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CONTENTS

16 April 1991

BURMA

JETRO Discusses Purchase of Crops [THE WORKING PEOPLE'S DAILY 10 Mar]	1
Preparatory Meeting With UN Agencies Held [THE WORKING PEOPLE'S DAILY 12 Mar]	1
Economic Bank Managers Held Coordination Meeting [THE WORKING PEOPLE'S DAILY 22 Feb] ..	1
Business Enterprises Hold Management Workshop [THE WORKING PEOPLE'S DAILY 26 Feb]	1
Government Desires Better Marketing of Products [THE WORKING PEOPLE'S DAILY 11 Mar]	2
Railway Construction in Shan State [THE WORKING PEOPLE'S DAILY 11 Mar]	2

CAMBODIA

STATE OF CAMBODIA

Tep Vong Trip to Thailand, Comments on Religion [Bangkok MATICHON 18 Feb]	3
Estimate of Railway Repair Cost [Bangkok NAEO NA (LOK THURAKIT SUPPLEMENT) 18 Feb]	3

LAOS

Japanese Aid to Louang Namtha [PASASON 6 Feb]	5
PRC To Cooperate in Hotel Operation [VIENTIANE MAI 27 Dec]	5
SRV Firm on Construction Contract [PASASON 12 Feb]	5
Hanoi Construction Firm's Progress on Contract [VIENTIANE MAI 9 Feb]	5
Thai Trade Representative Noted in Oudomxai [Bangkok NAEO NA 23 Feb]	6
Bokeo Opens to Foreign Tourism, Thai Contracts [Bangkok DAO SIAM 8 Feb]	6
Factional, Jurisdictional Divergences Seen [Bangkok LAK THAI 11-17 Feb]	6
Foreign Trade Bank on Currency Holdings, Debts [PASASON 11 Feb]	7
Role, Reorganization of Foreign Trade Bank [VIENTIANE MAI 14 Dec]	7
Planned Electricity Production, Exports [VIENTIANE MAI 7 Feb]	8
ADB Funded Road Improvement [PASASON 6 Feb]	8
Khammouan District Security Problems [PASASON 8 Feb]	8

MALAYSIA

POLITICAL

Razaleigh Unconvinced of UMNO's Unity to Sabah [UTUSAN MALAYSIA 22 Feb]	9
Mahathir Explains Appointment of Ghafar [UTUSAN MALAYSIA 22 Feb]	9
Editorial Applauds UMNO Presence in Sabah [UTUSAN MALAYSIA 22 Feb]	9

MILITARY

Minister Orders Restructuring of Armed Forces [BERITA HARIAN 24 Feb]	10
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ECONOMIC

Hungary Agrees To Joint Trade Expansion [UTUSAN MALAYSIA 20 Feb]	10
Mahathir Says Foreign Investment Still Needed [UTUSAN MALAYSIA 19 Feb]	11
Minister on Bank Deregulation, Interest Rates [BERITA HARIAN 27 Feb]	12
Industrial Growth, Lower Unemployment Seen [UTUSAN MALAYSIA 25]	12
Rubber Output Falls [BERITA HARIAN 22 Feb]	13

SOCIAL

Farmers Organizations Declared Self-Sustaining [*JUTUSAN MALAYSIA 25 Feb*] 13

PHILIPPINES

Report of Spate of Kidnappings in Cotabato City [*SUN STAR 3 Mar*] 15

SINGAPORE

Labor Scarce As Hong Kong Firms Move In [*Jakarta KOMPAS 20 Mar*] 16

THAILAND

POLITICAL

Assassination Plot Coverage Continues 17
Colonel Bunsak Profiled) [*MATICHON 28 Feb*] 17
Bunsak Discusses Confession, Manun Ties [*MATICHON 28 Feb*] 17
Chronology of Events [*SIAM RAT SAPDA WICHAN 3-9 Mar*] 21

MILITARY

Problems With PRC Tanks [*LAK THAI 11-17 Feb*] 22
Austrian Artillery Acquisition Planned [*LAK THAI 4-10 Feb*] 23
Stingray Tank Deliveries Slated [*LAK THAI 4-10 Feb*] 23

ECONOMIC

Minister on Export Performance, NIC Status [*BAN MUANG 18 Feb*] 23
Petroleum Chief on Status of Burma Gas Line [*DAO SIAM 19 Feb*] 23
Commerce Permanent Secretary on Piracy, Cigarettes [*SIAM RAT 20 Feb*] 24
Drug Industry Reacts to Commerce on Patent Issue
[*NAEO NA (LOK THURAKIT SUPPLEMENT) 14 Feb*] 24

VIETNAM

POLITICAL

Basic Arguments Needed in Drafting Party Program [*NHAN DAN 1 Mar*] 26

ECONOMIC

1990 Revenue Collection Shortfall Reported [*SAIGON GIAI PHONG 20 Jan*] 27

JETRO Discusses Purchase of Crops

91SE0188D Rangoon *THE WORKING PEOPLE'S DAILY* in English 10 Mar 91 p 16

[Text] Yangon, 8 Mar (MNA)—Officials of the Myanmar [Burma] Agriculture Service and Myanmar Farms Enterprise led by Director-General of the Planning and Statistics Department, Ministry of Agriculture & Forests Dr Myint Thein and members of the Japan External Trade Organization (JETRO) led by JETRO Chairman Mr Shire Misutani discussed ways for purchasing crops including beans and pulses from Myanmar Naing-Ngan and producing them at a meeting at the No 2 meeting room of the Ministry of Agriculture & Forests at 10:30 am today.

They also discussed matters on purchasing crops especially beans and pulses produced in Myanmar Naing-Ngan and ways to produce them. They discussed in detail matters relating to making investment for greater yield of crops and measures for exporting more crops including beans and pulses to Japan.

The meeting was also attended by personnel of the Embassy of Japan in Myanmar Naing-Ngan.

The JETRO officials will visit Mandalay and Bago Divisions and hold talks with officials there, it is learnt.

Preparatory Meeting With UN Agencies Held

91SE0188A Rangoon *THE WORKING PEOPLE'S DAILY* in English 12 Mar 91 pp 12, 7

[Text] Yangon, 11 Mar (MNA)—A preparatory meeting on development of border areas and national races was held between Resident Representatives and advisers of the United Nations Agencies in Yangon and departmental personnel who are the chairmen of various sub-committees at the meeting hall of the Ministry of Planning & Finance this morning.

Present at the meeting were representatives of the UNDP [United Nations Development Program], United Nations Capital Development Fund (UNCDF), UNICEF, FAO [Food and Agriculture Organization], WHO and United Nations Fund for Drug Abuse Control (UNFDAC) and departmental personnel.

Director-General of the Political Department of the Ministry of Foreign Affairs U Ohn Gyaw presided over the meeting. U Ohn Gyaw delivered an address. Lt-Col Thein Han of the Office of Work Committee for Development of Border Areas and National Races and the various sub-committees explained matters relating to the development activities.

Director-General of the Foreign Economic Relations Department U Soe Thwin also explained matters. Resident Representative of the UNDP, Mr Gerd Merrem, Resident Representative of the FAO Mr Oscar J.S. Lazo, Representative of the UNICEF Mr Eric Laroche, Officer-in-charge of WHO Dr Thein Nyunt and Senior

Field Adviser of the UNFDAC Mr Donald C. McIntosh took part in the discussions.

Economic Bank Managers Held Coordination Meeting

91SE0168B Rangoon *THE WORKING PEOPLE'S DAILY* in English 22 Feb 91 p 7

[Text] Yangon, 21 Feb—A coordination meeting of Myanmar [Burma] Economic Bank managers of Upper Myanmar Naing-Ngan for 1990-91 was held on 18 February in Mandalay City Hall.

Present on the occasion were Chairman of the Mandalay Division LORC [Law and Order Restoration Council] Commander of the Central Command Maj-Gen Tun Kyi and members, director-general of the Budget Department, Ministry of Planning & Finance, Chairman of the Myanmar Naing-Ngan Central Bank, managing directors of Myanmar Economic Bank, Myanmar Foreign Trade Bank, Myanmar Investments and Commercial Bank and Myanmar Agricultural and Rural Areas Development Bank and departmental officials.

The Commander delivered an address of the meeting.—MNA

Business Enterprises Hold Management Workshop

91SE0168A Rangoon *THE WORKING PEOPLE'S DAILY* in English 26 Feb 91 p 6

[Text] Yangon, 25 Feb—The Workshop on Management and Finance for Private Business Enterprises No 1/91 conducted by the Ministry of Trade concluded with a ceremony held in Mingala Hall of the Strand Hotel this evening with a speech by Minister for Planning & Finance and for Trade Brig-Gen Abel.

Present on the occasion were Trade Department Director General U Maung Maung Kyaw, managing directors and responsible personnel from departments and enterprises under the Ministry of Trade, directors-general and managing directors from the Ministry of Planning & Finance and economic organizations, Mr Gerd Merrem, Resident Representative and Miss Slavia Pansieri, Assistant Resident Representative, UNDP [United Nations Development Program], instructors and trainees among others.

The workshop was attended by personnel from export and import business enterprises, registered limited companies, including 81 trainees from Joint-Venture No 3, four from the Co-operative Society from Sagaing and Magway Divisions totalling 86 trainees. The course lasted for four weeks.

Personnel from the private business enterprises who wish to attend the Workshop N 2/91 may register at the Trade Department, it is learnt.—MNA

Government Desires Better Marketing of Products

91SE0188C Rangoon THE WORKING PEOPLE'S
DAILY in English 11 Mar 91 p 6

[Text] Myanmar [Burma] Naing-Ngan is endowed with a large forest area with its great potential of timber and many forest products. More than half of its area is covered by forests with many tree species and the country provides 90 per cent of the world's teak trade.

Although the country has many tree species, only about a hundred species are recognized as utilizable. The National Forest Management and Inventory Division has been making inventory of Myanmar forest estates and has covered a good percentage. Therefore we can state how productive these forests are. The country fixed an allowable cut of teak to about 350,000 tons and non-teak hardwoods to about 1.3 million tons conservatively. Out of target of extracting non-teak hardwoods, the country has been extracting nearly one million tons annually.

Lately, the country found a good market for *Padauk* at a good price, but this species is not as plentiful as *Pyin-gado*. Therefore, the demands for these species cannot be fully met. Therefore, in addition to the said species, Myanmar Naing-Ngan needs to find markets for other non-teak hardwood species, popularly recognized as the lesser known species.

Minister for Agriculture and Forests and for Livestock Breeding and Fisheries Lt-Gen Chit Swe, in addressing the seminar on improving the marketing potential of Myanmar Forest products pointed out that foreign markets are choosy with the lesser known species. Though they are called the lesser known species, in fact their timber qualities have already been determined. In fact the Forest Department had already identified about a hundred species on their qualities. Therefore, it is important to survey the market potentials for promoting the sales, he said.

The Minister also said, "Touching on the merchandise in hand, Myanmar is still selling timber in log form when other countries have stopped doing so completely. Since we are also aware that log sale is an outdated practice and selling value added products is more beneficial than

the former, we will try to find alternative ways of selling timber in the not too distant future."

The Minister called on the Myanmar Timber Enterprise in particular to operate the timber trade, not only in keeping with the open market economy but also keeping in line with the modern market trends in timber trade.

At the ceremony for opening the No 5 Plywood Factory near Obotaung village in Monywa, Minister Lt-Gen Chit Swe pointed out that the objectives of opening the factory were for the development of timber-based industries to earn added value by selling products instead of selling logs and to improve the standard and quality of plywoods for domestic and foreign markets.

Therefore, it is necessary to find markets not only for teak but also other non-teak hardwood species, not in log form but selling value added products which is more beneficial. This, we are positive would surely improve marketing potential of Myanmar forest products.

Railway Construction in Shan State

91SE0188B Rangoon THE WORKING PEOPLE'S
DAILY in English 11 Mar 91 p 12

[Text] Yangon, 10 Mar (MNA)—Chairman of Shan State Law and Order Restoration Council Eastern Command Commander Maj-Gen Maung Aye, accompanied by members of Shan State and Taunggyi Township Zone LORCs [Law and Order Restoration Council] and heads of department, arrived at Het-tai camp via Shwenyaung railway station on 8 March and had discussions with Myanmar Railways officials on matters concerning construction of railway bridges, quarry production, availability of sleepers and laying of railway lines.

The Commander and party also met with Myanmar Railways officials and Taunggyi-Lawksaw Township LORC members at Pinphyit camp and had discussions with them on matters relating to laying of railway lines between Shwenyaung and Lawksaw. They inspected construction of three railway bridges, laying of laterite and railway lines and the sites chosen for constructing Lawksaw railway station, staff quarters, warehouses and locosheds in Regions No 5 and No 6.

STATE OF CAMBODIA

Tep Vong Trip to Thailand, Comments on Religion

91SE0170A Bangkok MATICHON in Thai
18 Feb 91 pp 1, 22

[Unattributed report: "Phra Thepwong, the Head Priest in Cambodia, Maintained Righteousness in the Midst of Battle"]

[Excerpts] On 15 February Thailand had the opportunity to greet a high-level group of five monks from the the Heng Samrin faction in Cambodia, led by Winaitham Thepwong [Tep Vong], the leader of Cambodia's Buddhist priests.

