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EAST ASIA
SOUTHEAST ASIA

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TRADE MINISTER: FOREIGN SUBSIDIES CAUSE \$2.3 BILLION EXPORT LOSS

Sydney THE SYDNEY MORNING HERALD in English 15 Apr 87 p 6

[Text]

CANBERRA: Agricultural subsidies doled out by the United States and the European Community have cut Australia's agricultural export returns by \$2.3 billion this year, according to the Trade Minister, Mr Dawkins.

Speaking to a gathering of rural journalists in Canberra last night, Mr Dawkins said that the higher returns would have reduced the burgeoning current account deficit by about 15 per cent.

He said the cost of the US Food Security Act on the Australian grain industry alone was in the order of \$1.3 billion in 1986-87, while EC subsidies also cost about \$1 billion under conditions prevailing in 1985.

Given the faltering commitment to trade liberalisation shown by the US, Japan and the EC, and the looming prospect of a trade war, Mr Dawkins said he was concerned that the trade policies of the major powers could become more inward-looking, retaliatory and therefore more protectionist as the year progressed.

"What all this comes down to is that, left to themselves, the majors could work out solutions to their trade problems that might meet their own requirements but could substantially ignore the legitimate interests of other countries," the Minister said.

Despite the prevalence of gloom surrounding much of the discussion on agricultural trade reform, and the prospect late last year that nothing might happen for four to five years, Mr Dawkins said that it was now possible that some form of preliminary results would be in place by the end of the year.

But he warned that the so-called "early harvest" of reforms promoted by the US at the recent Trade Ministers' talks in New Zealand should be "grabbed with both hands".

"It is apparent that the Reagan Administration is eager to implement an early reform package, but the US stance, post-Reagan, could easily be less forthcoming. The attitude of the US after 1988 is totally unpredictable," Mr Dawkins said.

The Minister also said that the campaign of information, which was integral to the success or otherwise of the reformers, would continue with the funding of a comprehensive \$500,000 study into the agricultural policies of the US, West Germany, Canada, Japan and the developing countries. The funding costs would be shared with the National Farmers' Federation.

The plan is to blow up the fort from the inside, as it were, by finding allies within these countries who agree with the views being espoused by Mr Dawkins and like-minded Trade Ministers about the damaging consequences of current agricultural policies.

Commenting on the trade fricas that is brewing between the US and Japan, Mr Dawkins said that continued vigilance was needed to ensure that Australia and other smaller agricultural traders would not become "cannon fodder".

"The American action against the Japanese does involve risks, but it may also be of sufficient shock value that the Administration may be able to wrest back, from an increasingly impatient Congress, control over trade policy," he said.

EDITORIAL HITS JAPANESE NUCLEAR WEAPONS BAR 'PRETENSE'

Sydney THE SYDNEY MORNING HERALD in English 11 Apr 87 p 30

[Editorial: "Nuclear Realities and Japan"]

[Text] HOW CAN the Japanese Government maintain the pretence that it has consistently forbidden the entry of US nuclear weapons into Japan over the years? With remarkable ease, it seems. Rummaging through the archives of the US Library of Congress, Japan Communist Party researchers have unearthed a copy of a once-secret 1966 Telex message from the then US Secretary of State, Dean Rusk to the then US Ambassador to Japan, Edwin Reischauer. The message appears to make Japan's continued pretence of nuclear chastity impossible. But diplomacy has little to do with logic; and in the Japanese case it is complicated by a uniquely refined capacity for maintaining appearances that are quite opposed to reality.

The Rusk-Reischauer message speaks of a "confidential 1960 agreement [which] affords US rights to seek GOJ [Government of Japan] consent to introduction of nuclear weapons under 1960 Security Treaty". Confidential agreement? The revised US-Japan Security Treaty of 1960 openly provided that the United States would not make major changes in armaments in Japan without

prior consultation with the Japanese Government. The existence of a confidential agreement has always been denied by the Japanese Government. But the Rusk message says more. It speaks of a threat to "the ambiguity the GOJ has accepted on presence of nuclear weapons on US vessels in Japanese ports and on transiting US aircraft". Nothing could point more clearly to routine Japanese consent to the presence of US arms in Japan.

Has this embarrassed the Japanese Government? To all outward appearance, not in the least. The official response has been to hew to a familiar line: The 1960 treaty provides for prior consultation before nuclear weapons are allowed into Japan; there has been no consultation; therefore, there have been no weapons allowed in. Of course, that reasoning implies that if there have been US nuclear weapons in Japan, not only has the Japanese Government not known about it, but also it has been deceived by the Americans. Silence in the face of such calumny is a measure of the high value the United States places on its alliance with Japan.

While the Japanese people,

understandably, have an acute revulsion against nuclear weapons, there has perhaps been enough of a shift in Japanese attitudes to defence questions generally to ask why it is necessary for the Japanese Government to persist with a pretence in relation to US nuclear arms. But there is more to it than the Japanese "nuclear allergy".

The Liberal Democratic Party has been in power most of the time since World War II. Many of its past leaders continue in positions of influence. How can they simply admit that for so many years on such an important issue they have lied to the Japanese people? Mr Nakasone, whose popularity is at a low ebb, is certainly not about to try. Even his success in pushing through higher levels of defence expenditure is no help, since he sold this policy on yet another illusion – that it would make Japan more independent. Coming clean on US nuclear weapons movements is difficult enough for reasons of face. It is harder still when it draws attention to the reality of Japan's continuing dependent relationship with the United States. Truth will have to continue to give way to illusion.

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CSO: 4200/603

MACHINERY, 'MARCOS FACTOR' CITED FOR LABAN VICTORY

HK251439 Quezon City BUSINESS DAY in English 25 May 87 p 14

[Article by Isagani de Castro]

[Text] Two political party analysts have noted that organizational factors and the Marcos element played important roles in the apparent victory of the Lakas ng Bayan (Laban) [People's Power] amid allegations by the Grand Alliance for Democracy (GAD) that the administration bet won through fraud.

Laban spokesman Rex Lores told BUSINESS DAY that Laban had a tight, well-managed organization on the national level and that its senatorial candidates had their own national organizations. One organizational component he cited was the local governments. The appointed officers-in-charge (OICS) campaigned for the administration ticket, thus giving Laban a built-in advantage, he noted.

The national campaign teams, he also said, were scientific in their strategies. They would occasionally conduct surveys so that results may guide campaigners to remedy their deficiencies. For instance, in the Laban miting de avance, [grand rally] President Aquino and Vice-President Laurel personally appealed to voters to give priority to Muslim bets Santanina Rasul and Mamintal Tamano, after surveys showed they may not make it in the top 24.

Lores cited the "tremendous nationwide organization" of Laban bet and former University of the Philippines (UP) President Edgardo Angara who can call on support of UP alumnis in most of the regions. Jovito Salonga had the Liberal Party network, Leticia Ramos Shahani had religious organizations such as the Catholic Women's League, while Orlando Mercado had the Unido [United Nationalist Democratic Organizations] web, he added.

With the GAD, Lores said he only knew of Juan Ponce Enrile and Vicente Puyat as having their own nationwide organizations to back up a national campaign.

Aside from the "Cory magic," Lores said, the GAD's association with Marcos and their statement on Marcos's return were also important elements which helped the Laban, he added.

Lores attributed the good poll standing of Agapito Aquino to his high media profile since 1983. On Rene Saguisag's strategy attracted not only volunteers but also sympathizers among the electorate because of his underdog and honest image. Campaign funds for Saguisag also poured in after the slogan caught fire, he said.

Lores said Laban had a list called "Batch X" that gave Arthur Defensor, Victor Ziga, Argara, Augusto Sanchez, Vicente Paterno, Tamano and Rasul particular emphasis in the campaign because they fared poorly in its surveys.

Institute for Popular Democracy (IPD) head Fr Edicio de la Torre said that aside from being attributable to President Aquino's popularity, the results were a clear, decisive vote against dictatorial rule. The Laban victory is a continuation or climax of the anti-Marcos movement which began in 1983, he added.

However, he also said people failed to distinguish between President Aquino's "elite democracy" and "popular democracy." He described the former as elitist but at the same time accommodating certain "progressives."

Analyzing the poor performance of the Partido ng Bayan [PNB--People's Party] De la Torre said the Left's electoral inexperience was reflected in its overconcentration in pre-voting operations. In many instances, he said, the leftwing PNB's poll watchers were too tired from the campaign and were not ready for the long process of counting and ballot protection. In some cases, those poll watchers were removed from checking the count by the boards of election inspectors, he said. The low morale created by the low turnout of votes for PNB led many of its watchers to give up 2 days after election day.

De la Torre said the institute had expected Laban bets to get the majority, but added both Laban and GAD had machineries for protecting the count and ballots while the Left did not. He noted the traditional politicians had advised that a party should have at least three poll watchers in every precinct.

He said the Left's potential solid vote of about 3.9 million was eroded by disenfranchisement resulting from military operations.

De la Torre disputed assessments that money did not play an important factor in the election. He said that while the senatorial candidates may have done limited spending, House of Representatives candidates in the various districts could have bought votes. He said the Laban had a well-funded machinery. The Left's inadequacy of resources was also a crucial factor in its poor performance, he said. He added that while the PNB knew there would be cheating, it underestimated its extent.

Commenting on the poor KBL and PNB showings, Laban's Lores said the KBL is an "idea whose time has ended" while the PNB is an "idea whose time has yet to come."

On the absentee military vote, Lores said the outcome shows an improved attitude although it also signifies that the administration should try to improve the conditions in the military and to pay attention to its grievances. De la Torre said the military vote shows that the democratic spirit is not yet dominant.

Joseph Estrada's strong performance, Lores said was expected because he consistently ranked high in Laban's surveys. He traded this to "Erap's" long exposure in movies that appealed to the masses. [sentence as published]

Lores described the likely character of the Senate as "center with a little to the Left" while De la Torre said it is "center-right." Lores described Laban bets Wigberto Tanada, Sanchez, Salonga, Saguisag, Lina, Guingona, Mercado and Manglzpuz as anti-U.S. bases.

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CSO: 4200/591

LABAN ALLEGES UNITED OPPOSITION DESTABILIZATION PLAN

HK240641 Manila MANILA BULLETIN in English 24 May 87 pp 1, 12

[Article by Rod L. Villa Jr]

[Text] Opposition leaders have decided to join forces for an "all-out, well-financed plan" to escalate the destabilization of the Aquino government, the Lakas ng Bayan (Laban) said yesterday.

Laban officials said a massive recruitment of squatters in Metro Manila and neighboring provinces was going on to gather people to reenact the People's Power Revolution of 22-25 Feb 1986, on Epifanio de los Santos Ave (EDSA).

An associate of a well-known businessman in exile, identified as a "crony" of former President Marcos, told Laban leaders that P4 billion had been allotted for the destabilization plan.

