previous positions.

The attack against the Khmer People's National Liberation Front around Thmar Pouk, successful at first, seems to have largely failed. Reliable sources said the KPNLF [Khmer People's National Liberation Front] managed to knock down two tanks, which reduced the aggressiveness of the rest of the armoured column. It also appears that the Phnom Penh forces ran out of gas. The CPAF, on the other hand, had plenty of ammunition while at one point the KPNLF soldiers ran dangerously low of bullets.

Even if at the end the KPNLF was forced to abandon a couple of minor positions, and even if there was some rare ground fighting, Thmar Pouk, from which the KPNLF first withdrew most of its civilian administrators and members of the "civil action team," is now firmly back under the Front's control.

As for the "thousands of Vietnamese troops" allegedly involved in the attack, there is so far no hard evidence. Western diplomatic sources do not discount the fact that some Vietnamese units still operate occasionally in Cambodia, but insist that figures provided by the resistance are vastly exaggerated.

Very few details are known of recent CPAF operations against Khmer Rouge units in Kampot and Kompong Cham. Military claims by all Cambodian factions must be handled with extreme care if one does not want to obscure the truth.

But Khmer Rouge forces have been present in Kampot for years, and during a recent visit to Cambodia, local sources in the adjacent province of Kompong Speu said Khmer Rouge reinforcements had been seen on their way to

Kampot, where small units of the National Army of Democratic Kampuchea camp in the Elephant Mountains.

A Khmer Rouge source said a few months ago that travelling between the Thai-Cambodian border and Kampot was now a matter of a few days, a week at most. A few years ago it could have taken as much as three months.

Troops Seize PRC-Supplied Heavy Artillery

BK0205015591 Bangkok BANGKOK POST in English
2 May 91 p 2

[By Peter Woolrich in Battambang]

[Excerpt] Phnom Penh troops have seized 360 tons of Chinese-supplied heavy artillery and taken 1,000 prisoners during an April offensive against the Khmer Rouge. In what is being claimed as the greatest-ever victory against the warring faction, the government forces say they have destroyed four divisions of Pol Pot's 250 Superior Commando unit.

All Khmer Rouge divisions are identified by secret code numbers, but the 250 unit is the overall command structure headed by Ne Kan and the attacks on it will seriously disrupt the faction's organisation. During its offensive, Phnom Penh forces claim to have killed Ne Kan's deputy, along with two other generals and a Chinese military adviser.

Despite China's appeal for a ceasefire from May 1, as a "gesture of good faith" before this month's new round of peace negotiations in Jakarta, the latest weapon seizures from the Khmer Rouge show it is still spending a large amount of money backing the former genocidal regime.

The huge arsenal of weaponry is on display in a park in Battambang, Cambodia's western province. It includes three Chinese T59s, the first-ever tanks to be captured from the Khmer Rouge, one of which still has the charred remains of four soldiers inside, 60mm and 130mm mortars, tons of rockets, missiles and ammunition and 10,000 landmines, along with ten military trucks. All the weaponry has Made in China clearly stamped on it.

Phnom Penh army intelligence claims China sent 30 tanks up through the Gulf of Thailand to Trat where they were put on transporters and taken by road across Thailand up to the Cambodian border at Pailin.

(Thai military and government authorities have repeatedly denied any involvement or connivance in the shipment of such military hardware. Only yesterday Army Commander-in-Chief Gen Suchinda Khrapayun denied that Thailand had ever allowed its territory to be used as a conduit for arms supplies to the resistance.)

The military commander of Battambang province, Colonel Van Sophat, said: "We destroyed three of the tanks, as you have seen, and the rest escaped. During the peace talks we were prepared to stop fighting, but China continues to supply arms through Thailand.

"The enemy said it would honour an earlier ceasefire but it has used the weapons to destroy hundreds of villages; they don't care that ordinary people get killed.

"Because of the enemy's buildup of arms we had to launch an offensive and it has been very successful, we would rather not fight but they given us no choice." [passage omitted]

Troops in Kampot Experiencing Problems*BK0205013591 Bangkok BANGKOK POST in English
2 May 91 p 5*

[By James Pringle in Kampot, Cambodia]

[Excerpts] The field radio in a lookout post on the defensive perimeter of this southern Cambodian town crackled alive with a terse message yesterday: "This is Creeper Mountain. We lack bullets and food—send supplies."

The "Dad's Army" of part-time soldiers who have been guarding Kampot (population 20,000) since the Khmer Rouge reached the suburbs in fighting early last month, looked at each other and grinned. Creeper Mountain (Phnom Wall) is a Khmer Rouge base virtually overlooking the city and the soldiers here were monitoring their adversaries' communications.

A short time later came the reply, from "Old Pet" ("Pet Cha"), the veteran Khmer Rouge commander in hills to the west. "Consolidate, descend and attack the reactionary forces: regroup and capture arms and supplies from the traitors." [passage omitted]

For now, the Khmer Rouge may have been driven back—diplomats in Phnom Penh say with the help of a 6,000-strong Vietnamese mercenary unit that arrived by sea—from Kampot, but Khmer Rouge leader Pol Pot's forces under "Old Pet" seem to have targetted Kampot province and its capital, 85 miles south of Phnom Penh. The town is under a kind of loose siege.

The beautiful but ramshackle port town on a river leading to the nearby sea is ringed by vaguely menacing mountains where Khmer Rouge forces are now regrouping; these mountains stretch to Khmer Rouge bases on the Thai border, and portorage of fresh supplies takes only 14 days. [passage omitted]

A quite palpable air of uncertainty about the future still prevails. People are poised to flee again if necessary. "Pol Pot is still in the province," said one middle-aged woman. People say "Pol Pot" is a short-hand for the Khmer Rouge. Fuel is short, so lights go out at 8.30 p.m. which is, in effect, the curfew. After that, an eerie silence prevails.

"The Khmer Rouge are everywhere in the province, even in town itself," said a member of a Western relief agency in the hospital here. "The Phnom Penh forces have no control, because it is impossible to exercise control. The Khmer Rouge are moving all the time, one day to the north, the next to the east, the next to the west."

The hospital's daily casualty intake has more than doubled in the past two months. The buildings are crammed with war-wounded soldiers, civilians, and children divided into the categories "mines," "shells" and "bullets." The "mines" wards are a nightmare of leg and arm stumps. [passage omitted]

The highway to Cambodia's port of Kompong Som, 62 miles to the west, has been closed for a month, and the train from Phnom Penh does not come here any more—the Khmer Rouge had been firing on passenger coaches, the governor says. The town's only lifeline. Cambodia's

highway three, is relatively safe just a few hours each day, until 2 p.m. But even that is not sure. [passage omitted]

The problem is, as Kampot Province governor An He said yesterday in his first interview since the surprise attacks, that the Khmer Rouge have broken down into small units, and were hard to keep tabs on. "Our civilian people are everywhere, but our forces cannot patrol everywhere to protect them."

He said that the Khmer Rouge were robbing cattle and rice in an already drought-stricken province, and interviews with civilian inmates in the hospital seemed to bear that out, though some injured patients said the Khmer Rouge had claimed, in talks with some of them, to be "the only true nationalists." [passage omitted]

Gold Mine Fees To Help Fund Military Effort*BK0205023491 Hong Kong AFP in English 0205 GMT
2 May 91*

[By Leo Dobbs]

[Excerpts] Memot, Cambodia, May 2 (AFP)—The Cambodian Government hopes to cash in on a gold rush near this eastern town to help fund its fight against the resistance.

It set up a committee in April to exploit extraction of the precious metal in fields just 15 kilometres (nine miles) from the Vietnamese border in Kompong Cham Province, more famous for its extensive rubber plantations.

Rin Sam An, district chief and head of the committee, said here last week: "Exploitation of the mine will help us fund the military effort to prevent a return to power by the Khmer Rouge."

His remarks came on the heels of acceptance by the Phnom Penh government and the three resistance parties of an international appeal for a temporary ceasefire in the long civil war.

Peace brokers hope the ceasefire, which began Wednesday, will last if the warring sides forge a peace agreement at a scheduled meeting next month in Jakarta.

But past efforts have come unstuck after rosy starts and the government is pushing ahead with taxation programmes here to boost its flagging coffers.

Locals discovered the gold at an isolated spot 12 kilometres (seven miles) from here in 1987, triggering a classic nationwide gold rush.

Mr. Rim Sam An admitted that he had been powerless to stem the surge that has seen Cambodia's klondike swell to a population of between 7,000 and 10,000 prospectors and their families.

Instead the government has decided to tap the vast wealth generated in the former home district of Prime Minister Hun Sen by introducing a tax scheme.

From the start of the week, the government was to open the richest areas to prospectors and tax them 40 per cent of their findings compared to 10 to 20 per cent in less fertile areas.

Gold diggers are also charged 5,000 riels (eight dollars) for the privilege of exploiting metre-square (three square foot) plots for five days.

Industrious men, women and children swarmed over the fields, panning and digging for tidbits of the precious metal, while scales advertised stalls of gold traders waiting for the daily haul in the squalid shanty town nearby.

People descend on the area from all over Cambodia, among them 27-year-old farmer Map from Kompong Thom.

"If I don't find gold I'll go back in one month," he said.

Mr. Rim Sam An said there were fortunes to be made but most dreamers, such as 23-year-old Peou, live from day to day.

Proudly displaying a rock, which he reckoned contained a chi (about four grammes or 0.15 ounces) of gold, the prospector said he has been working the fields for several years with his family.

"Everybody finds one or two chi every month," said Nay Soeun, 25.

A chi sells for more than 30,000 riels (50 dollars) in Phnom Penh compared to just 22,000 riels (36 dollars) here. A civil servant earns, by comparison, a mere 3,000 to 5,000 riels (five to eight dollars) per month. [passage omitted]

The district official maintained that crime was low in the settlement, which exuded all the atmosphere of a Wild West frontier town.

He also said there was no threat from the Khmer Rouge and other guerrillas. A force of 100 policemen and a similar number of militiamen were in place to maintain law and order.

Lack of Water Disrupts Farming in Kompong Thom

*BK1005050791 Phnom Penh Domestic Service
in Cambodian 1300 GMT 9 May 91*

[Text] This year, Kompong Thom Province plans to grow 3,400 hectares of dry season rice. However, by mid-April, only over 460 hectares have been planted, or over 80 hectares less than the previous year.

This is because several areas lack water due to the repair of waterworks in the province, thus temporarily disrupting dry season production. Apart from dry season rice, our compatriots are also growing over 860 hectares of subsidiary and industrial crops such as corn, potato, bean, and vegetables.

Food Shortages Drive Refugees to Thailand

*BK0405022991 Bangkok BANGKOK POST in English
4 May 91 p 3*

[Text] Deteriorating food supplies and serious health problems are likely to drive more than 200,000 Cambodians displaced by fighting between warring factions into Thailand, a top UN aid official said yesterday.

According to S.A.M.S. Kibria, special representative of the secretary-general for coordination of Cambodian humanitarian assistance programmes, there have been up to 3,000 new arrivals at the refugee camps along the Thai-Cambodian border each week over the past month.

As a result, the number of Cambodian refugees at these camps has increased to 312,000.

"We didn't expect the number to go that high in the first half of the year," he said.

Mr Kibria predicted that the food and medical situation confronting about 185,000 internally displaced Cambodians would become acute in the second half of the year, thus increasing the influx of Cambodian refugees to Thailand.

The refugees are people who fled their homes out of fear of military operations by both sides and came to reside in poorly organised makeshift camps in nine western provinces of Cambodia, he said.

The food shortage has not been helped by the drought, which has disrupted farming and resulted in a decline in rice production. The cessation of aid from the Soviet Union and Eastern European countries has also deprived these people of food stockpiles.

Mr Kibria said there were no signs that the situation would deteriorate to the point of starvation or famine, but it represented a "negative prospect in the coming months."

Several industrialised countries have pledged assistance worth about U.S.\$12 million in aid programmes to the internally displaced Cambodians, he said.

Mr Kibria said his group was now sending foodstuffs and agricultural tools to relief the plight of these people.

Although the current ceasefire agreement could resolve the problem in the long run, efforts should be concentrated on providing relief for the immediate problems, he said.

"The ceasefire will definitely have a very positive effect on the overall food situation over a period of time, but immediate problems will not be resolved," he said.

Water Shortages Blamed on Power Outages

*BK1105070891 Phnom Penh SPK in English
0434 GMT 11 May 91*

[Text] Phnom Penh SPK May 11—The water supply service in the city of Phnom Penh has blamed the interruption in electricity supply for the insufficient supply of water in recent years.

Nep Srem, deputy head of the service, said only 70 per cent of the city dwellers could have enough supply of clean water and the rest get water from their own water wells.

According to him, the service could supply 57,000 cubic metres of water a day for a demand by city dwellers of 65,000 cubic metres in the rainy season and 75,000 cubic metres in the dry season. During the first four months of this year, the service supplied 5.9 million cubic metres of clean water for the city population he said.

Every month, the service spends 20 million riels (Cambodian currency) to maintain the supply of water and gets only 3-5 million riels from consumers, hence large losses for the state.

To avoid wasting water, the service plans to import 5,000 water meters this year to be installed for the first time at flats and houses in "Phsa Chas" ward, Don Penh Precinct, and "O Russei 4" ward, the January 7 precinct.

India Donates 18 Tons of Supplies to Hospital

*BK0805071691 Phnom Penh SPK in English
0456 GMT 8 May 91*

[Text] Phnom Penh SPK May 8—The "Chey Chumneah" (Victory) Hospital in Kandal Province has received 18 tons of medicine and medical equipment as aid from the Republic of India.

This is the second time since the country's liberation on Jan. 7, 1979 that India gave aid to the hospital.

At the consignment ceremony, Vong Sot, secretary of Kandal Province's party committee, expressed his gratitude to the people and government of India for their assistance to the hospital.

Also present on the occasion were Sok An, deputy minister of foreign affairs, Dr. Seng Lumneou, deputy minister of public health, Ringzing Wangdi, Indian charge d'affaires to Cambodia, and a number of the provincial medical staff.

POLITICAL

Prominent People Involved in Aceh Disturbance

91SE0199A Jakarta TEMPO in Indonesian 23 Mar 91
p 14

[By Putut Trihusodo, Sarluhut Napitupulu, and Affan Bey Hutasuhut]

[Text] For the first time, a case labeled by the government as the Aceh Security Disturbing Movement (GPK) has come up for trial. The accused are obviously not ordinary people.

Liem Sioe Liong and Probosutedjo have all of a sudden—and repeatedly—been mentioned in the State Court at Banda Aceh. This was not with reference to business matters—but the names of the two famous entrepreneurs were included in a list of people who were going to be kidnapped.

This matter was briefly touched on by the state prosecutor when on Saturday of last week he caused the accused, Drs. Hasbi Abdullah, 44, to appear in court. Hasbi was examined in connection with his involvement with the organization the government calls the Aceh Security Disturbing Movement (GPK).

This particular session of the court was a special one, not only because of the repeated references to the names of the two conglomerates, but because this was a session devoted to the case of the Aceh GPK—after this movement had for years led a roving, wild existence. It was the first time such a case had been on the docket. So no one was surprised that, when he entered the courtroom, Hasbi was closely guarded by a police unit, and hundreds of eyes were fixed upon him. But the lecturer in the Faculty of Economics of Syiah Kuala University (Unsyiah) behaved as though he didn't care; his countenance was calm, his gaze sharp.

It was not only Hasbi that day who occupied the chair reserved for accused persons. Two others, Mulkan Usman, 38, and Ridwan Ibbas, 31, were in the same courthouse. Another person, T.M. Said, 45, was examined at the State Court of Lhoknga, 15 kilometers from Banda Aceh.

They were accused of subversion by the state prosecutor. "They want to establish their own nation, the Islamic State of Aceh, from Sabang all the way to the border between Langkat and Aceh," said M. Adenan, the head of the High Prosecutor's Office for Aceh, to TEMPO. Their activities, according to Adenan, originated in the Free Aceh Movement, which was founded by Hasan Tiro in the mid-1970's. "Hasbi formed such an emotional attachment for this movement's cause that he enrolled as a member," said a TEMPO source in the ranks of Aceh's security forces.

It is presumed that Hasbi and his friends have a connection with Hasan Tiro. There are undercover leading personalities such as Idris Daud alias Abu Rih, and Tengku Serawak, who, according to TEMPO's source, put Hasan Tiro in touch with the person who would continue his struggle. Idris and Tengku Serawak are still at large. In these circles, Hasan Tiro is always shown respect. "They have appointed him head of state," said Adenan.

The interesting thing is that the four accused are obviously not just ordinary people. Take, for example, Hasbi. This lecturer, who graduated from the Unsyiah Faculty of Economics, Banda Aceh, also received an S-2 [master's degree] from Pajajaran University [at Bandung, West Java]. Ridwan Ibbas, too, has a good position—with the local Fisheries Service, where his latest appointment was as head of the quality control lab. Mulkan Usman is known to be an entrepreneur and holds a license for a Honda motorcycle agency, and T. M. Said is widely known as a member of the Greater Aceh Legislature, in which he is a member of the Unity Party faction.

The first court session in the case of the Aceh GPK will, if no obstacles arise, be followed by six other cases on Wednesday of this week. The six people accused of participating in the activities of the GPK include Drs. Adnan Beuransyah, 31, a lecturer in the National Islamic Institute; Darussalam, who also works as a reporter for the daily SERAMBI INDONESIA, which is published in Banda Aceh. Dr. Nurdin A.R., 42, is a lecturer in Unsyiah's Faculty of Education. And then there are Amirsyah, S.H., 34, a civil servant with the Aceh regional office of the Department of Justice; Dr. Tengku Efensi, who teaches the recitation of Koranic verses; Marwan, S.H., who owns and runs a garage; and Hasyar Rabsyah, an employee of the Aceh Commerce Office.

According to the head of the chief prosecutor's office for Aceh, M. Adenan, all the accused, both the one who has already appeared in court and those who will soon do so, comprise a group of intellectuals in the Aceh GPKI. "They were not armed. But they were the brains who planned the movement's efforts to foment disorder," said Adenan. Adenan went on to say that this group has as its "implementers" about eight forming a core force in the field. These eight individuals have all been taken into custody and will be tried in the state courts at Langsa and at Lhokseumawe.

These field operatives are the people who during 1990-91 carried out many terrorist actions: shooting members of the security forces, attacking police posts, burning down a school building, setting fire to a cheap hotel that was regarded as a cover for immoral activities, beating up internal migrants, and even driving them out of their settlements.

Hasbi Abdullah, according to the prosecutor's charges, actively attended clandestine meetings held by the leading "intellectual" figures [of the movement]. In meetings during the middle of 1990, said the prosecutor, Hasbi and his friends planned to form an Islamic state. And the method on which they agreed was armed violence.

In those meetings, Ridwan Ibbas was second to none in his ferocity. The prosecutor said that Ridwan had once planned to propose a project to blow up the electrical relay station at the Arun liquefied natural gas complex in Lhokseumawe. And then T. M. Said, the member of the Aceh Besar Legislature, was once requested to take in hand a project whose aim was to send 100-200 Acehnese youths to be trained in military skills.

The association of Hasbi Abdullah's name with the Free Aceh Movement is nothing new for members of the

security forces. In 1978, for example, Hasbi was detained four months for not reporting the fact that he had had a meeting with Dr. Zainni Abdullah, his uncle, who was being sought by the security forces because he had become a supporter of Hasan Tiro's movement.

In 1983, Hasbi once again had dealings with the court. This time, he was accused of having collaborated in planning the flight of his uncle and a friend of the uncle's from the jungle in Pidie to Medan. And from there the two fugitives were said to be heading for Riau, whence they would cross to Malaysia. In this assignment, Hasbi was assisted by Mulkan Usman. Hasbi was sentenced to two and a half years in prison, while Mulkan was rewarded for his trouble with two years and eight months' imprisonment.

For Mulkan, too, this was not the first such experience. He had once before, in 1977, been arrested and tried. This was because he had deliberately displayed the "Free Aceh" flag in several places, among them the yard of Government High School No. 1 in Banda Aceh, and at an elementary school on the outskirts of the city. On that occasion, Mulkan was sentenced to three years.

MILITARY

Air Force Staff Chief on Technology, Training

91SE0224A Jakarta KOMPAS in Indonesian 9 Apr 91 pp 1, 11

[Text] Jakarta, KOMPAS—The TNI-AU [Indonesian Air Force] is on a par with other countries in its mastery of technology. Although it is not large, the TNI-AU has mastered all technology, from the lowest to the most complex.

KSAU [Air Force Chief of Staff] Lieutenant General Siboen said this in an exclusive interview with KOMPAS at TNI-AU Headquarters in Jakarta on Monday [8 April] in connection with the 45th anniversary of the TNI-AU, which is marked today, 9 April. The Indonesian Air Force was established by Government Directive No. 6/SD, issued in Yogyakarta on 9 April 1946.

The directive creating the Air Force of the Armed Forces of the Republic of Indonesia (TRI-AU), which was signed by President Sukarno and Minister of Defense Amir Sjarifoedin, appointed R. Soeriadi Soeriadarma as TRI-AU chief of staff with the rank of air commodore (major general). Two deputies were also appointed: Air Commodore R. Soekarnen Martodikoesoemo and Junior Air Commodore (Colonel) Adi Soetjipto.

According to the KSAU, the TNI-AU's system is on a par with any air force anywhere. "We have mastered all of it." As far as weaponry is concerned, the TNI-AU has mastered weapons from the lowest to the highest technologies.

"We have them all, and we have mastered all technologies. Although we do not have many planes, we have mastered the use of aircraft from the lowest to the highest technologies." Lt. Gen. Siboen said that technological progress can be achieved only by knowledge and that knowledge can be acquired only by study.