This was the first official visit of a group of priests from the government in Phnom Penh to Thailand after the change in the administration in Cambodia.

Phra Thepwong, the leader of this group, has a very interesting history. He has been through a time of trial which is difficult to imagine.

He was born on 12 January 1934 in the city of Siem Reap. He decided to cut his hair and become a disciple of Buddha when he was 15. He entered a temple in the city of Siem Reap and rose to become deputy abbot.

His life as a priest went smoothly until the Khmer Rouge led by Pol Pot took control of the Cambodian administration. Then everything changed.

Phra Thepwong was forced to leave the priesthood and was sent to do hard labor in the countryside outside the city of Siem Reap.

Because he was a priest respected by many, his name was entered on the black list of people dangerous to the government of Pol Pot.

He related that one day during the time when the Khmer Rouge were in control, Pol Pot's soldiers called him out for questioning, accused him of being an undesirable and sentenced him to a brutal execution.

When everything seemed hopeless and dark, something unexpected happened. When the Khmer Rouge soldiers were taking him to the execution stake, soldiers of the Heng Samrin faction attacked and killed the Khmer Rouge soldiers and helped him get away. He had narrowly escaped death.

He had been out of the priesthood for 3 years, 8 months and 20 days. The soldiers of Heng Samrin with the support of Vietnam were able to depose the Khmer Rouge military.

Phra Thepwong went to Phnom Penh and decided to return to his priest's robes. He was then 47.

When he became a priest again, he did so with the first group to become Buddhist priests under the government of Heng Samrin!

Just nine months later he was appointed by the Heng Samrin government to be the head priest of Cambodia and was assigned the duty of reviving Buddhism.

Phra Thepwong said that in the beginning it was very difficult. He almost could not find priest's robes. At the same time he had to rush to find priests to help maintain Buddhism. He searched for any priests who had been imprisoned and who wished to return to the priesthood, and they were ordained. [passage omitted]

At the same time he said that Buddhism in Cambodia had already made progress. There were about 20,000 more priests, but there still were not enough. The expansion needed to be accelerated.

He said that in 1988 he was the chief sponsor in talks with the Cambodian government of having the government provide more assistance for priests and those who wished to be ordained. This helped somewhat, and now Cambodian children aged 13 to 14 have some opportunities to be ordained.

In addition he promoted the education of Cambodian children aged six to seven so that they would be aware that they were Buddhists and what they should do to maintain Buddhism.

"The Cambodian people must practice the teachings of Buddha and in particular should not oppress each other. If they are able to do this, peace will soon return to Cambodia," Phra Thepwong said confidently. He said that he would like Thailand and Cambodia to have close relations again as in the past. If everything improves, he would like to have Thai priests go to help revive Buddhism in Cambodia so that it would thrive again.

In his trip to Thailand this time he will also take part in the meeting of "international Buddhism" in Nakhon Nayok Province.

His group also had the opportunity to have an audience with the Buddhist Supreme Patriarch at the Buaniwet Temple in the evening of February 15. [passage omitted]

Estimate of Railway Repair Cost

91SE0170B Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 18 Feb 91 p 10

[Unattributed report: "Cambodian Rail Service Awaits Unification of the Country"]

[Excerpt] A source in Thai Railways (RFTh) revealed that about three months ago Thai Railways sent a team of engineers to survey the tracks in Cambodia. There are two rail lines from the Thai border into Cambodia: there is the line from Aranyaprathet to Phnom Penh and the line from Phnom Penh to Kampong Som. The survey

indicated that it would be possible to repair these rail lines so that they could be used for rail traffic.

It would take about six months to repair these rail lines. Then the lines could be used immediately. But it would require a budget of at least U.S. \$50 million because both lines have been closed to rail traffic for more than 10

years and the rails have deteriorated. It would require a great deal of money to repair the lines.

“Repairing these two rail lines will depend on when Cambodian officials are able to unify the country. In addition they will have to consider where Cambodia will find the source of funds to be used for the repairs. Thai Railways is ready to do the repairs any time”, the source said. [passage omitted]

Japanese Aid to Louang Namtha

91SE0172A Vientiane PASASON in Lao 6 Feb 91 p 1

[Text] At the end of January, the Japanese government turned over agricultural machinery valued at 94,171,550 yen to Laos.

This aid included a dredger, a grader, a lifter, a crane, a general purpose truck, an oil tanker, a pick up truck, a tractor, a generator, and other machinery. This machinery was donated to help develop Louang Namtha Province.

The transfer of this machinery took place in Luang Namtha Province, with Mr. Sigamiang Do, the Japanese ambassador to Laos, turning the machinery over to Mr. Kwan Kaomani, the governor of Luang Namtha Province. The ceremony was attended by the deputy minister of agriculture and forestry and other senior officials in the province.

PRC To Cooperate in Hotel Operation

91SE0172H Vientiane VIENTIANE MAI in Lao 27 Dec 90 p 1

[Text] The ceremony to sign a contract on hotel operations between the Lan Chang Hotel in Vientiane City and the Kunming Hotel in Yunnan Province, China, was held on the evening of 24 December. The ceremony was attended by Mr. Saikham Vongkhamson, the first deputy managing director of the Lan Chang Hotel, Mr. Qiu Linxing, the first deputy managing director of the Kunming Hotel, Mr. Kongphang Suttavong, the head of the Trade and Foreign Economic Relations Division, Vientiane City, and the cadres concerned from both sides.

This contract calls for the two hotels to exchange ideas on hotel operations. Each year, approximately seven-eight people from each hotel will attend a seminar to exchange views on hotel operations. The two sides will then evaluate the joint operations and see how successful operations have been during the period 1990-1991.

SRV Firm on Construction Contract

91SE0172F Vientiane PASASON in Lao 12 Feb 91 p 2

[Excerpts] After bids were made on the construction of two bridges along southern Highway 13 (Vientiane to Pak Krading), on 20 November 1990 the Federation of Bridge Construction Companies signed a contract with the Ministry of Communications, Posts, and Construction to begin construction on the lower sections of these two bridges in time for Lao National Day on 2 December 1990. The Thanh Long Federation of Bridge Construction Companies sent a construction team from Vietnam to help with the construction in order to complete the construction on time. Construction got underway on 15 December 1990.

With a lofty sense of responsibility, even though the dry season is now almost over, half of the construction plan has been completed and quality has been ensured. [passage omitted]

In building these bridges in Laos, the Vietnamese team has used raw materials brought from Vietnam. This includes cement, steel, and other good-quality items that have been inspected and approved by the Ministry of Communications, Posts, and Construction. The construction is of good quality and the proper design techniques have been followed. Swedish experts formulated about 10 percent of the technical standards.

Because of the results achieved, the Ministry of Communications, Posts, and Construction and the Swedish experts have great confidence in their abilities. Laos will entrust the Federation of Bridge Construction Companies with the task of building the upper structure of these two bridges. They are now carrying on construction diligently and are expected to complete the project in the near future.

This new method of economic cooperation has achieved good results. Quality and efficiency are the important factors that have enabled us to achieve these results. This achievement shows the strong solidarity between Laos and Vietnam.

Hanoi Construction Firm's Progress on Contract

91SE0172G Vientiane VIENTIANE MAI in Lao 9 Feb 91 pp 1, 3

[Text] On 15 December 1990, the Thanh Long Federation of Bridge Construction Companies based in Hanoi, Vietnam, began construction on the lower bridge structure. It built the footings, emplaced the steel reinforcements, and then poured the cement pillars in three places. The bridges are being built along southern Highway 13 in Thaprabat District, Bolikhamsai Province, in accord with the contract signed by the Lao Ministry of Communications, Posts, and Construction and this company.

The workers in this company have completed construction on the lower structure of one bridge, that is, the Na Dongkam Bridge. Construction has now gotten underway on the other two bridges, that is, the Nam Ru and Nam Mangrom bridges. Construction is expected to be completed by the end of April 1991.

According to a report by those responsible for this project along southern Highway 13, work on the upper structures of these three bridges, including the laying the deck beams, pouring the steel-reinforced concrete, and other work, will be entrusted to other companies given the bids. Construction on these bridges is expected to be fully completed by the end of the year. These three bridges are permanent bridges of good quality that can bear weights up to 80 tons. The total cost to construct these bridges is \$900,000.

Thai Trade Representative Noted in Oudomxai*91SE0171B Bangkok NAE0 NA in Thai 23 Feb 91 p 9*

[Text] Recently, Laos sent Mr. Somkhit Mongkhunviset, the president of the Mongkhunviset Company and a group of Lao officials to contact officials in Thung Chang District, Nan Province, in order to ask Thailand to open border transit points and engage in trade at border villages and at Ban Huai Kon in Thung Chang District.

Concerning this, Mr. Amnuai Yotphet, the governor of Nan Province, said that the Mongkhunviset Company, which is an international trading company, sent officials to contact officials in Thung Chang District and inquire about doing business with Thailand. They said that Laos wants to obtain goods from Thailand in order to sell them to people at Ban Son in Oudomxai Province. The governor said that Thung Chang district officials have sent him a report on this. Laos has said that Thailand can send merchants to contact the company directly. There will be two meetings a month. The value of the trade will be approximately 50-100,000 baht a month. Laos wants to purchase clothing, kitchen utensils, cotton, and nails. The items that Laos wants to sell to Thailand include palm kernels, bark, cattle, and water buffalo. The province has entrusted the Nan provincial commercial official and the provincial chamber of commerce with the task of weighing the pros and cons of this. Thailand must derive economic benefit from this, and this must not affect Thailand's security. This must also be in line with the political situation in the two countries.

This matter is still under consideration. The province has contacted businessmen who may be interested in trading with Laos. Establishing trade should help improve relations and benefit the economies of both countries, said the governor of Nan Province in conclusion.

Bokeo Opens to Foreign Tourism, Thai Contracts*91SE0171A Bangkok DAO SIAM in Thai 8 Feb 91 p 7*

[Excerpt] Laos has contacted Thais in Chiang Khong District, Chiang Rai Province, and asked them to help promote tourism. Bokeo Province will be happy to welcome both Thai and foreign tourists on Saturdays and Sundays. There are long-term plans to attract Thais to invest in joint tourist projects on various islets in the Mekong River. This was disclosed by Police Captain Sombat Yaemsakun, the head of the Immigration Police in Chiang Khong District, Chiang Rai Province.

The head of the Immigration Police in Chiang Khong District said that Laos contacted Thailand about this just recently. Tourist officials from Bokeo Province in Laos contacted Thai immigration officials at the immigration checkpoint in Chiang Khong District and asked them to facilitate things for Thai and foreign tourists who want to visit Houai Sai District in Bokeo Province on the weekends. The Lao Ministry of Trade and Tourism has given Bokeo Province permission to receive tourists, including

foreign tourists. Tourists can make a day trip or stay overnight in a hotel. But they cannot come for purposes other than to tour the area.

Police Captain Sombat said that up to now, Lao officials have refused to allow tourists to enter Laos. But they have now opened their country and have prepared tourists sites and accommodations. Things have been ready since January. At the same time, Lao citizens are now being allowed to invest jointly with the government in tourist businesses. Two islets in the Mekong River, which Laos thinks belong to Laos, have been leased. The one that is interesting is Don Pong, which is located opposite Chiang Khong District in Chiang Rai Province. Lao citizens can now ask foreign investors to invest in 10-30 years projects here. Thai investors are very interested in leasing islets in the Mekong River. [passage omitted]

Factional, Jurisdictional Divergences Seen*91SE0171C Bangkok LAK THAI in Thai 11-17 Feb 91 p 18*

[Text] LAK THAI has obtained information about solving the Ban Rom Klao problem between Thailand and Laos. At present, there is a "cease-fire" but no permanent solution. No progress has been made in demarcating a definite border. Even though the Lao military understands the problem, policy makers in the party and government have a different or even opposite view. General Sisavat Keobounphan, the Lao chief of staff officers, or supreme commander, has told Thai officials that the only thing that the Lao military can do is give reasons and propose means to government officials. And the government has to discuss matters with the Lao Patriotic Front Party, which controls the government. Little progress has been made in solving the Ban Rom Klao problem, because the "Foreign Relations Committee of the Party Central Committee, the chairman of which is Mr. Phoun Sipaseut, views things differently than the military. Mr. Phoun Sipaseut is also the minister of foreign affairs and so he controls foreign policy in both the government and party. Mr. Thongsavat Khaikhamphithoun, the first deputy minister, and Mr. Thonglun Sisoulit, the deputy minister, serve as deputy chairmen of the party's Foreign Relations Committee. Only one person in the party is not a minister. That is Mr. Silivong Phrasitthidet, the deputy chairman of the party's Foreign Relations Committee. It's said that it is Mr. Sulivong who strongly opposes the military's viewpoint on the Ban Rom Klao issue.