An opposition senatorial candidate was tagged the conduit of the fund release, Laban leaders said.

These were disclosed in an official statement of the Laban media bureau headed by Rex D. Lores.

The opposition negotiators have not so far succeeded in winning the support of the Partido ng Bayan (PNB) and other new and non-traditional political groups, sources said.

PNB leaders had earlier said that while they would intensify their campaign to expose alleged "widespread" poll irregularities to support their own "street parliament," they would act separately from the Grand Alliance for Democracy (GAD) and the Union for Peace and Progress-Kilusang Bagong Lipunan (UPP-KBL).

The unity of the opposition leadership appeared to have cracked with at least five GAD senatorial candidates sending emissaries to Laban officials, expressing their rejection of the use of violent, extra-legal, and revolutionary means to topple the Aquino regime.

Laban strategists under Paul Aquino, campaign manager, said only five of the GAD-UPP-KBL candidates have openly urged a violent overthrow of the government, while the 12 others were for pursuing the protest within the bounds of law.

In pushing the all-out destabilization plan, opposition henchmen have reportedly spread out to the poor areas, offering P50 for participation in mass actions, reports received at Laban headquarters said.

Persons willing to testify as witnesses to alleged poll frauds were being offered P5,000 each on condition that they first be screened and briefed by opposition lawyers, Laban was told.

The witnesses must attend all hearings and if they withstand cross examination, they will be paid a "fat bonus," Laban said.

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PHILIPPINES

COLUMNIST LAUDS AQUINO FOR 'NEW TREND' IN POLITICS

HK131433 Manila THE PHILIPPINE STAR in English 12 May 87 p 5

[From "Straight from the Shoulder" column by Luis D. Beltran: "A New Trend in Philippine Politics"]

[Text] By the time this column comes out, a trend will have been established in the elections, although it will probably take the whole week or more to determine the last four places in the 24 slots for senatorial winners.

The winners in the congressional elections should be clear by noon today, and an idea of who will have the majority in the House of Representatives should emerge within the next few days.

It has been generally conceded that the Aquino administration will win a majority in the Senate, which will give her a buffer zone from the opposition. If she gets a large majority in the House as well, then her next 5 years should be spent in constructive work rather than in fighting off opposition assaults.

In the euphoria over the winners and the election hoopla, people will probably overlook the fact that the elections yesterday were not only generally honest, but peaceful, because President Cory Aquino made sure it was so.

By her style of campaigning--no name-calling, no accusations, no inflammatory statements--she set the tone of the campaign both for her candidates and the opposition candidates. That tone was meant to diminish passions still high over the Marcos years--and typified by the Marcos warnings in Honolulu of a civil war.

One other thing that needs to be mentioned--Cory Aquino campaigned the hardest to set up a congress, knowing that it would cut her powers in half and it would open her to personal attacks from its members. No act by any other president has ever demonstrated a firmer commitment to the democratic process than that.

The winner in this election is the Filipino, and his champion is Cory Aquino.

If you want further proof of what the president accomplished, talk to losing administration candidates in the coming week. They will tell you that they lost because the administration denied them government resources, or refused to cheat for them, or declined to raise money for their campaign.

And then compare that with the Marcos "elections," where even the losers went on round-the-world tours after the elections, or started building mansions, or joined the Cabinet.

President Aquino has started a new trend in Philippine politics that may insure a truly representative government, if it influences future presidents.

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CSO: 4200/591

PHILIPPINES

BUSINESSMEN SEE POLLS AS SIGN OF STABILITY

HK140207 Hong Kong AFP in English 0151 GMT 14 May 87

[Report by Mynardo Macaraig]

[Text] Manila, 14 May (AFP)--Local and foreign businessmen here say they are looking forward to an improved business climate following national legislative elections, in which President Corazon Aquino's candidates appear set for a landslide win.

The country's stock markets were bullish Wednesday, the first day of trading after Monday's polls, with all sectoral averages shooting upwards.

"Many investors were looking forward to the election as the final step for the restoration of democracy," said Aurelio Periquet, president of the Philippine Chamber of Commerce and Industry, the country's largest business group.

Monday's congressional polls were a further step in Mrs Aquino's plans to revive a U.S.-style democracy in this Asian nation.

Filipinos ratified a new constitution in February and local elections will complete the process in August, following the abolition last year of the National Assembly, which was dominated by supporters of Mrs Aquino's deposed predecessor Ferdinand Marcos.

Businessmen here seemed optimistic at the prospect of a landslide victory by Mrs Aquino's allies, believing that her successful candidates to the 24-member Senate and 200-strong House of Representatives would not block the president's pro-private sector economic policies.

Left-wing political scientist Alex Magno said that with an Aquino victory Manila could emulate the close relationship that former U.S. President Franklin Roosevelt forged with the U.S. Congress in the 1930's, and pull the country out of its current economic woes. These include a \$28 billion foreign debt and a growth rate of less than one percent last year.

"As far as business is concerned, if the majority of Congress will be Cory's anointed ones, there will be less obstructionist moves in Congress against any government initiatives," industrialist Felix Maramba told AGENCE FRANCE-PRESSE.

"This will help the economic situation in this country," said Hisashi Gumamoto, vice-president of the Philippines branch of the Japanese company Ajinomoto. "With this friendly Congress, it will be much easier for her to implement her economic programs."

The fact that the leading candidates also included some individuals previously criticized by big business for alleged leftist leanings did not seem to bother the business sector.

"The overwhelming majority of the members of the new Senate have a centrist opinion so one or two members will not jeopardize the (economic) program," Mr Periquet said.

Overseas investors also had an eye on the conduct of the election, especially after reported cases of wide-spread fraud and violence in last year's presidential contest that drove Mr Marcos into Hawaiian exile after 20 years in power.

"The election was peaceful as any election held in the Philippines. This establishes that the long-term democratic practice will be good for the country and good for the businessmen," said Marsh Thompson, vice-president of the American Chamber of Commerce here.

Foreign investors have previously hedged in plowing their money into the economy, saying they wanted first to see the results of both the congressional elections in May and local elections in August.

Mr Thompson said that he expected investment to increase slightly after this election but that further investment would depend on the outcome of the local elections in August.

The business community did not appear to support protest actions by the right-wing opposition, who charged that they were cheated by the government in the recently concluded elections.

"The overwhelming majority of businessmen consider the elections as free and comparatively honest and orderly," Mr Periquet said.

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CSO: 4200/591

RAMOS WARNS OF CIVIL DISORDER, CITES DISCREDIT EFFORT

HK230533 Hong Kong AFP in English 0452 GMT 23 May 87

[Text] Manila, 23 May (AFP)--Armed Forces chief General Fidel Ramos said Saturday that civil disorder could erupt in the Philippines following the disputed 11 May congressional elections, and issued a blunt warning to the opposition and sympathizers within the military against taking violent action.

"The possibility of civil disorder poses a broader danger to our internal stability than all other threats because should law and order break down, all of our people would suffer," General Ramos said in a message sent to officers and enlisted men nationwide amid rumors of a fresh right-wing coup plot and an apparent campaign within the armed forces to discredit its leadership.

The soldier provides "the only shield and deterrence" against communist and Moslem rebels, "coup plotters, warlords or any other," and is not to "become the aggressor himself," General Ramos added in the toughly-worded official message released to the press at a news conference.

He reiterated that military men taking part in protests would be swiftly arrested and investigated.

Military camps in metropolitan Manila were on blue alert, the second highest state of readiness in which 50 percent of troops are confined to camp and ready to respond to any emergency, the general added.

In a reference to rumors of an alleged coup plot by the right-wing opposition and its military supporters, General Ramos said: "We condemn lawless violence and the threat of violence as means to resolve differences or to redress grievances."

The right-wing opposition, led by Senate hopeful and former Defense Minister Juan Ponce Enrile, has been leasing street demonstration to denounce alleged rigging of the elections results by President Corazon Aquino's government.

General Ramos ordered soldiers to perform their assigned jobs and follow the chain of command, warning that "failure to do so will lead to hardships for you, your family and many others."

He said the message was just part of "normal precautionary measures," but overseas noted that it was his third such official message for troops to behave properly since the campaign for last week's elections began in March.

He added that there were no reports so far of unusual troop movement, groupings or absences in the metropolis, central Luzon or southern Luzon--the regions where most participants in past coup attempts against the Aquino government had been recruited.

General Ramos is credited with having crushed at least three coup attempts in the 15 months in office of Mrs Aquino, who came to power after a military revolt led by the armed forces chief and Mr Enrile triggered a popular uprising that drove Ferdinand Marcos from power last year.

The armed forces chief broke with Mr Enrile in November when the then defense minister's military aides were implicated in a coup plot which resulted in his banishment from the Aquino cabinet.

General Ramos said his orders to his troops were necessary because of protests and special elections to be held 30 May in 49 towns where the 11 May vote was suspended due to peace and order and other related problems.

He rejected charges that he had violated his own calls for military neutrality by allegedly endorsing the candidacy of his sister, veteran diplomat Leticia Ramos Shahani.

A leaflet circulated within the military contained a copy of a campaign advertisement used by Mrs Shahani showing herself and General Ramos, who was clad in civilian clothes, posing with portraits of their parents. A handwritten caption beneath the advertisement said "It is supposedly unconstitutional for any member of the military to engage directly or indirectly in any partisan political activity."

"But what about him?" it said, referring to General Ramos.

In a letter to Defense Secretary Rafael Ilete released at the news conference, General Ramos said the photograph was taken at his home 7 February during a prayer service marking the death anniversary of their parents and the use of the picture by Mrs Shahani for a campaign handbill "was her own unilateral decision."

General Ramos said he did not know who was behind the effort to discredit him, and refused to speculate whether it came from within the armed forces.

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PUBLIC BORROWING LIMIT SET AT P23.9 BILLION

HK141200 Manila MANILA BULLETIN in English 14 May 87 p 15

[Text] The government has placed a limit of P23.9 billion for the public sector borrowing requirements this year in an effort to keep the public sector deficit within the target ceiling in the supplemental letter of intent submitted to the International Monetary Fund by the government.

To see to it that the borrowings of the public sector, composed of the national government and the public corporate sector, are kept within the annual ceiling, cumulative quarterly targets were likewise prescribed.

The limit for the quarter ending 31 March 1987 was P6.8 billion; for the quarter ending 30 June 1987, P13.3 billion; for the quarter ending 31 September 1987, P17.8 billion; and for the quarter ending 31 December 1987, P23.9 billion.

It was learned that the P6.8 billion level for 31 March 1987 was already a modification of the previously agreed level of P5 billion.

The government said that the revised projections of public sector borrowings for 1987 implied a public investment program of 5.0 percent of the GNP (gross national product) during the year.