Such study may be individual or with other people, at home or abroad. The TNI-AU pursues all necessary study, even that not available at home.

TNI-AU officers are sent abroad to study at places possessing high technology equipment. "We do this to acquire their high technology," he said. Although the TNI-AU owns high-technology F-16 Fighting Falcons, it does not have a simulator. Therefore, TNI-AU F-16 pilots are sent to the Netherlands to learn to fly the F-16 using simulators.

The TNI-AU is now exploring the possibility of sending F-16 pilots to Pakistan, which also owns these aircraft. "Thus, we do not merely study alone. If we study alone, our capabilities and the skills of our personnel will be limited," he continued.

ISD System

Replying to a question as to why Indonesia has been only a technology user, as in the case of aircraft or radar, the KSAU said that there once had been an intent to build our own radar, rockets, and so forth. Because of the very great cost, however, their acquisition is now coordinated by the BPIS (Strategic Industry Management Board), which coordinates the work of experts in both civil and military technologies.

The TNI-AU's training system is now under the Ganesha Project, which employs instructional system development (ISD). This system had been used in the past, but because of lack of instructional equipment and other special equipment it largely fell into disuse.

ISD will be employed at all levels of Air Force training but so far is not in overall use because of its great expense.

The KSAU said the results achieved through ISD have been very satisfactory. "If we trained under other systems, we would still not be ready to work. Under this system, however, as soon as we finish we can go to work. We can do what whatever we wanted the training to cover," he asserted.

Training is usually needed for maintenance of engines, electronics, and so forth. All of it uses English. "The trainees do better than I. Even the corporals have terrific English," the KSAU added. The training is not limited to TNI-AU personnel; Garuda Indonesia also sends its employees for training. So far, there have been two classes of 50 people each.

Finding People

If there is money, it is actually easier to get the hardware than it is to prepare the human resources, Lt. Gen. Siboen explained. The TNI-AU is preparing its personnel, but without fanfare. If, for example, a number of a specific kind of aircraft is expected, the personnel for them are trained during the waiting period, which naturally is not a short time. If the people cannot be trained at home, they are sent overseas.

He acknowledged that there are questions as to why the TNI-AU is procuring 12 F-16's. The KSAU explained that the planes are being bought to keep up with technology. Personnel need to be trained for this.

Americans calculate that about 145 people need to be sent overseas for training in F-16 technology. Because foreign training is expensive, however, the TNI-AU is sending only 60 people for training in the United States. "Our objective is to train some of the people at home. The 60 personnel are being trained abroad to become teachers of those who train at home." The results are satisfactory.

This pattern is also used for training pilots for the F-16 fighters. The overseas training of four F-16 pilots has produced 12 F-16 pilots trained at home. The four F-16 pilots were trained at the same time to be instructors.

Consistent Maintenance

The possibility of threats from outside Indonesia is very slim. "Therefore, considering Indonesia's geographic condition as a country of islands, will future hardware procurement include orders for transport aircraft to replace TNI-AU aircraft that date from the early sixties?"

According to the KSAU, those planes do not become old, because they are always maintained. Thus, although the planes we bought were models from past years, as was the case of the C-130's first bought by the TNI-AU, they stay in the same condition as those bought in 1970 as long as their maintenance remains consistent with the manuals.

There was a time when President Sukarno said, "Go to hell with your aid." The TNI-AU then faced problems in maintaining its Hercules transports, for the only country that owned and supplied spare parts was the United States. "But the United States was the one who was told to 'go to hell.'"

Because of the absence of communication, the TNI-AU did not receive correspondence about the planes. The factory always provides instructions on maintenance. "During the period when there was no communication, there were 600 Hercules maintenance tasks that were not performed," the KSAU said. Although these tasks were delayed, they were ultimately performed; and maintenance has continued smoothly until now.

In fact, the TNI-AU is now upgrading six of its Hercules planes in Malaysia and Singapore and is doing some of the work itself. The planes will be as good as new. In this way their lives will be extended by 5, 10, or 20 years. "We make our decision based on our financial capability. Thus, the life of the plane we are sending this month will be extended by another 10 years. This means that the Hercules aircraft we bought in 1959 will still be running well 10 years from now," he said.

Without Fanfare

The KSAU said that because of this intensive maintenance activity, the new aircraft purchases will not include the Hercules. Indonesia actually now has its own transport aircraft plant, and the TNI-AU will take advantage of it.

"Let us then not be driven by the desire to buy from outside. We long ago placed orders for military transport versions of the CN-235; and we are waiting our turn, since there have been many orders. In the first phase we will get six of them, but ultimately there should be more," he stated.

Besides extending the lives of Hercules planes, the TNI-AU has also been quietly renewing the avionics and weapons systems of its Skyhawks and F-5E's as Singapore and New Zealand did theirs. "But we are not doing it with a lot of fanfare."

According to the KSAU, there is nothing urgent now. "We want to keep moving the TNI-AU ahead and not wait until the situation is urgent." Everything is being done according to a work plan set by the TNI-AU. One part of the plan is continued use of Short-Term Service Obligation (IDP) for TNI-AU pilots.

The IDP program is used because of the shortage of pilots, especially academy graduates. "Therefore, we use this method to get many pilots quickly," he explained. In the beginning the IDP program applied to all pilots, whether combat plane, helicopter, or transport pilots, for all these branches were short of pilots.

After the program had been in operation for a while, however, enough helicopter pilots were obtained. Training was then conducted only for combat and transport pilots. Enough transport pilots were trained, and now there are almost enough fighter pilots, too.

At the point when there were enough pilots of all kinds and training was almost stopped, the POLRI [Indonesian Police] and TNI-AL [Indonesian Navy] asked the TNI-AU to train their pilots. As a result, IDP training has begun again. Each class is made up of 40-45 people, because the academy normally graduates only 16 people capable of being pilots.

The KSAU said that a person must have very good health to become a pilot. A trainee may be in prime condition when he enters; but during the two years of training, some will retain their health while there may be conditions that cause some to have even better health and others to lose their superior health.

According to the KSAU, the TNI-AU faces three training situations. In the first case, there are more training planes than necessary. In the second, there is the right number of planes for the pilot trainees. In the third case, there is a shortage of planes. He said, "God willing, there will soon be no shortage of pilots. If everything goes smoothly, new training planes will soon arrive."

ECONOMIC

Bank Shares Weaken in Wake of February Package
91SE0190A Jakarta SUARA PEMBARUAN
in Indonesian 19 Mar 91 p 4

[Passages in italics published in English]

[Text] Jakarta, 19 March. Banking industry share prices weakened as a result of the publication of the February Package (Pakfeb), which has as its aim the tightening of supervision of the banking industry. Stock exchange circles estimate that the February Package will limit the banking industry's room for maneuver. Consequently, bank income will contract. This will lessen investors' interest in buying banking industry shares on the Jakarta Stock Exchange (BEJ).

The result of PEMBARUAN's monitoring at the Jakarta Stock Exchange yesterday shows that of nine banking industry stocks that were displayed on the transaction board only half were traded. Almost all banking industry shares declined except those of Bank Umum Nasional (BUN), which were bought and sold at a fixed rate.

The price of Bank Duta shares showed a three-point decline to 3,050 rupiah. Bank Internasional Indonesia (BII) shares declined four points to 4,600 rupiah. Bank Niaga [Bank of Commerce] shares went down three points to 6,700 rupiah. Lippo Bank lost six points, ending up at 5,200 rupiah. At the same time, the closing rate for BUN shares remained unchanged, that is, 4,050 rupiah.

"Over Supply"

According to a broker from Pentasena Securities, Eko Teguh Santosa, this decline in the price of shares occurred because the banking industry is carrying out a consolidation. "This cuts down on the development of bank income, with the result that dividends accruing to investors decrease."

In addition, he said, the recent publication of the February Package is going to limit the banking industry's room for maneuver. Banks are forced to meet stipulations included in the February Package which, among other things, requires that banks increase their capital holdings to eight percent of their risk reserves. This makes the banking industry give priority to the acquisition of additional funds, rather than of profits.

The increase of the CAR (*Capital Adequacy Ratio*) to 8 percent is causing many banks to make plans to go public in order to increase their assets. This will result in an abundance of banking industry shares on the Jakarta Stock Exchange, possibly resulting in an *over supply*, which will subsequently cause prices to decline.

Meanwhile, a broker from Wardley James Capel Indonesia Ltd., D. Matram, said that one week ago banking industry shares suddenly soared because of a rumor that the Banking Industry Statute was going to be published immediately, and that foreign investors would be allowed to buy these shares.

But after people had waited a week, it turned out that the rumor was not going to become reality. As a result, investors who had earlier bought up large quantities of banking industry shares began to dispose of them. Furthermore, publication of the February Package clearly limited the banking industry's room for maneuver. "At this moment there are many banks that are putting their affairs in order, and this is going to have an influence on their profits," he said.

Not Very Much Interested in...

On the whole, share transactions on the Jakarta Stock Exchange on Monday, the first day of the Muslim fasting month, were seen to be made with a lack of enthusiasm. Stock traders and brokers were not very much interested in making transactions, and consequently share prices were also correspondingly weak.

This sort of condition also has an influence on investors, with the result that they prefer to dispose of shares rather than to chase after liquid shares (shares attracting a good deal of attention). One investor said that stock exchange circles seemed to be awaiting a more advanced situation in the Indonesian economy. "The blows and changes monetary policy have come one after another in the space of a month, and this has made actors on the stock exchange react quickly. Now it seems clear that these actors are holding back."

Meanwhile, the broker from Pentasena Securities said that the sluggishness of share transactions on the Jakarta Stock Exchange yesterday was caused by the many exchange actors who got rid of their shares. "Perhaps it was because the day of celebration at the end of the Islamic fasting month is drawing near, which means that they need money," said the broker, speaking to PEMBARUAN.

He said that it was difficult to estimate the *trend* in share prices for the following day, bearing in mind that fundamental calculations are not made by the players on the stock exchange. Nevertheless, at the close of transactions yesterday it could be seen that there were still many shares yet to be sold, and so the *trend* in share prices will be a tendency to move downward.

The news concerning the lowering of deposit interest by several banking firms evidently exerted an influence on the stock exchange for only a week. The overall index for last week showed an increase of ten points. And on the first day of this week share prices began to go down again.

The Combined Share Price Index (IHSG) on the Jakarta Stock Exchange was apparently not far from 400. If the index makes a sudden jump above 400, on the following day there will again occur a correction in share prices. In Monday's transactions, the Combined Share Price Index declined 2,164 points to 398,866 points. (L-6)

Experts Propose Measures To Improve Farm Income 91SE0225A Jakarta KOMPAS in Indonesian 6 Apr 91 pp 1, 11

[Text] Jakarta (KOMPAS)—Every government policy in the agriculture sector must be oriented toward improving the negotiating power of farmers. Thus, there is need for a marketing system that puts farmers in a strong position.

Dr. Gunawan Sumodiningrat, observer of agricultural economic issues, made this statement on Thursday [4 April] in Jakarta when KOMPAS interviewed him in connection with the general rice harvests taking place in several parts of Java. Experience shows that simultaneous rice harvests increase the rice supply and cause prices to fall.

Meanwhile, Dr. Bunasor, chairman of the IPB [Bogor Agricultural Institute] Agricultural Socioeconomics Department, said that greater rice production does not automatically improve the welfare of farmers. One consequence of controlled rice prices is that the "terms of trade" of rice are always slower to rise than those of other products.

"This year's general rice harvest coincides with Idul Fitri [holiday at end of Ramadan fasting month], when rice

demand usually rises. This is an excellent situation; supply and demand are both rising, making prices relatively stable," said Gunawan Sumodiningrat.

The problem, Gunawan explained, is how farmers negotiate in the market place. Farmers must be helped toward a good bargaining position. If not, most of the market's margins will go to parties other than the farmers.

"Marketing should benefit farmers. This can be done by bringing farmers as close as possible to consumers. In other words, the marketing chain should be as short as possible."

Dr. Bunasor expressed a similar opinion. He pointed out that joint IPB and BULOG [Logistics Board] research on rice marketing in the Karawang area some time ago showed that the closer farmers are to consumers the larger their share of sales proceeds.

Capitalization

Preparing farmers for a strong bargaining position, Gunawan said, can be done by guiding farmers to form groups at their own initiative. "Farmers are given the liberty to form strong groups that will fulfill farmer aspirations. Through such groups, farmers will be able to help themselves," he stated.

After a group is established, it will be guided toward capitalization. The government must also give opportunities for a farmers group to get capital at low interest rates. This capital would be in addition to capital gathered from group members themselves.

The group would be guided toward being a production group, a mill owner, and a milled rice seller. "Through such a group, farmers will be able to strengthen their bargaining position in the market place. By owning a milling enterprise, they will not need to be dependent on rice buyers or on milling businesses. Farmers can be producers, processors, and sellers," Gunawan explained.

A long marketing chain, Gunawan added, will no longer be a problem when all the players in the chain are the farmers. "The 'marketing margin' will always go to the farmers."

At present, rice marketing goes through six hands: farmers, buyers, millers, wholesalers, retailers, and consumers. The IPB found a similar pattern in its research.

Negative 'Marketable Surplus'

Both Gunawan and Bunasor observed that because farmers tend to sell their entire harvests, the rice supply increases, and prices fall. Farmers have no desire to hold back part of their harvests to sell at better prices during the dry season.

Because of relatively stable rice prices, Gunawan said, farmers actually lose if they store rice. The need for cash to cover expenses makes farmers want to sell their rice quickly.

On average, farmers store only 25 percent of their harvests, although in real figures farmers have a negative "marketable surplus." This is true of almost 60 percent of farmers in Java, who own an average of less than 0.25 hectare of land.

"Only about one ton of paddy is obtained from 0.25 hectare in a year. That is not enough to cover the consumption of an average farm household of five people," he asserted.

Consequently, he explained, farmers are producers only at harvest time, but are consumers at other times. A farmer pays more for rice for his own needs than he gets for what he sells. Therefore, although rice production meets the needs of the population, this does not mean that people can meet their consumption needs. "Increased production does not automatically improve the welfare of farmers. Their problem is that their purchasing power is still low," Bunasor explained.

He said that increases in the "terms of trade" of rice come slower than for other commodities, particularly industrial products. Although rice prices go up from year to year, the increases are always slower than in the prices of other goods.

On another occasion, Gunawan said that there are indications of a decline in agricultural "terms of trade" from year to year. The ratio of prices received to prices that must be paid for food was 110 in 1989, and 105.04 in 1990. Gunawan also explained that in the annual cycle it is almost a certainty that the price index of food rises at the end of April. It then falls in May, rises in July, falls in August, and rises in November.

Diversification

Bunasor believes that a policy that can be adopted to help farm households improve their welfare is to give program credit at low interest to groups of small farmers. Another action would be to instruct farmers in both horizontal and vertical diversification.

Horizontal diversification, he added, can be accomplished by growing secondary crops between rice crops, raising small ruminant animals that do not need much land, expanding garden economies, horticultural activity, and development of village industries for farm households.

Vertical diversification can be done by developing agroindustry. "Farmers would be given opportunity to operate processing industries, thus giving added value to their farm products. Diversification would change the village economic structure by improving village economic capabilities," Bunasor stated.

Agroindustries developed in the villages, Bunasor said, should be adapted to industrial factors already present there. Technology would be simple, consistent with the capabilities of the village community.

Gunawan Sumodiningrat gives more emphasis to improving the bargaining position of farmers and their efficiency in the rice trade through the formation of strong farmers groups.

Gunawan feels that the setting of a basic price is not an important factor in improving the welfare of farmers, since, he said, the basic price is merely temporary and applies only while the farmers' position in the market is still weak. "The important thing is to prepare farmers for

response to the market. Farmers would then think and act in a way that is consistent with the market mechanism."

Bunator recommended that the base price be set under a regional concept. The same should be done for rice distribution. He suggested that the basic price be established

according to the "spatial location principle," that is, by considering the distance between production and marketing centers and the condition of facilities and infrastructure. Distribution would be organized based on efficiency and on transportation networks.

Suchinda-Kaysone Family Links, Business Climate

91SE0202C Bangkok THAI RAT in Thai
13 Mar 91 pp 1, 17

[Excerpts] [passage omitted] Gen. Suchinda Khraprayun, the Royal Thai Army [RTA] commander in chief and deputy head of the National Peacekeeping Council, was interviewed at the B.N. 6 airfield on 12 March after returning from a trip to Laos. He said that this trip to Laos had been scheduled for February. But he had had to travel to Malaysia and Indonesia instead and so the trip to Laos was rescheduled for early March. The Lao ambassador informed him that this would be a good time to make the trip, because senior Lao officials would be free only to 11 March.

"I went as a relative. There was no other reason for going. This was not an official visit. The wife of my wife's uncle is the younger sister of Mr. Kaysone Phomvihane. Issaraphong and I wanted to get to know him. Issaraphong is now a minister and had much work to do so he couldn't go. And so I went alone," said Gen. Suchinda about his main reason for visiting Laos. He said that even though he did not go there this time to discuss a particular issue, when he met with Mr. Kaysone, the premier of Laos, they discussed several issues, including the border problem and economic and investment matters. [passage omitted]

Gen. Suchinda said that, in talking with Mr. Kaysone about the withdrawal of both Thai and Lao forces, the Lao side has given good assurances. Mr. Kaysone said that he would issue an order to Mr. Khamtai, the minister of national defense, and Gen. Sisavat Keobounphan, the Lao chief of staff officers, so that they know what Thailand's intentions are. When he visited Luang Prabang, he met with Gen. Sisavat and discussed this once again. They promised each other not to use military force again, which includes the use of military forces in the Ban Rom Klao area, too. They agreed that reaching an agreement was the duty of the joint committee. In the period before an agreement is reached, those living in the area can continue to live there, because those living in that area do not consider themselves to be Lao or Thai.

The RTA commander in chief said that Laos proposed establishing a government-level Thai-Lao committee in order to promote cooperation on all fronts, including the economic and trade fronts. Gen. Suchinda promised them that he would relay this proposal to the prime minister for consideration. As for businessmen investing in Laos, Laos needs cement plants and wants Thais to invest there even though China has made a proposal. It also needs several other types of businesses, including dam construction projects in Laos. There are three more such projects, and Laos wants Thais to build those. He told them that he would help select businessmen to carry on business activities in Laos, because we don't want businessmen whose only objective is to make a profit for themselves. We want businessmen who will help develop Laos. In the past, Laos did not act sincerely toward Thai businessmen. Concerning this, Gen. Suchinda said that there may have been some misunderstanding. He doesn't know. But today marks a new beginning. [passage omitted]

The RTA commander in chief said that his meeting with Mr. Kaysone promoted better mutual understanding, including better understanding of the issue of reactionary groups. "When he raised this issue, we said that we would never allow armed forces to enter Thai territory. He said that he understood. But he still feels that the United States is supporting the resistance groups. We told him that was not possible. As for the issue of Lao refugees, he expressed a willingness to take back those who want to return to Laos. But Laos must be informed in advance, because they must have money to help these people. He said that Laos is still very poor."

Cooperation Pact Signed With Soviet Amity Group

91SE0218A Vientiane VIENTIANE MAI in Lao
21 Feb 91 pp 1, 4

[Unattributed report: "Memorandum Signed on Cooperation Between the Soviet-Lao and Lao-Soviet Friendship Societies for 1991"]

[Text] This morning in Vientiane Municipality, there was an official ceremony to sign a memorandum concerning cooperation between the Soviet-Lao Friendship Society of Moscow and the Lao-Soviet Friendship Society of Vientiane Municipality in 1991.

Dr. Siho Bannavong, chairman of the Lao-Soviet Friendship Society of Vientiane Municipality for the Lao side, and Mr. V. Domarep, vice chairman of the Central Administrative Committee of the Soviet-Lao Friendship Society [SMSL] and chairman of the SMSL of Moscow, signed in the presence of many high-level cadres from both sides who were involved.

The gist of the memorandum was as follows: Both sides would conduct activities to make the Soviet and Lao masses understand the history, culture, and customs of the two countries; the economic and social transformations which have taken place in the USSR and the LPDR [Lao People's Democratic Republic]; and important domestic political developments. In addition, they would expand relations between the various organizations which were members of the society and between factories and educational organizations and institutions. And they would expand business cooperation on the basis of mutual advantage.

Vientiane Seeks Foreign Trade, Investment

91SE0218C Vientiane PASASON in Lao 8 Mar 91 p 2

[Article by Simmavong Thanousin: "The Foreign Economic Ties of Vientiane Municipality"]

[Text] In 1990 Vientiane Municipality received both foreign aid and foreign loans for developing its economy and society. These funds amounted to \$13 million and were used for industry, communications, transportation, agriculture, forestry, irrigation, public health, and education.

After the party and government adopted the policy of increasing foreign investment in the LPDR [Lao People's Democratic Republic], Vientiane Municipality sought out and attracted many foreign investors. There were 39 projects which foreign investors proposed investing in, but

only 28 were actually carried out. These required combined funds from Laos and other countries of \$10,692,000. Of these projects, one was in agriculture, eight involved making clothing for export, six were industrial projects which involved processing [wood] and rattan, six were trade projects, and seven were hotel and restaurant projects.

Through this cooperation with other countries in the past two years Vientiane Municipality has been able to get capital from abroad to develop the economy and society, increase its foreign currency earnings, raise the technical knowledge and capabilities of the rank and file of Lao cadres and workers, and especially to bring in modern technical equipment to serve production. Because of this they have been able steadily to increase production of consumer goods and goods for export.