A military news source of LAK THAI said that the [Lao] military will have to reduce its role in this matter. Lao military officials have said that they have no power left and that this is now up to the government and Central Committee of the Lao Patriotic Front Party. Our news source said that it is the Ministry of Foreign Affairs or some other unit at the political forefront that will have to "carry the ball" on this. It will probably reach the power center of the party, that is, Mr. Oudom Khatigna, the

chairman of the Organization Committee of the Party Central Committee. This is thought to be the most powerful committee in the party and government of Laos. Mr. Oudom is also the minister of organization and inspection in the Lao government. Mr. Michantan Sengmani is the deputy minister. It can be said that the Lao Patriotic Front Party has entrusted this ministry with the task of controlling the government directly. As for the Organization Committee of the Party Central Committee, in addition to Mr. Oudom Khatigna, the committee chairman, the deputy chairmen are Mr. Bognoun Levietmouang, a Vietnamese from Hanoi, Mr. Vilaivan Phomkheo, and Mr. Ngi Singpaseut. It is the Organization Committee of the Party Central Committee that will have to solve the Ban Rom Klao problem with Thailand. Our news source said that from what has been learned, it is Mr. Bognoun Levietmouang, the Vietnamese, who is formulating policy concerning this problem. In view of this, we must wait for a change in the policy of Vietnam, not the policy of Laos.

Foreign Trade Bank on Currency Holdings, Debts

91SE0172D Vientiane PASASON in Lao 11 Feb 91 p 2

[Text] During 1990, the Foreign Trade Bank made clear progress in its work. As compared with 1989, kip deposits increased 104 percent, dollar deposits increased 59 percent, and [Thai] baht deposits increased 14 percent. The mobilization of shares increased 47 percent.

In carrying on banking activities, the Foreign Trade Bank has loaned only limited amounts of money to government economic entities, with most of the loans in dollars. This has led to problems. That is, the debt now stands at more than \$4 million. Most of this money is owed by approximately 20 agricultural processing companies in various provinces. Even though steps have been taken to collect the money owed, only 10 percent has been repaid. The debtors have ignored their responsibilities and made little effort to repay the loans. The Foreign Trade Bank has said that the national bank is responsible for solving this problem.

Since November 1989, the Foreign Trade Bank has extended large amounts of credit. That is, it has extended credit to every economic sector based on the regulations free of outside interference. In 1990, the Foreign Trade Bank signed almost 600 revolving credit contracts, which is almost five times the number in 1989. Besides that, it also signed eight contracts extending fixed-term credits for two to four years.

In short, the Foreign Trade Bank has loaned out only 41 percent of total deposits. There are various economic units, including state, joint, share, private, and individual units, that could take loans from the Foreign Trade Bank, and the Foreign Trade Bank needs to do much more in order to bring in deposits and make loans that will benefit the national economy and earn profits for the bank.

Role, Reorganization of Foreign Trade Bank

*91SE0172E Vientiane VIENTIANE MAI in Lao
14 Dec 90 p 2*

[Article by Khamsavat Bounvilai]

[Excerpts] The Foreign Trade Bank is subordinate to the national bank. It is responsible for carrying on currency and credit activities and for providing support for both domestic and foreign economic activities. [passage omitted]

After turning to foreign banking activities, the bank made many changes. The bank is responsible for serving as the intermediary between the national bank and the commercial banks.

As a commercial bank, the Foreign Trade Bank is fully responsible for its own business affairs. It has the right to control the work of the cadres and civil servants. The party committee is the activist and works with the board of directors in managing the affairs of the bank. The mass organizations cooperate with the board of directors in carrying on things in order to fulfill the plans made for each period.

The work of the Foreign Trade Bank is now proceeding more smoothly than before. It is now making loans to all economic sectors in accord with the principles. In the past, it made loans only to government and cooperative economic sectors.

As a result of implementing good credit and loan interest rate policies, the amount of kip loaned during the first eight months of 1990 increased 315.77 percent as compared with 1989, and the amount of dollars loaned increased 168.03 percent. Also, the stipulation of the foreign exchange rate is being handled better than before. This has encouraged more Lao living abroad to remit money home to help their families, with remittances increasing 18.32 percent as compared with the same period in 1989. The Foreign Trade Bank now has more than 100 branches throughout the world, which has made things more convenient for customers.

However, in carrying on operations each period, the Foreign Trade Bank has encountered various problems. For example, operations are not carried on in a systematic or orderly manner. Many activities continue to be carried on in accord with the old habits. There are no auditing standards. The cadres lack training in supervising economic affairs, they have only a superficial knowledge about economics, marketing, and the relationship between goods and currency, and they are still confused about their supervisory role. They overlap each other. The material base is still weak.

Mrs. Khemviang Phimsena, the general manager of the Foreign Trade Bank, told reporters that in order to ensure that the Foreign Trade Bank becomes more and more efficient in carrying on economic activities and serves its customers better, above all, the cadres and employees must be informed about the lines and policies

of the party and state concerning the work of the bank, because these are the sharp tools for expanding the national economy. This includes controlling the economy, stimulating production, and stabilizing the value of the kip. Organization must be improved at all levels. Branches must be opened in the south and north in order to expand economic activities with foreign countries. Work methods and the service given to customers must be gradually improved.

Planned Electricity Production, Exports

*91SE0172I Vientiane VIENTIANE MAI in Lao
7 Feb 91 pp 1, 4*

[Excerpt] The Lao Electricity Generating Authority, Ministry of Industry and Handicrafts, stated that in changing the direction of socialist business, the Lao Electricity Generating Authority will focus on improving things and increasing efficiency. Attention will be given to the control system. The power lines in Vientiane City and Vientiane Province will be upgraded and repaired in order to ensure service to customers. The Lao Electricity Generating Authority has made plans to carry on operations and create a new image concerning all operations of the Authority in order to support the work of the party and state.

This year, electricity production is expected to reach 893,250,000 kilowatt hours. A total of 825,649 kilowatt hours of electricity will be sold domestically, and other 643,929,000 kilowatt hours of electricity will be exported. The value of this electricity is \$19,477,700, or 1 billion kip, which is an increase of 7.4 percent as compared with 1990. [passage omitted]

ADB Funded Road Improvement

91SE0172B Vientiane PASASON in Lao 6 Feb 91 p 2

[Article by K. Thammasong]

[Excerpts] [passage omitted] Now that northern Highway 13 has been improved, it can be used year-round, that is, during both the dry and rainy seasons. [passage omitted]

Northern Highway 13, from Vientiane City to Vang Viang District, is 158 km long. It cost \$15 million, or 10,500,000,000 kip, to build this highway. This large sum of money was given to Construction Company No. 10 by the central government. The money was borrowed from the Asian Development Bank. [passage omitted]

Khammouan District Security Problems

*91SE0172C Vientiane PASASON in Lao
8 Feb 91 pp 2, 3*

[Excerpts] Nong Bok, a district in Khammouan Province, is composed of 12 cantons, 88 villages, and almost 40,000 people. [passage omitted]

Even though Nong Bok District has various advantages—for example, it is located along southern Highway 13—[passage omitted] its economic, social, and cultural development is still very limited. Also, it is located along the Mekong River opposite Thailand. Recently, because little attention has been given to developing and improving the district, Nong Bok District is one of the points in Khammouan Province where the enemy has used various tricks to disrupt the lives of the people and stir up trouble. For example, they have used spies to spread propaganda and twist the the lines and policies of the party. They have sent people to steal the cattle and buffaloes of the people and disrupt the market and economy. [passage omitted]

The District Party Committee and District Military Command have worked diligently to mobilize the people to help defend the nation and maintain order. During the past year, more than 1,000 young men in the district have volunteered to serve the country. The self-defense and guerrilla forces at various offices, organizations, and villages have been strengthened in terms of both numbers and quality so that they are prepared, together with the local forces, to defend the area and maintain order. [passage omitted]

During the past period, even though Nong Bok District has encountered various difficulties, the people here have been able to live peaceful lives. The threat once posed by the enemy and evil people to the lives of the people has now been eliminated. The national defense and peacekeeping forces in the area are growing stronger and stronger. The people see the importance of this work and have participated actively in this.

POLITICAL

Razaleigh Unconvinced of UMNO's Unity to Sabah

9ISE0178B Kuala Lumpur UTUSAN MALAYSIA
in Malay 22 Feb 91 p 16

[Text] Kota Baharu, 21 Feb—Spirit of '46 President Tengku Razaleigh Hamzah is not convinced that unity will exist in Sabah despite the official entry of UMNO [United Malays National Organization] into the state today.

"The people of Sabah will remain divided, and the ethnic groups there will continue to seek leaders from their own groups," he said.

Tengku Razaleigh said this to reporters when he was asked to comment on the official establishment of UMNO in Sabah today by the party's president, Datuk Sri Dr. Mahathir Mohamad, at the MUIS [expansion unknown] Perdana Building.

Tengku Razaleigh said that although there are not many Malays in Sabah, UMNO may get a foothold there.

"It is too early, however, for me to say that UMNO will topple the Sabah government," he declared.

The Spirit of '46 president added that from today UMNO, which has always been supported by Muslim Malays, will be defiled by the presence of non-Muslim members.

Mahathir Explains Appointment of Ghafar

9ISE0178A Kuala Lumpur UTUSAN MALAYSIA
in Malay 22 Feb 91 p 16

[Text] Kota Kinabalu, 21 Feb—Datuk Sri Dr. Mahathir Mohamad explained that Ghafar Baba was temporarily appointed as president of UMNO [United Malays National Organization] Liaison in Sabah to attract non-USNO [United Sabah National Organization] people to join UMNO.

He said that as deputy president of UMNO and deputy prime minister, Ghafar is naturally in the best position to do this.

Moreover, he said, it was Ghafar who worked hard during the last election for the victories of USNO candidates after the Sabah United Party (PBS) withdrew from the National Front.

Datuk Sri Dr. Mahathir gave this explanation to the USNO General Assembly, which convened today.

His statement clearly convinced the delegates, for they applauded and shouted when they heard his frank, sincere explanation.

The prime minister also guaranteed that Sabah UMNO will continue to be led by someone from Sabah.

"My visit here is not to oppress but to enable USNO to act more effectively in its political struggle."

"This is our intention, and it is actually a sacrifice. It will enable USNO to have more significant success in its cooperation with UMNO."

Datuk Sri Dr. Mahathir stated that a political party cannot merely exist but must be an instrument for achieving its goals.

"We will not appoint a person from the Peninsula to lead Sabah UMNO. Ghafar's appointment is only temporary, and we will not undermine Tun Mustapha," he declared. He was again greeted with a roar of applause.

Actually, Datuk Sri Dr. Mahathir said, USNO is now cooperating with UMNO in the National Front. He said this shows that people from Sabah have already accepted people from outside Sabah as their leaders.

Therefore, he declared, it is not wrong to appoint Ghafar to head Sabah UMNO temporarily.

The prime minister said the people of Sabah should be proud to be members of a party that not only is large and strong but is also the governing party, in cooperation with its colleagues in the National Front.

"Therefore, where a leader (Ghafar) comes from should not make any difference.

"We expect and are confident that Ghafar will be able to draw people from outside USNO, including PBS members, to join UMNO," he said.

Editorial Applauds UMNO Presence in Sabah

9ISE0178C Kuala Lumpur UTUSAN MALAYSIA
in Malay 22 Feb 91 p 6

[Unsigned editorial: "UMNO's Sacrifice Noted in Sabah"]

[Text] The entry of UMNO [United Malays National Organization] into Sabah adds another note to the glorious history of the party's struggle as it accepts responsibility to support the interests and dignity of Bumiputra [Malays and other indigenous peoples] in the State of Sabah in the nation's future political contests. UMNO's establishment in Sabah will benefit not only Malays, but other Bumiputra groups as well. The future of the all the people of Sabah will be assured at the same time, for as a party UMNO has shown its conscientious political leadership ever since the country received its independence.

Furthermore, history will not forget the sacrifice of Sabah's people, especially USNO [United Sabah National Organization] members, who demonstrated a willingness to disband their party to join UMNO. As explained by Prime Minister Datuk Sri Dr. Mahathir in his speech at yesterday's ceremony, however, Peninsular

Malays made the same sacrifice by their willingness to disband their respective small parties to join UMNO in 1946.

This willingness conveys the message that the Malays of Sabah are willing to cooperate with their colleagues on the Peninsula to further strengthen Malay unity through one party. By doing this, they have more members to speak with one voice, which will increase their political negotiating power.

On the other hand, non-Bumiputra members of the community need not be suspicious of UMNO's entry into Sabah, for UMNO's arrival there is not for the oppression of anyone. Rather, UMNO, which is the political leader of Peninsular states, has demonstrated justice, conscientiousness, and maximum sacrifice for other racial communities in national politics and leadership.