It pointed out that the public investment program represents a significant acceleration from the 1986 level as the government moves to speed up the economic recovery process.

The government told the IMF that the acceleration of the public investment program is now feasible following the elimination of the administrative bottlenecks that arose during the second half of 1986.

Moreover, adequate local counterpart financing is now assured by increased revenues resulting from the tax program and by substantial official assistance, principally from the Asian Development Bank, and the governments of the United States and Japan which may be used for the purpose.

At the same time, the Commission on Audit has agreed to waive the time-consuming pre-audit requirement for project implementing units whose control procedures have been shown to be satisfactory.

The government has likewise instituted strengthened procedures for the approval and monitoring of projects through the Investment Coordinating Committee and the public investment monitoring program.

The government has asked the IMF, which later agreed, to a higher public sector deficit ratio of 3.5 percent of GNP compared to the original target of 2.9 percent of GNP.

Consistent with the program targets for 1987, the national government deficit will be limited to P20.7 billion or 3.1 percent of GNP. The rest of the public sector deficit will be accounted for by the government-owned or controlled corporations.

It has placed 1987 revenue targets of P100 billion, reflecting the full impact of the implementation of the 1986 tax reform package which included important administrative improvement in domestic tax collections.

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PHILIPPINES

COLUMNIST URGES RESPONSE TO USSR MEDDLING

HK240847 Manila MANILA BULLETIN in English 24 May 87 p 6

[Column by Jesus Bigornia: "USSR Meddling in RP a Real Cause for Alarm"]

[Text] To perceptive Filipinos, the Soviet Union's cavalier attitude toward Philippine sovereignty is unsettling, even alarming. Soviet war planes overfly Philippine air space with impunity. Russian vessels intrude into Philippine territorial waters, including militarily sensitive areas, with brazen boldness. Soviet "diplomats" meddle with Philippine domestic affairs with insulting openness. Indeed, Soviet transgressions against Philippine sovereignty have become unbearable.

Citizens might well ask why. The answer lies with the inherent weakness of government which would rather close its eyes to the insults that aliens heap on its head. Over the past year, the Department of Foreign Affairs (DFA) has not once protested violations such as that committed by the Russian-owned M/V Optasia, suspected of spying on United States naval operations at the Subic Naval facility in Zambales. That the so-called spy ship was turned around by a unit of the Philippine Coast Guard is not enough to close the incident. A diplomatic protest was in order.

Earlier this year, the front pages of provincial as well as metropolitan newspapers broke out with reports alleging participation of diplomatic personnel of the embassy of the Union of Soviet Socialist Republics (USSR) in public rallies and other demonstrations mounted by the left-leaning Kilusang Mayo Uno (KMU), and even the National Democratic Front (NDF), the political arm of the outlawed Communist Party of the Philippines (CPP). If the Home Office protested open identification of Russians with local communist, or even radical groups, it was never publicized.

In this space, the official Soviet encouragement and support for radical and communist movements here was exposed. As far as it could be gathered, the DFA has made no move to protest Soviet meddling in Philippine labor groups. It has not demanded the expulsion of M. ZaourilTsikolia, [spelling of name as received] embassy first secretary, who wrote the damning letter revealing Soviet support for and encouragement of the Partido Komunista ng Pilipinas and the Kilusang Mayo Uno, as a persona non grata.

Roving bands of peasants have "jumped the gun" on "a sweeping land reform program" still awaiting President Aquino's go-ahead signal. Reports coming out of Negros Occidental say landless groups have begun squatting on privately-owned sugar lands. Squatters claim they have been assured of ownership under the provisions of an executive order now pending the signature of the President. They obviously are squatting to establish prior claim.

Among the victims of the peasant invasion is the widow of Sergio Osmena Jr, nee Lourdes de la Rama, whose lands in Bago City were occupied by strangers. Similar cases have been reported to the authorities who have so far failed to drive the interlopers off. As a result of peasant "invasion" of private lands, it is feared that violence could erupt at any time. Local authorities say the harmful consequences of these developments "are too frightening" to imagine.

Despite receipt of information on what is locally perceived as "a peasant invasion," Manila authorities have so far kept silent on whether or not a draft executive order on a broader land reform scheme will be signed into law by President Aquino and implemented by the Department of Agrarian Reform. By the time such a policy decision is adopted or rejected, as the case may be, the illegal settlers might have become too many and defiant, it would become necessary to use the army to eject them from private landholdings.

Under the provisions of the gestating executive order, all kinds of agricultural land will be subject to land reform. Since sugar lands fall under the classification of agricultural lands, the "invading" peasantry believe, and quite correctly, that the sugar haciendas of Negros will be distributed among them. However, agricultural experts agree that sugar lands split up into small landholdings will not be economically viable. Furthermore, the draft executive order is more radical than that proposed earlier by the left-leaning Kilusang Magsasaka sa Pilipinas which had asked only for sequestered, foreclosed or public lands for land reform.

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RESHUFFLE AT FOREIGN AFFAIRS DEPARTMENT REPORTED

HK141527 Manila MANILA BULLETIN in English 14 May 87 p 8

[Text] Ambassador Mario Belisario will become the fifth Filipino envoy at the Philippine mission in the United Nations when he joins the 35-member staff this month. Belisario was one of the officers in the Department of Foreign Affairs who was reassigned by Vice President and Foreign Affairs Secretary Salvador H. Laurel in the latest reshuffle.

Maxie S. Aguillon took over his post as assistant secretary of the Office of Personnel and Management Services. Aguillon had served for only about a month in the consular services offices when he was transferred. Actually, Aguillon, former minister-counselor in Washington, only made a brief detour to the consular office to streamline and remodel that controversial section on the way to the personnel office.

Replacing him at the consular office was Alice Ramos, who was promoted from executive director. Ramos was the charge d'affaires in Rome before she was recalled to the home office.

Romeo Fernandez, former charge d'affaires in Moscow, was transferred from the protocol office to the Office of Middle East and African Affairs as assistant secretary.

Romeo Arguelles was reassigned from the Office of Board on Overseas Economic Promotion (BOEP) to the protocol office as assistant secretary. Arguelles had previously served for about 10 years as consul-general in San Francisco.

Herminigildo Garcia was reassigned from the Office of Middle East and African Affairs to the BOEP as secretary general in the Technical Secretariat for International Economic Relations.

Belisario will join Ambassador to the UN Salvador P. Lopez and his deputies, Ambassadors Manuel Mendez, Rodolfo Sanchez and Herminigildo Cruz.

Cruz is scheduled to proceed to his new post as chief of mission in Nairobi, Kenya sometime this month.

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306 LAWS PASSED IN AQUINO'S 15 MONTHS IN OFFICE

HK191527 Manila THE MANILA CHRONICLE in English 19 May 87 p 10

[Article by staff member Malou Mangahas]

[Text] A total of 306 laws have been passed by President Aquino in the past 15 months that she served as both chief executive and chief legislator.

She and the Cabinet have scheduled the approval, before Congress convenes in July of four more crucial legislation--on a comprehensive agrarian reform program, on free high school education, the National Drug Code, and the Omnibus Investments Code.

CHRONICLE sources in the Cabinet Assistance Secretariat (CAS) said the land reform law has been delayed by questions of fund sources for the P58-billion project, and on the coverage of the program's Phase C that applies to lands planted to sugar and coconut or crops other than rice and corn.

On the other hand, undersecretaries sitting in the CAS have debated on the Investments Code provisions increasing incentives to foreign investors, as well as on issues of transfer-pricing and labor standards to be enforced.

The code, which compiles foreign-investment laws and incentive schemes, seeks to grant additional incentives to foreign firms in less-developed areas, export-processing zones or industrial estates, and privileges to holders of special-investors visas and those with regional headquarters or warehouses in the country.

With these completed, Mrs Aquino will yield to Congress the law-making power she assumed with her revolutionary ascent to the presidency, and which the new constitution affirmed in its transitory provisions. But she will leave behind a legacy of laws not entirely outstanding, and a legislative process that on record appeared rather erratic.

For instance, Malacanang's Records Section has failed to account for copies or titles or summaries of 17 of the president's issuances. There are cases, too, when on certain days, she approved 17 laws (24 December 1986) and 16 laws (20 February 1987) all at the same time.

As a legislator, Mrs Aquino has produced 168 Executive Orders (EOS), 99 Proclamations, 20 Administrative Orders (AOS), 12 Memorandum Orders (MOS), and seven Memorandum Circulars (MCS).

Of her 99 Proclamations, 52 declared the observance of national and local holidays or the celebration of various professional groups, while 11 authorized private civic groups to launch fund-raising campaigns.

At least 28 of the various issuances created task forces, fact-finding missions or ad hoc committees, proof perhaps of the ad hoc responses government has taken to settle urgent problems.

Committees have been convened to deal with serious security and other issues such as the Manila Hotel loyalist coup last July, the massacre of farmer-rallyists at Mendiola, labor disputes settlement, gambling operations, Laguna de Bay's problems, public sector unionism, and the land reform program. Others tackled routine administrative tasks such as preparations for the observance of Independence Day, the Araw ng Kagitingan and the Edsa Revolution's anniversary.

Of her EOS, 29 modified or withdrew taxes and import duties (except on logs), and declared tax amnesties of all types. Eight other EOS raised the salaries or travel and medical allowances of public school teachers, foresters, and other civil servants, granted year-end bonus and cash gift to them, and hazard pay to soldiers and uniformed policemen.

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CORDILLERA REBEL LEADER GIVES AQUINO WARNING

HK111545 Manila PHILIPPINE DAILY INQUIRER in English 11 May 87 p 9

[Article by Philippine News and Features]

[Text] Banaue, Ifugao--Still saddled with a \$28 billion debt inherited from the deposed Marcos regime and burdened with a fractious military machinery, the Aquino government is inviting its own collapse if it pursues an all-out war on "revolutionary forces."

This is the assessment of the clandestine Cordillera People's Democratic Front (CPDF) which declared recently a fetad (mass uprising) as a response to the Aquino government's "low intensity conflict" (LIC) strategy of total war. LIC, CPDF charged, is being implemented with the help of the United States Government and the Roman Catholic Church.

CPDF is among the member-organizations of the National Democratic Front. CPDF has its own army, the Cordillera People's Guerrilla Force (CPGF) which is in a "strategic alliance" with the New People's Army, armed component of the Communist Party of the Philippines.

"Although President Aquino still enjoys some prestige here and abroad, her government is actually weaker than that of Marcos because she has no control of the armed forces," said Ka (comrade) Mike of the CPDF Regional Secretariat in a recent press conference held in a place some 30-minute hike from the highway leading to the famous Banaue rice terraces.

The perception of countryside folk on the Aquino government is no different from the former regime "or even worse" after it unleashed its "fascist character," said Ka Mike, citing the recent indiscriminate blanket bombing in Kalinga-Apayao where the victims, according to him, were non-combatants including innocent children.