According to the plan for 1991, Vientiane Municipality will continue its cooperation with other countries, especially with Yunnan Province, Guangzhou Province, and other provinces in the PRC. This cooperation will include, for example, the construction of a modern textile factory from Yunnan Province. There will also be cooperation with its comrade capital of Hanoi as well as Ho Chi Minh City, Phnom Penh, and Haiphong. The plan calls for inducing foreign businessmen from various countries to invest in various areas of Vientiane Municipality. This is to proceed according to Lao foreign investment law, according to the principle of respect for independence and sovereignty, and on the basis of mutual advantage. We will also try to increase cooperation with foreign producers and seek direct access to markets in order to cut out the unnecessary intermediaries and thus increase production efficiency and cooperation with other countries. Business cooperation will be improved with other countries that permit it. In addition we must work with the services of Vientiane Municipality and the ministries involved to get gratis foreign assistance and long-term, low-interest loans from abroad to serve as a source of capital for developing the economy and society of Vientiane Municipality.

Problems, Imbalance Continue in Foreign Trade

91SE0218D Vientiane PASASON in Lao 6 Mar 91 p 2

[Article by Simmavong Thanousin: "Trade Problems in Vientiane Municipality"]

[Excerpt] [passage omitted] In the past it was apparent that the trade policy of "buying from the source and selling to the end user" was not successful—there were still intermediaries in foreign trade. At present there is a great imbalance in our trade. In addition some kinds of imported goods are of poor quality, especially goods which private parties have purchased and imported outside of official channels. Some of the principle businesses do not accurately report the prices and quantities of goods imported each time so that import duties are avoided.

Trade has still not achieved the role of being the "harness chain" for production, in particular, the two-way service to serve the farmers in the countryside has not worked as well as it should have. This has meant that the expansion of the economy in the Vientiane Municipality countryside has been slow. The movement of goods has been primarily in

the city and has not extended to the grassroots in the countryside and the mountains. Because of developments in legalizing free trade during the past two years, the private sector has expanded quickly. But the 197 district stores and trading cooperatives have not been able to continue doing business, and almost all have closed their doors. Because of this debts have accumulated, and some cannot be taken care of.

In 1990 the total value of goods traded was 16.221 billion kip. This was 112 percent of the plan. The trade and service sectors were able to fulfill their obligation to the budget in the amount of 2.867 billion kip, which fulfilled the plan. In order to expand commerce in Vientiane Municipality, care must be taken first to improve the trading companies of the state, trading partnerships between the state and private parties, private trading companies, and the principle collective units. These companies have permission to conduct import-export trade in accordance with the regulations of the Ministry of Trade and Tourism. The Ministry of Economics, Planning, and Finance adopted measures to control the system for importing goods so that it would be in keeping with the policy to encourage domestic production, production for export, and production to maintain the living standard of consumers in the towns and the countryside under the market system, with the goal of reaching a balance between exports and imports. [passage omitted]

Xaignabouli Bank Autonomy, Operations

91SE0218B Vientiane PASASON in Lao 1 Mar 91 p 2

[Unattributed report: "The Xaignabouli Branch of the State Bank Works To Become a Business"]

[Excerpts] In carrying out the resolutions of the nationwide banking congress, the Xaignabouli branch of the state bank carried out its duties. [passage omitted]

In the past 15 years this bank has made loans of 9.3 billion kip, has attracted deposits of 23.7 billion kip, and of particular note, bank officials have set up a unit to provide credit for the countryside to encourage production by the people. Officials invested 37.7 million kip in production of the people in Xaignabouli District and Phiang District. Progress was made in services and cash. This was demonstrated by the bank's total cash income of 6.3 billion kip. The 1990 cash income was 1.9 billion kip. It was felt that money was supplied more quickly than in the past. [passage omitted]

The bank changed to economic accountability. It changed its investment system and its plan of operations etc. Mr. Boualong Saignavong told our group of reporters that on 18 February the bank became a business and received a new name, "The Lan Sang Bank." It had offices in Luang Prabang, and its role was to act as a commercial bank and also as a trade bank and a development bank. As such it was to mobilize funds by accepting various kinds of deposits, sell interest-paying shares, serve the principle units of the economy, borrow money from other financial institutions, increase its own capital, and mobilize funds by other means specified by the Bank of the LPDR [Lao People's Democratic Republic]. It could also make loans to develop the economy and society according to its capital reserves. It could not discriminate against parts of the economy or engage in foreign currency transactions.

POLITICAL

Editorial Sees No Future for Spirit of '46

91SE0230A Kuala Lumpur UTUSAN MALAYSIA
in Malay 2 Apr 91 p 6

[Editorial: "Spirit of '46 Faces Crisis of Values"]

[Text] The Spirit of '46 party, which has a base only in Kelantan, is now being buffeted by its most serious crisis since the general election of last October. One by one, many prominent people have left the party or at least ceased to be active on grounds of family, business, study leave, or health.

Spirit of '46 supporters are disappointed that, for whatever reason, it had no effect on the election except in Kelantan, despite its enthusiastic effort to win the election and become the alternative party.

Will this party, led by Tengku Razaleigh Hamzah, suffer the same fate as previous splinter parties that became "tired of living but afraid to die" and were finally buried by political changes?

If the country's political history is any measure, the Spirit of '46 will have the same fate as the National Party, Marhein, and many others that were buried along with their leaders. According to press reports, even more Spirit of '46 members and leaders will be leaving the party and joining UMNO [United Malays National Organization].

Basically, there is no difference between the two parties. After the Spirit of '46 failed in its struggle to restore the original UMNO through the courts, Parliament, and, finally, the election, the Spirit of '46 struggle had no further meaning.

The people's rejection of the party in the election and their presentation of a renewed mandate to UMNO have made prominent Spirit of '46 people look at political realities, producing among them a reaction of reevaluation. Do Malays need to be divided into the existing political groups?

The open attitude of UMNO leaders and their policy of acceptance have been very effective in bringing Spirit of '46 leaders back to UMNO, especially after the people through the election made the final determination of national leadership.

Those remaining in the Spirit of '46 are people who still have something to uphold. Eventually, however, their struggle will fade, and there will be no one who wants to hold out as rapid political changes occur.

The Spirit of '46 depends on the charisma and influence of Tengku Razaleigh, and without him the party would come to an end, like the National Party under the late Datuk Onn and the Marhein Party under the late Datuk Ahmad Boestamam. It is not a party founded on the common aspirations of the people but one that is based more on the realization of certain interests.

A party like this cannot last long, for it does not have an ideological struggle and will fade away with the fading of

the influence of its main leaders. This is what is happening to the Spirit of '46. Its members and supporters are facing a crisis of value.

If the crisis in the Spirit of '46 is not resolved, it will hurt the Islamic Unity Movement coalition (APU), especially in Kelantan. This state, where the APU made a clean sweep, will have opposition members in the state legislature. Thus, if the legislature approves a rule that members automatically lose their seats if they change parties, there will be by-elections to test party influence.

Although the APU state government led by PAS [Pan-Malaysian Islamic Party] is stable and unthreatened, the test of influence in a by-election will show whether the Spirit of '46 is still as strong in Kelantan as it was in last October's election.

Ghfar Assures Jobs for Dismissed Kelantan Workers

91SE0230B Kuala Lumpur UTUSAN MALAYSIA
in Malay 5 Apr 91 p 2

[Text] Kuala Lumpur, 4 Apr—The central government will proceed with its plan to create 2,463 positions for dismissed Kelantan State employees, although the PAS [Pan-Malaysian Islamic Party] will not recognize the positions.

Deputy Prime Minister Ghafar Baba stated that the issue of their not being recognized by PAS will not arise, because the task of promoting Islam in the state is the responsibility not only of the PAS government, but of the National Front [BN] as well.

Meanwhile in Kota Bharu, Deputy Chief Minister Haji Abdul Halim Abdul Rahman expressed his concern that efforts to create unity among the people will not be successful if the central government and the state government both have village headmen and religion officials everywhere in the state.

Ghfar, who spoke at a press conference after chairing a meeting of the National Forestry Council, stated that the reluctance of the Kelantan Government to recognize the 2,463 positions will not cause any problem, because salaries will be paid by the central government.

He was asked to comment on Haji Abdul Halim's statement about the Kelantan government's decision not to recognize the positions, which include preachers, Koran teachers, religious duty teachers, and religion supervisors to replace those dismissed by PAS.

He said, "These officials will be paid by the central government and will conduct their work as instructed by the central government.

"These appointments will not be made on behalf of the state government, and the state may appoint whomever it wishes."

According to Ghafar, the Kelantan government's action is an example of its unwillingness to cooperate with the central government.

He said the PAS government in Kelantan may accuse the central government of treating the state as a stepchild.

"But when we appoint so many officials at reasonable salaries, they still do not want to cooperate."

He explained that the preachers, Koran teachers, religious duty teachers, and religion supervisors will not duplicate the work of officials appointed by the state government.

"In my estimation, there will be no duplication, because the purpose of the appointments is to further religion. Some of them will be religion teachers who will teach the Koran.

"Thus, there will be no problem if the state government does not want to recognize them. We will go on with our plan. We will not interfere.

"The central government has long paid their salaries, and there are still KEMAS [Community Development Division] officials in Kelantan. The duties of teaching the Koran and religious subjects should not be the task of the PAS government alone. The BN government can do it, too," he said.

Haji Abdul Halim was asked to comment on the statement by Senator Annuar Musa, minister of youth and sports, that the creation of these positions is the Central Government's responsibility. The deputy chief minister said the central government should not hastily appoint village headmen, preachers, and other religion officials without giving thought to the future negative effect.

He said the appointments planned by the central government need to be discussed with the state government first.

The deputy chief minister said in an interview that appointments of village headmen are the right of the state government under the state's Village Headman Advisory Committee, chaired by Haji Idris Ahmad.

"The state government is now preparing new village headman appointments and expects to be finished soon. Their selection is based on suitable qualifications without consideration of political affiliation," he explained.

Haji Abdul Halim noted that if the central government continues with its plan to appoint a village headman for each major location, each place will probably have two headmen.

If this happens, he said, the state government is very concerned that efforts to create a harmonious society will not be successful and that an unpleasant situation will eventually occur in the community.

"I have never seen two headmen in one village, but this may happen if the central government so desires.

"As far as the state government is concerned, the plan is very negative and needs to be reviewed by the central government before it becomes reality," he declared.

Call for Razaleigh To Disband Spirit of '46

*91SE0230C Kuala Lumpur UTUSAN MALAYSIA
in Malay 10 Apr 91 pp 1, 2*

[Text] Alor Setar, 9 Apr—Datuk Zainol Abidin Johari, president of Kedah Spirit of '46, today announced that he is leaving the party and rejoining UMNO [United Malays

National Organization], thus ending speculation about the party's leadership crisis in the state.

At the same time, he asked Spirit of '46 President Tengku Razaleigh Hamzah to disband the party and rejoin UMNO for the sake of continuing the Malay struggle in this increasingly challenging era.

Speaking this morning at a press conference at the office of the Veterans Association here, Datuk Zainol Abidin asked what would be wrong if, for the sake of Malay unity, Tengku Razaleigh would put aside his egotism and self-interest and rejoin UMNO.

He said the outcome of last October's general election clearly showed that Malays want UMNO and not the Spirit of '46. Therefore, Tengku Razaleigh should be aware of the rifts his actions have created among Malays.

Explaining his announcement of departure from the Spirit of '46, he said a letter declaring his intention was sent to the party's Supreme Council on 28 March.

He said he has not received any response, however.

In reply to a question, Datuk Zainol said that more than 5,000 members of the party in the Sik Division may follow him in leaving the Spirit of '46 and rejoining UMNO.

He said his application for rejoining UMNO will be presented to Datuk Seri Osman Aroff when the Kedah chief minister returns from his brief pilgrimage to Mecca.

He called on all Spirit of '46 members, particularly those in Kedah State, to return to UMNO, since the struggle of the Spirit of '46 is one that divides and hurts Malays.

Hulu Terengganu: Forty-three leaders and members of the Bukit Bading Division of the Spirit of '46 presented their UMNO membership cards to Datuk Haji Ahmad Sidi Ismail of the State Government Executive Council at the Bukit Bading FELDA [Federal Land Development Authority] Civic Auditorium near here.

Those who left the Spirit of '46 and joined UMNO were led by Ghazalee Mamat, coordinating vice president of the Spirit of '46 Bukit Bading Youth Branch; and Khamaruddin Hassan, president of Northern Branch Youth.

Other participants were Ruzuki Hassan, member of the Youth Branches Coordinating Committee; Ramli Hussin, member of the Central Branch Coordinating Committee; and Mohd. Khilal Awang, member of the Coordinating Committee.

Ghazalee Mamat, a representative of Youth of '46, said in his speech that the Bukit Bading Youth of '46 organization is nearly crippled, since almost 90 percent of its members have joined UMNO.

He said they are all in agreement and with sincere hearts are joining UMNO, having realized that the Spirit of '46 struggle had no further meaning after the last election.

"We left because the Spirit of '46 is different from UMNO. I feel the Spirit of '46 is more oriented to an individual and to sentiment and is far from caring for the people," he explained.

Ghazalee said that, although the Spirit of '46 had wins in the last election, it is too bad that it did not get a victory in the true sense.

Datuk Haji Ahmad Sidi said in a short speech that it was regrettable that Tengku Seri Paduka Raja Tengku Ibrahim Ismail had denounced Chief Minister Tan Sri Haji Wan Mokhtar Ahmad, an act forbidden by Islam.

None of the charges he hurled at the chief minister were true. They were intentional fabrications created from insincere motives.

"As a Muslim, he should realize what he has done and return to the right path. He should not scorn and denounce another person, especially a leader," he said.

Bukit Bading FELDA is located in the Tanggul state legislative district, now represented by Tengku Seri Paduka Raja Tengku Ibrahim Ismail.

ECONOMIC

Italian Company Awarded Steel Mill Contract

91SE0231A Kuala Lumpur UTUSAN MALAYSIA
in Malay 3 Apr 91 p 25

[Text] Kuala Lumpur, 2 Apr—Perwaja Steel, Inc., Ltd., has granted a contract for the construction of a rolling mill for the production of wire and bars to an Italian company, Danieli C. SpA.

The rolling mill will cost 400 million ringgit and is expected to begin production in November 1992.

A meeting for the signing of the contract was held at a prominent hotel here tonight.

Perwaja Steel Chairman Tan Sri Zainal Abidin signed the agreement on behalf of Perwaja, while Danieli C. SpA was represented by its executive president, Mrs. Cecilia Danieli.

Tan Sri Zainal Abidin said in his speech that the rolling mill will produce 450,000 tons of high-quality steel annually.

"The government recently introduced a new policy requiring rolling mill operators to have facilities to make their own iron billets.

"This is the concept of an integrated steel mill. Perwaja will participate in downstream operations for the production of finished products rather than merely supply billets and blooms," he said.

(A "bloom" is similar to a billet, except that it is bigger and is used for structural items, angles, rails, and piles, among other things.)

Tan Sri Zainal Abidin also said that when Perwaja Steel's rolling mill begins operating it will have the highest technology and be one of the most modern in the world.

He said that besides being completely computer-controlled, the mill will also use the latest electronic equipment to produce finished steel products.

He said preparations have also been made to send Perwaja Steel employees for training in several countries for specialization in different operational areas.

Japanese Firms To Build Textile Mill in Perak

91SE0231B Kuala Lumpur UTUSAN MALAYSIA
in Malay 3 Apr 91 p 25

[Text] Kuala Kangsar, 2 Apr (BERNAMA)—Two Japanese companies based in Osaka—Toyobo Co., Ltd., and Kanematsu Corporation—are investing in the production of high-quality textiles through a joint venture in a mill in Perak, for which construction is expected to begin next month.

Investment is being made through the joint-venture company Toyobo Textile (M), Inc., Ltd., for the largest mill ever built in Perak. It will be located on 3.6 hectares in the Kuala Kangsar Industrial Area.

Encouraged by the success of Perak Textile Mills, Inc., Ltd., the two companies will invest 185 million ringgit in the mill, which is said to be the largest Japanese investment in Perak so far. The mill will be the most advanced in the Asian region.

The two companies are the main shareholders in Perak Textile Mills, the pioneer industry here since 1974.

Minoru Aoyama, business director of Perak Textile Mills, told BERNAMA in an interview here that the money being invested is for a five-year development plan that begins this year.

Of the total, 66 million ringgit will be spent this year for the first phase of the mill, he said. Construction work is expected to begin next month and production is to begin in June of next year.

The mill, which will operate automatically and will be equipped with high-technology textile-manufacturing machines, is expected to be finished in 1995, he said, adding that the mill will provide jobs for 300 local residents.

Toyobo, which has been involved in various industries from textiles to plastics for a century, is now diversifying its operations to the manufacture of biochemicals for medical use. Toyobo will hold an 80-percent interest in the new mill, while Kanematsu, a well-known Japanese business firm, will hold the remaining 20 percent.

Output from the new mill will be exported to Europe, Japan, the United States, and Australia, he said.

Last year's sales from Perak Textile Mills, the first to be built in the Kuala Kangsar Industrial Area in 1974, totaled 46 million ringgit. Sales are expected to expand to 48 million ringgit this year.

Perak Textile Mills, which had an initial investment of 28 million ringgit, has 600 workers and five Japanese business officers. Accumulated investment in the mill now totals about 90 million ringgit, Aoyama said.

Danding Cojuangco Criticizes Bases Compensation

91SE0195A Manila *DIYARYO PILIPINO* in Tagalog
16 Mar 91 p 2

[Text] President Aquino's discussion about compensation for use of the U.S. military bases in the country is embarrassing to the Philippines.

"What kind of friends are we?" asked the businessman Eduardo "Danding" Cojuangco during a political meeting held in Pangasinan two days ago.

"We have shown that the only solution to the nation's problems depends on the bases rental. I'm ashamed of such a position," he said.

According to Cojuangco, there are three kinds of freedom that the country needs in order to heal the political conflicts and to progress. According to him, "What's important nowadays is to uphold law and order; however, before we can accomplish this, we need three kinds of freedom. First, we must make peace with the military rebels so that the different warring factions will stop fighting. Next, we need industrial freedom to enable the people to work and cultivate the land that landowners realize will not be taken away from them."

He continues, "After this, we need social freedom so that there will be equal distribution of labor and capital. If we don't maintain the three kinds of freedom, then I don't think that the country will be able to achieve progress."

During a political rally, Cojuangco proposed that, instead of asking for higher bases compensation, the Philippine Government should ask the United States to help support the country's industry and trade relations.

He added, "If we discuss trade, business, and industry, then we can be equal partners at the conference table."

Columnist Says No Dominant Political Party

91SE0227A Cebu City *SUN STAR* in English
16 Mar 91 pp 7, 19

[Article by Godofredo M. Roperos]

[Text] Come to think of it, there appears to be no dominant political party in the country right now which can say at this stage any candidate it will support for the presidency would immediately enjoy an advantage over the other aspirants. In fact, it looks greatly feasible for a presidential aspirant who may come later without any political party, to launch his candidacy with only his goodwill and strong public acceptability behind him. In the past few years, the people's perception of political parties seems to have undergone a subtle but far-reaching change, affecting not only their attitude, but also their view of the value political parties have on political exercise.

This change in perception may have been caused by the mushrooming of political parties during the decade of the '80s, and that regardless of what party would gain control of the machinery of government, the same condition would prevail in the country, especially in the life of the impoverished masses. So, why should the name of a political party make it any different from the others when

in substance they are all the same, in performance they render the same quality of service, and in morality they commit the same kind of graft and corruption as well as the same efforts to enrich members without regard to the problems and needs of the people who placed them in position of power in the first place.

Let us take a cursory look at the political parties existing and are forming right now. Let us start with the Liberal Party [LP]. Even if it has already picked a presidential and vice-presidential candidate last week, it cannot boast of having the organizational machinery down to the grassroots. The most that the LP has is a number of provincial chapters that are still unable or incapable of giving out a commendable list of members. The same is true with the Nacionalista Party [NP]. While it may be true the NP held a kind of national organizational conference almost a year ago, still it has not really taken off. It has provincial chapters, but practically without any municipal or barangay organization. There is the Partidong Pilipino [PDP], a new one, the recently announced Partido ng Masang Pilipino, PMP, and so on. But are they any matter?

Now, let's turn to the Lakas ng Demokratikong Pilipino [LDP]. While it is supposed to be a new party organized as President Cory's own—since she has no party, but only a coalition of political parties which has since broke up after she decided not to run again—it is just really a party of political leaders, the elective ones who decided to join cause with the President, but without having the necessary organization in their respective baihiwicks up to the village level. So, the LDP may have a strong membership at the top, many of them reelectionists, but do not really have the backing of a local level organization. In fact, many of them were elected in 1987 without really having a definite political organization to which they were officially affiliated. They rode to victory on the apron strings of President Cory's mass popularity. So long as their candidacy was annointed and blessed by the President, they were immediately taken as being a part of the presidential coalition, and thus they were candidates of the administration.

This is not so anymore now. The President's popularity has vastly deteriorated in the past three years, and the political parties which used to be identified as a member of the Grand Coalition are now moving on separate political directions, as if the coalition had not existed at all, or that there was never any strong ties that previously held them together under one leadership. What is true with the LP and the now almost forgotten Unido, is also true with the PDP-Laban. Because none of these political aggrupations are being perceived with enough strength and organizational machinery to propel a presidential candidate to Malacanang, the other aspirants are either holding off membership with any, or are organizing their own political vehicles to give flesh to their aspirations.