From this aspect, both Bumiputra and non-Bumiputra communities in Sabah must fully understand the establishment of UMNO. If members of the Bumiputra community or of USNO want to improve UMNO's image in the state, they should take heed to the party president's statement calling on them to act like Malaysians and not merely like Sabahans. If the Malay community in Sabah wants UMNO to have more power, they must follow the example of UMNO Malays on the Peninsula, who have always been able to convince non-Malays of UMNO's struggle. Thus, Malays in Sabah should bring in other Bumiputra to join UMNO. Such an objective will ensure the return of political power to Bumiputra.

Things related to this responsibility should be planned in cooperation with Peninsular UMNO members and leaders, who will be able to use their expertise and experience to convince non-Malays in Sabah. We believe these non-Malays understand UMNO's political struggle, just as non-Malays on the Peninsula do.

The non-Bumiputra community should not misinterpret UMNO's good intentions or charge that the purpose of the party's entrance into Sabah is to seize power from the governing party. Actually, UMNO is entering Sabah to ensure that democracy is practiced in the state, so that all communal groups will feel closer to the Peninsula and know that their problems will receive attention.

MILITARY

Minister Orders Restructuring of Armed Forces

91SE0182A Kuala Lumpur BERITA HARIAN
in Malay 24 Feb 91 p 4

[Text] Kuala Lumpur—The Malaysian Armed Forces (ATM) are to be restructured under an order recently issued by Minister of Defense Datuk Sri Najib Tun Abdul Razak.

Army Commander Tan Sri Yaacob Mohd. Zain said this order involves a number of new policies for dealing with the ATM's future up to the year 2000.

He said the new policies include a restructuring of the ATM for the sake of maintaining security.

"The Army has been ordered to create a completely equipped division that can face any type of threat," he said at a press conference at the Ministry of Defense yesterday.

Tan Sri Yaacob said the ATM has also been ordered to review the ratio of salary costs to other costs. At present, 61 percent is being spent to pay salaries, and 39 percent on other things.

"The percentage will be changed to 46 percent for salaries and 54 percent for other items, such as uniforms and procurement of military equipment. This does not include weapons purchases.

"The effect of the change in this percentage will possibly include a reduction in permanent ATM personnel," he said.

He said the ATM has found from a study it conducted that 85,000 permanent members are enough.

The ATM now has almost 100,000 permanent personnel and 20,000 reserves.

The ATM has plans to create a larger reserve force with its own administrative system.

Tan Sri Yaacob said the ATM will add to the reserves so that the ratio of reserves to permanent personnel will be one to one.

He said this will give greater opportunity for promotion to noncommissioned officers, for the reserve force will be administered by permanent commissioned and non-commissioned officers.

He said the current process of promotion for noncommissioned officers is somewhat slow because of the limited number of vacancies in those positions.

Tan Sri Yaacob said the ATM will also emphasize scientific and spiritual training for its members.

ECONOMIC

Hungary Agrees To Joint Trade Expansion

91SE0179B Kuala Lumpur UTUSAN MALAYSIA
in Malay 20 Feb 91 p 18

[Text] Kuala Lumpur, 19 Feb (BERNAMA)—Malaysia and Hungary have agreed to make Kuala Lumpur and Budapest the first places where products from the two countries will be marketed to the ASEAN [Association of Southeast Asian Nations] and East European regions.

Deputy Foreign Minister Datuk Dr. Abdullah Fadzil Che Wan said today that the two countries must expand their trade cooperation before they can move toward that target.

The agreement was reached in a 90-minute meeting with his Hungarian counterpart, Tamas Katona, at the Wisma Putra [Ministry of Foreign Affairs Building].

Dr. Abdullah Fadzil said that trade between the two countries is at a minimal level and is now in Malaysia's favor.

Their trade volume was 39.7 million ringgit last year. It was 41.7 million ringgit in 1989 and 27.3 million ringgit in 1988. Malaysia exports primary commodities and imports machinery and pharmaceuticals from Hungary.

"We have agreed to encourage more visits by leaders and representatives of the private sectors of the two countries and to introduce tourism and medium industry," he said.

Datuk Dr. Abdullah also said that he had briefed Mr. Katona on Malaysia's proposal for the formation of an East Asian Economic Group and that he was gratified by Hungary's support for this step.

"The proposed group will not hinder trade but will guarantee free and fair international trade," he said.

Mr. Katona arrived here last night for a 4-day visit, the first by a Hungarian official since the establishment of an elected government in the country in March of last year.

He met first with Foreign Minister Datuk Abu Hassan Omar.

Mahathir Says Foreign Investment Still Needed

*91SE0179C Kuala Lumpur UTUSAN MALAYSIA
in Malay 19 Feb 91 p 17*

[Text] Kuala Lumpur, 18 Feb—The government is emphasizing foreign investment because we are still lacking in our understanding of technology and in our marketing knowledge and skills, said Prime Minister Datuk Sri Dr. Mahathir Mohamad.

He said foreign investment is needed to stimulate economic growth, especially in the manufacturing sector.

In the process, he said, the government needs to give priority and special treatment to foreign investors to keep them from going to other countries.

The prime minister said the government hopes that by bringing in foreign investors Malaysians will learn about new directions they can take in their own businesses.

"Malaysians are now focusing on certain sectors that bring high profits, such as the development of land and housing areas, the cultivation of oil palms, and finance,"

he said last night in the RTM [Malaysian Radio and Television] program "An Interview With the Prime Minister."

Malaysians, he said, are not very interested in becoming involved in the manufacturing sector, because it represents long-term investment.

Besides, he said, they do not have the knowledge of technology or marketing.

"Therefore, we need to continue our dependence on foreign investors.

"If we learn and are prepared to take risks, however, I think we will be able to reduce our dependence on foreign investors in our economy," Datuk Sri Dr. Mahathir added.

According to the prime minister, the government is willing to give every consideration to domestic investors when the time comes.

He said the government has been somewhat successful in attracting domestic investors to areas like manufacturing.

He said that there are still not enough of them, however, and that it will take a little time.

Datuk Sri Dr. Mahathir said Malaysians who have money need to realize that profits from investing in the manufacturing sector take time.

"That is the reason why the government itself is sometimes compelled to invest in the manufacturing sector. If we asked members of the private sector to invest 800 million ringgit to build cars, for example, I do not think they would do it.

"The same is true of steel mills and industries requiring much capital but not providing a return on capital for five or six years. People prefer to buy stock and receive profits the next day," he said.

Datuk Sri Dr. Mahathir said many people in this country still hold this view because they do not have enough capital or business expertise.

In reply to a question as to why foreign investors were given special service under the New Economic Policy (DEB), the prime minister said that was merely an opinion.

He said the difference between foreign and domestic investors was that domestic investors were required to distribute shares among Malaysian residents and not limit them to merely one communal group.

The requirement that stock be distributed to Bumiputra [native Malays and other indigenous peoples] is important to national political stability, he said.

"Besides the ability to make money, we need a suitable environment for it. If political instability should occur, there would be no investments, regardless of our ability to make money," he said.

Minister on Bank Deregulation, Interest Rates

*91SE0183B Kuala Lumpur BERITA HARIAN
in Malay 27 Feb 91 p 7*

[Text] Malaysia cannot have an unregulated banking system, because it could weaken the financial industry and have a negative effect on national economic growth.

Minister of Finance Paduka Datuk Paduka Daim Zainuddin said that if an unregulated system were to be put into effect, its implementation would need to be done cautiously and carefully.

He said Malaysia should learn from the unregulated banking system used in the United States.

"The introduction of such a system there resulted in the banks' giving too many loans to the real estate sector, which discouraged progress and made the banking system weak," he told reporters when asked whether the government plans to introduce an unregulated banking system in Malaysia.

Datuk Paduka Daim officiated at a meeting at Kajang yesterday for the presentation of keys to purchasers of houses at the Sri Jelok Housing Complex, a restoration project conducted through the Uncompleted Housing Project Fund (TPPT).

He said the government will take appropriate steps to maintain confidence in the country's banking system, despite the fact that some banks, financial companies, and cooperatives blamed the system for a number of financial problems during the mid-1980's.

"The important thing is that the banking system we use should operate smoothly and have the confidence of the public," he said.

He said the government guarantees that the Central Bank will always control and supervise the Malaysian banking system.

Datuk Paduka Daim said that the recently announced policy on deregulating the basic loan rate (BLR) was an action to relax control and that he regretted its being interpreted in some circles as a resumption of control.

Noting that there are countries which have special guidelines on interest rates, he said the government believes market pressures should determine rates.

Industrial Growth, Lower Unemployment Seen

*91SE0179A Kuala Lumpur UTUSAN MALAYSIA
in Malay 25 Feb 91 p 18*

[Text] Kuala Lumpur, 24 Feb—Because of the encouraging reception investors have given to efforts to develop

Terengganu's industrial sector, the Terengganu State Government is fully confident that the state will enjoy rapid progress in industry and commerce.

Chief Minister Tan Sri Wan Mokhtar Ahmad said there have been indications of positive results from the state government's effort to develop the industrial sector, for investors have agreed to invest in a number of sectors in the state.

He said he hopes this encouraging industrial growth will resolve the unemployment problem in the long term, besides encouraging comprehensive economic growth in the state.

Inaugurating a seminar here today on the theme "Seeking Quality Businessmen in the Context of Developing Terengganu State," he said that the sectors getting the most attention from investors are electronics, steel, tourism, textiles, and petrochemicals.

He announced that those agreeing to invest in the state include four electronics firms from Hong Kong and Singapore and four steel companies, i.e., Perwaja and firms from Indonesia, China, and Singapore.

The tourism sector has drawn the interest of five Malaysian firms and a foreign company, he added.

Tan Sri Mokhtar also said that in order to reduce the poverty rate among the state's residents the government is now restructuring the economy so that it does not depend too heavily on agriculture.

He said that with its abundant natural resources—such as oil and gas, timber, silica sand, plentiful manpower, and extensive land—the state has advantages for industrial development.

The tourism sector also has potential for development, since the state has pristine natural assets like islands and long, clean beaches suitable for development of attractive resort projects.

He said that although the unemployment rate is still high, the initial results of a study by the State Economic Planning Unit (UPEN) show that the rate has declined sharply from last year's figure of 31 percent to 14.3 percent this year.

He said that Terengganu is among the states with the highest unemployment rates, i.e., 9.1 percent [as published].

He said that causes of unemployment include the attitudes of young people, who are not interested in agriculture, estates, or industry but lean toward salaried jobs in government agencies.

He said that the labor shortage is so severe in the state that outside workers must be brought in to meet manpower needs on estates and farms.

Rubber Output Falls

9ISE0183A Kuala Lumpur BERITA HARIAN
in Malay 22 Feb 91 p 7

[Text] Malaysian rubber production dropped last year by 9 percent, or 127,487 metric tons, from the previous year's level, according to the Department of Statistics.

The agriculture and smallholder sectors also recorded lower production. The agriculture sector's output dropped 8.8 percent to 398,990 metric tons, and smallholder production dropped by 9.1 percent to 892,275 metric tons.

In December, production rose to 124,402 metric tons, which was 10.6 percent, or 11,904 metric tons, more than in the previous month. This figure was still 7.1 percent, or 9,517 tons, less than in December 1989, however.

Rubber exports last year also declined to 1.321 million metric tons, which was 11.1 percent, or 165,348 metric tons, less than in 1989. In December, exports fell to 99,652 metric tons, a drop of 13.4 percent, or 15,409 metric tons, from the November 1990 volume.

The main importer of Malaysian natural rubber last year was South Korea, which bought 164,709 metric tons, or 12.5 percent of all exports. Next came Singapore (122,533 metric tons), the United States (119,679 metric tons), Japan (101,904 metric tons), China (86,726 metric tons), West Germany (78,268 metric tons), and the United Kingdom (69,461).

Exports to those countries totaled 743,000 metric tons, or more than half of all Malaysian exports last year.

Countries that purchased less in 1990 than in 1989 were Singapore (down 47,966 metric tons), West Germany (down 20,046 metric tons), Italy (down 16,122 metric tons), China (15,082 metric tons), Brazil (down 13,163 metric tons), and the Soviet Union (down 12,734 metric tons).

Malaysia imported 136,182 tons of natural rubber last year, an increase of 11.3 percent, or 13,881 metric tons, over 1989. Purchases were made from Vietnam, Cambodia, Nigeria, Thailand, Burma, and Indonesia.

Domestic consumption of natural rubber in 1990 rose by 32.2 percent, or 39,161 metric tons, to 160,791 metric tons. Principal consumers were makers of latex-based products, tires and tubes, and rubber shoes.

Natural rubber stocks rose from 164,193 metric tons at the end of November 1990 to 181,748 metric tons by the end of December, an increase of 10.7 percent or 17,555 metric tons. Stocks were 26 percent, or 66,557 metric tons, smaller than at the end of December 1989.

A total of 98,431 people worked in the agriculture sector on the Peninsula in December 1990, a decline of 376 people from November.

SOCIAL

Farmers Organizations Declared Self-Sustaining

9ISE0181A Kuala Lumpur UTUSAN MALAYSIA
in Malay 25 Feb 91 p 5

[Text] Johor Baharu, 24 Feb—About 500,000 farm families from 3,008 farmers units throughout the country, including Sabah and Sarawak, enter a new era leading to self-sufficiency with the announcement that 41 farmers organizations have become self-sustaining.