Failing to give in to popular demands for the selective repudiation of the country's \$28 billion foreign loan, the Aquino government will continue to be at the mercy of foreign creditors and investors, Ka Mike said.

He said the Aquino government has been asking and will certainly ask for more U.S. military aid, and the national budgetary allocation for health, education and other social services will have to be diverted for the government's all-out war on revolutionary forces. This, he said, will hamper the government's economic recovery program.

Although the Aquino government was successful in coopting the Cordillera People's Liberation Army (CPLA), an armed group that broke away from the CPP-NPA April 1986, CPDF claims that CPLA continues to lose mass support because of factional leadership, a "confusing political line," and organizational problems.

Ka Elias, another CPDF secretariat member, said "CPLA now has three factions," the Mailed Molina group, the Moises Lingayo group, and ex-priest Conrado Balweg's group.

In response to the Aquino government's implementation of "subtler counter-revolutionary" measures such as socio-economic projects side by side with the LIC strategy, CPDF said it has already made inroads in implementing a "program for popular empowerment" in the Cordilleras.

CPDF chided the Cordillera development program being funded and managed by the European Economic Community (EEC), which includes irrigation and road-building, as a mere "palliative intended to make the impoverished masses forget the source of their oppression."

CPDF said it tried during the last 60-day government-NDF truce to negotiate with the Aquino government to study and discuss autonomy for the Cordillera people. The government negotiated with CPLA, but failed to recognize CPDF which claims to have already set up its own local revolutionary government from the barrio level to the municipal and provincial levels in most towns of the Cordilleras since 1971.

CPDF says it has since then implemented a form of development that encourages rather than denies the participation of the masses at every stage of policy formulation, planning and implementation. "Our development projects may prove modest compared to EEC-funded projects, but they are what our people can truly call their own," CPDF said.

CPDF's socio-economic projects include reforestation, fisheries, cooperative building, community health care and functional literacy.

To the LIC strategy of total war, CPDF--claiming it enjoys popular support from most villages of the Cordilleras--has warned that "when the AFP (Armed Forces of the Philippines) confront us, it is confronting the best sons and daughters whom our people have committed to the revolutionary cause."

Ka Elias claims that in Ifugao Province alone, CPDF can mobilize two guerrilla companies capable of facing its enemies for a week of fighting. In the whole Cordillera, he said, CPDF is capable of battalion formations.

"It seems the Aquino government has not learned well from its predecessor. Aware and organized, the basic masses of the Cordillera are difficult to fool," CPDF said.

ORGANIZED LABOR VIEWS SYMPATHIES OF INCOMING CONGRESS

HK181341 Manila PHILIPPINE DAILY INQUIRER in English 18 May 87 p 8

[Article by Glenda Gloria]

[Text] Organized labor yesterday said the new Congress will be packed with pro-business politicians and former management lawyers warned the future lawmakers that they will have to contend with pressures from a militant breed of workers once the lawmaking body convenes in July.

The country's militant workers are banking on the five sectoral seats allotted for labor in Congress, hoping that through these representatives the workers will be able to air their disagreement to some existing laws which they find detrimental to the state of Philippine labor, a labor leader said.

Leto Villar of the Kilusang Mayo Uno [KMU - 1 May movement] expressed dissatisfaction over the re-emergence of political warlords, conservatives and Marcos henchmen in the Congress.

"Wala kaming maaasahan sa kanila sa mga labor issues" (We cannot depend on them with regards to labor issues), he said.

The Labor Advisory and Consultative Council is set to draw an alternative program on labor to be submitted to Congress, Douglas Dumanon of the labor coalition told the INQUIRER. The coalition's main agenda will be the repeal of remaining repressive labor laws, Batas Pambansa [national laws] 130 and 227, which still allow management to transfer goods and equipment in and out of the companies even during strikes.

Villar, however, said that KMU may propose an overhaul of the Labor Code, stressing that the drafting of a new code must be participated in by workers representatives this time.

Labor leaders noted with dismay that very few candidates with "pro-labor" interests have made it to Congress. One labor leader who ran under Partido ng Bayan [PNS - People's Party] in Legaspi City, Tony Imperial, seemed to make it as of latest count while PNB's Ross Bautista of Caloocan is still locked in a close fight with his Laban opponent.

Most of those who are certain of victory are either traditional politicians with conservative views on labor or rabid allies of capital who had the backing of businessmen during their campaign, they added.

Worse, Villar said, the lawmaking body will be filled with people loyal to the government who are expected to mouth the same government position on labor policies.

Militant labor groups have accused the government of frequently bowing to the business line in drawing up policies for the country's 22 million workers.

Already, the country's top employers group, the Employers Confederation of the Philippines [ECOP], has prepared a set of proposals on industrial relations and other issues affecting business and labor to be presented to Congress. However, ECOP has yet to release these to the public.

The employers are particularly bothered by the new Constitution's emphasis on the workers' right to declare a strike, which makes the 1986 charter different from those drafted in the past.

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COLUMNIST SEES CONGRESS AS NEW POWER CENTER

HK120453 Manila THE MANILA CHRONICLE in English 11 May 87 pp 1-2

["Analysis" column by Amando Doronila: "Congress Likely to Spawn Turncoats"]

[Text] When Filipinos cast their votes today, they will not only be forming a new Congress. More important, they will be creating a new power center that will rival that of the Presidency.

Historically, Philippine legislatures have been hard to tame. Tensions between Congress and the Presidency are likely to be intensified by the fact that under the 1986 Constitution, the legislature has gained broader powers than those of previous congresses, and that we have a president who is reluctant to exercise the still vast powers of her office.

Today, President Aquino cedes her decree powers to legislate back to the people who are electing their representatives. This is supposed to broaden the base of democracy and further institutionalize democratic processes. But it may be well to bear in mind that in the past 15 years, two legislatures were dissolved.

In September 1972, former President Marcos, in declaring martial law, dissolved Congress and suspended electoral politics following prolonged Executive-Legislative impasse, making way for rule by decree for more than 9 years. In February 1986, President Aquino, following the People's Revolution, dissolved the Marcos rubber stamp Batasang Pambansa in a sweeping dismantling of the Marcos dictatorship. The Batasan was seen as one of the most important institutional props legitimizing the dictatorship. It was an instrument to manage--and even arrest--change according to Mr Marcos' view of his now discredited "New Society."

The question therefore arises whether the next Congress will be an arena through which significant social change can be mediated harmoniously or whether we are headed for yet another cycle of debilitating conflict between the Executive and the Legislature. Should the second situation develop, the possibility of another Executive dictatorship ala Marcos or of even the intervention of the military to resolve a political deadlock cannot be ruled out.

The elements of discord exist already in the present electoral context. The most distressing element was discussed in yesterday's essay which described what we called the refeudalization of politics. In this refeudalization, we have returned to the basics of traditional politics in which oligarchic families on the regional and provincial levels are trying to reassert their political influence following the demolition of the structure of the pre-martial law two-party system.

Existing side by side with this reversion process is the emergence of the new politics of the Left which is now taking part in the electoral process with a different approach. The groups identified with the Left--i.e., Partido ng Bayan [People's Party?] and Bayan [Bagong Alyansang Makabayan--New People's Alliance]--are emphasizing issues. Should the Left succeed in making a significant breakthrough in Congress, the interaction between the more traditional groups and the Left could be the catalyst for a new type of parliamentary politics.

It is premature at this stage to prefigure the tensions arising from this interaction, but what is more immediately relevant to consider is that given the multifarious factions running candidates for Congress, it will be extremely more difficult for a very inexperienced president to handle Congress, compared with the relationship between past presidents and their legislatures.

Strategists of the government coalition, Lakas ng Bayan [People's Power], predict majorities in both the Senate and the House. Even granting that these majorities will materialize, these would at best be paper majorities. The coalition is not a well defined political party with a cohesive platform and with an effective mechanism for party discipline.

Each of the many factions within the coalition has an agenda of its own. Most of the individuals in the factions have different outlooks which have not been integrated into a party philosophy. The same holds true for the opposition coalition, Grade Alliance for Democracy [GAD], and its factional components.

It is not far-fetched to say that each of the members of the government and the GAD coalitions is a potential rebel.

On the optimistic side, it is possible that the coalitions will try to put up a semblance of party coherence, but this is an extremely difficult task, given the very opportunistic and personalistic considerations used in recruiting candidates. It is more likely that in the process of consolidating the coalitions, disgruntled members could cross coalition lines, presenting probably the largest turn-coatism in the legislative history of this country. And if we consider the tested formula of trying to hold a majority through pork barrel largesse, we are likely to find that there will not be enough money to finance these pay-offs in the public works bill.

Given that a majority may well be a token majority not held together by any ideological principles, the next Congress is likely to be a circus of atomized members, each acting on behalf of individual or at best limited

interests. Such a Congress will be a quagmire that will swallow up whatever initiatives for reform may emanate from the president.

The point we are stressing is that while the February Revolution has toppled the dictatorship, the task of rebuilding democracy and its support institutions--such as Congress--is vastly more complex. Congress will be just another step in accommodating demands for change from the majority of the population.

In the past, the legislature was the platform and stronghold of elite interests, and such interests are behind the candidacy of the members of the regional and provincial oligarchies. Such interests block reform legislation such as land reform and making the taxation system less regressive.

It is possible that through the legislative process, party formations which well defined ideological orientations could develop. But this will take time--possibly during the rest of the Aquino presidency. In the process of multi-party gestation, realignments could happen within the Congress and the legislature could be the battleground of diverse and clashing interests that could effectively paralyze it with unceasing deadlock.

Legislative impasse is the greatest risk facing the next Congress. Should the impasse paralyze government, we shall be facing political crises worse than what we had in the years preceding the imposition of martial law. Such crises could either force President Aquino, if she is so inclined, to speak like Marcos with Cory's voice, or make it more tempting for the military, the most organized and now highly politicized force in the country, to seize power in the name of national development. There are many models in the Third World of military power seizures taking place in the midst of a chaotic parliamentary crisis.

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121 HOUSE SEATS SUBJECT TO POST-ELECTION DISPUTES

HK191417 Manila PHILIPPINE DAILY INQUIRER in English 19 May 87 pp 1, 7

[Article by M. Ronquillo and G. Camposano]

[Text] The House of Representatives may convene in July with less than half of its 200 elected members attending. The reason for this is the bigger half--121, to be exact--will, in all likelihood, still be locked in post-election battles by that time.

A total of 101 petitions asking for annulment of elections in as many congressional districts are now being evaluated by the seven-member board of the Commission on Elections [Comelec]. This is on top of the 20 congressional winners whose proclamations have been stopped by the Comelec due to charges of electoral fraud.

The election protests are based mostly on charges of massive electoral frauds and irregularities, including vote-buying, tampering with ballots and official forms and terrorism.