Adding "misery" to the weakened political parties, is the lacklustre image and personalities of the declared presidential aspirants, the so-called "presidentiables." There appears to be none among them who have, up to this moment, captured the imagination of the nation's electorate, a kind of personality that hold the potential of creating a band-wagon effect among the people, or who can

fire the imagination of the average citizen of the nation who is now looking to 1992 as the coming opportunity to put up a new leadership for the country, and perhaps, a new hope for a better life for us. Right now, as one member of the academe we met in Zamboanga City early this week said, what we have among the presidential aspirants are a bunch of mediocres and old politicians who give us no promise to all of a national destiny better than what we have now.

But with 14 months still ahead of us, there is still a chance a miracle will happen which would give our electorate an alternative candidate who could give our people not only the hope for a better future, but also the excitement of an inspired leadership and a creative new direction in our struggle for nationhood.

30 Supporters of Rebel Leader Nobel Indicted

91SE0195C Manila DIYARYO PILIPINO in Tagalog
19 Mar 91 pp 1, 2

[Report by E. Damian, F. Taboy, and R. Binungcal]

[Text] Yesterday, the Department of Justice (DOJ) charged with rebellion 30 members of the Mindanao Independence Movement (MIM), which allegedly supported the failed revolt of former Colonel Alexander Noble in Mindanao a year ago.

According to Secretary Franklin Drillon of the Department of Justice (DOJ), among those indicted is Lorenzo dela Serna, publisher and editor in chief of the MIND-ANAO POST and part-time secretary of MIM.

The other 29 who were indicted are Allan Paje, Nardo Lahino, Lordito Lumbat, Martinez Namatidong, Rolando Estobo, Lito Singatao, Juliato Lahinao, Lordito Rayos, Danny Dumala, Isidro Lahinao, Julindo Hadraque, Manuel Villamil, Peter Maandig, Crisanto Sabio, Cesar Gaani, Samuel Vivares, Reynaldo Palarca, Rogelio Lactao, Aprodicio Bala, Mario Velez Dubduban, Henry and Jocelyn Yee, and Federico Anasco.

According to assistant government prosecutor Aurelio Trampe, the National Bureau of Investigation obtained evidence proving that those indicted participated in the Nobel rebellion.

Meanwhile, six employees of the provincial engineer's office in Marihatag, Surigao del Sur were kidnapped and held hostage by the New People's Army (NPA) two days ago.

Senior Superintendent Manuel Salimbangon of the Regional Command II identified the hostages as Engineer Anton Cale, Ferdinand Avila, Nestor Pandeling, Francisco Mantalara, Roberto Villanueva, and Robert Ariol.

Salimbangon stated that the hostages and rebels who carted away various pieces of equipment from the office are now being sought by the authorities.

Related to the above events are the following incidents:

Two guerrillas riding on a motorcycle were killed in a clash with the men of the 224th Company of the Philippine National Police on National Highway in Barangay Sala, Cabuyao, Laguna.

One of the rebels was identified by his alias as "Ka Orland," according to the leader of the urban branch of the NPA in Laguna.

Three NPA members were killed in separate offensives by the police and the military in Barangay Santa Elena, Lopez, and Sitio Buhatan, Mulanay, in Quezon. No report was given about casualties on the government side.

Yesterday, the 160th PNP Company and the 69th Infantry Battalion of the Philippine Army (PA) raided the house of a former marine trainee in Sitio Sugar, Barangay Bacong, Hermosa, Bataan, which has been used as a safehouse by the NPA.

No rebels were encountered in the house, but the police and the military seized an ICOM radio transceiver, fatigue uniforms, and a bag of subversive documents.

Military Claims Successes in Negros Operation

HK0605154591 Manila MANILA BULLETIN
in English 6 May 91 p 20

[By Aris R. Ilagan]

[Text] Jamindan, Capiz—Military authorities here claimed yesterday that the New People's Army (NPA) movement in the Negros Island has suffered a serious blow with their on-going Operation Summer Storm which resulted in the killing of five top ranking rebel leaders and the arrest of several others.

At the same time, Brig. Gen. Raymundo Jarque, the Army's 3rd Infantry Division chief, expressed confidence that the communist guerrillas will be flushed out from the island in time before the deadline set by President Aquino next year.

In a command briefing for Army chief Maj. Gen. Arturo Enrile at Camp Peralta here, Jarque disclosed that the military has initiated 46 armed engagements with the rebels since March 1.

He said that on the government's side, nine were killed—six from the Army, two militiamen and a policeman.

Jarque identified the NPA slain as Timoteo Palma, alias "Ka [Comrade] Job", squad leader of the NPA platoon 2; Roy Alba, alias "Ka Joe", platoon leader; Reno de Guzman, alias "Ka Andong", commanding officer of the NPA Regional Guerilla Unit in Central Negros;

Norberto Patino, alias "Ka Rene", platoon leader of the Regional Guerilla Unit in North Negros; and a certain "Ka Michael", squad leader of platoon 1 Regional Guerilla Unit, North Negros.

The names of killed government troopers were not mentioned in the report.

Jarque said the arrest of Nelson Gallego, tagged as the secretary general of the Negros Communist Party of the Philippines (CPP) District 6, also led to a leadership

struggle within the executive committee of the Negros Island Regional Party Committee.

During the encounters, government forces have recovered 11 assorted firearms, four handguns, nine home-made firearms, 12 radio transceivers, and five hand grenades, he said.

Jarque told Enrile that the military also discovered a shallow grave of five suspected members of the NPA who were killed in a grenade explosion while celebrating its 22nd anniversary in Silay City. Their skeletal remains were found in the vicinity of barangay Sag-baan.

Based on intelligence reports, Jarque said that 27 other rebels were also wounded in the blast.

Rebel surrenderees told military authorities that one of their comrades was toying with a fragmentation grenade when it accidentally exploded at the height of the celebration last March 29 in Silay City, Jarque added.

The surrenderees also identified one of the skeletal remains as that of a certain "Ka Jake," who was tagged as a plain bandit recruited by the NPA movement.

Jarque said "Ka Jake" operated under the unit headed by Vicente Bacordo, Bacordo was allegedly responsible for the series of hold-ups, kidnappings and arson incidents in the northern Negros area.

Troops Pursue 200 NPA Rebels in Mindanao

*HK0605135591 Manila MANILA BULLETIN
in English 6 May 91 pp 1, 6*

[By Mike Crismundo]

[Text] Prosperidad, Agusan del Sur—About 3,000 government soldiers backed by tanks, armored personnel carriers (APC) and gunship helicopters, launched over the weekend hot pursuit operations against 200 New People's Army (NPA) rebels in the forested mountains of a Surigao del Sur town.

The operation was launched following a guerrilla attack on the San Agustin Army Advance Command Post (ACP) of the 28th Infantry Battalion last Thursday. Three Army personnel were killed and a dozen were seriously wounded during the NPA said.

The rebels led by Fr Francisco Navarro, alias Ka [Comrade] Migo, also tried to overrun the whole San Agustin town and other government installations, Army sources said.

Task Force Diamond II under Brig Gen Antonio Nale and 401st Infantry Brigade under Brig Gen Renato Garcia are now in pursuit operations.

Nale and Garcia believe that the rebels have headed toward the border of Agusan del Sur and Surigao del Sur as evidenced by bloodstains along the way. A fresh shallow grave was also discovered.

Huey and Sikorsky helicopters of the Philippine Air Force (PAF) 15th Strike Wing and 205th Helicopter Wing were also dispatched as air cover for the ground troops.

Residents of some barangays of San Agustin said that the rebels were members of the main guerrilla unit and Surigao del Sur provincial party committee.

They are believed armed with mortars, machineguns, armalites and M-14 rifles, improvised bombs, grenade and M203 launchers and other high-powered weapons.

Agusan del Sur Philippine National Police (PNP) Superintendent Acmad Omar was also directed to conduct blocking operations along the rebels' escape route.

Meanwhile, three persons were killed and several others were reportedly wounded in a gunbattle between the Citizen Armed Forces Geographical Unit (CAFGU) and some 150 communist guerrillas in mountainous barangay of Sibagat town.

Killed were civilians hit by stray bullets during 15-minute closequarter battle. Some military men were disarmed by the rebels, reports said.

1,000 NPA Under Attack in Marag Valley

*HK0605152391 Manila MANILA BULLETIN
in English 6 May 91 p 20*

[By Jerry Lacuarta]

[Text] Tuguegarao, Cagayan—New People's Army (NPA) rebels have fled to the surrounding areas of the Marag Valley in Kalinga-Apayao to escape the brunt of military and police operations over the weekend which was launched last December. [sentence as published]

Chief Superintendent Agerico Kagaoan, Philippine National Police (PNP) regional director, said communist guerrillas who have escaped to Cagayan have settled to use the neighboring province as an alternative base.

But an object of "a more intensified AFP [Armed Forces of the Philippines] PNP offensive" will be to prevent the rebels from retaliating, Kagaoan told reporters.

Marag Valley in Luna town is situated along the boundaries of Kalinga-Apayao and Cagayan provinces.

Marag residents said that "the total government neglect" had apparently led the Communist Party of the Philippines (CPP) and its military arm, the NPA, to successfully establish a "shadow government" that supervises guerrilla operations in the Cordilleras and neighboring areas.

Army sources said some 1,000 rebels still holding out in Marag Valley are the targets of the continuous bombing and strafing conducted by the Tora-Tora planes and the helicopter gunships.

Kagaoan said the joint military and police forces have set for June the timetable to end the Marag Valley operations.

He said they are determined to dismantle the CPP-NPA shadow government in Marag Valley through the intensified implementation of the Oplan [Operational Plan] Lambat Bitag. Lambat seeks to end insurgency problems in the country by 1992.

Brig. Gen. Homer Capulong of the Army's 503rd Infantry Brigade spearheads the military operations.

Senior Superintendent Percival Aldaba, Cagayan PNP director, was ordered to set up checkpoints at the Cagayan-Kalinga-Apayao boundaries to trap fleeing rebels.

Kagaoan also directed Aldaba to improve the PNP intelligence network in Cagayan to preempt any communist actions in the province.

The Cagayan rebels have been supporting guerrillas in Marag Valley in the form of financial and manpower augmentation, said Kagaoan.

Some P10 million [Philippine pesos] in "revolutionary taxes" are being collected monthly by the NPA from the logging operators in Cagayan. Kagaoan added that logging concessionaires in Cagayan have been paying the rebels P250,000 for each heavy equipment, like bulldozers and cranes.

Reports revealed that Cagayan rebels used a portion of the money to buy food, medicines, arms, and other items for their embattled companions in the Marag Valley.

9 MNLF Commanders, 35 Others Surrender to Ramos

*HK1305120391 Manila MANILA BULLETIN
in English 12 May 91 pp 1, 26*

[By A. Monterola]

[Text] Iligan City—Nine sector commanders of the Moro National Liberation Front (MNLF) and 35 followers led by Ismayatin Batuan alias Commander Balisong operating in the towns of Pantar, Sagwaran, Balo-i, and Taguluan in Lanao del Norte surrendered to Defense Secretary Fidel V. Ramos last Friday.

The surrenderers went to the Philippine National Police (PNP) district headquarters and asked PNP Superintendent Reynor Gonzales that they be allowed to take their oath of allegiance before Secretary Ramos.

Ramos visited the camp before he delivered his keynote speech before the League of Barangay Councilmen of the Philippines (LBCP) regional congress at Mindanao State University-Iligan Institute of Technology.

In his speech before some 10,000 barangay councilmen, Ramos said his philosophy of government is based on "people power" and aimed at opening up opportunities for the common man.

Ramos accepted from the surrenderers 27 various types of high-powered firearms, including M-79, AK-47, and Garand rifles, and hand grenades.

Commander Balisong and MNLF commander A1 Fatah were scheduled to surrender on May 30 along with 2,000 followers, but Commander Balisong decided to surrender in advance when he was informed by some barangay councilmen that the defense secretary was arriving Friday.

Ramos was met by Southern Command chief Maj Gen Gumersindo Yap, 4th Infantry Division Commander Brig Gen Quintin Alcutia, PNP Superintendent Reynor Gonzales, and 67th Infantry Battalion commander Maj Jose Barbieto.

Government Troops Drive NPA From 17 Barangays

*HK1405074591 Manila MANILA BULLETIN
in English 14 May 91 p 11*

[By Jerry Lacuarta]

[Text] Angeles City—Government troops have liberated at least 17 rebel-infested barangays and one sitio here and in neighboring Mabalacat town from the Communist Party of the Philippines (CPP) and its military, the New People's Army (NPA) in a series of intensified anti-insurgency drives, Philippine National Police (PNP) officials reported yesterday.

Senior Inspector Jose Marlowe Pedregoza, Angeles PNP Metrodiscom [Metropolitan District Command] director, identified the liberated barangays as Margot, Capaya, Pulong Bulo, Benigno Aquino Jr, Pandan, Sapang Bato, Sta. Teresita, Cutcut, and Pampang, all in Angeles; and San Joaquin, Sta Ines, Bundagul, Mawaqui, Cacutod, Dapdap, Mangalit, and Sta Maria, in Mabalacat and sitio Balaba in Barangay Dau.

Pedregoza reported to Chief Superintendent Pantaleon Dumlao, Central Luzon PNP director, that barangay Lourdes Northeast is still under special operations by PNP operatives.

The PNP and Army forces had earlier conducted intensified counter-insurgency drives in these barangays pursuant to the "Operations Lambat Bitag [net trap]." Bitag seeks to clear rebel-infested areas of armed NPA guerrillas in the country.

The operations, which resulted in the killing of 12 suspected rebels, were spearheaded by the 24th Army infantry battalion under Maj Jovito Palparan.

Local officials led by Pampanga Gov Bren Z. Guiao, Rep Carmelo Lazatin (LDP [Struggle of Philippine Democrats], Pampanga) and Angeles Vice Mayor Edgardo Pamintuan had sought the assistance of Defense Secretary Fidel V. Ramos in stopping the military and police operations.

Plot To Harm Imelda Marcos Feared

*91SE0227B Cebu City SUN STAR in English
18 Mar 91 pp 18, 15*

[Text] Manila (AFP)—Philippine officials fear an assassination attempt on former first lady Imelda Marcos if she is allowed to return home, and are ready to provide her with security, press reports said here yesterday.

Newspapers quoted President Corazon Aquino's national security adviser, Rafael Ilete, as saying unidentified groups may be out to harm the once powerful and still wealthy widow of deposed dictator Ferdinand Marcos.

"If something happens to her, it will be our responsibility," he reportedly said. "Some groups may want to embarrass the government."

Meanwhile, some 200 supporters demanding Marcos's return staged a rally at a central square here yesterday, police said.

"They said they loved Imelda and they want her to come home," a police officer said after the rally ended without incident.

Pressure has been mounting on the government to allow Mrs Marcos and other family members to return home five years after a popular revolt sent them to exile in the United States and put Aquino in the presidential palace.

Marcos died in Hawaii in 1989 and is buried there.

The fears for Mrs Marcos's security struck an ironic note since it was she who warned Mrs Aquino's husband, opposition leader Benigno Aquino, against returning from exile in 1983 because of threats on his life.

The assassination of Mr Aquino by government troops who escorted him off an airliner triggered three years of unrest that toppled the Marcoses in 1986. A general close to Mr Marcos and his men were convicted of the murder last year.

A Swiss court has ruled that Manila only has until December to file criminal charges and secure a conviction here against Marcos in order to recover her Swiss deposits, estimated to be at least 350 million dollars.

A criminal case requires the presence of the accused, posing a dilemma for Aquino. Marcos, 61, is now reputed to be one of the world's richest women, and has been accused of financing anti-Aquino activities in Manila.

Aquino accuses the Marcos couple of plundering the country during their 20-year rule, but a U.S. court last year acquitted Mrs Marcos of using stolen Philippine funds to buy properties in New York while they were in power.

The MANILA TIMES reported yesterday Justice Secretary Franklin Drilon concerned that Manila might not have an air-tight case against Marcos.

He was quoted as saying in an interview that if the special commission tasked with recovering the Marcos wealth could not guarantee a conviction, the government might as well forego its claim to the Swiss deposits "for the sake of national security."

The Marcoses' three grown children, other close relatives and aides as well as their families joined them in exile, and are scattered across the world.

Armed forces chief Lt Gen Rodolfo Biazon said last Friday that Marcos had ceased to be a security threat to the Philippines.

Ramos Lauds Ethnic Chinese on Economy, Nationalism

91SE0227C Cebu City SUN STAR in English
17 Mar 91 p 9

[Text] Manila (AFP)—Defense Secretary Fidel Ramos praised the local ethnic Chinese community here yesterday for their contribution to the Philippine economy, culture and the early nationalist movement.

"Filipino-Chinese have contributed enormously to the vitality of this nation over the centuries because of their

skills in the world of business and commerce," the popular defense chief told a conference of ethnic Chinese businessmen.

"Through our Filipino-Chinese entrepreneurs and business leaders... we Filipinos are able to partake of the Confucian-ethnic which seems to be the driving force behind east Asia's dramatic rate of economic growth," said Ramos, who is rumoured to be planning to run for president in the 1992 polls.

He cited the Confucian values of "achievement-oriented work ethic based on discipline, self-cultivation and self improvement, frugality, respect for authority and an overriding concern for a stable family life."

However, he also added that "the most valuable contribution of the Chinese to Philippine life (was) Filipino-Chinese mestizos (half-breeds), the children of Filipino-Chinese inter-marriage."

Ramos said such children, while absorbing some Chinese values, had identified "themselves without reservation with the native Filipinos," with many of them going on to take leading roles in nationalist movements.

He cited the country's national hero, Jose Rizal, (1861-1896) a writer with part Chinese ancestry who championed the rights of Filipinos against the Spanish colonialists and was eventually executed by the Spaniards.

President Aquino praised the accomplishments of ethnic Chinese before the same conference Friday, thanking them for their contributions to charity and civic causes and for encouraging trade and investment in the country, despite the negative perception of the Philippines abroad.

Stronger Trade Ties to Eastern Bloc Urged

HK1305113791 Manila THE CHRONICLE in English
13 May 91 p 6

[By staff member Johanna Son]

[Text] Senator Lencia Shahani has called on the Aquino Government to go beyond rhetoric and "concretize" its trade and commercial ties with Eastern Europe, by launching an aggressive campaign aimed at its emerging large market.

Shahani, chairman of the committee on foreign relations, proposed that a "special Eastern European program" be launched by the foreign affairs and trade departments to facilitate an exchange of information between Filipino and East Europeans.

Shahani—the Philippines' first ambassador to Eastern Europe and Romania—suggested that the government begin by giving incentives to Filipinos who do business with and push Philippine products in Eastern Europe.

Such government incentives, she said, would lead to "more meaningful" relations with Eastern Europe beyond the establishment of official ties which began with Romania 15 years ago.

"There is an imperative need on our part to concretize our relations with Eastern Europe," she told a forum on

economic ties with the region arranged by the United Nations and the foreign office.

"I still do not see any priority given to Eastern Europe by the government," she observed despite the length of Philippine diplomatic presence there.

"No amount of meetings, seminars or official visits is going to help at this point. The challenge now is for all of us to look at things concretely in terms of trade, actual exchange of goods and payment arrangements," Shahani pointed out.

Shahani said: "Many of us are (now) anxious to go beyond rhetoric to go beyond citing statistics, the repetition of good intentions and the use of ideological language."

As examples of the Philippine "ambivalence" towards East Europe, Shahani cited the delay in the opening of a part-government ship repair facility in Subic to socialist countries and the establishment of a consulate in Nahodka in the Soviet Far East.

The servicing of ships from socialist countries by the Philippine Shipyard and Engineering Corp. (Philseco) has been stymied by the American presence in Subic naval base. The widening of Philseco's clientele has not been implemented although the Palace has already approved it.

Shahani lamented that the foreign office has been studying "for two years" her proposal for a Nahodka consulate, so the Philippines can join countries who are doing business with Soviet Asia.

Foreign Businessmen Urge Liberal Investment Bill

HK2304090291 Manila PHILIPPINE DAILY INQUIRER in English 23 Apr 91 p 13

[By Lindablue F. Romero]

[Text] Foreign businessmen yesterday pressed the adoption by Congress of the House of Representatives' more liberal version of the 1991 Foreign Investments Bill.

Representatives of foreign business chambers in the country yesterday said that the House version would provide a more liberal investment climate.

In a forum sponsored by the influential Philippine Chamber of Commerce and Industry (PCCI), they said the Senate version was "too restrictive" and may not achieve its goal of attracting the much needed foreign investments.

The foreign business chambers also urged the government to draw up a "clearly defined" negative-list that will guide them in their investment plans. A negative list defines the areas where foreign investors are restricted to invest as these are reserved to local businessmen.

The foreign chambers specifically favored the transitory provision in the House bill which will allow 100 percent foreign ownership over a five-year period, except in those areas where ownership restrictions are provided for by the Constitution and those included in the negative-list.

The five-year transition period serves as "a signal to the world that foreign investments are really needed in the

Philippines," said Jaime Horseley, a representative of the American Chamber of Commerce of the Philippines.

She said that at present, foreign investors view the Philippines "as a difficult place to invest in."

Henry Schumacher, president of the European Chamber of Commerce and Industry, said the House bill encourages competitiveness as it opens the door to free-market enterprise.

Schumacher said foreign investments will not only provide employment to Filipinos but also push local businessmen to produce quality products.

However, a number of foreign businessmen said that a liberal foreign investment climate will not be enough to lure more investors to the country.

Toshiyuki Kodama, representative of the Japanese Chamber of Commerce and Industry, said the government should also provide the necessary infrastructure, efficient telecommunication facilities as well as adequate supply of electricity and water.

He noted that the peace and order situation of the country should also be improved to attract foreign investors.