The historic announcement of the self-sustaining farmers organizations will be made tomorrow at the national level by Deputy Prime Minister Abdul Ghafar Baba at the Johor Baharu Islamic Complex in connection with the observation of Self-Sustaining Farmers Organization Week.

It can be considered a turning point for the 41 selected farmers organizations as they enter the era of self-sustaining farming. Thirty-eight of them are district farmers organizations (PPK's); two are state farmers organizations (PPN's); and one is the National Farmers Association, NAFAS.

Criteria for selection as a self-sustaining farmers organization are fixed income sources, a strong influence, power to negotiate, a functioning savings and credit scheme, ownership of companies for corporate business, and representation of small farmers and livestock raisers with a single voice.

Other requirements are:

- Holds monthly meetings, and through an annual general assembly actively gathers information on the planning and implementation of organization activities by managers.
- Maintains a spirit of cooperation and mutual assistance among the organizations.
- Makes available various socioeconomic and welfare services for organization members, and conducts a system of rebates on regular purchases and a system for specialized economic projects within and between states as an encouragement to the sale of farm products among themselves.

The director of the Farmers Organization Authority (LPP), Datuk Khalid Haji Husin, said that the self-sustaining farmers organization announcement is in compliance with instructions the government issued on 15 May 1988.

Charity

This program involves 193 PPK's throughout the country that are under the LPP. They are divided into three categories, i.e., farmers organizations that have potential and are progressing, those with potential but not progressing, and those not progressing.

In addition to the first 41 self-sustaining farmers organizations being announced this year, the LPP's goal is to achieve at least 100 self-sustaining organizations by the end of 1995.

With this announcement of self-sustaining farmers organizations, these 41 pioneer farmers organizations will no longer be supervised by the Regional Farmers Inspectorate (PPD), which is responsible for developing 65 farmers organizations that have potential but have not progressed or have not progressed enough.

Datuk Khalid, who is also LPP registrar, called the Pioneer Farmers Organization Scheme "a means of service and dedication" for officials of the PPD and for PPK managers.

Discussing the PPK organizations that are to be developed by the chief secretary, he said that this development will be a part of village development, under which there will be an expansion of economic activities that contribute to rural economic and social betterment.

"Tasks under the Sixth Malaysia Plan [RM6] will be a part of the program for helping the country," he said in his speech to the PPD meeting held to commemorate Self-Sustaining Farmers Organization Week.

He said that in addition to the 41 pioneer farmers organizations that will be formally announced by the deputy prime minister on Monday [25 February], 65 nonpioneer organizations in phase one will be under a comprehensive plan that focuses on organizations which have potential but have not yet progressed.

Among the areas of focus under comprehensive plans for each state are the development of integrated farming areas, provision of registration assistance to the LPP to ensure that farmers organizations operate according to law, and supervision of the development of village-level farmers units of at least 50 people as "building blocks" for farmers organizations, as called for in the RM6 Human Resources Development Plan.

Datuk Khalid explained that the program will be coordinated with other government economic projects,

including the "My Village" program now being conducted by the Ministry of Information.

Besides the program's help for farmers unit economic projects, farm-related businesses and middlemen are asked to buy from PPK's and are encouraged to conduct charity programs for the community.

Of 78 farmers units, 11 are experimental projects financed by the Asian Development Bank (ADB). The following units were selected for the program: Kok Klang Village (Perlis), Belimbing Kiri Village (Kedah), Sungai Nipah (Perak), Geduhong Village (Negeri Sembilan), Cheranah Putih Village (Malacca), Parit Mokhyat (Johor), Baru Purun Village (Pahang), Talipot Village (Terengganu), Buluh Village (Kelantan), Indan Village (Sabah), and Selang Village (Sarawak).

For the initial program, the LPP has allocated 123,314 ringgit for Parit Mokhyat Village for several projects, including the construction of a multipurpose hall costing 54,940 ringgit, six retail shops costing 10,354 ringgit, sheep-raising projects costing 16,270 ringgit, and a dairy-cattle project costing 41,750 ringgit.

Villages for which development allocations are made are those with minimal economic activities dependent on demand from within the villages themselves.

Programs being held during Self-Sustaining Farmers Organization Week include a workshop, opened formally by Chief Minister Tan Sri Haji Muhyiddin Yassin, for officials and farmers as part of the campaign for self-sustaining farmers organizations in Johor State; the inauguration of the Johor Darul Takzim LPP Complex by Agriculture Minister Datuk Sri Sanusi Junid; and a presentation of "farmers songs" by LPP Headquarters employees and farmers themselves.

A practical training workshop and an exhibit of farmer creativity, displaying various accomplishments and inventions, is being held at the Jubli Intan Hall, Johor Baharu, from 23 to 25 February.

To close this historic week, Chief Secretary Tan Sri Ahmad Sarji Abdul Hamid, who once was LPP director, will be given the honor of launching a PPK farmers unit development project and a village-based human resources development project at Parit Mokhyat Village, Pontian, on 26 February.

Report of Spate of Kidnappings in Cotabato City
91SE0186A Cebu City SUN STAR in English 3 Mar 91
pp 14, 18

[Text] Cotabato City (PNA)—Wealthy Filipino-Chinese businessmen in South Cotabato and General Santos city are beginning to feel wary about the spate of kidnappings in the area during the past weeks, a top military commander in the province said.

Brig Gen Herminigildo Agaab, commander of the Army's 802nd Infantry Brigade based in South Cotabato, said they have already launched a massive operation to thwart any kidnapping attempt and arrest the suspects.

For the month of February, three persons belonging to prominent Filipino-Chinese families in General Santos city, have fallen victims to kidnapers. One of the victims has been released after payment of ransom amounting to P2 million, Agaab said.

Agaab said the military authorities are having a hard time solving these cases because of the seeming uncooperative attitude of the victim's families.

He said families of victims do not even inform authorities that one of their members has been kidnapped.

Report said authorities only come to know about a kidnapping after the victim has been released and ransom money paid.

Helpless

Media reports added that they have received requests from families of victims not to divulge their identities or any other information relative to the case.

General Santos city Mayor Rosalita Nunez has appealed to the public to cooperate with authorities in order to put an end to these heinous crimes.

She said the authorities would be helpless unless the people cooperate and give information vital for the solution of these crimes.

Meanwhile, military authorities in South Cotabato said the kidnapers belonged to the same kidnapping syndicate responsible in the series of kidnappings in Cotabato city late last year and early this year.

Intelligence reports said the kidnap gang in South Cotabato is led by a certain Ambulodto.

Earlier, military authorities in Cotabato city said they have received intelligence reports indicating that the kidnapping syndicate in this city are planning to expand their operation to adjoining province.

Warning

Task Force Kutawato commander, Col Herminio Limon earlier warned military and civilian authorities in South Cotabato about plan of the kidnap syndicate.

Limon said the syndicate is led by a certain Abogado Bago, alias commander Mubarak of the MNLF Lost Command.

He added that the Ambulodto, tagged by military authorities in Central Mindanao are contemplating into expanding the coverage of Task Force Kutawato to cover the entire Province of Cotabato consisting of the Provinces of Maguindanao, Sultan Kudarat, Cotabato, South Cotabato and the Cities of Cotabato and General Santos.

Military commanders said there is a need for a coordinated effort among military and police units in these areas in order to put an end to these kidnappings.

Labor Scarce As Hong Kong Firms Move In

91SE0192A Jakarta KOMPAS in Indonesian
20 Mar 91 p 2

[Text] Singapore, 19 Mar—Singapore is facing a labor shortage like Hong Kong's, but the abundant manpower in neighboring Indonesia and Malaysia will resolve the problem, a Singapore banker said today.

The labor shortage will increase because Singapore's campaign to attract foreign capital has prompted Hong Kong businessmen, also moved by fear and uncertainty, to transfer their operations here. According to the analysis of bankers, Hong Kong businessmen see Singapore as the best place to conduct their businesses.

Kenneth Koo, executive director of the Tai Chong Cheang Steamship Co., a Hong Kong firm, said that tax incentives, cheap manpower and rents, a modern infrastructure, and the presence of a number of professional financial experts make Singapore one of the best targets for foreign investment.

In contrast with the Hong Kong businessmen who are drawn to Singapore by, among other things, its 10-percent tax concession and the offer of permanent Singapore residence, some Hong Kong residents are not attracted. "I came back to Hong Kong because I could not find work and my family could not stand the hot weather and the monotonous way of life," said Y.K. Wong, a Hong Kong resident who returned after a month in Singapore.

Some Hong Kong firms have begun to move to Singapore, nevertheless. Victor Lo, director of Hong Kong's Gold Peak Industries, Ltd., for example, said his company joined the Singapore stock exchange this month, the first Hong Kong company to do so.

"It is very clear that Singapore is the right place for us, because it has all the facilities needed for banking," said Chemical Bank financial expert William Wu. The bank moved its regional headquarters from Hong Kong to Singapore last December. Bankers Trust Co., Morgan Guaranty Trust Co., and Manufacturers Hanover Trust are doing the same thing.

"I do not think there is any institution that is unaware of the 1997 situation (when the United Kingdom is to hand over Hong Kong to China). Now is the time to move out of Hong Kong," said a Western banker who did not want to be identified.

The Hong Kong and Shanghai Banking Corporation took an initial step in December when it established cooperation with a British holding company. "Assets will be transferred to the British company from time to time so that owners will no longer be limited to Hong Kong residents," he added.

Last March, Singapore introduced incentives such as tax exemptions for certain residents who have incomes from outside Singapore and for some types of business, especially those that deal in stocks.

"I think the number of Hong Kong companies in Singapore will multiply in the next five years," said Kenneth Koo of Tai Chong. For Koo and some other Hong Kong businessmen, another purpose of the move to Singapore is to gain a footing in the rapidly growing business life of the Asia Pacific region, while not closing their businesses in Hong Kong altogether.

Hong Kong is expected to remain a base for business with China after 1997. "The prospects for business are the most important thing, and tax incentives, while important, are secondary," said Sun Huang Kai, employee of a financial institution with headquarters in Singapore.

POLITICAL

Assassination Plot Coverage Continues

Colonel Bunsak Profiled

91SE0176A Bangkok MATICHON in Thai
28 Feb 91 p 3

[Text] Colonel Bunsak Phocharoen is one of the officers who was charged with conspiring with Major General Manun Rupkhachon to assassinate leaders and planning to do away with the monarchy in 1982. He was the only one to confess when this case was revived.

He was born on 5 March 1935 to Mr. Hom and Mrs. Chan Phocharoen. He is a native of Singburi Province. His name used to be "Nuang," but he later changed it to Bunsak.

He was an excellent student and placed first in the district in primary school and first in the province in secondary school. He graduated from the Chulachom Royal Military Academy [CRMA] as a member of Class 7. Other important members of this class include Major General Manun Rupkhachon, Major General Chamlong Simuang, and Colonel Prachak Sawangchit.

After completing the course for artillery battalion commanders, he continued his military education at Fort Sill, Oklahoma. He then took the entrance examination for the Army Command and General Staff College, placing first in the examination.

As a lieutenant colonel, he served as the commander of the 3d AAA Battalion. He also served as the commander of the 4th Artillery Battalion, Third Army Region, and the commander of the 2d (Special) AAA Regiment. He was dismissed from his position after 1-3 April 1981 after joining with a fellow officer, that is, Major General Manun Rupkhachon, in staging an unsuccessful coup. But after the investigation, he was granted amnesty.

He earned a master's degree in social development at Kasetsat University, studying there at the same time as Major General Manun. After that, he studied business management at the University of California at Riverside. After returning to Thailand in 1984, he entered the political arena and ran for election. He was twice elected MP from Singburi Province, in 1986 as a member of the Democrat Party and in 1989 as a member of the Moral Force Party.

His name came to the forefront again when the assassination case was revived and he confessed, charging that it was Major General Manun Rupkhachon who directed everything.

Bunsak Discusses Confession, Manun Ties

91SE0176B Bangkok MATICHON in Thai
28 Feb 91 pp 3, 19

[Interview with Colonel Bunsak Phocharoen MATICHON in Bangkok on 26 Feb 91 in Bangkok]

[Text] Note: On the afternoon of 26 February, MATICHON interviewed Colonel Bunsak Phocharoen, a suspect in the assassination case, at a house in Bangkok about the assassination case and the role of Major General Manun Rupkhachon, another suspect in this case. The following are excerpts from the taped interview. MATICHON has removed the names of certain people as appropriate.

[MATICHON] Was the video that was released to the public all true?

[Bunsak] Yes, it was all true.

[MATICHON] Would you tell us about your relationship with Major General Manun Rupkhachon, starting from the very beginning?

[Bunsak] All right. As stated in my personal history, my family used to be farmers. I am a native of Singburi Province. I attended CRMA in the same class as Major General Manun Rupkhachon. When I was a student, I did not know him very well. He was just another classmate. The person with whom I was very close was Major General Chamlong Simuang. He was a much better student than I was.