According to Comelec records, orders suspending the proclamation of winners were issued for the following districts: Manila (fourth district); Batangas (third district); Cebu (fifth); Batangas (fourth); Quirino (lone); Kalinga-apayao (lone); Agusan del Norte (lone); Agusan del Sur (lone); Masbate (third); San Juan-mandaluyong; Iloilo (first); Western Samar (first); Pasig; Pangasinan (fifth); Negros Occidental (second); Pampanga (fourth); Cagayan (first); and Cebu (third).

The 101 petitions still being decided by Comelec Chairman Ramon H. Felipe Jr and the six commissioners are congressional districts spread throughout the country.

It is very unlikely, according to Comelec sources, that the board will be able to provide immediate solutions to the problems that prompted the 20 suspension orders as well as the others that may also necessitate similar directives. It takes time to hear and decide on these electoral disputes, the sources said.

The Comelec, too, is under extreme pressure to complete the national canvass of the senatorial elections which has been moving at a very slow pace. The political opposition has charged that the Comelec is deliberately delaying the canvass to rig the results in favor of the administration candidates.

After the national canvass of the senatorial returns, the Comelec will have to prepare for the local elections.

The leading congressional candidates involved in post-election disputes will not be able to sit in the House because all unresolved cases left by the poll body will be tried by the Electoral Tribunal which will be created by the new Congress.

Former close Marcos associates Ronaldo Zamora and Ismael Mathay Jr are two of the winning congressional candidates whose proclamations were ordered stopped. Mathay of Quezon City's fourth district led Laban [Lakas ng Bayan - People's Power] rival Tadeo Munoz-palma while Zamora of San Juan Mandaluyong was slightly ahead of former movie actor Jose Mari Gonzales.

Some of the winning candidates whose proclamations were stopped allegedly got support from communist rebel forces.

In the lone district of Kalinga-apayao, the opponents of winning candidate William Claver charged that both the New People's Army and the Cordillera People's Liberation Army supported his candidacy. Among those who petitioned against Claver was former television executive Eubolio Verzola Jr.

In a related development, the Comelec yesterday told all provincial boards of canvassers not to be cowed by candidates trying to have themselves proclaimed winners in the 11 May elections.

Commissioner Leopoldo Africa informed reporters of the poll body's new formula to allow the canvassing while suspending proclamations pending the resolution of petitions filed against winning candidates. "Election protests take time to resolve and we don't want to prevent a quorum of the new Congress when it convenes," he said.

Africa said all protests at the municipal level should have been made immediately after the canvassing and any ruling by the commission is appealable up to the provincial board of canvassers within 5 days after the municipal board of canvassers has submitted its canvass.

He said all proclamations made before the period of appeal for losing candidates are considered void from the beginning.

Comelec records show there are about 30 winning candidates already proclaimed by provincial boards of canvassers.

The latest winner to be proclaimed was Chavit Singson in Ilocos Sur.

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AQUINO SAID TO FACE 'UNCOOPERATIVE' SENATE

HK191407 Manila MANILA BULLETIN in English 19 May 87 pp 1, 14

[Article by Ding Marcelo]

[Text] President Aquino should expect an uncooperative Senate, even a confrontational one, because the one-term presidency mandated by the Constitution makes her a natural target for ambitious senators, Senate hopeful Eduardo Angara said yesterday.

"Because of the structure (of the Constitution), the possibility of confrontation, more than cooperation, is there because the President is a lame duck president," Angara said.

Repeatedly saying "the structure is bad," Angara said the Constitution gives senators a chance to run for two terms while the President has only one and a situation is created, he said, where "you make every single senator your natural antagonist, your natural competitor."

Because of this, he said, President Aquino might try to influence the choice of the Senate president, a powerful position which many consider as a spring-board for the presidency.

"If I were the President, I'll use my influence," Angara said.

Asked if such does not transgress the natural separation of the executive and legislative branches as enshrined by the Constitution, Angara said "the times are hard, the economy is bad and the President needs every possible cooperation from all sectors."

But he admitted that cooperation may be hard to achieve, saying "there's going to be a premium on cooperation because the structure is naturally made for confrontation."

Angara, who is listed among the top 10 senators in the advanced counting, said he has not made up his mind on who to vote for Senate president. He said though that both Jovito Salonga and Neptali Gonzales are the frontrunners for the Senate presidency. He said both are close to the President and both are experienced law-makers.

Both are also reported to be eyeing the presidency in 1992.

For his part Alberto Romulo, another candidate considered a shoo-in to the Senate, said that anyone among the elected senators is good material for Senate president.

Like Angara, he said he has not made up his mind and no one has also approached him to solicit his vote.

He said that the Laban coalition is expected to hold a caucus after the official proclamation of the winners before the end of this week and it will probably be at this time when the group will make its choice known.

Meantime, Romulo proposed that Congress hold its session at the old Congress building near the Manila City Hall "to demonstrate continuity of democracy."

He said the government should not spend money for a new building and instead just refurbish the old one and also use the adjacent Finance building if the old one could not accommodate the new members.

On the other hand, Angara proposed that the Congress be housed at the GSIS [Government Service Insurance System] building at the Cultural Center complex which he said is nearly 90 percent complete and big enough to accommodate both Senate and House of Representatives.

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CSO: 4200/591

NEW CONGRESS SEEN AS END FOR 'EXCUSES'

HK151311 Manila PHILIPPINE DAILY INQUIRER in English 15 May 87 p 4

[Editorial: "No More Excuses"]

[Text] For better or for worse, the ruling coalition has apparently won an overwhelming majority in Congress--that is if the various "quick" counts on the election results are to be believed. Regardless of the mounting complaints against alleged irregularities in both the voting and counting of ballots, most Filipinos at this point seem to be satisfied with the trend towards a sweep by the candidates of the Aquino administration. The landslide that's taking shape in the race for the Senate is being replicated in the contest for House seats. Should the trend hold out to the end, the administration would have the enviable position of controlling not just the executive, but also the legislative, a control it has achieved through an apparent adherence to democratic processes.

Evidently, the public has responded favorably to the President's appeal for a law-making body that would support her administration's programs--which programs nobody as yet in her Cabinet has managed to articulate in a clear and intelligible form. She and her spokesmen have mentioned on various occasions general statements on the need to implement land reform, to stimulate industrial growth and farm production, to conserve the nation's dwindling natural resources and to intelligently harness its remaining wealth, to fight poverty, to settle the insurgency and all the other declarations that a reforming government like hers is expected to make. However, none has been able to present a detailed explanation of what actual measures the administration will undertake to achieve those goals.

What is really remarkable about all this is the fact that the majority of Filipinos have hung on to those vague pronouncements on policy, despite the existence of other groups which have enunciated a far more specific program of government and despite the growing body of evidence on the corruption creeping into her government. Rarely have a people gone by the mere say so of their president, rarely has a government in this country managed to function on the basis of such trust. On the other hand, rarely has there been a president like Corazon Aquino.

But while the president's personal popularity has remained strong and durable, there is also the growing anxiety that the nation's future cannot--and should not--be anchored on such popularity for much longer. While real progress has been made, for instance, in restoring the economy to health other similar critical areas have been bypassed. Over the past 14 months, the administration has been wont to blame for its failures the instability it had been experiencing, which in turn it has said was due to the absence of sufficient democratic structures. The people, by their millions, went along with that. They supported the president throughout the many attempts to physically destabilize her government. They ratified overwhelmingly the constitution she had sponsored. And more recently they voted into Congress most of the candidates she had handpicked. In sum, the Filipino people for a long time have stood by--uncharacteristically for a tendentious people, we should point out--their leader. They have been patient with her government's lapses and shortcomings. They have given her every advantage she has sought. They have done all this believing in her sincerity.

With the Constitution in place and a Congress dominated by the ruling coalition about to take shape, she now has in her favor all the factors she has all along been saying she must have to address the nation's problems. Now, there is no more room for excuses.

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CSO: 4200/591

PAPER ANALYZES OPPOSITION DEFEAT IN SENATE RACE

HK151257 Manila MANILA BULLETIN in English 15 May 87 pp 1, 10

[Article by Nick T. Enciso]

[Text] The crushing defeat of the opposition in the senatorial election shows that the people are still unconditionally behind the Aquino government.

The opposition's protest that there was massive cheating in favor of the administration candidates is "minimal" although true in some areas and even in the face of several bureaucratic blunders committed by field officials of the Commission on Elections (Comelec).

By and large, the opposition is itself to blame because it was "hopelessly" fragmented, mainly between the Grand Alliance for Democracy (GAD) and the Union for Peace and Progress-Kilusang Bagong Lipunan (UPP-KBL).

Allegations of "statistical improbabilities," like known opposition bets getting insignificant votes in their respective bailiwicks, cannot hold water because the voters did not want their votes wasted. The votes they got were strictly the partisan ones.

The close identity of the opposition groups to the former administration was enough to cause their defeat aside from the fact that they were pressed for time to campaign. The 60 days at the Hastings were enough for the House bets but not for those running for the Senate.

Even on the election issues, the opposition was at a disadvantage because it harped on economic development. The administration bets, being close to Malaczang, were more credible in implementing such development plans.

The claim that the country needs an opposition Congress, since the executive and judiciary are already identified with the administration, was assailed by President Aquino's argument. With hard times, she said, what is needed is a Congress supportive of her plans of government.

She also explained that her senatorial bets are men and women of independent minds and prestige that they would not allow themselves to be mere lapdogs as allged by the opposition.

One serious negative issue against the opposition was its promise to return former President Marcos to the Philippines. They tried to deny this but it was too late. The people in general believe that Marcos is to blame for the nation's ills. And his being linked to several unsuccessful coups d'etat that alarmed the peace-loving Filipinos is another reason for their non-support of the opposi[tion] [sentence incomplete as published]

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CSO: 4200/591

GOVERNMENT TAKES MAJORITY AT SAN MIGUEL

HK151343 Quezon City BUSINESS DAY in English 15 May 87 p 10

[Excerpt] The government yesterday took majority control of the board of directors of giant San Miguel Corporation [SMC], relegating the Soriano group to minority position.

Erstwhile chairman and President Andres Soriano III retained the chairmanship but the presidency went to a long-term member of his group, Francisco Eizmendi Jr.

The Presidential Commission on Good Government [PCGG] using the full strength of 58 million sequestered shares comprising 51 percent of SMC stock, installed its nine choices for the 15-member board. The Soriano group took the other six board seats.

The PCGG last year, despite its sequestration of the controlling shares, allowed the Soriano camp eight board seats and took only seven.

In further contrast to 1986, the government yesterday also elected to the SMC board mostly businessmen instead of mostly political appointees.