Taking the view of local businessmen, Herman Montenegro, PCCI vice-president, said that in finalizing the investment bill, lawmakers should take into account the interest of domestic investors and consumers. "It must be emphasized that national interest, and not sectoral interests, should prevail," Montenegro said.

He also agreed that the five-year transitory provision of the House bill should be included in the foreign investment law because "it will send the right signal to prospective investors."

He added that the foreign investment law should include a 15- to 20-year divestment period for foreign-owned companies to Filipino nationals.

Congress is now in the process of reconciling the two versions of the 1991 Foreign Investment Bill.

A crucial issue will be the so-called negative list as some foreign investors feared that it might end up to be a very long list of areas where they could not invest in.

Under the Senate version, the National Economic and Development Authority (NEDA) will be tasked to draw up such list. The only clear areas where foreigners are banned are those specified in the constitution such as the exploitation of natural resources.

A clearly-defined set of rules on foreign investments had been pressed by both local and foreign businessmen following controversies that surrounded the setting up of big projects in the country.

EMB Study Warns of Toxic Contamination at Bases
91SE0195B Manila DIYARYO PILIPINO in Tagalog 18 Mar 91 pp 1, 2

[Report by E. Reyes, M. Novella and J. Fortuna]

[Text] A government agency is warning of toxic contamination at the U.S. military bases in the country.

The Environmental Management Bureau (EMB) stated that the bases should not be excluded from enforcement of the government laws regarding pollution.

The EMB stated, "We cannot exempt the U.S. bases from the (pollution) laws, since they are a part of the nation's environment."

Last week, the EMB presented to the Senate a study that proposes to investigate the system the U.S. bases use to dispose of toxic waste and other types of wastes.

More than 79,000 Filipinos work at Clark Air Base and Subic Bay Naval Station. Washington agrees to relinquish to the Philippines control of four smaller base installations when September comes, at which time the contract for the lease of the bases will expire.

On 1 July, the United States will return control of Camp John Hay in Baguio City to the Philippines. This is the second installation the United States will have returned to the country.

On the other hand, yesterday Representative Anna Dominique Coseteng (Kaiba, Quezon City) declared that she would investigate the anomalies at the Manila Observatory of the Ateneo de Manila University.

Two days ago, Professor Roland Simbulan, head of the Nuclear-Free Philippine Coalition (NFPC) declared that the United States uses the observatory as a military communications facility.

Coseteng stated that she has conferred with Ateneo authorities and with Quezon City government officials about beginning the investigation.

Coseteng added, "Because of the report, we must ascertain its veracity; we must find out whether there has been any irregularity in the establishment of the observatory as a facility."

The Quezon City constitution provides that Quezon City be a "nuclear-free" city.

In this connection, President Aquino declared that she will ask the people to approve whatever treaty agreements will be arrived at concerning the U.S. bases in the country.

In a program called *Ask the President*, Mrs. Aquino stated that she believes that the public should be consulted on whatever agreements the two nations come up with.

"I believe in consultation. I want to consult the people on what they think of the bases." However, she emphasized that the government can ask for consultations with the people only after the two parties have signed the treaty they've arrived at.

This Friday, Richard Armitage, the U.S. chief negotiator, announced that an agreement between the United States and the Philippines can be arrived at on U.S. use of Clark and Subic as dockyards.

The current Military Bases Agreement (MBA) expires on 16 September 1991. Upon its expiration, the United States must remove its military facilities from within the nation.

Washington is asking the Philippine Government to give it 10 to 12 years to leave the bases; nevertheless, the Philippine Government insists on limiting the span of time to five to seven years.

As a result, some members of the House of Representatives recommend having a referendum before any agreement is reached.

POLITICAL

Ex-Minister Thanat Views Bush's 'New World Order'

*91SE0220A Bangkok KHAO PHISSET in Thai
18-24 Mar 91 pp 45-47*

[Article by Special Colonel Thanat Khoman: "The New World Order"]

[Excerpts] During the past seven to eight months, especially after the Persian Gulf war, there has been a great deal of talk about the new world order. In particular President Bush, who, it is said, originated this plan, expressed the hope that in the future, when the Persian Gulf war was over, a plan would be adopted to create a new world order which would bring peace and security and an end to war and armed conflict in various areas.

Thailand is not in the inner circle and does not have close ties to the United States or with European countries such as Great Britain, France, Germany or Italy, and so no one took the time to explain to us what this plan meant, what it encompassed, whom it would effect and how. Therefore we have had to study it on our own. I have begun to do this for myself and therefore I would like to talk about it briefly. [passage omitted]

President Bush, who recommended the plan, talked repeatedly just about the peace and security that the plan would bring. But there were many who could not refrain from worrying that, aside from these two great benefits, there might be problems hidden in the background such as ambitions of becoming the "leader of the universe" able to use great military power to control enemies and great economic power to seize or control markets or important resources such as oil. [passage omitted]

Thailand, which tried to stay neutral in the Persian Gulf war, was falsely accused by the U.S. Government—it announced to the world three times that Thailand was a center of terrorism and that therefore it was recommending that tourists not visit Thailand. These evil actions were intended to pressure the Thai Government into supporting the war more and to end communications with Iraq by expelling the Iraqi diplomats just as the United States did in the Philippines with the cooperation and consent of that government.

In addition, despite the fact that the actions of the United States toward Thailand have proved to be such shameful bullying that a U.S. undersecretary of defense, Mr. Wolfowitz, felt guilty and apologized recently to "Khun Sutthichaiyun," the editor of the newspaper, THE NATION, nevertheless the United States still intended harm toward Thailand. It had commentators such as Helen White write propaganda and slander in THE ASIAN WALL STREET JOURNAL and say that the Thai economy was in decline and weak. This caused concern among foreign investors. The slander indicated that foreign investors should not invest in Thailand even though it could be proven that this slander was the opposite of the truth. It was a shameful lie.

This bullying was intended to force Thailand to give in to various demands of the United States, such as demands

concerning trade and intellectual property and the rights for more flights to Thailand than Thailand would accept.

In addition the U.S. plan to become the ruler of the world would divide countries into great powers, medium-sized powers and small powers. The low-level countries would provide the followers and those who would produce the resources and serve as plebes in the new society. [passage omitted]

It is certain that the system would use modern technology to force the small and the weak to comply with the demands and threats of the powerful in economic, social, and cultural matters. Intelligence would be overwhelmed by the spread of low-level culture with its junk food, including hot dogs and hamburgers, and rock music. Even though on the outside everything would appear fine, on the inside, in fact, it would be a tyranny which oppressed with greater cruelty than ever before.

Now that the frightening nature of the system has been described, we must consider carefully whether there is any chance that it will be used and when. [passage omitted]

Another effect of the new world order would be that the United Nations would become a tool or toy of the big powers led by the United States to be used as a shield to cover illegal operations beneficial to these powers. This situation would not be unlike that of the Persian Gulf war, when the allied side used the UN resolutions to justify and conceal the real reasons for the U.S. actions, which were to suppress Iraq in order to control the oil resources (instead of allowing Iraq to control them), to help Israel, and to install the power of the United States and the Western countries in the Middle East.

This situation would make the world organization and in particular the Security Council lose their meaning because they would become puppets of the great powers to be used for their own advantage and ambition and to pressure less powerful countries.

Whether the new world order is established or not, the problems we should consider concerning Thailand after the Persian Gulf war is whether we have a role to play in the Middle East and how much of a role. The answer is easy to guess—the United States will probably not give us a share of the reconstruction contracts. They will probably keep most for themselves in accordance with the formula for the new world order. Only the small portion left or the bones will go to the other countries which joined in the fighting—just enough to keep them from starving.

At best, Thailand will probably get some work for its workers, but may be forced out of Pakistan and the Philippines. As for trade in rice and other crops, we know that the United States will sell U.S. rice first as a privilege from the war. It is not known what opportunities will be left Thailand, but if there are any, they will not be big. [passage omitted]

Central Bank Declines To Aid Cambodian Bank
91SE0244A Bangkok BANGKOK POST in English
3 Apr 91 p 10

[Text] The Bank of Thailand has shelved tentative plans to send its experts to Phnom Penh to advise the state bank on the establishment of a commercial bank system, a bank spokesman said yesterday.

Bank Spokesman Pisit Lee-artham said the bank now believes that it is not practical to send officials to provide banking expertise for the National Bank of Cambodia (NBC).

"For Cambodia, we will not go there because it is useless. It would be like a lecture or a training course," Mr. Pisit told UPI.

"Especially in the current situation when there is no peace settlement, it is not worth going," he said.

Mr. Pisit confirmed that Mr. Cha Rieng, the president of the National Bank of Cambodia had visited Thailand and had held discussions on technical help with then Finance Minister Banharn Silpa-Archa.

But, he said, no formal written agreements had been reached.

Any assistance can only be considered after a formal request has been received from the Cambodian bank and no such request has been received so far, he said.

Earlier Mr. Cha Rieng told the regional newsletter INSIGHT INDOCHINA that Mr. Banharn had agreed to send official experts to Phnom Penh.

Mr. Cha Rieng met Mr. Banharn in Bangkok in January—one month before the military toppled the elected government of Prime Minister Chatichai Choonhavan.

"They (Cha Rieng and Banharn) could have said anything but the process of assistance must be carried out on the basis of a formal letter," Mr. Pisit said.

Democrat Ex-MP's Asked To Join New Military Party

BK0905035991 Bangkok BANGKOK POST in English
9 May 91 p 3

[Excerpt] Democrat Party leader Chuan Likphai yesterday revealed that many of his former MPs [members of Parliament] in the Northeast have been approached to join a new party being formed by the military.

At Democrat Party headquarters yesterday, Mr Chuan said that many of his MPs, including key figure in the Northeast Niphon Phromphan, had told him that they had been approached to join a political party being formed by the military.

"Mr Niphon said they invited him for a meal and made the proposal over dinner. That is why there has been reports he may leave the Democrat Party," Mr Chuan said.

"But Mr Niphon reassured me that he is not thinking about leaving the Democrats," the party leader said while declining to name who had approached Mr Niphon.

Mr Chuan said that former Democrat MP for Nakhon Si Thammarat, Suphattra Matsadit, had also been approached.

"They told her they wanted Mr Niphon to join their party where he would have a better future," Mr Chuan added.

Khunying Suphattra reportedly told them that it was a matter for Mr Niphon to decide but personally she thought he had been given good opportunities in the Democrat Party which included a posting as deputy finance minister in the last government.

Mr Chuan said many other parties had also approached former Democrat MPs in the Northeast telling them that they would have money problems with the Democrats which could be taken care of if they chose to run with another party.

Some of these politician poachers have claimed that Mag-saysay Award winner Prawet Wasi was their adviser. But Dr Prawet has denied this.

Mr Chuan said he did not know if key Democrat figure Prachuap Chaiyasan had been approached but thought that it was likely.

"Mr Prachuap used to tell me that politics was like war, you can't get too excited by the news that you hear," Mr Chuan said.

He said many of the Democrats do not believe that there will be an election at the beginning of next year but are nevertheless preparing for it.

About five or six political parties from the last government may have to merge and there will be at least three new political parties.

The Chat Thai Party was the hardest hit but there are still strong people inside the party and things hinge on if there will really be a military party formed to contest the elections, Mr Chuan said.

If there is a military party then many MPs are expected to break ranks but if nothing happens then they will stay where they are, he said. [passage omitted]

MILITARY

Air Force Commander's Aide Describes Coup

91SE0205B Bangkok KHAO PHISSET in Thai
18-24 Mar 91 pp 14-17

[Text] The lightning operation that took place at the B.N. 6 airfield on 23 February is still being discussed today. But few people know who was behind this clever plan, where they came from, or what really happened. What what people are sure of is that those people are fighters.

On the morning of 13 March, KHAO PHISSET had a chance to talk with one of these people, that is, Group Captain Amarut Charayaphan, the commander of Don Muang Air Force Base. During the hour or so that we talked with him, we were very excited. It was as if we were finally watching a movie for which we had waited a long time. This was the first time that any of the coup leaders talked with KHAO PHISSET.

"Hin" [Group Capt. Amarut] acted as soon as his superior, Air Chief Marshal Kaset Rotchananin, the RTAF [Royal Thai Air Force] commander in chief [CINC], or Big Te, issued the order. Group Capt. Amarut Charayaphan, an aide to Big Te, knew what he had to do without needing any explanation. He automatically knew what was going to happen.

"There were indications of what was going to happen," he said when asked how he knew about this. The RTAF CINC had returned ahead of schedule, and there were several other things. The important thing was that General Athit Kamlang-ek had been appointed deputy minister of defense even though people knew that that would cause problems. Also, the military had been told that Gen. Athit would not be appointed to that position and that it would be kept informed of things. But the military was not kept informed.

"I found out only one hour in advance" after the meeting held by General Suchinda Khrapayun, the RTA CINC; General Issaraphong Nunphakdi, the deputy RTA CINC; Air Chief Marshal Kaset Rotchananin, the RTAF CINC; Air Chief Marshal Suthep Theppharak, the assistant RTAF CINC; Air Chief Marshal Anan Klintha, the Air Force chief of staff; and General Wirot Saengsanit, the Army chief of staff. They met at 0800 at the Air Force guesthouse. Group Capt. Amarut received the order from the RTAF CINC at 0900.

Because there was so little time, only one plan was formulated. Group Capt. Amarut said that the "overall plan" was formulated by Big Te but that he worked out the details of the plan.

"I determined what types of aircraft and how many people to use. And I called them together." About 30 minutes later, the six airmen chosen to carry out this special mission assembled on the cement yard of the Air Force Maintenance Division. A chart of the C-130 aircraft was spread out on the cement. Everyone nodded in agreement with the plan after the 15-minute meeting. After that, they all headed for the B.N. 6 airfield, which was about two kilometers away.

"The person who called me was an Air Force official who is an expert in special operations. Everyone except me had studied this. But I knew about this. I was sure that everyone could do the job. They had to understand us and trust us. They had to be willing to go anywhere with us. It was these six people who would initiate things. If they failed, there would be bloodshed. Or it meant jail for us. Everyone knew the consequences of failing."

At the B.N. 6 airfield, while the attention of everyone, including the security unit of Gen Chatchai, was focused on the prime minister's group, a truck raced up just as Gen. Chatchai was about to board the C-130 aircraft. The six-man special operations unit immediately boarded the aircraft. This included Group Capt. Amarut, who was the only one dressed in a flight suit. The others wore safari clothes in order to distinguish them. That is, there was the leader, Group Capt. Amarut, four men to guard the prime minister's security unit, and one man to guard the reporters, among whom were members of the prime minister's security unit.

"My position was in the cockpit. The prime minister's aide, Air Vice Marshal Winai Bunchong, who is a friend of mine, was there. When he saw me, he asked, "What are you doing here?" I replied, "My superior doesn't trust things. He fears for the safety of the prime minister and so he sent me to look out for him." Air Vice Marshal Winai was still doubtful and asked, "Why you?" I answered, "I can fly the C-130. Who knows more about C-130 aircraft than me? That made him very suspicious. His eyes showed me that he only half believed me. During the three to four minutes that passed that way, we took action..."

Originally, I had planned for two people to be in the cockpit. But the other person, Air Vice Marshal Wiraphong Singeni, the director of logistics, who was the first to board, was asked to leave. At that point, I became a little nervous and wondered what we would do. But it was too late to turn back. If we did, that would be the end of us. The reason we had to succeed was that, if we failed, we knew that they would kill us, but if we succeeded, we would eventually release them. Thus, we had to get them first. If they had won, we would have been killed or at least jailed. Thus, the positions in the aircraft had to be changed. We had one person in the cockpit, four people in the middle section, and one person in the rear. After things got underway, one of the people in the middle section had to come to the cockpit to help me. When the operation began, we divided into groups of five, three, and one. Three more people from the ground came to help us. Everything was decided aboard the aircraft. We did everything using hand signals, regardless of whether it concerned getting up, sitting down, or walking."

Group Capt. Amarut also said that "the prime minister's security forces were not surprised to see strangers board the aircraft. By the time they began to suspect that something was wrong, they had little time left. They were not sure who was who. By the time they decided to check, we took action. That is, we held them under armed guard. The operation aboard the aircraft took less than five minutes. They began to realize what was happening when the aircraft suddenly started braking. After the aircraft came to a stop, I opened the door. Others have told me that it took very little time to bring the aircraft to a stop. But to me, it felt like a very long time. My heart was pounding. I felt that it was taking too long. I had to open the doors on both sides to let in my subordinates from the middle section and to let the other three men board the aircraft from the ground. At that moment, I thought, "What if my men aren't there?" Because things were happening very fast. The prime minister knew that something was wrong. Gen. Athit knew it, too. When the action first began, he shouted, "We are finished." When I ordered the flight aborted, he began shouting when the aircraft began to brake.

Everyone used his regular gun. The guns were brought from home. That is, each person had a P-7 pistol. "I carried mine in my boot. Others carried theirs in their vest pockets, because their clothing concealed their guns. But if I had kept mine there, people could have seen it. My gun was loaded with seven bullets. Actually, the magazine could hold eight rounds, but the spring was damaged. There were no other weapons. I did not know how many security personnel the prime minister had until after we

arrested them and separated them from the others. Altogether, there were 18 security men. But I don't remember where they were sitting, because we had little time. Right after the aircraft came to a stop, three more of our people, two of whom were armed, boarded the aircraft. The one who was not armed was Air Marshal Chaloei Worintharakhom, the commander of the RTAF Security Force, whose duty was to take the prime minister into custody."

As for the reaction of Gen. Chatchai, Group Capt. Amarut said, "I have great respect for Gen. Chatchai. He is a very intelligent man. Even though there was nothing he could do, he did not become alarmed. Gen. Athit was very angry and upset. But I didn't have time to hear if he shouted curses. He did talk loud, but I didn't hear what he said. I did not give any orders to the prime minister. I did not aim my pistol at him. When he was asked to get into the bus, he got in. I had my pistol in my hand but did not point it at him. Anan (Anantakun) was very surprised. When he got off the aircraft, I asked him to get on the bus. He asked if it was too late for us to turn back. I said that it was. Gen. Athit showed great anger, but he did not resist at all. While we were in front of the aircraft, I did not tell them to raise their hands or yell at them. But when the security forces were there, we told them to raise their hands. We had to be serious. We did not know how many security forces the prime minister had there. We relied on striking first. We had to do that, because if there had been fighting, things would have been difficult. We had to order them to stop and not move. The reporters there were very surprised.

"While aboard the bus, we did not use the radio at all, because things were confused and that could have led to mistakes. Air Chief Marshal Anan Klintha did not issue any orders from his command post as has been reported. I was the one who ordered the flight aborted. At that time, the aircraft was traveling at a speed of about 105 miles an hour. The aircraft turned left and right and then left again to the point agreed on with the ground forces. The decisions were all made by the people aboard the aircraft," said Group Capt. Amarut about the decisions made during those critical moments.

"I apologized to the prime minister when we reached the house where he was to be detained. I saw him every day at noon. If I was free, I had lunch with him. He chatted happily and did not express any anger. He did not ask why we had taken that action. I paid my respects to him two days after he was taken into custody. But as of today (13 March), I have not yet met Gen. Athit. During our talks, Gen. Chatchai told me that he wanted to rest. He said that he was very tired. His morale was very good. While staying at the Air Force guesthouse, he talked about strategic points in the world. He is very intelligent. He is much smarter than I," said Group Capt. Amarut in a tone of voice that showed that he has great respect for Gen. Chatchai. He then talked about the 14 days that Gen. Chatchai was held in detention at the guesthouse of the RTAF Security Force.

"As for sending information to his family, we had him dictate to us and then we sent the information to his family. He listened. There was a woman at his Ratchakhru house who managed things. We sent food and other necessities and stipulated the pickup points. Initially, we

had things picked up in front of the Air Force Academy. That was later changed. Things were not sent every day. But if he needed anything, we purchased it for him. If he wanted a particular brand of liquor, we bought it for him. He ate very well almost every day. It was Gen. Chatchai who told us what he wanted to eat. The first day, he had rice with chicken. For breakfast, he usually had rice congee, soybean milk, coffee, and a donut. For lunch, he had fish maw. Several days, he ate glutinous rice, papaya salad, and barbecued chicken. For dinner, he liked to eat Western food. Before he left, we had dinner together two or three times. He went to bed late, that is, around 0200 or 0300. But he got up late. He said that it was great living there, because he could get up late. We arranged a golf putting green in his room. There was also a stationary bicycle. There were drinks available, and he could exercise outside. He watched television every day and read the morning and evening newspapers."

When we asked Group Capt. Amarut how he felt after taking the prime minister into custody, he said that "I felt very tense. It was about 1100 before the RTAF CINC and Big George [Gen. Sunthon Khongsomphong] reached Bangkok. I was very tense. I was with the prime minister until noon. I kept thinking about whether we would succeed and whether Big Te would encounter any problems. I returned home around noon after the operation concluded. When I got home, my wife said, 'I thought you were flying to Chiang Mai.' I said that I wasn't going. She asked me where I had been. I told her that I had gone to arrest the prime minister. She thought that I was joking and asked why I had done that. I said that we had staged a coup. She asked who had arrested him and I said that I had. She was stunned and shocked. I told her to turn on the television to see when the announcement would be made. I began to worry. I was very worried. I walked from my home to the Air Force guesthouse twice. When the announcement was finally made, I knew that the coup had been successful and so I calmed down. But then I began to worry about my family. What I worried about the most was my family in the event that the coup failed. My family hadn't known anything about this. The night before we staged the coup, I got hardly any sleep. At 0200, I had to go pick up my superior officer, who was returning from Korea. I got home at 0300 and had to get up at 0600 to go to his house again."