It was Major General Chamlong who invited me to become a member of the Young Turk group, although I don't know who gave the group that name. At that time, I was the commander of the 3d AAA Battalion based in Lopburi. That was in 1973 after I had returned from commanding an artillery battalion in Laos. I fought in Laos and was the last Thai artillery battalion commander to serve in Laos.

After returning to Lopburi, one day, Chamlong asked me to join the group. He said that I should study politics to help my country. I was close to Chamlong and had attended classes with him. But I really don't know why I joined the group. The leader of the group was Manun. He seized control of the group. At that time, Chamlong was secretary general to the prime minister, General Prem Tinsulanon. Because he was so busy, Chamlong drew away from the group. Thus, the group was dominated by Manun.

I was a newcomer to the group. I was not a founding member of the group. Frankly, I believed everything that they said. They told me to go stay with General Prem, and I did so for five years. I stayed with General Prem and Colonel Buan.

[MATICHON] After the group was formed, was anything discussed officially? Was there an organization,

and did the group stipulate a line? What steps did the group plan to take with respect to the country?

[Bunsak] After the group was formed, we studied politics. At that time, the 4th Cavalry Battalion was the main unit. Every Saturday and Sunday, fellow classmates were invited to a meeting. My class was a small class. Younger officers came to study politics, too. They were invited and taught about political, economic, and social matters. This continued for several years prior to the 1 April 1981 coup. While studying together, we supported General Prem as prime minister. But later on, we became irritated with him.

[MATICHON] Is that why you staged the 1-3 April rebellion? That is, was it because General Prem did not go along with some of your ideas?

[Bunsak] At that time, I was living with General Prem. People asked for positions and other things. They were mad at General Prem for refusing to give them what they wanted. In making his decisions, General Prem had to consider the matter of seniority. He is a good man, right? He did not give them everything that they wanted. That is the main reason why they became irritated with him. It had to do with positions. And Manun was going to be transferred. General Prem had allotted approximately 200-300 million baht to establish the 4th Cavalry Regiment at Saraburi. He was going to transfer Manun there and put him in command of that regiment. He was going to move up from a battalion to a regimental commander.

The establishment of that unit was based on research done on military strategy. That is a key point. If an enemy launched an attack, armor would be used. We had assumed that if an enemy launched an attack from the direction of Korat, they would have to use motorized vehicles. We wanted to base armored vehicles there to intercept them. At that time, there were no targets in the direction of Prachinburi or Cambodia and so we focused on that area. Manun did not want to go there and said that the headquarters of the 4th Cavalry Regiment should be in Bangkok.

I would like to say a little more about this. Manun wanted me to read his horoscope. My father-in-law could read horoscopes and so I had him read Manun's. I also had him read General Prem's. I kept General Prem's chart. I lived with him and performed acts of merit for him every month. I gave the charts of both men to my father-in-law to read.

My father-in-law told me to tell Manun that he should follow General Prem's instructions, because his chart looked very inauspicious. He also said that General Prem would serve as prime minister for many more years and that fate was on his side. He told me to continue living with him and not think about taking some action. He told me to tell everyone in the group to support General Prem and not think about taking some action against him. He said that those who did take some action would suffer a terrible fate. I told the group and

Manun this, but they did not believe it. Some of these people were very modern in outlook and said that that was nonsense.

As the time for the coup approached, I reminded them of this. I did some research and told them to be careful. I told them that we would fail and that we had to put some credence in this. But they didn't listen. And you know what happened during the period 1-3 April.

There was great pressure after we were granted amnesty. Everyone faced great hardships. We wanted to ask for mercy, because we had surrendered without any bloodshed. We wanted to be reinstated in the military. If we couldn't rejoin the army, we wanted to be given positions in a state enterprise so that we could support our families. Everyone had young children. There was great pressure. I am telling you this openly. We faced great pressure and were blocked. Later on, I learned that it was not General Prem who had blocked us.

As a result of the pressure that was being put on us, people thought of assassinating them. That seemed to be the only way. There was great resentment, and we couldn't find any other way. I don't know if there was anyone behind Manun. He didn't say.

[MATICHON] Do you think that there was anyone behind Manun?

[Bunsak] I think that there was. But Manun never said. I tried to ask many times, but he never said. He is very evasive. Everything that he did indicated that he planned to stage another coup. I and the team were to carry out the assassination. I was in charge of the team, the killing team, the fuse. We coordinated things with certain people at Pa Wai. Sometimes he was evasive. He gave us special tasks and did the other things himself. This included carrying out the assassination. He also planned to assassinate.... What Bunchu has said is correct. I was involved in all of that.

After people were arrested in Loei Province and an investigation was launched, Manun was afraid that the matter would reach him. When he became sure of this, he had us and several others who had been involved go abroad. He wanted us out of the country so that he wouldn't be implicated. He had me write a letter telling General Athit that only my group had been involved and that Colonel Manun had not been involved in any way. The letter was delivered to General Athit, and General Athit believed it. Thus, Manun was able to stay in Thailand.

[MATICHON] Where were you living at that time?

[Bunsak] The United States. I stayed there a year. Manun told me that I could manage a restaurant for him. He had established a restaurant called the Riverside. At the time that he had a restaurant in Germany, I was in the monkhood. I was not involved. That was in California.

[MATICHON] Didn't people think about assassinating him after the defeat of 1 April 1981? Were you betrayed?

[Bunsak] After 1981, we thought about why the coup attempt had failed in 1981 and who was responsible for the failure. Manun used to ask why people didn't fight like men.

[MATICHON] When did the police begin questioning you about this?

[Bunsak] Beginning on 15 September 1984. After the attempted assassination of General Prem in 1982 in Lopburi, the matter kept going and so I fled to the United States.

[MATICHON] Then you weren't questioned until after you returned to Thailand.

[Bunsak] That's right. They had investigated the matter. That is, after that happened and people were arrested in Loei Province, Manun was afraid that the matter would reach him and so he sent us to the United States. He sent all of his friends away. We went to the United States. The government conducted an investigation and learned that I was in the United States. They had me arrested and sent back to Thailand.

I was kept in jail there for three days. I was arrested as an international criminal. I was put in handcuffs. I spent two nights in the Los Angeles jail. After I was sent back to Thailand, I met Bunchu, the commander of the Suppression Division. I was released on bail on 17 September. I became a monk at Wat Dao Dung in Singburi Province.

[MATICHON] During that period, there was one time when the home of Colonel Prachak was surrounded, and Major General Manun was taken to the Suppression Division. What happened?

[Bunsak] I had just arrived on 15 September. They had come to get me. They came to the airport to meet me.

[MATICHON] During the time that you were in the monkhood, did you have any contact with him?

[Bunsak] No. At that time, Manun was in the United States.

[MATICHON] There have been reports that while you were in the monkhood, you made another video tape that is different from the one made by Bunchu.

[Bunsak] I was a monk. During that time, Bunchu asked me to give additional information. I told him everything I knew and signed my name. I signed my name as "Phra Colonel Bunsak" on every document. That was in 1984.

[MATICHON] Did you know anything about the events of 9 September 1985?

[Bunsak] No. By then, we had nothing to do with each other. I met him again only after he was reinstated in the

military. That was when he was granted amnesty for the second time and was reinstated. At that time, I was an MP.

[MATICHON] Does Major General Manun bear a grudge against you for confessing everything?

[Bunsak] He.... I have a hunch that Manun knew the day that they called us together and released us. The next morning, he asked me to come to the 11th Infantry Regiment. There were many verbal jabs at me. They called me a bad person who had revealed this and that. He asked me if I had confessed anything. I said that I hadn't said anything. He asked me how I was.

I knew then that he knew that I had confessed. Later on, I planned to go see Manun. People warned me to be careful, saying that he might try to poison me or harm me in some other way.

On 20 September 1990, Manun telephoned me and said to me, "Hey, I've heard that they plan to revive the case. Have you said anything to implicate me?" That's what he said. I told him that I would make inquiries. I made inquiries. I called a person and then went to see him at the Central Investigation Bureau. He assured me that nothing was going to be raised again. I returned and told Manun that. A man named...was present. I telephoned from my house. Manun said that if that was true, fine, but that I should be careful about being tricked.

He was very brusque. He had... speak to me. That person said that if the case wasn't going to be revived, that was fine. He said that he was afraid that the director-general of the Police Department would play some trick in order to bargain for a position or something. The rumor that the case was going to be revived had come from the director-general of the Police Department through.... This rumor had reached..., a classmate of mine. That person went to Manun's house every day. He told Manun everything. It was then that I realized that he was mad at me. I have still not gone to see him.

During our telephone conversation, ... said "never mind." I think that he was saying that for the benefit of Manun. He said no, that it didn't matter, that the file could be obtained to see what had happened.

[MATICHON] What is it about Manun that has enabled him to attract people and gain their trust?

[Bunsak] One thing is that on the outside, he seems to be a very kindhearted person. He seems to be a nice person. But inside, I think that a person under his astrological sign is a person who worries a lot and suffers. He is a person who plays politics with his friends. That is, he is evasive with his friends. He talks to us as if he were playing politics with friends. He is surrounded mainly by financiers. I have wondered how he could stage a coup, because he doesn't associate with farmers. His house is filled with nice things, and he has many fine cars. He acts like a god. You don't see any peasants there. I don't see how he can stage a coup.

[MATICHON] Why don't Colonel Prachak or Major General Chamlong get along with him anymore?

[Bunsak] Their paths diverged. That was natural. The life styles of Chamlong and Manun are very different. They were bound to separate. As for Prachak, he is a person who will not submit to anyone. They fought for leadership. That is my understanding. But Manun had more money. That was before Prachak became a businessman. Manun had more money and used his money to take care of his subordinates. He tries to make everyone think that he is a person with prestige. He is always accompanied by sergeants. I don't know why the unit allows that.

I was a soldier. I never saw units allow people to be used as servants like that. Wherever he goes, he always takes people with him. He tries to make people think that he still has great prestige. No one knows him as well as his friends. They all know what he is like. Today, the only people who go to see him are a few police officers who want to be promoted.

[MATICHON] Why does Prime Minister Chatchai keep Manun near him?

[Bunsak] From what I know, during the second coup attempt, ... participated in the rebellion. He brought Manun in. I don't think that Chatchai really trusts Manun. He is not an ordinary person. He has used him for support, for political benefit. And he has given him a few things in return. He supports him and also controls him.

[MATICHON] In an interview, Police Major General Seri said that initially, you denied things but that you later confessed. Did Police Major General Seri see the file or what?

[Bunsak] I signed a confession when I was in the monkhood. You can go and check that. I confessed when I was a monk. I never denied anything.

[MATICHON] It's said that you would have been punished on charges stemming from this case if you had not confessed.

[Bunsak] I think that I would have been punished regardless of whether I confessed or not. The question that I have constantly asked myself is whether I betrayed Manun or whether he betrayed me. He was not sincere to his fellow classmates or to his subordinates. He abandoned us. Who betrayed who. If I had not blocked him, many others would have suffered.

We were willing to die for... But he has sought pleasure and refused to help others. Is that a good person? That is why I oppose him. I oppose him in the name of the group. I have talked with fellow classmates, and 80 percent have told me to go ahead. They have told me that we must fight because that is the only way to find out the truth about Manun and learn what kind of person he is.

I have talked with 80 percent of my classmates from CRMA and to people both in and outside the group. There are about 180 people from my CRMA class. Those who did not participate in the coup attempt have said that the time has come, because Manun has been stirring up trouble for a long time and this has caused problems for people. Those people have always conducted themselves honestly. They did not participate in the rebellion. But Manun's activities have caused them to come under suspicion. Senior people have not monitored them, but my classmates are suspicious. They keep asking when Manun will stop. He has destroyed people who have never done anything wrong.

[MATICHON] It's said that the reason why you have testified like this is that you were afraid that you would be punished and that after testifying, the police would detain you as a witness.

[Bunsak] I don't know anything about that. I confessed on my own. I asked to speak like a man, fully realizing my own faults, because I am over 50 years old now. And I wanted to oppose Manun to save others from much pain and suffering. No one else would have dared.

[MATICHON] Are you afraid that someone will kill you?

[Bunsak] If I were afraid, I would not be saying these things. I am not afraid. My children are all grown now.

[MATICHON] Just before people seized power, several groups were looking for you. Major General Chamlong was looking for you. The police were looking for you. And Major General Manun was asking about you. Where were you hiding?

[Bunsak] I have a place to stay. My instincts are those of a soldier. If you can't defend yourself, you shouldn't be a soldier. I have fought on many battlefields. I served in Laos and Vietnam. I have been a commander. You have to know how to defend yourself and have a place to fall back to. You have to know how to escape. I learned about this on 20 September 1990. When they bugged my telephone I knew what was coming.

Thus, I had to find a way to flee in order to help myself. No one went with me. They waited for me everywhere—at parliament, at my house in Singburi, at my house in Bangkok, and at the party. I had established my information centers. In Singburi, people came and kept me posted about what was happening. I never appeared in public.