The PCGG had previously said it wanted to keep the Soriano group in charge of SMC management and that its aim was, through a new board composition, to revise the corporation's by-laws to prune the powers vested in position of chairman and president in approving a wide array of contracts.

In a highly emotional 3-hour general stockholders' meeting, elected to the SMC board through the PCGG were Ramon Y. Sy, chairman of the United Coconut Planters Bank; Teodoro Locsin Jr, presidential adviser; Eduardo de los Angeles, dean of the Ateneo Law School; Feliciano Belmonte Jr, chairman of the Government Service Insurance System (all four are entering their second terms on the SMC board); Jose Maria Delgado III, of the Delgado Brothers; Domingo Lee, president of the Federation of Filipino-Chinese Chambers of Commerce; Richardo P. Guevarra, of Maria Cristina Chemicals, Inc.; Jaime Ladao, of the Credit Bureau Investigation; and Jose Feliciano, former secretary of agriculture.

Three of the directors elected on the strength of sequestered shares were supposed to represent minority stockholders, but they were not specifically identified. Observers said these may have been Guevarra, Ladao and Lee.

(Last year, the PCGG seated on the SMC board Education Secretary Ourdes Quisumbing, then local Government Minister Aquilino Pimentel, former member of Parliament Homobono Adaza, Oscar Santos, Ramon M. Garcia and Abraham Sarmiento.)

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CSO: 4200/591

FEARS OF INFLATION DUE TO ELECTIONS ALLAYED

HK180019 Quezon City MALAYA in English 16 May 87 pp 1, 6

[Article by Rosa Ocampo]

[Text] Economic Planning Secretary Solita Monsod has dispelled fears that the campaign spending for the 11 May legislative elections was inflationary, saying it was kept to a minimum, and no new money was printed.

In a television talk show Thursday night, Monsod said the election spending was actually a "temporary shot in the arm," giving a boost to various enterprises, like the printing, electronics, transportation and paper industries.

She said the campaign spending of President Aquino's 24 senatorial candidates was mostly financed by voluntary donations and there was no new government spending at all.

Previous elections under deposed President Marcos triggered inflation because the regime printed new money and used funds earmarked for government expenditures for election purposes. More money in circulation normally results in increased prices of basic commodities.

On the just concluded elections, Monsod said, "I doubt it very much that there will be an upsurge in inflation."

She cited statements from Lakas ng Bayan candidates that most of the money used for their campaign expenses was contributed by their friends and other supporters.

Rene Saguisag, for instance, said most of his campaign funds were donated by people he did not even know. He said he would not assume his Senate seat if he were found to have spent a centavo of government money for his election campaign.

Orlando Mercado said his campaign expenses reached only P2 million, while Agapito "Butz" Aquino estimated his expenses to be about P5 million.

Monsod said the boost given new industries by the election spending has had a "tremendous multiplier effect" that could spur further economic growth.

She also said the economy in general will receive a boost" since the successful conclusion of the elections would be construed by investors as a "significant step toward political stability and normalcy."

The poll sweep by President Aquino's candidates, she added, will be encouraging to both local and foreign investors.

At Malacanang, government economic managers gave the same assurance to President Aquino.

Despite the massive cash flow during the campaign, Budget Secretary Guillermo Carague said no additional money was printed by the government so there is no reason for any inflation.

If there was any inflation during the campaign, Carague said this was minimal, since the money already circulated in the hands of the candidates even before the campaign.

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CSO: 4200/591

PHILIPPINES

LABOR UNION LEADER CRITICIZES AQUINO REGIME IN JAPAN

OW181325 Tokyo KYODO in English 1222 GMT 18 May 87

[Text] Tokyo, 18 May (KYODO)--Leto Villar, vice chairman of the May First Movement (KMU), a Philippine left-wing labor union league, Monday criticized the Aquino government, saying the living standard of workers in the Philippines has not improved since President Corazon Aquino took office 15 months ago.

Workers have no expectations for the government, and tension between the Aquino government and labor has been growing, Villar told reporters.

The Aquino government has been showing an anti-Philippine character reflecting interests of the United States, he said.

President Aquino has rejected demands from labor to raise the current minimum wage of 57 pesos a day, and disruption of labor union activities by the military continues, Villar said.

Unemployment in urban areas has reached 40 percent, he added.

Although Aquino still has high personal popularity, the president, who was once regarded as a symbol of the unity of the people, has become a symbol of popularity, Villar said.

The KMU, which was formed in 1980, will call for the establishment of national sovereignty, nationalization of enterprises and agrarian reform, he said.

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NDF CRITICIZES 'ILLUSIONS' OF AQUINO'S SINCERITY

HK191505 Manila THE MANILA CHRONICLE in English 18 May 87 p 10

[Article by staff member Paulynn Sicam]

[Text] The National Democratic Front [NDF] said yesterday that the results of the 11 May elections indicate that "a sizeable number of Filipinos still hold illusions about the sincerity of the Aquino government and its capacity to establish basic changes."

NDF spokesman Antonio Zumel and his colleague Satur Coampo met reporters at a "partisan area" outside Metro Manila yesterday afternoon. Zumel observed that the turnout during last week's elections shows that after 18 to 19 years of efforts "the NDF has not reached the majority of our people." The NDF will therefore "redouble our efforts" in all areas of revolutionary work.

Ocampo said that the NDF used the elections as a tool to further the "revolutionary objective" of showing that "this avenue is not the avenue for change." Instead of the boycotts that the NDF called on its mass following to do in previous elections, Ocampo said that the tactic has changed to "direct electoral participation."

Participation in elections, he explained, is an "educational process for those who persist in the belief that changes could be achieved, that the structures of bourgeois politics could be changed."

Although he said there are those who would be disappointed with the results of the elections, "largely, from the ranks of revolutionary forces, there is only a reaffirmation of this belief and a reaffirmation of commitment to revolutionary struggle."

Zumel added that the NDF had "no illusions" that even if the seven progressive candidates of the Alliance for New Politics [ANP] had made it to the Senate, "it would make no difference in terms of basic changes."

The Congress, as it is shaping up, the NDF said in a statement, has "all but a few of the proclaimed senators and congressmen (who) will be champions and apologists of the interests of U.S. imperialism and of the local elite." The representatives of the "progressive movement," the statement said, "have been shut out."

The Aquino Congress, the NDF observed, will have the "major role of defending and imposing the status quo against the people's rising demand for radical transformation of our society."

Ocampo said that "somewhere along the way," the results of the elections are being manipulated "to marginalize first the left, and the other opposition."

It would have been a "grievous mistake," Ocampo said, "for the revolutionary forces to have put all its eggs in this (electoral) basket."

The poor showing of the ANP candidates in the polls, he said, cannot be interpreted as "a repudiation of the program of the revolutionary left, of the program the ANP tried to project." The ANP's limited resources, he said, hampered its aim of trying to reach as many people as possible in the 60-day campaign period.

The "carnival atmosphere," the statement said, "raised false hopes" and "blurred, distorted, and drowned out the sober discussions of the very real and pressing problems that confront our nation."

Despite the public perception that the elections were clean, peaceful and honest, the NDF contends that "the election was conceived and conducted in such a way as to manipulate and frustrate the people's will for change."

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CSO: 4200/591

SHAHANI URGES AQUINO TO REVEAL BASES OPTIONS

HK191427 Quezon City MALAYA in English 19 May 87 p 6

[Article by Belen Evardone]

[Text] Former Foreign Undersecretary Leticia Ramos-Shahani, considered a shoo-in for the Senate, yesterday urged President Aquino to reveal her options on the U.S. military bases issue now, because, she said, "You just don't come up with your options during the negotiations."

Shahani, 57, who served in the foreign service for 25 years before she broke away from the Marcos administration, said Mrs Aquino should now state clearly her position on the U.S. bases so the government can adequately prepare its position when negotiations start next year. She said the people are "confused" about what position to take because of President Aquino's non-disclosure of her options on the issue.

President Aquino has repeatedly said she is keeping her options open until the expiration of the RP [Republic of Panama]-U.S. military bases agreement in 1991. Under the pact, the two panels would start their negotiations on the issue next year, or 3 years before the expiration of the accord.

Shahani also proposed the creation of an inter-agency committee to be composed of representatives from the ministries of foreign affairs, trade and industry, education and defense, and the Office of the President, to study the various aspects of the bases agreement.

She said the special committee should come out with a viable position on the implications of the retention or removal of the U.S. bases.

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CSO: 4200/591

MALAYA ANALYZES ANP DEFEAT IN RECENT POLLS

HK181405 Quezon City MALAYA in English 18 May 87 p 2

[Text] The Aquino government victory in the 11 May elections may only be a case of history repeating itself. In the past, elections held following the assumption of power by a political bloc have usually gone to the latter.

A new government is usually still popular, its image untarnished by the corruption, crises and miscalculations that have plagued almost every administration since 1946. And being in power, a new government also has a commanding advantage in terms of machinery and logistics.

Whether or not the recent elections were "clean and honest" the administration coalition Lakas ng Baysas [Laban--People's Power] victory may also be largely attributed to President Aquino's popularity and personal endorsement of the Laban slate.

Laban's edge in media exposure, machinery and money, much of which anyway was inherited from the Marcos men who have since defected to the Aquino camp, made an administration victory almost a foregone conclusion.

What all these show is that the 11 May polls seem not to have been any different from past elections in which "popularity" counted a lot. Popularity, a major asset in personality-oriented campaigns, is in turn determined by extensive exposure through the intervention of media.

Government officials, local traditional politicians and political clans are also expected to deliver the votes or face the risk of losing party support in future elections or even their current seats in government.

If a candidate's chances depended on these conditions, then the losers, in the last elections could only have been the Alliance for New Politics [ANP].

At the start of the election campaign, ANP leaders said they had no illusions that they could get a seat in the 24-man Senate, although they said they had a better chance in the congressional race. (The ANP also lost devastatingly in the House race.)

A few days before the elections, ANP had already pinpointed obstacles to an electoral win: the disfranchisement of voters in known ANP bailiwicks, resulting from continuing counter-insurgency operations and the forced evacuation of civilians, many of them ANP supporters; alleged last-minute changes in candidates' lists; the "management" of media to downplay the gains of the ANP's "new politics" campaign; and the presentation of the administration and traditional opposition parties as the only contenders in the elections.

The killing of at least 24 ANP campaigners before election day (who constituted more than half of the total number of victims of election-related violence) and the arrest and harassment of many others seemed meant to derail ANP's participation in the elections or to deprive it of any chance to winning. A few days before 11 May a smear campaign was reportedly mounted in many ANP bailiwicks linking "new politics" candidates to the New People's Army.

Other circumstances also proved fatal to ANP. Election rules which, among others, failed to provide for equal access to media facilities worked to the disadvantage of the alliance. In addition, ANP's shoestring budget of P1.2 million (less than 5 percent of one Aquino candidate's campaign funds) was insufficient to give it adequate media exposure or even enough posters.