When asked what was the most frightening moment during the coup, Group Capt. Amarut said, "When I opened the door for Air Marshal Chaloei Worintharakhom. I thought, if I open the door and he is not there, I will certainly die. Later on, he told me that he, too, was afraid that the door would open and I wouldn't be there. Both of us were very relieved to see each other when I opened the door."

The operation conducted by Group Capt. Amarut and his team lasted less than five minutes. But that was the beginning of the power shift and political change in Thailand. During those five minutes, one faction lost power and another faction took power in Thailand in the name of the National Peacekeeping Council.

That was a lightning fast operation that people will have to consider for a long time to come. We will have to see where this leads the country.

What is certain is that Group Capt. Amarut Charayaphan will go down in the pages of Thai political history as the head of the commando team that seized the 17th prime minister during the coup by the military to seize power in the name of the National Peacekeeping Council on 23 February 1991. This action was carried out in strict accord with the orders of his superior officer.

In April or the near future, Group Capt. Amarut, or Commander Hin or Hin as he is called by his friends, will be almost certainly be promoted to general. Those who know and understand him will be very happy for him. But above all, besides his promotion in the wake of the events of 23 February 1991, what these people should be most happy about is that he and Big Te played a role in preventing bloodshed on that day.

ECONOMIC

Industry, Investment Officials Set Policies

Minister on Private Sector Input

91SE0213A Bangkok DAILY NEWS in Thai 9 Mar 91
p 7

[Text] Mr. Sippannon Ketuthat, the minister of industry, after listening to the presentations of high government officials in the Ministry of Industry and high-level administrators of government enterprises affiliated with the Ministry of Industry, said that he had had these officials and administrators summarize what they would need from him in the future as minister of industry because their time was limited—they had only about nine months.

Mr. Sippannon said that he would consult with the private sector, especially with the Industrial Council of Thailand (S.O.Th.) concerning what they would like to have the Ministry of Industry help with. It was his policy to have free competition. In particular, the petrochemical industry had domestic and foreign markets and so he would like to see improvements in quality so that it could compete in the world market. He did not want a monopoly in this industry except at the low level and midlevel, which should not be opened up for free trade.

"I do not have a policy of transferring government officials in the Ministry of Industry because I just arrived and it would be better to make friends. As for dividing the work with Mr. Wira Susangkongkan, the assistant minister of industry, we probably will not make a clear division. I will help run things more and will just review policy for Mr. Wira and Mr. Siwawong Changkhasiri, the under secretary of industry, as they sift through the work. As for policy decisions which are overdue such as the signing of the agreement for the Shell and Caltex refinery, the request for the extension of reduced import duties on steel rod and the reduction of the duties on sugar, these require more time for consideration".

BOI Chief on Investment Targets

91SE0213B Bangkok BAN MUANG in Thai 10 Mar 91
p 6

[Excerpt] [passage omitted] Mr. Chira Phanuphong, secretary general of the BOI [Board of Investment], said that it

would be made easier for foreign investors to invest here. This would be coordinated with the Ministry of Industry so that their policies would support the same end. In the past the Ministry of Industry did not permit some projects which the BOI wished to support. Their policies were opposed.

Mr. Chira said that the projects which were apt to be supported included the fertilizer project. Sites for this project were now being considered. There had been communication from the private sector, such as the project of Mr. Charoen Phatanadamrongchit, that it was interested in carrying out a project at the Nam Phong gas separation plant in Khon Kaen. This gas source was capable of turning the gas into fertilizer. There was also a project to produce specialty steel to be used in industry to make auto parts. There had been some interest expressed in a project to produce 300,000 tons per year, but he was not able to reveal whose project it was.

"At present it is the policy of the state that the trading system become freer so that anyone who wishes to carry out a project may do so without it being necessary for the BOI to provide the opportunity. The investors can decide whether to risk the investment or not. For some projects such as the hot-cold steel [rolling mill] of Sahawiriya, the BOI must hold back its support now because it must build the confidence of those who received the initial support. The complaint that if the BOI supports one project alone, it will create a monopoly is not true because this steel may still be imported. If Sahawiriya is allowed to carry out its project, and it is seen that rolled steel is still in short supply, other projects can be supported," Mr. Chira said.

Mr. Chira also said that the BOI was considering ending support for some projects such as hotel projects which the BOI had supported in the past but that sometimes could not be carried out or that requested extensions of construction time. The BOI felt that it should review this policy and either end such support or reconsider whether it should provide advantages for these projects.

Concerning the investment situation now, he said that it was estimated that there would be requests for investment support for about 800 projects. In 1990 there were about 1,000 requests. The reason that there were fewer investors was that the world economy was slowing down and there was competition from neighboring countries. In addition, the Thai Government had changed. In any case, the BOI would increase its support of new projects in order to encourage investors. Projects which had received support in the past would be speeded up.

Minister on Petrochemical Liberalization

91SE0213C Bangkok BAN MUANG in Thai
10 Mar 91 p 6

[Excerpt] Mr. Sippannon Ketuthat, the minister of industry, gave an interview to reporters after meeting with high government officials and administrators of government enterprises about the BOI policy of having the Ministry of Industry allow the petrochemical industry to set up plants freely. He said this must be considered according to the various levels of the industry. The low

level and midlevel of the industry should not be opened up more, but the upper level could be considered for greater liberalization. It was also necessary to consider other aspects such as developing the country and markets for products. Korea now has a project to set up four olefin factories similar to that which Thailand has. Therefore we must consider whether additional plants should be set up to compete internationally or for the domestic market. Investments in the petrochemical industry require a great deal of money, and this limits how much we can liberalize the industry. [passage omitted]

BOI Chief, Others View Objectives

91SE0213D Bangkok MATICHON in Thai
7 Mar 91 p 4

[Excerpt] [passage omitted] Mr. Chira Phanuphong, the secretary general of the Board of Investment (BOI), said that fewer projects would be submitted for investment support this year because interest rates would be higher, because of the war, and because of the political changes in Thailand. In 1988, 2,000 projects were submitted, in 1990 this fell to 1,000 projects, and in 1991 it is estimated that there would be only 800 projects.

Mr. Chira said that, for this reason, after the establishment of the new government, he would propose a review of the policies for investment support because investment conditions had changed a great deal. In the future they would stress encouraging those activities, both the old and the new, which had already received support to become self-sufficient. Projects for which the BOI ended investment support would be reviewed for possible support again. For some projects which the BOI had requested that the ministry prohibit both the start up and the expansion in order to control who received investment support, the prohibitions would be ended.

"There are many projects for which support is permitted, such as various petrochemical projects and cement plants, for which the new government is apt to allow even greater freedom to build more plants. I have spoken with the under secretary of industry and requested that the ministry abolish a great deal of the prohibitions on building various plants. As for future support of investment we must consider only those projects which are really necessary", Mr. Chira said.

He said that he would also propose ending support of hotels because we already had too much capacity in this area. The tourist business had been slow since the Persian Gulf crisis, which also reduced the number of investors coming to Thailand. The former government wanted to encourage the hotel industry on a continuing basis, but now it was too big and support had to stop. As for the urea fertilizer project of Mr. Charoen Phatanadamrongchit in Khon Kaen Province, they had to study its suitability first. He expected that the new BOI committee would meet at the end of this month.

Mr. Chatuphon Sihanathokthakun, chairman of the Thai Hotel Association, said of the BOI's ending support of the hotel industry that ending it now would be too late because

the hotels which had received support would start operations this year or next and would provide 5,000 more rooms per year. In any case, ending this support would make people realize that the hotel industry now had excess capacity. It had too many rooms—even though the war was over, the hotel industry was not improving. The occupancy rate was only 40 to 50 percent. He felt that, in four to six months, there would be announcements of hotels for sale. This had begun to a certain extent in many provinces already.

Mr. Siwawong Changkhasiri, the under secretary of industry, revealed the results of the meeting of the policy committee of the Ministry of Industry held on 6 March. It had reviewed all the policies of the ministry which prevented the setting up or expansion of various kinds of plants such as cement plants and steel rod plants. The committee would have these categories opened up and made free. It would make its recommendations to the new minister of industry next week.

Manager Comments on Fisheries Negotiations With SRV

91SE0214E Bangkok NAE0 NA (LOK THURAKHIT SUPPLEMENT) in Thai 14 Mar 91 pp 7, 8

[Unattributed report: "Thai-Vietnamese Fisheries Cooperation Makes Progress"]

[Text] Mr. Somkiati Anurat, a committee member and manager of the Thai-Burmese Fisheries B. (1990), said that regarding the committee's trip for talks with Vietnam from 7 to 10 March concerning cooperation in fishing, it appeared that the talks went well. It is expected that Thai fisheries would be able to send boats to fish jointly in Vietnamese waters within half a year.

"The first time that fishing is done jointly with Vietnam we will use about 150 boats, of which 80 will be Thai and 70 will be Vietnamese. The initial investment will be about 50 million baht. Later the investment will increase to 400 to 500 million according to the plan adopted. The shares will be divided 50-50 between Thailand and Vietnam. The initial profits will not be divided but will be reinvested. This joint investment is expected to continue for about five years. When that point is reached there will be 300 to 400 boats involved in the joint project.

"After that, we will proceed with related industries such as industrial refrigeration and canning. But we will have to determine how successful the fishing is, how many fish are being caught and whether the desired types of fish are being caught.

"Investment in fishing industries related to the project, I believe, will bring businesses directly involved in this industry to invest, such as the B. Unicord, because they have a great deal of experience in this industry."

Mr. Somkiati said that the business set up to fish jointly with Vietnam might be a new business branching off from the joint fishing enterprise with Burma. This would have to be discussed at the fisheries association for international waters of which he was chairman in order to determine how it would be handled.

"The latest talks with Vietnam went well. It is expected that Thailand will be able to begin fishing in Vietnamese waters after June. Thailand will have to hurry to set up the business before this. The related industries will probably wait six to nine months in order to see how successful the fishing is and whether there should be any related industries.

Agriculture Minister on Export Credit, Council Plans

*91SE0214D Bangkok MATICHON in Thai
20 Mar 91 p 4*

[Unattributed report: "The Push for a National Agriculture Council"]

[Excerpt] Mr. At Taolanon, an assistant minister of agriculture and cooperatives, said that they had adopted a new plan to improve the agricultural system which involved three projects: 1) Cooperation with units involved in setting up markets for agricultural products before harvest. 2) Setting up credit institutions for export. 3) Expanding the crop insurance system. It is expected that adopting this program will require no more than six months. The basic goal in proposing this to the government is to insure the farmers and to join production and marketing in a free market system. In addition, it will provide that the producers of agricultural goods form a group before a national agricultural council is set up.

Mr. At said that the basic purpose of these projects was to urge lower level farmers to propose and adopt projects to plant crops in line with market demand. As for the structure of the agricultural council, it will have committees to solve various kinds of problems with agricultural products.

"When farmers, businessmen, and exporters are working toward the same end, the agricultural council will begin to set up markets for goods beforehand. These will provide a free market structure for producers and purchasers like the securities market. The Ministry of Agriculture must hurry to consult with the units involved in drafting the laws to support this," Mr. At said. He also said that, with regard to crop insurance for the farmers, the first stage might be to have private insurance companies provide it and proceed as if it were the crops instead of the farmers which experienced losses from natural disasters. Then the coverage could be expanded to other things later. [passage omitted]

Central Bank Official on Baht Role in Indochina

91SE0214C Bangkok THAI RAT in Thai 7 Mar 91 p 7

[Unattributed report: "The Baht Stronger, a Dream Comes True—The Bank of Thailand Branches Out Into Indochina"]

[Text] Mr. Chetthawi, Charoenphithak, deputy director for exchange at the Bank of Thailand, said that Thailand was to loosen its currency restrictions in a second stage effective 1 April and that this would have a positive effect on the Thai baht in making it become an important currency for trade in Indochina. At present both Laos and

Cambodia are willing to accept the baht for conducting business. And Cambodia even holds baht as part of its foreign currency reserve.

What is important is what Vietnam will do. At present it is considering opening up the country for trade. But we must first consider this carefully from the perspective of the laws of the country because the goods produced and the quantity of trade in Vietnam are greater than in Laos or Cambodia.

As for introduction of an ASEAN currency, this would be difficult because at present the ASEAN countries are cooperating closely in trade matters and foreign policy, but there would not be a big role for such a currency. An ASEAN currency like the ECU [European Currency Unit] of Europe will have to wait for the currency markets to develop more.

Electricity Expansion Plans Explained

*91SE0214B Bangkok BAN MUANG in Thai
5 Mar 91 p 6*

[Unattributed report: "Electrical Generation Authority Readies 15 Billion for Expansion"]

[Excerpts] [passage omitted] Mr. Suphin Panyamak, public relations director for the Electrical Generation Authority, said that an eighth project to expand the electrical transmission system during the period from 1991 to 1995 had been recommended to the office of the Saphaphan [Development Council] for consideration during February. This project was part of the National Economic and Social Development Plan and was the eighth project to be approved by the cabinet under the plan to develop the electrical generation capacity of the Electrical Generation Authority.

Mr. Suphin said that this project grew out of the seventh project to expand the electrical transmission system which lasted from 1986 to 1990. It would be coordinated with the ongoing plans of the Metropolitan Electrical Authority and the Provincial Electrical Authority. It would be carried out to expand electrical distribution capabilities and make them adequate for the country's electrical demand, which has been increasing rapidly. [passage omitted]

There was construction of about 18 new, small power plants and installation of additional transformers at existing plants as well as miscellaneous work. This required a total investment of about 15 billion baht.

State Firms Share Debt-Service Funds

*91SE0214A Bangkok SIAM RAT THURAKIT in Thai
7 Mar 91 pp 5, 14*

[Excerpts] [passage omitted] Mr. Wiwat Phongburanakit, director of the Public Relations Division of the Metropolitan Water Works Authority, told reporters on 5 March that there had been a meeting of representatives from five state firms including the Metropolitan Water Works Authority, the Provincial Water Works Authority, the Metropolitan Electricity Authority, the Provincial Electricity Authority, and the Telephone Organization of Thailand. Those attending were deputy administrators and

THAILAND

assistant administrators. The meeting was held to consult with representatives of the Budget Office. Mr. Wirat Hutangkun, deputy director for service of the Metropolitan Water Works Authority was the chairman.

This meeting was held to find a way to allot the central budget funds for paying debts on public utilities throughout the country, inasmuch as the budget office this year had set aside about 800 million baht to pay debts.

"Inasmuch as the debt totals 3.109 billion baht and the money set aside is just 800 million baht, and since in past years each firm collected funds on its own making the allotments received inconsistent, this year we met to consider the allotments together," Mr. Wiwat said. [passage omitted]

The debts that the five state firms must fund are as follows. The Metropolitan Electrical Authority had the most with debts of 736 million baht. The Provincial Electrical Authority was next with debts of 728 million baht. The Telephone Organization of Thailand had debts of 696 million baht. The Metropolitan Water Works Authority had debts of 615 million baht. And the Provincial Water Works Authority had debts of 334 million baht. This was the debt total as of 30 September 1990.

Wiraphong Ex-Im Bank Plan Opposed

*91SE0241C Bangkok BANGKOK POST in English
3 Apr 91 pp 19, 28*

[Text] The Bank of Thailand believes the Finance Ministry's plan to set up an export-import bank during the term of the interim government is too difficult and risky.

Instead, it has proposed the establishment of a special fund for export financing.

The export-import bank is part of an ambitious plan by Deputy Finance Minister Dr. Virabongsa Ramangkura to improve the country's financial sector.

Dr. Viabongsa, who revealed the plan last week, believed the central bank's role should be restricted to monetary policy and supervision of financial institutions.

The central bank should, therefore, stop providing direct financing to priority sectors of the economy. This direct financing has been made through packing credit schemes as well as through other loan windows.

The financing role should be undertaken by an export-import bank or a similar organisation.

Bank of Thailand Deputy Governor Roengchai Marakanonda said Governor Vijit Supinit agreed that the central bank's role of direct financing to priority sectors should stop.

But the central bank believed it would not be easy to establish an export-import bank to undertake the financing job.

Mr. Roengchai said establishing such a bank only would be possible after thorough study and preparation in terms of human resources and capital mobilisation.

It also would need proper legal back-up. These things would take time and it was unlikely they could be implemented within the life of the interim government.

He said the most possible alternative was to set up a priority funding pool to do the job of packing credit financing.

This could be done in three steps. The first step would be to divest the job of packing credit provision from the Bank of Thailand. Accounting would be completely separated so the central bank could keep check on the finance costs.

Secondly, financing would be changed from retailing to wholesaling, which meant financing would be made through commercial banks on a lump sum basis rather than a case-by-case basis. This would reduce operating costs and save time.

Random checks would be made from time to time.

Thirdly, the priority funding pool would have the same legal status as the Fund for Financial Institution Rehabilitation and Development. It would be a completely separate entity, but would work along with the central bank.

Mr Roengchai said the first and second steps could be undertaken in a short period of time, and the third step could be made during the term of the interim government.

He said establishing a priority funding pool would enable it to undertake its own funding probably through the issuing of commercial papers here and abroad.

This would benefit exporters in the sense that the pool would be able to justify their higher demands for export financing.

Under the present packing credit scheme, the central bank did have many limitations in terms of the level of financing.

"Assistant Governor Dr. Chaiwat Vibulswasdi and Economic Research Department Director Dr. Siri Karncharoendee are working with senior officials in drafting out an action plan for this project, which is expected to be ready in two weeks," he said.

Dr. Siri said the central bank might need another department to take responsibility for export credit guarantees and to help small exporters.

Crackdown on Sales of Unlicensed Clothing Reviewed

*91SE0241B Bangkok THE NATION in English
10 Apr 91 p C1*

[Article by Kwanchanok Siripornnantana: "A Clamp Down on Unlicensed Cartoons"]

[Excerpt] [passage omitted] In Thailand, clothing and other items emblazoned with well-known cartoon characters are on sale everywhere from street clothing stalls to department stores.

Recently, the copyright holders of Fido Dido, Garfield, Charlie Brown and Snoopy decided to mount a campaign to clamp down on these unlicensed items in Thailand.

These items may soon disappear from streetside stalls following a warning, appearing recently in a half-page advertisement in the mass-circulation THAI RATH newspaper.

The warning was contained in the advertisement taken out by Legal Counsellors Thailand Ltd, Kaplan, Russin and Vecchi on behalf of United Pictures Syndicate Inc., the copyright holder of many popular cartoon characters including Fido Dido and Garfield.

The wide and largely illegal copying of the cartoon characters in Thailand has heavily damaged the business of the copyright holders, said Uraiwan Damrongunan, a lawyer with the firm.

Bangkok, with its cheap labour cost, is notorious as a hub of the counterfeit goods business, which includes anything from Rolex wrist-watches to Louis Vuitton bags, Snoopy T-shirts and Garfield key-rings. All these pirated items are selling at prices much lower than those of the licensed products.

Recently, the situation was deemed to be getting out of hand by the copyright holders.

"A lawyer representing the copyright holders made an observation trip to Thailand and found that the volume of sales of unlicensed products was increasing rapidly," Uraiwan said.

So far, street vendors have been able to peddle T-shirts, shorts and various other clothing items bearing the unlicensed images of popular cartoon characters with impunity. Such items are commonly on sale nationwide and are especially visible at large wholesale markets such as Pratunam and Banglampoo as well as in tourist areas such as Silom Road.

Other items, such as coffee mugs and even earrings can also be found with the pictures of various well-known cartoon characters on them.

Thailand's export of these unlicensed products is believed to be high.

Running an advertisement in the newspaper is the preliminary step which will be followed by "a series of raids on retailers and wholesalers of the unlicensed goods."

Sporadic raids have been carried out in the past but these have failed to stop the illegal market.

But if another crackdown seems imminent, some street vendors interviewed by FOCUS appeared little bothered about it and were even smug. "These cartoon characters are no longer as popular as they were two years ago," said one vendor on Silom road who, not surprisingly, asked not to be named.

"I have hardly been able to sell them (items with cartoon characters on them) for the past six months. Two years ago, Garfield was a big hit. And later it was Fido Dido. But not anymore," she said, adding that she would abide by the copyright law and stop selling them completely.

"It's not a good idea to let a few T-shirts affect my whole business, she said.

The vendor was unrepentant about the fact that she had been selling T-shirts with unlicensed cartoon characters. "You can save a lot of money by buying the copied version," she said, adding, "Besides, I don't think it is fair for customers to have to buy merchandise of the same quality for twice the price that it should be."

The price of a "copied" T-shirt from her stall costs between Bt70 [baht] and Bt80. Licensed T-shirts in major department stores sell for between Bt300 and Bt500 each.

The vendor insisted that her T-shirts were priced according to the quality of the material, not "what is on the T-shirt."

Another street vendor on Silom Road selling unlicensed T-shirts, Surachai Tangbunjerdvanich, said most of his customers bought shirts because they liked the bright colours on them—not because of the illustrations. He said they did not care what pictures of cartoon characters were on the shirts.

"Only a few customers look for shirts with specific cartoon characters on them," he said.

Yet another street vendor on Silom Road, Somsak Sanggam, who has been selling cheap T-shirts for three years, said that the ban on shirts with Fido Dido and Garfield on them would not affect his business very much as most of the T-shirts he stocks have designs other than images of Garfield and Fido Dido on them.

He said he thinks the situation is the same with most streetside clothing vendors.

In fact, although one T-shirt wholesaler in Pratunam was reported to have been arrested for breaking copyright laws by producing T-shirts with cartoon characters on them, most vendors claimed they have continued to receive the stocks of T-shirts uninterrupted.

One vendor, however, said she would continue to sell her T-shirts despite the ban. "We are only small-time vendors and can easily get away with it, unlike big stores that the police can easily raid," she said.