I knew two things. First, they wanted me to retract my testimony. Second, if I refused, they would kill me. Thus, because I had no intention of retracting my testimony, why should I meet with them. There would have been shooting. I would have had to shoot back. This is the truth. I was not going to retract my statements or let them harass me. Everyone has his own special talents. I had subordinates. I had been a commander. I didn't want to do that. I had been warned.

[MATICHON] Did you think that something was going to happen?

[Bunsak] From what had happened, after 20 September, I felt sure that Manun would do everything he could to end this case. From what had been said, I knew that he would do something to stop this. But I did not get involved. And that is what happened. They took steps to end the case. I waited to see what our side would do. That's all, because that faction wanted to end the matter.

I continued to insist that regardless of what happened, I would never retract my statement. I knew that that faction would try to end the matter.

[MATICHON] Some people wonder if the text of the video was written for you, because you read from a text. Did anyone force you to read that?

[Bunsak] No. No one. I wrote that myself.

[MATICHON] What do you think about what has happened recently?

[Bunsak] I think that changes have been made so that things will be better in the future.

[MATICHON] Do you think that you will become involved in politics again?

[Bunsak] I would like to see what happens. I would like to help Chamlong, because he has a good line. We once promised each other that we would never abandon each other and that we would always help each other whenever possible. But I have not been in contact with him since this happened.

[MATICHON] Are you still out on bail?

[Bunsak] Yes.

Chronology of Events

91SE0176C Bangkok SIAM RAT SAPDA WICHAN
in Vietnamese 3-9 Mar 91 p 7

[Text] 16 July 1982: An attempt is made on the life of General Prem Tinsulanon, the prime minister, at the Artillery Center in Lopburi.

17 August 1983: General Athit Kamlang-ek, the assistant RTA CINC [Royal Thai Army Commander in Chief], forms an investigative committee composed of army officers and some police officers.

28 October 1983: Master Sergeant Prawet Phumphueng is arrested (later on, he became a witness). He confesses and implicates Master Sergeant Amonsak Indichot (who was arrested on 10 November 1982 and sentenced to 25 years in prison), Sergeant Suphat Thongsukphong (who surrendered on 28 April 1983 and who was detained as a witness), and Major Phairat Phophruksawong (who was shot and killed on 26 April 1983).

13 November 1983: Colonel Sanghiam Rattanasimakon, the head of intelligence, Second Army Region, reports

that there was an attempted assassination of important people at the Suphachalasai Camp during the period 1-10 October 1983.

5 January 1984: General Athit Kamlang-ek the RTA CINC, turns over the investigation file to the director-general of the Police Department.

6 February 1984: The director-general of the Police Department (Police General Narong Mahanon) appoints the commander of the Suppression Division chairman of the investigation committee.

15 September 1984: Colonel Manun Rupkhachon and Colonel Bunsak Phocharoen arrested. Both post bail that same day.

3 December 1986: The director-general of the Police Department puts Police General Sawaeng Thirasawat (the then assistant director-general of the Police Department for suppression) in charge of the case.

28 February 1990: The director-general of the Police Department (Police General Sawaeng Thirasawat) orders that the investigation be completed with 15 days.

19 September 1990: The director-general of the Police Department puts Police Major General Rungrot Yamakakun, the assistant commissioner of the Central Investigation Bureau, in charge of the investigation team (under Police Lieutenant General Bunchu).

13 September 1990 [as published]: Committee 827 calls a meeting for 20 September 1990.

11 December 1990: Committee 827 orders the investigative team to take action in accord with the law and has the commissioner of the Central Investigation Bureau (Police Lieutenant General Bunchu) form an investigative team.

15 January 1991: The commissioner of the Central Investigation Bureau (Police Lieutenant General Bunchu) asks permission to use the original investigative team.

17 January 1991: The director-general of the Police Department asks the the deputy director-general (Police General Sawat Amonwiwat) to consider the matter.

21 January 1991: The deputy director-general receives the case.

22 January 1991: The director-general of the Police Department and commissioner of the Central Investigation Bureau are removed from their positions and replaced.

25 January 1991: Police Major General Rungrot proposes that the director-general of the Police Department appoint Police Maj General Suriya, the deputy commissioner of the Central Investigation Bureau, head of the investigative team under the assistant director-general of the Police Department (Police Lieutenant General Bunchu).

8 February 1991: The director-general of the Police Department appoints Police Major General Seri Temiyawet head of the investigative committee under the deputy director-general of the Police Department for suppression (Police General Sanong).

12 February 1991: There are rumors that General Suchinda, the RTA CINC, will be "dismissed" before his trip to Indonesia. The RTA CINC says that "I have heard those rumors, too." There had been such rumors before: It is rumored that he will be replaced by Big Sua, General Phichit Kunlawanit, the deputy supreme commander. Big Sua announces that certain people are trying to cause a split within the military. General Chatchai denies the rumors, saying that no one will be dismissed or transferred. He says that the press has made this up. He orders the Ministry of Interior to monitor the stories printed in the press.

15 February 1991: In an interview, Police Lieutenant General Bunchu Wangkanon, the assistant director-general of the Police Department, states that this matter affects security and involves the monarchy. The supreme commander asks permission to stop sending investigation files. This is approved by the prime minister. Police General Sawat Amonwiwat, the director-general of the Police Department, rushes to see the prime minister and is assured that he [the prime minister] did not order that. He is urged to clear up this matter as soon as possible. Police General Sawat is upset and plans to form an investigative committee under Police Lieutenant General Bunchu.

15 February 1991: In his capacity as director of the Internal Peacekeeping Command, General Sunthon Khongsomphong, the supreme commander, issues a statement saying that he had in fact asked permission to stop sending files on the investigation of the assassination attempt, because this is a very serious matter that affects the security of the country and the monarchy. He says that it is feared that the files will be altered in order to help the criminals. Thus, the military will keep the original files. Anyone who twists things will be dealt with resolutely.

20 February 1991: General Athit Kamlang-ek, the deputy prime minister, is appointed deputy minister of defense, which "shocks" everyone. This causes turmoil in the army, and there is widespread criticism of this in political and military circles. It is said that this "sunrise" is a multi-level stratagem and almost certainly has something to do with clearing up the assassination case.

21 February 1991: Police Captain Chaloem Yubamrung brings evidence and a tape made by a former communist terrorist who was once a suspect in the assassination case. He issues a statement at parliament and charges that some suspects were forced to confess. He says that the correct file shows that the only targets of the assassins were General Prem and General Athit. This had nothing to do with the monarchy. He says that the witness who made the tape will testify before the Administrative

Subcommittee on 27 February and that he will ask General Chatchai to come answer questions during the subcommittee meeting. He stresses that he can do this, that he has the right to do this under the law, and that the prime minister has given the green light.

At the same time, the former communist terrorist who made the tape mentioned by Police Captain Chaloem states on the tape that he does not know Major General Manun or Mr. Kraisak Chunhawan.

21 February 1991: There are reports that General Suchinda, Lieutenant General [illegible], and other officers met with MR [royal title] Khukrit Pramot in order to have him listen to a tape made by a colonel who confessed that this concerned the monarchy and who revealed who was behind this. Big George [General Sunthon] says that the deliberations by the Administrative Subcommittee on 27 February should not be televised, because the matter is still under investigation. That could prejudice the case.

That same morning, there are rumors that the military is on alert and that General Sunthon and General Suchinda will be dismissed. There are also rumors that there will be a coup. Such rumors persist throughout the day, keeping news agencies busy.

When this article was completed on 22 February, there were still many rumors about a coup. We don't know what the outcome of this will be.

MILITARY

Problems With PRC Tanks

91WC0083C Bangkok LAK THAI in Thai
11-17 Feb 91 p 11

[Unattributed report: "Problems With Chinese Tanks"]

[Text] Speaking of tanks, I would like to talk about the problems with the T-69-2 tanks and the armored personnel carriers which we bought from China. These problems cannot be covered up and cannot be kept secret. They concern the lubricating oil used for the engines and various parts of the tanks which has been in short supply and sometimes cannot be found at all. This oil is a special formula which must be purchased from China. No reason can be found for the shortage. It may be because of an attempt to monopolize the export of engine oil and lubricating oil to the military by two or three merchants who are causing the shortages to gain a "pricing" opportunity and a monopoly, and if we come to an agreement on the oil in short supply, the problem will be over. Could it be that?

Austrian Artillery Acquisition Planned

*91WC0083A Bangkok LAK THAI in Thai
4-10 Feb 91 p 11*

[Unattributed report: "Weapons of Destruction: We Have Artillery Like This!!"]

[Excerpt] [passage omitted] Our Army has a project to acquire another battalion of GHN 45 artillery. This artillery has the longest range in the world - 39 km. It comes from Norikham in Austria. This type of artillery has already been assigned to the artillery regiment and the marine division. Our marines have had this type of artillery for 10 years. We were the first country to buy this artillery.

Stingray Tank Deliveries Slated

*91WC0083B Bangkok LAK THAI in Thai
4-10 Feb 91 p 11*

[Report by M.C. Wan: "Twenty-six Tanks Received"]

[Text] LAK THAI reported thoroughly about the agreement to purchase Stingray tanks when the purchase agreement was first made. We would like to review it and point out that when we paid the sixth installment in December 1990 and this January they were to send three tanks per month and next month they were to send an additional five tanks to make 21 tanks. I believe that this shipment of tanks would have been greater than that with any other installment in the past because they only sent five tanks after the fifth installment. It would have brought the total shipped to 28 tanks. If we review the installments again, the first installment was for 2.5 percent, the second was for 12.5 percent, the third was for 7.5 percent, the fourth was for 7.13 percent, the fifth was for 15 percent and the sixth was for 20 percent for a total of 65 percent of the purchase price, which is more than half. But half of the tanks would be 53, and we have now received only 26. If one looks at the money spent and the tanks received, there is a great difference. But it does not matter. A contract is a contract - whether it is advantageous or not, it is still a contract, and we have to live with these figures!

ECONOMIC

Minister on Export Performance, NIC Status

*91SE0173C Bangkok BAN MUANG in Thai
18 Feb 91 p 6*

[Text] After officiating at the opening of the "Third Export Goods for the Masses" show, Mr. Ammaret Sila-on, the minister of commerce, said that Thailand's exports are now in a slump. For the past five years, exports have been growing at a rate of 26-28 percent [a year]. But in 1990, the growth rate slowed to only 15 percent, and in 1991 the rate is expected to be only 13 percent.

"If Thailand is to become a NIC [newly industrialized country], the growth rate must be 18.5 percent a year for 10 consecutive years. At present, Thailand has a great shortage of engineers and professional managers. Today, Thailand needs to double the number of such people, that is, we need another 7-8,000 people. It will be another 10 years before we have enough engineers and managers. This is different from Singapore, Japan, Taiwan, and Korea, all of which have large numbers of such people," said Mr. Ammaret.

As for the commerce ministry's export policy, of the top 20 export items, two-thirds are agricultural goods—which includes rice, cassava, coffee, and para rubber—and these goods still have problems regarding prices. Goods with high export potential include hides, ready-made clothing, and computer parts. But problems have arisen, because the European countries have set import quotas, and the United States may take action using Article 301.

Thus, the Ministry of Commerce is looking for ways to solve the problems. It will cooperate with the private sector so that Thailand benefits as much as possible. Thailand has an advantage over many countries in Europe and the Far East, because our production costs are much lower.

Petroleum Chief on Status of Burma Gas Line

*91SE0173D Bangkok DAO SIAM in Thai
19 Feb 91 p 3*

[Text] Mr. Thongchat Hongdarom, the managing director of the Petroleum Survey and Production Authority of Thailand, discussed the progress made in the project to build a gas pipeline from Mawtama in Burma to the Three Pagodas checkpoint in Kanchanaburi Province. He said that this project is now being discussed with the World Bank in order to obtain a loan to build this project. It will cost about \$500 million to build a gas pipeline from Mawtama to the Three Pagodas checkpoint.

Mr. Thongchat said that the World Bank has agreed in principle to loan Thailand the money for this, because the money will be borrowed in Thailand's name. Initially, the World Bank thought that this was a Burmese project. We have informed the bank that this is a Thai investment project. The risks involved in this project will have to be considered carefully. The results of the talks with the Burmese government will be studied in order to get a clearer picture of the conditions. It is expected that the deliberations will take a while longer.

"The Burmese government is now considering the feasibility of this project. No changes are expected as a result of the deliberations, and that includes the conditions proposed to us by the Burmese government. The Petroleum Survey and Production Authority of Thailand will be the one responsible for getting the natural gas from Mawtama to the Thai border. After that, the Petroleum Authority of Thailand will be responsible for matters. As

for the Electricity Generating Authority of Thailand (EGAT) refusing to build a power generator in the Three Pagodas area in support of this project, he said that the main reason why the Petroleum Survey and Production Authority of Thailand is trying to buy gas from Burma is to use the gas in generating electricity. If EGAT maintains that position, this project will be meaningless, because we are focusing on obtaining gas to generate electricity. However, this project can also be used in other activities, because this will benefit all sides," said Mr. Thongchat.