In short, ANP's weaknesses were compounded by the reported harassment of its supporters. The gains harvested by its issue-oriented, high-level campaign may have "raised the political awareness" of many Filipinos and put "new politics" in mainstream politics.

The ANP's dismal performance in the polls also shows that much has to be done if the alliance is determined to participate in future elections. As ANP campaign manager Fidel Agcaoili said, ANP's participation in the recent elections has taught it a "number of lessons."

"Now," he said, "we are more prepared for the local elections."

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CSO: 4200/591

SOURCES REPORT LACK OF SUPPORT FOR BALWEG

HK191421 Manila PHILIPPINE DAILY INQUIRER in English 19 May 87 pp 1, 6

[Article by Roy S. de Guzman]

[Text] A year after dissociating himself from the communist movement to spearhead the Cordillera struggle for self-rule, Conrado Balweg has lost the support of his foot soldiers and the charisma which had forced government to negotiate with him.

The 43-year-old priest--who once vowed never to leave the mountains, his home for a decade in the underground--has been shuttling back and forth to Manila from Baguio, where he has mostly stayed since talks for regional autonomy started this year.

The charges against Balweg, ironically, were the same charges he leveled against Cordillera leaders of the Communist Party of the Philippines [CPP], when he bolted the insurgents' ranks last year.

"He is a dictator," a former staunch supporter said of Balweg. "He has failed to heed the wishes of our people," another protests. Others insist the ex-priest has failed to correct past mistakes, like womanizing and questionable handling of funds, that have depleted the resources of those in the Cordillera pro-autonomy ranks, and destroyed the morale of members of his Cordillera People's Liberation Army.

They said Balweg does not consult his followers anymore when making decisions. He only listens to a small band of left-of-center ideologues who are not from the Cordillera and are based in Manila, they complained.

The effects were disastrous: Fighters of the CPLA have abandoned their camps, tired of staying in make-believe training grounds and handicapped by lack of ideological inputs. Stalled talks for autonomy resumed but the government, taking advantage of the split and debates in the opposing camp, is biding its time until Congress convenes 1 July and the headache is passed over to the law-making body.

Communist rebels have gone on the offensive, and their allies in the open political front have succeeded in convincing most people to believe that Balweg has been isolated, and his crusade a lost cause.

Among those who have since distanced themselves from Balweg were former Kalinga-apayao Governor and Congressman-elect William Claver, Catholic priest Patricio Guyguyon, who parried early criticisms of Balweg's break-away from the CPP-NPA; ex-seminarian Mailed Molina, who formed part of the CPLA troika with Balweg and another ex-prelate, Bruno Ortega; and Ka [Comrade] Angat and Ka Wanas, two other members of the nine-man military commission of the CPLA.

Reached at his temporary office in Baguio, Balweg vehemently denied the charges--hurled by INQUIRER sources. He said the accusations were part of the communist psy-war tactics and black propaganda against the CPLA and the Cordillera tribal movement for autonomy.

He laughed off charges that he has lost the support of his men: "Why should I have the support of our people? I am only an ordinary man, I am not the Cordillera, and I do not claim to speak for the whole region."

He said Angat and Wanas are ill and had to temporarily take a leave from the army. Molina, he said, has not been suspended and is still in the CPLA.

But even pro-autonomy advocates admit that since the negotiations started, the CPLA has stopped recruitment and this has largely reduced the size of Balweg's army to less than 200 men, most of them part-time fighters with improvised guns, if they carry any at all.

The arms and funds the CPLA had hoped to solicit abroad remain a dream. The army was forced into hand-and-mouth existence and alienated village folks who have little to give away.

A secret meeting with Muslim rebels, before the Moro National Liberation Front's own talks with the government failed last week, has shown the present sorry state of the CPLA.

"We are being fooled in the talks ourselves," said a member of the Cordillera panel, "but we cannot do anything as we have no guns, no funds and no people to wage a respectable war."

Balweg himself admitted, in a lively chat with the INQUIRER last month, that they see no favorable scenario for them but for the negotiations to succeed. "We have staked so much in these talks, we have suffered organizationally. There is no way out, we know."

The communists, on the other hand, maintained a solid machinery up North and are just waiting for either the talks to collapse or the CPLA's self-destruction to renew their own autonomy bid, through war or on the bargaining table.

Balweg and his remaining men, due to mistakes of their own doing, do not have these options and may yet sink together with their vision--too early for our time, and too fragile to be handled by amateurs.

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CSO: 4200/591

COLUMNIST VIEWS PLO PETITION FOR RELATIONS

HK191351 Manila MANILA BULLETIN in English 19 May 87 p 6

[From column by Jesus Bigornia: "Jago Oldtimers Stagnating in Present Ranks"]

[Text] Having sowed the wind, the administration may have whistled the whirlwind toward the Philippines. In negotiating on equal footing with the Moro National Liberation Front (MNLF), the government has opened this country's doors to every two-bit revolutionary government in exile. As it is being requested by the Palestine Liberation Organization (PLO) which has asked for official recognition and diplomatic relations. [sentence as published] Who can say if Japan's Red Army or the Baader-Meinhoff "gang" in West Germany are even now thinking of making representations with the Philippines foreign office for the same privilege.

Residence here of a dozen stateless Palestinians at present ostensibly studying at local schools is hardly sufficient reason for granting recognition to a government-in-exile claiming to represent a splinter of the Palestinian people. Recognition implies establishment here of a diplomatic mission which could serve as a sacrosanct conduit for arms and financial aid to Philippine rebel groups and a safe haven for local as well as foreign terrorists.

Logically, it can be asked what the Philippines has to gain by establishing diplomatic relations with the PLO that could outweigh the possible harm that such relations could inflict on this nation. It is the view of the knowledgeable that it can only offend the State of Israel with which this country has maintained cordial relations since its creation in the post-World War II period. From Israel, the Philippines has received valuable technology. Only expertise in terrorism may be imported from the PLO.

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CSO: 4200/591

TATAD CLAIMS AQUINO IMPLICATED IN 'FUND MESS'

HK221343 Quezon City BUSINESS DAY in English 22 May 87 p 19

[Text] Grand Alliance for Democracy (GAD) candidate and spokesman Francisco S. Tatad yesterday disclosed he had written the Tanodbayan that President Aquino had been personally implicated in the "Fund mess" at the Philippine Amusements and Gaming Corp (Pagcor) and that "the offense is a ground for impeachment."

Tatad issued a statement on his letter to Tanodbayan Raul Gonzales, citing that Gonzales had earlier expressed interest in the case, and saying "it is doubtful the Tanodbayan can proceed against (Mrs Aquino) even if warranted by the evidence. The offense is a ground for impeachment and the remedy lies now in the new Senate."

Tatad had exposed before last week's election what he said was a diversion of a check for P2.8 million from the Pagcor Social Fund account to a private account in the Far East Bank and Trust Co belonging to Lourdes A. Ong, whom he identified yesterday as a confidential assistant in the office of the President and concurrently Pagcor director. He said the check had been made out in the favor of "Corazon C. Aquino" but was later altered to read "pay to 'cash'."

Tatad cited in the press statement that in trying to explain the irregularity, Alice Reyes, Pagcor acting chairman, had earlier told the press that Ong's private account was being used by the President to deposit "donations" received by her, and that the name of the payee in the Pagcor check had to be changed from "Corazon C. Aquino" to "cash" because it could not be deposited in its original form in the Ong account.

In his letter to Gonzales, Tatad said he "had not intended to touch the President" in the expose. "I did not want to make any allegations against her, and I had hoped her name would not at all be dragged into this. But it is her own Pagcor chief, in her attempt to present the whole irregular transaction as a normal one, who has implicated the President," he said in the statement, quoting his letter.

Tatad pointed out that while Tanodbayan can investigate and proceed against Reyes and Ong, "he could not possibly investigate and proceed against the [word indistinct] if warranted by the evidence."

"I know that you will do everything so that the ends of [words indistinct], I am not unreasonable as to expect you or anyone in government today to investigate the [President]," wrote Gonzales.

"The remedy is no longer purely legal but political," he said, "and this perhaps is one reason why despite the actual votes we had received in the precincts, my colleagues and I in the Grand Alliance for Democracy are losing in the count. It is very clear that the President cannot afford to have this issue raised in the Senate because it constitutes a ground for impeachment," he added.

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CSO: 4200/591

LABAN CHIDED FOR IGNORING 'REAL' CAUSE OF FRAUD CHARGES

HK251521 Quezon City BUSINESS DAY in English 25 May 87 p 4

["My Cup of Tea" column by Ninez Cacho-olivares: "Ignoring the Cause?"]

[Text] AFP [Armed Forces of the Philippines] chief of staff General Fidel Ramos warns that "civil disorder may erupt as a result of disputes arising from the legislative elections."

"The possibility of civil disorder poses a graver danger to our internal stability than all other threats because should law and order break down, all of our people would suffer," says General Ramos.

Homobono Adaza, one of the GAD [Grand Alliance for Democracy] candidates who didn't make it to the circle of 24, warns that the military may stage a coup d'etat in 2 years "unless President Aquino staves off nationwide unrest," adding that the President's continued failure to curb the increasing protest over the elections would vindicate claims that democracy had died in this country. This, he says, will lead to a military takeover. Moreover, he warns that if a military coup fails, the communists will make their own grab for political power and people will have to choose between a military government and a communist government.

Laban [Lakas ng Bayan--people's power], according to press reports, alleges that Eduardo Cojuangco, a Marcos crony and the former Coconut King, is investing P4 billion in the Philippines to fund a campaign to destabilize the Aquino government. Mass actions protesting alleged widespread fraud in the 11 May elections, according to reports supplied by Laban sources who requested anonymity, will be funded by the Cojuangco billions.

The left, represented by the Alliance of New Politics, talks of disillusioned supporters and the possibility of these supporters resorting to armed struggle.

Almost everybody seems to be painting a grim scenario for the country, but what is interesting to note is that commentators, letter writers and political analysts are almost one in saying that while civil disorder may erupt, or while a well-funded destabilization program is put in place or while disgruntled elements in the military may plot and attempt to stage a coup d'etat, all these best-laid plans of mice and men will hardly

prosper, and the basis for such a conclusion is usually that support the Filipino people continue to give to the Aquino government. The other conclusion is that the government cannot be dislodged because the President is much too popular.

But the real issue is, I fear, being muddled. It will probably help if we start asking why the grim scenarios are being painted by the military, the opposition, the left, and the ruling coalition.

Not too long ago, the President and the administration boys and girls virtually promised the nation political stability with the ratification of the new charter. Political stability was not achieved, even when the charter was overwhelmingly ratified. Again, political stability was promised, when the President and the "Cory anointees" went all over the country to campaign. The nation went all out for an election, in its desire to achieve political stability. The elections are over, and today, there is more talk about a coup d'etat, about civil disorder, about a communist takeover than there is about the speakership of the Congress.