She said that as much as 50 per cent of her business depended on T-shirts with either Garfield or Fido Dido emblazoned on them. And, she said, most of her customers were foreigners looking for shirts like these.

"Garfield, especially, is their favourite," she declared.

Somsak Kiratikornwasin, a wholesaler in Pratunam Market, thinks that though the unlicensed T-shirts in Thailand have affected the legitimate market, it does help reduce unemployment and improve the Thai economy.

However, it seems that most of the wholesalers in Bo Be Market know nothing about the ban on T-shirts with unlicensed cartoon characters. When they were interviewed, they appeared surprised and said they would stop selling the shirts. They explained that all T-shirts in their shops carried the same price—about Bt300 per dozen, regardless of what designs they had on them.

One wholesaler in Bo Be Market, who was selling T-shirts with unlicensed Peanuts cartoon characters, said he

thought it was unfair that Thai vendors should be charged with copying the cartoons characters.

"If the copyright holders do not want their products to be copied, they should not have set their prices so high so that most people in the country could not afford them. Then there never would have been a demand for unlicensed T-shirts," he said.

There have also been rumours at the market that even when raids are carried out by the authorities, vendors can escape prosecution by paying bribes. One vendor said it costs between Bt10,000 and Bt20,000 to pay off the authorities after a raid.

He also said these raids occur many times a year.

Foreign Cigarette Distributors Face Boycott

91SE0241A Bangkok *THE NATION* in English
5 Apr 91 p B1

[Article by Oranuch Anusaksathien and Sasithorn Simaporn: "Anti-Tobacco Lobby Active"]

[Text] A planned boycott of non-essential medical products of two major trading houses, whose affiliates are to distribute foreign cigarettes in Thailand, is gaining momentum in medical circles with five more health societies indicating they will take part.

A group of six independent public health organizations has threatened to lobby their 20,000 members to boycott non-essential medical supplies and medicines of Borneo Co. (Thailand) Ltd., a subsidiary of UK-based Inchcape, and Diethelm & Co., said sources.

Prof. Dr. Theera Limsila, chairman of the Royal College of Surgeons, yesterday strongly urged medical personnel to mount pressure on the two companies.

He said that the firms are trying to make a profit by any means possible. They intend to sell both cigarettes, which cause dreadful diseases including cancer, and pharmaceuticals that cure or alleviate the symptoms of these diseases.

Theera's call was made yesterday at a seminar on the Marketing Strategy and Advertising of Cigarettes in Thailand, which was organized by the Public Health Ministry at the Royal River Hotel.

Other groups whose members have reacted angrily to the two companies' move include the Royal College of Physicians, the Cardiac Society of Thailand, the Society of Chest Physicians, the Thai Medical Association and the Rural Doctor Society.

Borneo's affiliate Butler & Webster (Thailand) Co. has sought the Excise Department's permission to import and distribute 555 and Kent brands manufactured by British American Tobacco Co., and Lucky Strike by Lucky Strike Inc.

At the same time, Sales Express Co., a newly-established subsidiary of Diethelm Co., will distribute one of the most popular tobacco brand-names, Marlboro from Virginia-based Phillip Morris Products Inc.

Initially, Diethelm said in a letter dated 16 January 1991 that it did not offer to import foreign cigarettes as was suspected by the Rural Doctor Society, which is spearheading the boycott move. But the firm did not state whether or not an affiliate would be involved.

"Although our company was approached by some foreign tobacco producers, we can confirm to you that Diethelm & Co. will not act as distributor or importer of foreign cigarettes," wrote Diethelm's general manager, R. Petruzzi, in response to a letter demanding the company's clarification on press reports that the firm would be an agent for Marlboro in Thailand.

However, a source in Diethelm Co. confirmed yesterday that although the firm will not import or distribute the brand itself, its subsidiary, Sales Express which was set up a few months ago just to handle Marlboro sales, would definitely go ahead with the plan.

According to sources, the two trading houses, which have handled hundreds of medical supplies and pharmaceuticals in Thailand for many decades, had set up separate business entities to import the cigarettes because they were afraid their credibility and image within medical circles would be tarnished.

Weraphan Suphanchaimat, chairman of the Rural Doctor Society, whose 1,700 members work in government and private hospitals around the country, sent two letters, dated 25 December 1990 and 22 March 1991, to Borneo and Diethelm demanding clarification in regards to their involvement in local cigarette sales.

The group said in the letters that it would by hypocritical for the firms, who supply crucial medical products, to diversify into selling cigarettes which cause severe health problems. The group called on the two companies to immediately stop their plans.

The group also sent a similar letter to East Asiatic Co., (Thailand) Ltd. querying earlier reports that it was planning to import foreign cigarettes.

Malaysia-SRV Deal Worries Rice Exporters

91SE0241D Bangkok *BANGKOK POST* in English
3 Apr 91 p 28

[Excerpt] A Rice Exporters Association source said yesterday the Malaysian Government decision to resume aid to Vietnam and supply it with fertiliser would have a major affect on Thai rice exports in the near future.

The source said the move may be an attempt by Kuala Lumpur to strengthen its bargaining power with Thailand by moving its rice purchases elsewhere.

Malaysia was a major importer of high-grade rice from Thailand, buying between 200,000 and 300,000 tons annually, but last year it began buying some rice from Vietnam.

Malaysian Foreign Secretary-General Ahmad Kamil Jaafar said the cooperation agreement between Malaysia and Vietnam concluded in Kuala Lumpur last week required Malaysia to supply Vietnam with 100,000-200,000 tons of fertiliser in exchange for rice of an equivalent value between April and September this year.

Malaysia will also provide Vietnam with assistance in improving its rice quality to meet Malaysia's demand for high-grade rice.

The source said the move to assist Vietnam was very worrying for Thai rice exporters as it meant Thailand would lose a major traditional rice market and may also face tough competition from Vietnam in the future on the international rice market.

Vietnam has been hurt badly this year by the Soviet Union decision to end their five-year agreement covering the sale of fertiliser at low prices.

The move forced Vietnam to import fertiliser at market prices, but the agreement now with KL [Kuala Lumpur] will help it secure sufficient supplies.

Malaysian assistance to Vietnam to improve the quality of its rice will help Vietnam compete with Thailand's high-grade rice exports over the long term.

Rice Exporters Association Vice President Vorapong Pitchapongsa also said the Malaysian decision may affect Thai rice exports, but Thailand should upgrade its exports to be more competitive by improving the quality of its products and diversifying its market.

"In a free trade system, we should not fear competition," he said. "But we must try to develop so we are more competitive." [passage omitted]

Rice Exporter Views Declining Prospects

*91SE0241E Bangkok BANGKOK POST in English
9 Apr 91 p 17*

[Article by Ratchapol Loavanitch: "Golden Days for Rice Exports Have Gone, Says Smarn"]

[Text] Thai rice exporters are being forced out of business by tougher export competition, unfavourable local prices and government intervention, according to Thai Rice Exporters' Association President Smarn Ophaswongse.

Mr. Smarn said many exporters have become inactive and switched to other businesses.

"The golden time has already gone," Mr. Smarn said. "I have seen many major companies become very active in other businesses though they remained as members of the Thai Rice Exporters' Association."

He said Thai rice exports had undergone a major transition because several factors changed quickly. Now Thailand was losing its competitive advantage to countries like Vietnam and Pakistan.

"Rice exporters have no incentive left to run their businesses because market swings are very difficult to predict and to make a deal is very risky," he said.

Mr. Smarn said that for many years, most rice exporters had been hit by unusually strong competition from Vietnam and Pakistan, which were able to sell at low prices.

He said prospects were poor this year due to weak demand in the international market, and high domestic prices for rice.

Mr. Smarn said domestic rice prices were pushed up at the start of the year because the drought and a plague of brown hoppers led to low yields from main and secondary crops.

The former government's rice support campaign, including price-stabilisation and rice mortgage programmes, also contributed to the high prices of rice.

Faced with high domestic prices and problems selling rice on the world market, rice exporters then fell further in trouble when Iraq failed to settle its 1,700 million baht debt for rice it bought early last year.

So far there had been no news from Baghdad about payment, nor from the Thai Government which had promised to help.

At the same time, Mr Smarn said, rice exporters were seriously affected by the Commerce Ministry's intervention scheme, under which the ministry bought a large amount of rice from exporters last year to shore up domestic prices.

He said although the ministry had tried from the start of the year to get rid of the stock by selling it to foreign governments, there was, still almost 160,000 tons of low-grade rice left, which had delayed payments from the ministry to rice exporters.

"With such conditions, the future looks very dim," Mr. Smarn said. "Exporters tend to keep low profile and just try to stay in the business, while others diversify to new areas of businesses either in real estate or industrial manufacturing."

Rice export deals of 100,000 to 200,000 tons are a thing of the past because of the buyers' market conditions in international rice trading.

Buyers adopted a "hand to mouth" policy to buying small volumes to supply at certain times, thereby benefiting from declining rice prices.

NPKC Wants Emphasis on Farm Debt, Land Reform

*91SE0241F Bangkok THE NATION in English
31 Mar 91 p A3*

[Text] The National Peacekeeping Council [NPKC] has urged the caretaker Cabinet to place greater emphasis on tackling the fundamental problem of farmers' massive debts by using the country's huge fiscal surplus reserve.

The subject was the focus of debate between the Cabinet of Premier Anand Panyarachun and leaders of the NPKC on the draft policy statement last week.

The Cabinet was urged to rewrite the statement to incorporate commitments to tackle the fundamental problem before delivering it to the National Assembly on 4 April.

The theme of the economic portion of the draft policy statement is to promote economic liberalization. One pledge made by the caretaker government in the statement is to float domestic oil prices, dropping the pricing mechanism from the fluctuating political climate.

The total debt of farmers across the country accumulated over the past few decades is said to be huge. It was argued

that the country is now in a position to tackle the problem by using the close to Bt100 billion [baht] fiscal reserve to write off farmers' debts, informed sources said.

The "bad debts" estimated by the Bank for Agriculture and Agricultural Cooperatives [BAAC] and commercial banks in the farming sector or the amount which they consider farmers would be unable to repay is estimated at about Bt3-4 billion. There is also money which farmers owe to the various crop funds amounting to tens of thousands of baht.

The military junta appears to be in favour of having the BAAC write off all the debt repayments which farmers are unable to meet.

This issue will pose a dilemma to the interim government which so far has been working on the option to set up a Bt10 billion crop subsidizing fund to be managed by the proposed National Agricultural Council. The logic of the move and the impact of writing off farmers' debt were not disclosed in detail.

Settling the farmers' debts which was seen by the military junta as one source of evil affecting the country would help them regain their mortgaged farmland and help them resume normal lives, instead of being caught in a vicious cycle and being at the mercy of loan sharks.

Land reforms should be stepped up as the next move, according to a military source, to boost the standard of living of the country's backbone—the downtrodden farmers.

Poverty in the rural areas is blamed as the root cause for the farmers' low education, low political consciousness and so on, leading to nagging political woes, namely increased vote-buying in elections.

Right after the closed-door meeting last Thursday, Anand tersely told a news conference that the two parties were in total agreement on the draft policy. But he abruptly ended the conference after a short statement, touching off speculation that the consultations between the caretaker Cabinet and the NPCC leaders on the policy formulation were not as smooth as Anand had thought they would be.

Commerce Ministry Plans Rice Market Intervention
91SE0241G Bangkok THE NATION in English
28 Mar 91 p B1

[Article by Achara Pongvutitham: "Bt9.07 bn Package To Stabilize Rice Prices"]

[Text] The Commerce Ministry will present a Bt9.07 billion [baht] package aimed at sustaining the price of rice in line with the Cabinet's instruction to intervene in the rice market during the high season.

The money will be largely used to buy the pledged rice from farmers in a bid to slow down the influx of rice into the market, which might cause the price to fall.

Under its proposal, the Commerce Ministry will be spending about Bt1.3 billion this year to stock up 400,000 tonnes of rice, compared with Bt2.3 billion next year.

Also, its programme to sell rice through credit will need Bt4.9 billion instead of the previous estimate of Bt3.60 billion.

The ministry will also bear the loss by selling some 400,000 tonnes of rice below cost, a programme that will need a fund of Bt570 million.

A so-called Rice Management Organization will be formed as a company which will be funded with Bt800 million. This amount will not be tapped from the Budget Bureau.

This package has already gone through a review by the Finance Ministry, which will pass it on to the Cabinet for final approval.

The package will mobilize funds from commercial banks, and the government will have to absorb the interest burden in case the venture suffers losses.

It is expected that [word indistinct] rice by credit between 1991 and [word indistinct] will bring losses to the programme amounting to Bt94 million.

Selling rice below costs will create losses worth Bt500 million. However, stocking up rice will not face losses for this will be sold to other countries on a government-to-government basis.

Chare Chutharatanakul, director general of the Department of Foreign Trade, said the department is working out on a short-term and long-term plan to resolve the problems of the prices of agricultural produces.

This programme will be jointly undertaken by the Agriculture Ministry, the Commerce Ministry and the Bank of Thailand.

He said it is important that a trading system be clearly set up, with a supporting mechanism and support from the government in price intervention in the domestic market, selling rice to the overseas or selling rice below costs.

The government has already appointed a special committee, chaired by Amaret Sila-on, the commerce minister, to be responsible for resolving the problems of the prices of agricultural products.

Amaret said next week the committee should be able to outline its plan to resolve this issue, under which two per cent of the government budget will be used to assist this programme.

However, a further study is needed to determine whether extracting from the government budget to assist the farmers goes against the ruling of the General Agreement on Tariffs and Trade on farm subsidy.

Some developing countries are allowed to continue the farm subsidy programmes to build up their bargaining power against the developed countries.

Amaret said although the government will be following a liberal trade policy, it is still necessary to intervene in the agriculture market. The intervention will be made during the harvesting season or stocking, and the Agriculture Ministry will be buying the pledged rice from the farmers to slow down the influx of rice onto the market to help shore up its price.

POLITICAL

Hanoi Intelligentsia Contributes to Party Report

*912E0141A Hanoi HANOI MOI in Vietnamese
4 Mar 91 p 1*

[Article by N.B.: "Capital Intelligentsia—Draft of Political Report Well-Prepared, All-Encompassing But Lacks Solution To Extricating Difficulties"]

[Text] On the morning of 2 March 1991, at the Vietnam-Soviet Friendship Association cultural palace, the Hanoi Federation of Writers and Artists and the Hanoi Scientific and Technical Federation arranged a discussion to contribute ideas to the draft of the political report at the party's Seventh Congress.

Attending were: Tran Luu Vy, deputy secretary of the municipal party committee standing committee; Tran Thi Tam Dan, vice chairman of the municipal people's committee; many professors, PhD's, and MA's, writers, poets, and so on, from 27 specialized chapters of the Hanoi Federation of Writers and Artists and the Hanoi Scientific and Technical Federation.

After opening remarks by writer To Hoai, chairman of the Hanoi Federation of Writers and Artists, PhD Nguyen Nang An moderated the discussion. The conference heard nearly 20 statements and expressions about portions of the draft of the party's political report. The general observation was that the draft was well-prepared, addressed areas sufficiently, was all-encompassing and realistic, and looked directly at the truth, but was still lacking in solutions to extricating difficulties and setting direction. It should provide further clarification about the strategy of man. A number of opinions cited the difficult situation about life being unstable, social pleasures being inequitable, new negativisms sprouting in new pairs, moral degeneration, etc. There was the opinion that the party's political report should reserve a part for talking about the capital Hanoi.

Tran Luu Vy, on behalf of the municipal party committee, applauded the organization of this discussion. He was pleased to meet the scientists, writers, and poets and was touched to again meet a number of old and experienced scientists who have given their life to science for the revolution. The practical opinions on many fields spoke to the feelings of the intelligentsia toward the country and the capital; affirmed that the intelligentsia was completely confident in and unanimously behind the socialist path Uncle Ho and our people have selected.

Because time was short and all statements were not delivered, he recommended that the headquarters of the two federations meet again, moving from the municipal party committee in order to move up to the party central committee, and that the opinions contributed about Hanoi will be studied seriously in order to supplement the political report of the municipal party organization congress.

MILITARY

Colonel Discusses 1991 Military Training Tasks

*912E0143A Hanoi QUAN DOI NHAN DAN
in Vietnamese 26 Feb 91 p 2*

[Article by Col Pham Xuong]

[Text] The training motto "basic, practical, and steady," which was stipulated in 1988, has provided us with a basis for understanding and implementing the training tasks of the past several years, and rather impressive results have been achieved. In training year 1991, to continue to implement this motto effectively, we would like to discuss a number of additional measures for organizing and implementing things.

First of all, let's talk about "basic training." Basic means root or foundation. Thus, when studying a subject, it must be studied in a systematic way from the bottom up and from the individual to the collective. Each step must create the precondition for the next step, with the following steps inheriting the basic elements and results of the previous steps. At the same time, military, political, rear service, and technical subjects must be studied simultaneously in an organic relationship to create a unified whole. When inspection and marching formations exhibit strength, unity, and regularity, it is the result of having individuals who have undergone basic training. If the individuals and detachments haven't received good basic training, the tactical maneuvers of the army will be sloppy. The commanders who have just discovered the faults won't be able to correct them, and the maneuvers will become formal in nature. In combat, a well-trained troop formation will be able to make its way past obstacles and reach the target in order to annihilate the enemy, who will be like the "deaf and dumb" because each individual and detachment has received basic and synchronized training and mastered the skills. Thus, the 1991 combat training order issued by the chief of the General Staff stipulated that the training goal for the various targets is "to provide the units, from individuals to companies and battalions, with good training in offensive and defensive operations, with the emphasis being on individuals, teams, and squads and with the company being the key point."

When talking about basic training, everyone approves. But, when carrying out basic training, some units carry out training sloppily. They have fulfilled the plan, but have not given any attention to quality. Their combat operations are not skilled. The troops are not used properly, and situations are handled in a mechanical and stupid manner.

In talking about effective training, we must talk first of all about training that is closely related to combat realities, because the purpose of training is [preparation for] combat. That is the only goal. At the same time, it must also be ensured that the contents are in accord with the requirements and tasks of the units. Reality has shown that things have been closely related to combat realities but not in accord with the requirements and tasks. For example, although the tasks required the troops to be skilled in combat operations to defend the province and district using ambush methods, the local battalion in C.L. District

organized training to teach the troops how to attack enemy troops in strong defensive positions.

Effective training also means that the training must be based on our existing equipment and our methods of attack. Those are the decisive foundations. If the equipment is rudimentary but the training focuses on modern equipment, that is unrealistic training. That is just abstract training that will not prepare the troops for actual combat. The task of opening a path to seize a bridgehead poses two basic problems: opening the right path quickly and doing so with few casualties. If we could produce modern explosives and mines, we could open a path in an instant. That is the ideal. We are striving to achieve this, but we still need to do studies and learn the lessons of previous battles in conjunction with today's technical advances.

The requirements and tasks are always important problems. Unit commanders must always pay attention to these things and tie their responsibilities to the requirements and tasks of each unit in order to determine the essential elements of training and to complete the training. Moreover, we must rely on the real capabilities and efforts of the masses to formulate plans and decide training levels. We must avoid subjectivism and voluntarism. We must not formulate large plans with many elements, with the result that "actions do not follow wishes" and "things are left half-done." During the first days of 1991, we visited a number of units and watched them organize training for the troops. For example, in Military Region 2, everyone from the Military Region Command to the battalion cadres has become deeply involved in solving the basic problems, which are the content, and organized tactical training methods for the troops, including techniques, tactics, and daily orders, from individuals to squads. They have not stopped with providing unified guidance, but have carried out training on the drill grounds, with the troops and cadres engaging in realistic training in order to have a strong training basis for subordinate cadres. But some units have tried to do too much in the five to seven days allotted. Some of the content is not practical. They have stopped at giving guidance, with the focus being on talk rather than action. The results are not what we had hoped for.

Thus, in order to ensure that the phase-one training achieves good results, things must be reviewed and plans must be formulated for strengthening the training cadres with respect to contents, organization, and training methods so that they can train their detachments as stipulated.

Some people have said that a focus on "practical" training will conflict with basic training. Our view is that "basic" and "practical" are really one and the same. Basic training is practical, and in carrying out practical training, there must be basic training. This means that what is needed must be studied. If it isn't needed, it shouldn't be studied. But when studying content, it must be studied in a basic, systematic, and synchronized way. Things must be reviewed. Studying new subjects must be coordinated with reviewing old lessons in order to achieve mastery. At the same time, the training process is a process of checking things and correcting the mistakes promptly. If something is not correct, additional training must be organized to

master those elements before moving on to other elements. We must avoid being impatient or skipping stages. We must also avoid "living from day to day" and doing things in a superficial manner.

Basic and practical training "from the individual to the battalion, with the focus on individuals, teams, and squads and the key point being the company," is a very scientific basis for building the regular Army, modernizing it, and satisfying the combat requirements to defend the fatherland.

To implement the motto put forth, there must be not only unified understanding but also basic factors such as Vietnamese military arts; cadre, troop, material bases; maintaining an ideological spirit... Here, we also want to mention several other problems concerning cadres. In the Army, cadres must also be the teachers of the soldiers and detachments. Cadres have two basic tasks: to organize and lead combat to win victory and to build and train the troops. As teachers, if the training is to achieve results, they must set an example in their moral behavior, be skilled in the content, and organize the training methods. Without excellent cadres, we cannot have excellent soldiers and detachments.