Commerce Permanent Secretary on Piracy, Cigarettes

91SE0173B Bangkok SIAM RAT in Thai 20 Feb 91 p 6

[Excerpts] [passage omitted] Mr. Kroekkrai Chiraphaet, the deputy under secretary of commerce, disclosed that recently, the Video Tape Association and the Cassette Tape Association of the United States have filed complaints against Thailand under Article 301. [passage omitted] If Thailand is asked to explain matters, we are ready to go there to explain things.

"Recently, Thailand has taken legal action on these criminal acts. These crimes can be handled through the police, but it is not necessary to go through the police. The police are now very interested in this. In 1989, the police put the unit responsible for patent matters under the control of the Alien Registration and Taxation Division in order to make it responsible for economic crimes nationwide. As a result, those who have suffered losses can file complaints. If the United States charges Thailand with having committed such violations, we can explain matters."

The deputy under secretary of commerce said that at the end of 1990, the director-general of the Police Department sent a letter to police officials throughout the country instructing them to give special attention to patent violations. If someone files a complaint, immediate action can be taken in accord with the law.

"We are ready to explain things so that the American plaintiffs understand that Thailand intends to take action in accord with the law. However, what I want to say to those in the tape business in Thailand is that pirating the patented works of foreigners is a criminal offense. If someone files a complaint, the police can arrest people and take legal action against them. At the same time, the person who has suffered losses can file charges. A special unit has already been established to handle such matters. If officials need any documents in handling the case, the tape companies should cooperate with them.

Mr. Kroekkrai also said that there may be negotiations on the matter of opening up the cigarette market to the United States. The negotiations are expected to focus on two issues: 1. The United States will be informed that Thailand is opening its cigarette market to the United States in accord with GATT and that Thailand will

respect the GATT regulations. 2. Thailand will treat the importers of foreign cigarettes with respect and give them the same rights as domestic producers. This, too, is in accord with GATT regulations.

However, there are still problems in opening Thai cigarette markets. One is the matter of stamps or the use of symbols in place of stamps, and the other is the matter of building warehouses. In both cases, it is the importers who are responsible for consulting with or informing the Ministry of Finance and the Port Authority of Thailand in order to reach an agreement on what is to be done. Because the details and actual steps to be taken are not the responsibility of the USTR [U.S. Trade Representative].

Drug Industry Reacts to Commerce on Patent Issue

91SE0173A Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 14 Feb 91 p 9

[Text] The drug industry opposes the new drug patent draft law. Of the 164 drug manufacturers in Thailand, the small drug plants are preparing to go out of business and the medium-sized and large plants will be taken over by foreigners. But if the United States promises not to bother Thailand further if this law is passed, they will accept this in the common interest.

Mrs. Priya Sibunruang, the president of the Thai Pharmaceutical Manufacturers Association, said that the reason why the Ministry of Commerce wants to revise the patent law, particularly on drug patents, is that this will provide greater protection. That is, this will protect both drug manufacturing techniques and pharmaceuticals. In the past, only drug manufacturing techniques were protected. If this draft law is passed, it will definitely have an effect on consumers and the domestic pharmaceutical industry.

The price of drugs will increase. Even if the government passes a law to set prices and prevent monopolies or implements a price-setting policy by having the drug companies propose a price structure and indicate how much they will invest in order to prevent them from selling drugs at artificially inflated prices, in actual practice, this won't work. It won't work because the companies that produce the important raw materials are foreign companies that have a monopoly on world markets. If a drug price structure is set, prices will be set very high, which means that the price of the finished drugs will be high, too. The law can't control world markets.

There are approximately 50 small drug manufacturers in Thailand. They will probably have to switch to some other business, because they won't be able to compete. The 120 medium-sized and large manufacturers will probably have to invest jointly with foreigners, because markets won't expand as in the past and foreigners will buy up all the business.

It has been suggested that if there is greater protection, we should stop using drug trade names and trademarks and start using generic drug names and the names of the manufacturers instead so that consumers become familiar with the names of the drugs. We shouldn't affix trade names. This should prevent the drug companies from having a monopoly in terms of drug prices. But it's unlikely that this suggestion will achieve very much, because consumers will remember the names of the manufacturers instead of the trade names, and this will have an effect on new drugs.

Besides this, revising this law in order to please the United States so that it won't implement protectionist measures against other goods is senseless, because the United States will just demand that Thailand revise other things, citing trade protectionism, or Article 301. There is no guarantee that the United States won't raise other trade issues with Thailand if Thailand does agree to revise this law. If the United States promises not to harass Thailand any more, the drug industry will agree to this because of the benefits to be gained in other sectors.

POLITICAL

Basic Arguments Needed in Drafting Party Program

912E0138A Hanoi NHAN DAN in Vietnamese
1 Mar 91 p 3

[Article by Pham Quan: "Contributing Ideas to seventh Party Congress Draft Documents—Concretizing Basic Points of Argument Needed in Party Program"]

[Text] In the draft program, the mechanism of "The party leads, the people are masters, and the state manages" lacks persuading power because it is not yet concretized and fully explained, especially when the impressions about the past managerial mechanism based on bureaucratic centralism and state subsidies, which used the same above-mentioned formula, still have negative effects on the people's perception. I should think that what is needed is not clarifying the division of the functions of and defining the relationships among the three above-mentioned subjects, but more importantly clarifying and concretizing the right of mastery or ownership to such an extent that an ordinary citizen could "touch" his right of ownership, which is what the mechanism promises. If the majority of party members and the masses understands and supports this mechanism, I should think that leadership by the party will be an indispensable factor. The Marxist-Leninist doctrine requires that in the matters having to do with the "state" and "properties" concepts, we clearly identify the subjects eligible for ownership, distribution-management, and benefit. Realities have recently shown that the vague reasoning about the people and the abstract defining of the role of the subjects eligible for ownership, distribution, and benefit in the relationships having to do with the properties managed by the socialist state have been and are being one of the basic reasons why the indifference and lack of responsibility toward such properties have become a common social phenomenon in the socialist countries, and consequently have eroded the faith in the values and ideals which the communists used to pursue. For those people who have directly contributed energy, money, and lives to the work of the party, the consequences of this situation are even graver because it is directly related to their own and their families' sacrifices and contributions. These realities have shown that in the coming years, to overcome the above-mentioned situation and its consequences, specifically to create favorable material conditions for a close organic link with the social system that the communists pursue, will become an urgent matter having the meaning of survival for the work and leadership of the Vietnamese communists.

In order to achieve that, I should think that we need to resolutely eliminate all abstract, backward, and voluntaristic concepts regarding the all-people right of ownership of the properties managed by the state and to create favorable practical conditions for a close organic link between every citizen and all that used to be called "state

properties." In order to have a clear understanding of the matter, we need to distinguish two kinds of properties which used to be called by that same common designation but are of totally different nature, i.e., territorial land, natural resources, and national heritage on the one hand, and other properties the origin and creation of which are closely linked with the formation and development of the Vietnamese socialist state on the other. In my opinion, while the right of ownership of the former obviously belongs to all the Vietnamese people, the ownership of the latter in most cases should belong to those people who have shared in the construction and creation of the modern state of Vietnam, namely all of the people who have sacrificed and fought for the work of the party in the last 60 years, no matter whether they had already fallen in the early days of the Nghe Tinh Soviet or have just begun to serve today in the capacity of either party members or outsiders such as workers, state intellectuals, and collectivized farmers. The determination of the interests and responsibility of these people in regard to the latter (properties) allows them to enjoy equality, the same equal conditions granted those people who do not make sacrifices or suffer from losses resulting from the formation and development of our state in the stage of its entering and achieving a market-oriented commodity economy. This is a matter of extremely great significance and long-term consequences because when the laws of value and supply-and-demand and other laws, which usually go hand in hand with the market-oriented commodity economy, begin to work, the above-mentioned segment of our population will be the group of people being the most poorly prepared in all aspects for conforming to the fierce situations of the market, particularly in terms of capital, assets, business experience, and competition, and the most underprivileged segment of society, even though the socialist state, which has been established through their sacrifices and contributions, still exists. The real situation today—in which most state cadres, workers, and civil servants, collectivized farmers, wounded soldiers, families having done much for the revolution, and so on must live under extremely difficult conditions and in poverty and be totally dependent on meager wages and state allowances, and in many cases on social assistance—is an extremely painful one and causes adverse psychological effects on society in general, and on the faith in the revolution of each and every individual in particular.

This situation, as well as an in-depth reconsideration of the related thoughts of Marx-Lenin and President Ho and an analysis of our country's recent lessons of experience, will allow us to arrive at an awareness of the urgent need to create practical conditions for our citizens, first of all for those people and families who have linked their lives with the socialist choice, to enjoy the direct ownership right, especially in terms of the economic and financial aspects, over the state-owned properties.

First, we must turn all state properties having originated from the development and formation of the Vietnamese

socialist state into stocks. All these properties, after being converted into units of conventional value, will be divided into two parts: The first part, resulting from exploitation of our resources and land, comes under the all-people ownership; the second part is the one that is divided among individuals. The people who get stocks in this distribution are those who have done good work for the revolution and the Vietnamese socialist state. The number of shares that an individual in this group gets depends on the length of time and amount of work he has actually done as his own contributions recognized by the party and society. In the case these people are dead or are alive but have no mental ability to manage and use the shares distributed to them, we must determine who are their legal heirs in order to transfer the shares to the latter. In the capacity of the constitutional representative of all people, the state has the right to use the number of shares that come under the all-people ownership to buy all or parts of the enterprises, production-business installations, and properties under its management; to set the direction for and run their operations within the limits that the law allows it to act, and in conformity with actual needs; and to use the profits collected in activities that serve the interests of all people.

The remaining properties are used to sell to those people who own the state-owned stocks, including the case in which they have bought such stocks in a legitimate manner through the stock exchange. This matter must be clearly affirmed in order to create economic equality among those people who have done good work for the national construction and those people who want to contribute now to developing the country in the present stage and in the future, no matter what attitude and relationships they may have had in the past toward the Vietnamese socialist state. Foreign individuals and companies must pay special taxes and comply with specific limits set by the National Assembly and state when they want to buy state-owned stocks.

The next step will be for the state and National Assembly, on the basis of the above-mentioned new economic structure in "a society with a rather large component being new-styled cooperative members," to adopt a new income code clearly recognizing a distinction between new incomes earned through labor and incomes resulting from invested capitals, i.e., from capitals accumulated with already-taxed money contributed by capital investors. While the tax rates applicable to new incomes must be progressive to prevent extreme division between the rich and the poor in society and to create a base for the establishment of social assistance funds, the taxes levied in the case of incomes earned through investment must be reduced to a considerable extent compared to the former so as to encourage accumulation and savings, and to attract capital investment from the people.

The two initial steps mentioned above, in my opinion, will serve as a basis for a profound change in the present socialist model, which will allow us to quickly switch to a new ownership mechanism in socialist Vietnam, whereby all subjects in the capacity of legal persons as recognized by the law, whether they are the state as owner of all people-owned properties, or shareholders holding shares in the production-business installations that used to be under state management, or private businesses, are equal under the law and must abide by decisions of law of the Vietnamese socialist state.

ECONOMIC

1990 Revenue Collection Shortfall Reported 91P30121A

[Editorial Report] The 20 January Ho Chi Minh City daily SAIGON GIAI PHONG reported that the Ministry of Finance and the General Department of Taxation recently hosted a conference to review 1990 revenue collection figures and draw up budget and taxation plans for 1991. Twenty-four directors of finance services and taxation departments from the Tri Thien-Hue area and other southern provinces attended the conference which was held in Ho Chi Minh City.

At the conference, it was announced that the National Assembly had approved a 6.87 trillion dong budget revenue target for 1991. In addition, the Finance Ministry gave a report on the 1990 budget, stating that total state revenue in 1990 amounted to 3.69 trillion dong, a 23.1 percent increase over 1989 and 17.1 percent over the 1990 set plan norms. 1990 revenues of state-run enterprises and private enterprises showed increases over plan targets of 20.8 percent and 7.3 percent respectively. Moreover, import-export duties were also 25 percent above targets. The ministry's report indicated that these figures did not include taxes on crude oil sales or enterprises which received foreign investments. The major revenue-producing regions were Ho Chi Minh City, Hanoi, Tay Ninh, An Giang, Dong Thap, and Quang Ninh.

Despite an increase in sources of revenue and in total revenue, the national budget still suffered a heavy deficit, including a 80 billion dong shortfall in the state-run trade sector and a 200 billion shortfall in the industrial-commercial sector. Delays in putting 379,500 businesses on the tax rolls accounted for 40 billion dong of the deficit and failure to collect slaughterhouse and alcohol taxes and registration fees led to additional major shortfalls. According to the Finance Ministry's report, the collection problems were due to the lack of clear collection guidelines for tax agencies and the failure of local organs to strictly follow regulations in remitting payments to the state.

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