Article Discusses Main Concerns in Training
912E0142D Hanoi QUAN DOI NHAN DAN
in Vietnamese 28 Feb 91 p 2

[Article by Major General Nguyen Huu Doa]

[Text] In evaluating and reviewing combat training in 1989 and 1990, the General Staff clearly stated that "the task of training people and educating them about the orders is progressing in an orderly manner. Each year, the units have placed training and education about the orders at the very beginning of the stages in order to create a basis for training throughout the training, work, and activities process of each unit. At the same time, attention has been given to establishing regular order, carrying out the work based on functions and responsibilities, and acting in accord with the orders. A number of units have arranged unified and orderly dining halls and living quarters, particularly at the key units of the military regions, corps [binh doan], and branches of service. Much progress has been made with respect to the military etiquette of the soldiers. Many units have done a good job in maintaining the 11 activity measures during the days and weeks. In general, the number of disciplinary violations has decreased." Based on this general evaluation, with respect to training concerning military orders and the laws of the state and the implementation of these orders and laws during the past period, clearly, the leaders and commanders at the various echelons and in the various sectors have constantly paid attention to educating the troops about these orders and to maintaining military discipline. Many units have coordinated things and exploited the assault role of the Youth Union and forum organizations with the theme being "actions based on orders." Education and training have been tied to a spirit of awareness and to organizational and administrative measures in order to make progressive changes in the enforcement of discipline. Along with education and training, inspections have been

held in order to evaluate the success of the units in reducing the number of instances of "chasing after records." Various units such as the engineer corps and Infantry Officer School 1 have inspected all of the detachments regarding discipline enforcement. A number of units, such as Group B. 95 (Military Region 3), Group B. 25 (the Huong Giang Corps), Group M. 65 (the Quyét Thang Corps), Group B. 01 (Capital Military Region), Group 10 (the Tay Nguyen Corps), and M. 26 (Navy) have invested millions of dong from their existing funds to consolidate the living quarters and maintain discipline. In 1990, many units were rated good in carrying out orders and maintaining discipline. Examples are Group B. 77 (Military Region 7), Group H. 99 (Engineer Corps), Units C. 02 and C. 05 (Chemical troops), Group M. 26 (Navy), Units M. 01 and 95 (the Huong Giang Corps), and M. 65 and H. 09 (the Quyét Thang Corps).

The reason for the above achievements is that the leaders, commanders, and professional organizations from the ministry to the units have given the proper amount of attention and fulfilled their responsibilities in educating the troops about the orders and inculcating in them the traditional nature of Uncle Ho's troops.

Last year, in implementing orders and maintaining discipline, the entire military made changes. In order to prove the above observations, we would like to cite a few figures obtained from inspections. As compared with 1989, in 1990 disciplinary infractions in Military Region 2 declined 0.16 percent, in the navy they declined 1.63 percent, in the engineer corps they declined 2.4 percent, in the artillery they declined 1.42 percent, at the Rear Service Academy they declined 2.8 percent, and in the Huong Giang Corps they declined 0.69 percent.

However, education and training in a number of units has sometimes been too formal and superficial. The cadres and soldiers have not exhibited a high degree of awareness in maintaining military discipline or carrying out the laws of the state. Educating the troops about and carrying out the orders and maintaining discipline have not been done regularly or continuously. The orders have not been related to other contents, jobs, or daily activities in order to maintain the troops. A number of units have just carried on things during the campaign, but after the campaign or between campaigns, they have not given any attention to maintaining things. A number of cadres have not set an example in performing their command role. They have not exhibited any awareness or kept themselves within the framework in order to set an example for the soldiers. Relying on the difficult conditions and tasks, a number of units have slighted disciplinary training. They have failed to carry out the orders or maintain order. Although the number of disciplinary infractions has decreased, many infractions, including serious infractions, are still being committed. The desertion rate has not declined. Losses and disputes in the units and mass agitation disciplinary violations continue to be a problem.

Although the facts cited above do not fully reflect the achievements and failures in educating the troops about the orders, implementing the orders, and maintaining discipline among the troops, they do reflect the real

situation and provide us with lessons. These are the main factors that have led to today's poor military discipline.

Entering 1991, the tasks are to implement the directives of the minister, have positive measures to renovate the content and to organize training methods, bring about order and manage the troops in order to create a basis for improving the quality of the training, resolutely implement the recently promulgated Troop Management Order and the laws of the state, implement the activity measures, maintain proper deportment, teach discipline and awareness, and reduce the number of disciplinary violations to a minimum. To do this, there must be high resolve and practical measures in order to educate and persuade people, and things must be done on a regular and continuous basis. The main thing is that the cadres must manifest a sense of responsibility and set an example. They must speak and act properly in order to set a good example for the lower echelons and troops.

Things must be organized to have the cadres, soldiers, and organizations study the content and stipulations of the Troop Management Law in order to have unity and carry this out strictly. The organizations and units must prepare various things for the troops, such as documents, uniforms, equipment, drill grounds, living quarters, and activities, so that good results are achieved once training gets underway.

The entire military must make real changes in implementing the military orders and laws of the state and achieve results from the very first day of military training.

ECONOMIC

Lease Possible for Asiasat Transponder

BK1904012491 Hong Kong AFP in English 0737 GMT 18 Apr 91

[Text] Hong Kong, April 18 (AFP)—The Hong Kong-based consortium running Asiasat 1, Asia's first commercial satellite, has signed a memorandum of understanding with Vietnam for possible lease of a satellite transponder, the firm announced here Thursday.

Under the terms of the memorandum signed on March 25, Vietnam's Directorate General of Posts and Telecommunications and Asiasat will conduct a feasibility study into the possible use of an Asiasat 1 space segment, the Asia Satellite Telecommunication Co. Ltd. said in a statement.

Both parties will also work together towards a transponder lease agreement, it said.

Terry Seddon, Asiasat chief executive officer, said "the memorandum marks a significant step towards the expansion of the satellite telecommunications network in Vietnam, and also represents tremendous encouragement for the satellite industry in the region."

Asiasat 1 has already provided telecommunication services through its 24 transponders, each capable of carrying a television channel or up to 1,200 simultaneous telephone calls, for other customers, including the telecommunications ministries of China, Burma, Mongolia and Pakistan.

It has recently leased a whole transponder on the southern beam of Asiasat 1 to Compunet Corporation Ltd. of Thailand. Compunet will start using the transponder for its domestic telecommunications data network on May 1.

Later this year, another Asiasat customer, Hutchvision, will start to transmit pan-Asia television broadcasts via Asiasat 1 transponders.

Asiasat is owned in equal shares by Britain's Cable and Wireless PLC, China's state-owned China International Trust and Investment Corp., and Hong Kong's Hutchison Telecommunications Ltd.

The satellite, manufactured by U.S.-based Hughes Aircraft Corp., was launched in April last year from southwestern China.

Foreign Companies Register for Oil Refinery Bid

*BK2004080691 Hanoi VNA in English 0619 GMT
20 Apr 91*

[Text] Hanoi VNA April 20—So far, 18 companies from France, Japan, Britain, the Netherlands, Belgium, the Federal Republic of Germany, Switzerland, South Korea have registered their tenders for the construction of an oil refinery in Vietnam.

Those companies have sent their representatives to Vietnam to study the situation and submit their construction plans.

A number of companies, initially selected for the work, are gathering data for their schemes, the best of which will be chosen later by Vietnam.

Committee Grants Licenses to 32 Investment Projects

*BK2104032891 Hanoi International Service in English
1000 GMT 20 Apr 91*

[Text] In the first quarter of this year, the Vietnam State Committee for Cooperation and Investment granted licenses to 32 investment projects with a total capital of \$370 million including \$337 million contributed by foreign countries. The countries involved in these projects are the Soviet Union, France, Australia, Holland, Indonesia, Malaysia, Japan, and Thailand. The 32 projects include 19 projects on light industry, food, pharmaceuticals, chemistry, and mineral exploitation; one project on oil and gas; four on fishery; seven on hotels and services; and one on transport and communications.

Heavy Industry Raises Farm Tool, Materials Output

*BK2104065791 Hanoi VNA in English 0602 GMT
21 Apr 91*

[Text] Hanoi VNA April 21—In the first quarter of this year, various enterprises and corporations under the Ministry of Heavy Industry turned out a large quantity of fertilizer, insecticide and farm tools.

These included 95,300 [metric] tons of phosphate fertilizer, 11,900 tons of nitrogenous fertilizer and 21,397 tons of compound fertilizer codenamed NPK, achieving the record quarterly output over the past three years.

In the same period, 2,311 tons of insecticide were produced, up by 26 percent over the corresponding period last year, thus helping peasants in the Mekong River Delta kill brown hopper in time.

Meanwhile, various engineering plants of the ministry also supplied peasants with 350 tractors and wheel-harrows, 715 diesel engines, 12,000 insecticide sprayers and hundreds of transformers and electric motors for various pumping stations.

Seminar Held on Training Economic Managers

*BK2504165191 Hanoi VNA in English 1344 GMT
25 Apr 91*

[Text] Hanoi VNA April 25—A seminar on training of economic managers in service of shifting planned economy to regulated market economy was recently held by the World University Service (WUS)-Vietnam and the WUS-Germany at Dalat University on the Central Highlands.

Participating in the seminar were a great number of university teachers, economic researchers and economic managers working at universities, research institutes and economic units in southern provinces.

The seminar discussed at length problems relating to activities of market economy, social factors as well as strong and weak points of market economy. The participants especially stressed on the need to train a contingent of economic managers for economic renovation in Vietnam.

Earlier, a similar seminar was also held in Hanoi for northern provinces.

Japanese Joint Venture in Garment Industry

*BK2904070391 Hanoi VNA in English 0623 GMT
29 Apr 91*

[Text] Hanoi VNA April 29—The Union of Garment Import-Export Enterprises (Confectimex) under the Ministry of Light Industry signed a contract on April 25 with three Japanese companies: the Santel Company Ltd., Daimaru Inc and Vinaseiko Ltd to form a joint venture in Ho Chi Minh City.

The undertaking, with its authorized capital of U.S.\$670,000, is 55 percent owned by the Japanese companies. It has an initial capacity of some 300,000 pairs of trousers a year.

The Japanese partners are responsible for providing modern equipment, transferring advanced technology and marketing the products, while the Vietnamese side takes charge of recruiting and training workers and providing some kinds of equipment.

Briefs on Brewery, Japanese Venture, Tea Factory

*BK2804145091 Hong Kong AFP in English 1347 GMT
28 Apr 91*

[Text] Hanoi VNA April 28—The Saigon Brewery under the Ministry of Agriculture and Food Industry has so far this year achieved a record output of more than 19 million

litres of beer. More machines and equipment are being installed to increase the output to 100 million litres next year.

So far this year the Thong Nhat Electro-mechanical plant in Hanoi has turned out nearly 27,000 fans of different kinds, earning 6.6 billion Vietnam dong, an increase of 65.7 percent in output, or 160 percent in revenue compared with a year earlier. The import-export company of Nghe Tinh Province has joined the Japanese Kitasho Jo Butsan Company in a venture for the production of wooden furniture.

The joint venture, which will process 20,000 cubic metres of wood a year, is capitalized at 333,000 U.S. dollars.

The Japanese side will contribute 200,000 U.S. dollars in equipment and transport means, and be responsible for the marketing of products.

A factory producing black tea for export with a capacity of 13 tons a day is under construction in Moc Chau District of the northern border province of Son La. All machines and equipment will be supplied by India. The Vietnam Union of Tea Enterprises (VINATEA) now has 23 factories capable of producing 476 tons of fresh tea a day. The union annually produces over 14,000 tons of dried tea.

VNA Reports Progress in Electronics Industry

*BK0105071191 Hanoi VNA in English 0656 GMT
1 May 91*

[Text] Hanoi VNA May 1—Vietnam's electronic industry now counts more than 60 establishments, including private and collective workshops.

The major establishments were brought together in the Vietnam Electronic and Informatic Union (VEIU) formally set up in 1981. Starting from modest capital party funded by the state, VEIU now has assets exceeding U.S. \$20 million and 12 enterprises, companies and research institutions staffed by nearly 2,000 skilled workers and technicians.

Its main work is to assemble televisions, radio sets, computers, etc from the assembly of white-and-black TV sets imported from Poland and IC blocs and manufacturing of condensers for export. It is now making three-band radio sets and assembling multi-system colour TV and computers of different kinds.

In 1990, VEIU's establishments in the south alone achieved a turnover of 69 billion Vietnam dong and contributed 18 billion dong to the state budget.

Most of their products are allowed to retain the brand-names of the foreign companies which produce components. So far, many foreign firms including those in the Soviet Union and member countries of the European Economic Community (EEC) have signed contracts with VEIU. For instance, VEIU has won an order from its Soviet partners for the assembly of 50,000 colour TV sets.

Thuan Hai Completes Satellite TV Receiving Station

*BK0105074691 Hanoi Vietnam Television Network
in Vietnamese 1200 GMT 14 Apr 91*

[Text] Thuan Hai Province just held a reception ceremony for the television satellite receiving station. The project was built by the Television Equipment Repairing and Maintenance Enterprise of the Technical Materials Company of the Ministry of Culture, Information, Sports, and Tourism. This is one of the projects to welcome the Seventh National Party Congress of Thuan Hai Province by the Ministry of Culture, Information, Sports, and Tourism.

The station consists of a satellite earth terminal receiving station with a three-meter dish antenna, and audio and video recorders assembled in a configuration that is easy to operate. The three-meter antenna uses low-noise amplifiers with a noise temperature of 33 degrees Kelvin, smaller than equipment previously imported, but has the capability of amplifying high quality signals from programming transmitted by the Vietnam Television station via the 80-degree east satellite. Therefore, from this April, the ethnic minority people of Thuan Hai can follow daily programs of the Vietnam Television station. Moreover, with this equipment the station can receive programs from 28 other countries transmitted from 10 different satellites.

The television receiving earth terminal in Thuan Hai is the 20th station assembled by the Television Equipment Repairing and Maintenance Enterprise, and reports from all stations have been good. At present, the enterprise continues to send technicians to many provinces, especially the mountainous provinces and islands to assemble more stations under the National Television Transmitting Station Building Program.

Ha Nam Ninh Exports Embroidery, Carpets

*BK0705155191 Hanoi VNA in English 1411 GMT
7 May 91*

[Text] Hanoi VNA May 7—Embroidery and lace enterprise in Ha Nam Ninh Province has exported 18,000 sets of embroidered table cloth and garments to France and Italy. It is carrying out an additional contract to export 7,000 more sets.

In the first two months of this year the enterprise also exported 1,500 square metres of Venetian lace to Hong Kong, or one-third of its target for the whole year.

Also in Ha Nam Ninh Province, the Ninh Binh woolen carpets factory in the first quarter of this year exported 2,000 square metres of woolen carpets and thousands of table cloth sets to Japan, France, Italy and Yugoslavia. The factory, with 300 workers, has signed contracts for the production of 10,000 square metres of woolen carpets and [word indistinct] sets of embroidered table cloth.

Finnish-Financed Shipyard Increases Capacity

*BK0805132791 Hanoi VNA in English 1243 GMT 8
May 91*

[Text] Hanoi VNA May 8—The Finnish-financed Pha Rung Shipyard this year plans to repair 160 ships for a total output value of 33 billion Vietnam dong.

It has invested billions of dong in the purchase of steel and fuel and new equipment and facilities, thus cutting the average time for repairing a ship by one third.

1990-91 Winter Crops Ease Early Food Shortages

*BK1305075991 Hanoi VNA in English 0635 GMT
13 May 91*

[Text] Hanoi VNA May 13—According to the Ministry of Agriculture and Food Industry, in the just-harvested winter crop of 1990-91, farmers in the northern provinces grew 263,000 of hectares of vegetables and subsidiary food crops and reaped 482,000 tons of food in paddy equivalent.

The winter crop has become one of the main crops in the north, expanding to 300,000 hectares from 100,000 hectares in the 1970s. The main plants this crop are maize, potato, sweet potato, vegetables and soya beans. In particular most export vegetables like cabbage, tomato, carrot, onion, cauliflower, etc., are grown in winter.

To grow winter crops on a wide scale agriculturists have introduced short-term rice species to create the necessary interval between the autumn and spring rice crops. The winter crops have greatly helped to ease the chronic preharvest food shortage in February and March in the northern provinces and increased the export of farm products.

Plans are afoot for expanding the winter crop acreage to 400,000-500,000 hectares.

The ministry of agriculture and food industry has launched a project entitled "increasing vegetable and fruit production and export" capitalized at 90 million U.S. dollars, including 20 million U.S. dollars for planting and about 70 million U.S. dollars for processing. It has called for investment, cooperation, and joint ventures from foreign countries.

Long An People Moving to Dong Thap Muoi

*BK1305154891 Hanoi Domestic Service in Vietnamese
1100 GMT 13 May 91*

[Text] So far, 25,000 people in the southern districts of Long An Province have moved to Dong Thap Muoi to live.

The people have spent hundreds of thousand of labor days to do water work and have put more than 10,000 hectares of newly plowed virgin land to two-crop planting. The productivity of the land has doubled compared to previous crops.

When they just arrived, many families relied mainly on government subsidies, but after two or three crops, they had enough paddy to live on and enough savings for reproduction. Many families have saved five to 10 ton of paddy so they can buy water pumps, increase the cultivating area, and plant indigo trees in the wet land.

SOCIAL

Britain, UN Help Fight Illiteracy Among Blind

*BK1804064891 Hanoi VNA in English 0539 GMT
18 Apr 91*

[Text] Hanoi VNA April 18—The Vietnam Association of the Blind held here Wednesday a ceremony to launch "the anti-illiteracy year for the blind—1991" campaign.

At present, Vietnam has about 550,000 blind persons. Over the past 20 years, the association of the blind has got rid of illiteracy for only more than 5,000 persons. A number of them have higher-education and know foreign languages.

In this anti-illiteracy campaign, the association calls for assistance at home and abroad to help it carry out a plan of opening 30 Braille classes for 6,000 persons.

Foreign guests at the ceremony were representatives of the Soviet, Australian and British Embassies, and of UNICEF, FAO Care International, OXFAM, and the U.K. Save the Children's Fund.

The British Embassy and Care International have given financial assistance to the association to help it fight illiteracy among the blind.

UN-Funded Daycare Project Yields Good Results

*BK2504163191 Hanoi VNA in English 1351 GMT
25 Apr 91*

[Text] Hanoi VNA April 25—The integrated project in daycare centre, launched in 1988 by the Vietnam Children Education Service with 1,094,600 US dollars as financial assistance from the United Nations Children's Fund (UNICEF), has yielded good results after three years' implementation.

The project aims to help children develop their constitution, intelligence as well as sentiment, and stimulate their psychological and social development.

So far, the project has been implemented in 14 districts and precincts of five provinces with 982 creches, about 35,000 children and 5,000 nurses.

As a result, according to initial statistics the numbers of malnutrition children in [name indistinct] District, Ha Nam Ninh Province has reduced by 6.4 percent, the number of children suffering from diarrhoea in Hoang Hoa District, Thanh Hoa Province and the inner precincts of Haiphong City had dropped from 13.5 percent to 1.7 percent, and 92-98 percent of the children in those 14 districts and precincts have been vaccinated against six major diseases.

UNICEF Approves Cooperation Program

*BK2804071791 Hanoi VNA in English 0616 GMT
28 Apr 91*

[Text] Hanoi VNA April 28—The Planning Committee under the Executive Committee of the United Nations Children's Fund (UNICEF) approved in New York on

April 25 the cooperation programme between the Vietnamese Government and UNICEF in the 1991-1995 period with a total fund of 90 million dollars.

This is the biggest long-term cooperation programme fund provided by UNICEF for Vietnam, including 40 million U.S. dollars from the organization's regular fund, and 50 million from its additional fund. The programme was prepared by the Vietnamese Government and the UNICEF office in Hanoi in coordination with the UNICEF headquarters in New York with a view to developing healthcare, nutrition, water supply, environmental hygiene and education for women and children in Vietnam.

Illegal Videotapes 'Pouring' Into Country

*BK0805033491 Hong Kong AFP in English 0223 GMT
8 May 91*

[By Jean-Claude Chapon]

[Excerpt] Hanoi, May 8 (AFP)—Illegal videos are pouring into Vietnam at a fast-growing rate, and the communist authorities here are finding themselves hard-pressed to turn the tide.

Known as "black videos," unauthorized horror, kung fu and pornographic videos can be discreetly bought or rented from specialist shops which defy official censorship.

In January and February this year, police raided more than 230 such shops and seized nearly 2,000 tapes, video recorders and video copying equipment, the capital's HANOI MOI newspaper said recently.

Crime films make up 40 per cent of all smuggled videos, 38 per cent are marital arts pictures and 10 per cent pornography, police say. The principal sources are Hong Kong, Thailand and Taiwan.

While the law requires all films to be censored by the Ministry of Culture, more than 10,000 video recorders are playing hundreds of movies in private homes, cafes and state-owned shops.

Now that the hot season has begun, hundreds of Hanoi residents can be seen every night on cafe terraces, watching an illegal video while sipping a beer or cocoa drink that is probably also contraband.

If the film is particularly good, passers-by on bicycles or scooters will stop to watch, for instance, the exploits of Hong Kong kung fu star Jackie Chan, a favorite in Vietnam.

The trend is all the more remarkable for its novelty—for since September 1988, the authorities have banned the importation of movies from non-socialist countries.

Vietnam's own film industry is hard put for cash, and usually suffers from artistic and ideological conformism that cannot compete with foreign productions.

Trying to beat back illegal films seems a lost cause, particularly in a country where contraband has become something of a national sport, touching all sectors and all walks of life, observers here say.

There is already talk of some enterprising Vietnamese putting satellite dishes atop their roofs to pick up foreign television programs. [passage omitted]