But if the desire political stability is not being achieved, it is, I suspect, mainly because the administration failed to handle the election correctly.

People expected the elections to be fraud-free, basically because of the faith they have in President Aquino. In the people's perception, Mrs Aquino could not possibly be party to fraud in any election. And so, people accepted the Palace statement that elections were clean, honest, and orderly. And never mind if our literacy rate seemed to have soared all too suddenly, what with voters reportedly even including the middle initials of the Cory candidates. And never mind if a Rasul, a virtual unknown in the political scene, garnered more Namfrel [National Citizens Movement for Free Elections] votes than an Enrile or a Kalaw. Fraud couldn't have possibly been committed under the Aquino administration.

What is emerging slowly, however, is that fraud has been employed. Almost everybody seems to agree that indeed, fraud has been committed. But a distinction is being made today. The fraud committed is low-grade and not sufficient to alter the will of the people. But how does the nation know that its will was not thwarted simply because "low-grade" fraud was employed? That cheating in the lower level may have successfully thwarted the will of the people. The people may have willed for a certain congressional candidate to be their representative, but this may have been thwarted because of the low-grade cheating in a particular district.

But instead of looking more closely into this problem of fraud, and offering solutions, what the Laban brings to public attention is the reported plan of Cojuangco to pour in billions for destabilization campaign. Is this being done more to get the people's minds off the cheating that the opposition claims occurred during the counting?

The opposition may be a discredited lot, but this does not in any way invalidate its claims that cheating was resorted to during the latest electoral exercise.

Instead of looking into the perennial problem of cheating during elections, we seem to create more problems by bringing up grim scenarios. It makes one wonder whether the government truly wants to solve the problem or to gain sympathy.

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CSO: 4200/591

PAPER HINTS PALACE COURTING GAD CANDIDATES

HK261225 Quezon City MALAYA in English 26 May 87 pp 1, 2

[Article by Butch Fernandez]

[Text] The Aquino government is attacking on two fronts the new round of destabilization efforts believed being instigated by opposition elements through a series of mass protest actions denouncing alleged widespread frauds in the 11 May polls.

Even as it took a tougher posture by adopting the "no permit-no rally" policy on public demonstrations, pro-Aquino leaders are quietly carrying out a policy of attraction to convince losing opposition candidates to concede defeat.

As of yesterday, Laban [Lakas ng Bayan--People's Power] headquarters' latest "nose count" showed that at least 12 "conservative" senatorial candidates from GAD [Grand Alliance for Democracy] have held "fruitful talks" with government emissaries, sources said. However, Laban refused to disclose their names as it said the negotiations are still going on.

Laban officials also identified at least seven GAD senatorial candidates who have manifested support for ex-Defense Minister Juan Ponce Enrile if he pursues his protest through legal means. They would not subscribe to plans to stage a coup, Laban said.

Laban insiders said concessions are being offered to some opposition men. They declined to elaborate.

Speculations that a group of GAD stalwarts were set to break away from the Enrile camp grew Sunday with the conspicuous absence of several GAD frontliners from the EDSA [Epifanio Delos Sandos Avenue] rally protesting alleged electoral frauds.

Enrile led the Sunday rally attended by thousands of Marcos partisans and disgruntled followers of losing GAD candidates.

Meanwhile, Local Governments Secretary Jaime Ferrer said yesterday he is being swamped by requests from political leaders to fire local officers-in-charge who did not support official administration candidates in the 11 May elections.

Ferrer told reporters that at least 30 winning congressmen who paid a courtesy call at his office voiced a common desire to remove non-supportive OICS [officers in charge].

Ferrer had earlier ordered all appointed local OICS, including governors and mayors, to support official candidates of the Aquino administration only.

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CSO: 4200/591

EMBASSIES RECEIVE SECOND CPP 'EXTORTION' LETTER

HK240817 Manila PHILIPPINE DAILY INQUIRER in English 23 May 87 pp 1, 8

[Article by Chay O. Florentino]

[Text] Almost all foreign embassies in Manila received a follow-up letter to the first extortion note allegedly sent by the Communist Party of the Philippines last March, it was learned from the Department of Foreign Affairs [DFA] yesterday. As in the first extortion letter, however, the envoys who received copies of the second note said they doubt its authenticity.

The letters, dated 29 April addressed to the ambassadors, asked the embassies concerned "to publish an announcement either in the PHILIPPINE DAILY INQUIRER or PAHAYAGANG MALAYA about a short course to learn your language free of charge within one week after receiving this notice" as a sign of their interest in supporting the movement.

It likewise owned up to the denial earlier made by the National Democratic Front that the letters originated from the communist movement. "Do not be confused by our denial. It is our means," the note said.

The second letter likewise has a threatening tone, saying, "remember it is only you to blame if you will not come across our need for support."

As in the first extortion note the ambassadors are reportedly not taking the second letter seriously.

Canadian Ambassador Russell Davidson told reporters, "We do not give in to a terrorist demand; we do not pay money." He added that the only thing which bothers him is that the degree to which the letters have been publicized might give other groups ideas as to how to make money.

Embassies which have notified the DFA's protocol office have asked that they not be identified. Ambassador Romeo Fernandez, however, said that about 12 embassies have informed his office about the delivery of the second note.

Meanwhile, the foreign office announced that all passengers traveling to and from Cuba via Mexico must secure an official entry document to be accepted in transit in that country.

FRENCH COMMUNISTS INTERVIEW JOSE-MARIA SISON

PM22114 Paris L'HUMANITE in French 12 May 87 p 13

[Interview with Philippine communist leader Jose-maria Sison by Michel Muller--date and place not given, first three paragraphs are editorial introduction]

[Text] Jose-maria Sison is one of the most prominent members of the revolutionary movement in the Philippines. He is an academic doing research in the sphere of political sciences, and is known in Southeast Asia as one of those who have struggled constantly for their country's independence and their people's freedom. He has been living in hiding almost constantly since 1964 when the Philippine Patriotic Youth Movement was formed, and he was involved in the great ferment of ideas in 1968 which resulted in the revival of the communist movement and of the Communist Party of the Philippines.

Jo-ma, as his friends like to call him, was arrested with his wife Julieta de Lima--also a revolutionary activist--on 10 November 1977. They were not released until spring 1986 after Marcos' fall, as a result of popular pressure which forced Mrs Aquino to release most of the political prisoners.

Jose-maria Sison gave an interview to L'HUMANITE, of which these are the main parts:

"There has been no social revolution in the sense of a radical transformation of the semi-colonial and semi-feudal society in the Philippines," he said first when asked about the difference between the fallen dictator's regime and the regime which Mrs Aquino is still in the process of establishing. "We have the same social system, the same coercive state apparatus," he added, "even the fascist criminals produced by the Marcos regime are free to continue their activities. The Philippine people's fundamental problems--U.S. domination and feudal exploitation--remain, human rights are still being violated, and the dictatorship's victims have still not obtained justice,"

[Muller] What about the people's government, which Mrs Aquino claims to head?

[Sison] The president was indeed swept to power by the tide of the people's movement in revolt against the dictatorship. She made her own contribution to the fundamental upsurge in the mass movement which finally overthrew the dictatorship and established a civilian government instead of a military junta.

But it is clear that Mrs Aquino has stayed within the limits laid down by the United States and the Philippine feudalists. Key posts in the government have been given to reactionary elements controlled by Washington.

The president, who has U.S. backing, has pledged "to confirm the maintenance of U.S. bases in the country by treaty before 1988." The Constitution adopted in early 1987 makes provision for such a procedure.

[Muller] What about human rights?

[Sison] Many political prisoners have been released. But others, described as criminals, have been kept in prison. Two weeks after Mrs Aquino came to power, the military launched vast repressive operations against the population and the NPA. More than 250,000 people were hounded out of their homes on the pretext of cutting the NPA off from its popular support, and 35 percent of the people arrested by the military were tortured. This is a higher percentage than in Marcos' days.

Moreover, the agrarian reform proposed by Mrs Aquino is merely a rehash of the one drawn up by American Roy Prosterman who drew up Marcos' "reform," the reform introduced by the Saigon government during the U.S. war in Vietnam, and the one proposed by the Salvadoran regime.

[Muller] There is often talk of greater democracy since Marcos' fall?

[Sison] The dominant sections of the media have created the illusion that Mrs Aquino has created more democracy for the Philippine people. However, it must be pointed out that it is the national democratic movement which is responsible for this increase in democracy. By defying the dictatorship, even in the streets, the forces of the national democratic movement have asserted and exercised their democratic rights.

[Muller] What are the prospects?

[Sison] I could say that it is difficult to imagine a bourgeois democratic system really prospering in my country. A so-called liberal democracy cannot easily be built in a semi-colonial, semi-feudal society like ours, in which even the factions representing the exploiting classes are at war with each other. At the same time, an armed revolution is still being developed. The legal democratic forces, for their part, have secured the means of combating reaction and of exacting a high price for any deterioration in democratic rights. The formation last summer of the People's Party with its 2 million members, filled a vacuum.

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CSO: 4200/591

PHILIPPINES

POLICE USE TEAR GAS TO BREAK UP LOYALIST RALLY

HK250209 Hong Kong AFP in English 0208 GMT 25 May 87

[Text] Manila, 25 May (AFP)--Riot police backed by firetrucks Monday broke up an overnight anti-government rally by right-wing groups in front of the Armed Forces headquarters here, radio reports said.

Hundreds of supporters of deposed President Ferdinand Marcos and former Defense Minister Juan Ponce Enrile tried to block police with burning tires and human barricades, but fled after police fired tear gas, the reports added. The demonstrators had defied a police ultimatum to disperse peacefully.

Mr Enrile, a Senate candidate who has accused President Corazon Aquino of rigging the 11 May congressional elections, left the rally along with other opposition leaders hours before the early-morning dispersal.

There were no immediate reports of arrests or serious injuries.

In a speech to the rally at midnight local time Sunday, Mr Enrile appealed to soldiers nationwide to join their protest. Eyewitnesses said none responded.

Traffic, which was rerouted overnight, returned to normal immediately after police dispersed the crowd on EDSA Avenue between Camp Aguinaldo, site of the Armed Forces and Defense Department headquarters, and Camp Crame, the national police center.

It was on this same avenue that Mr Enrile and Armed Forces Chief General Fidel Ramos led the February 1986 military-civilian revolt that toppled the 20-year Marcos regime and installed Mrs Aquino in power after a disputed presidential election.

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CSO: 4200/591

BACOLOD CLERGY CONTINUE FAST FOR SOCIAL REFORM

HK201334 Manila THE MANILA CHRONICLE in English 20 May 87 pp 1, 10

[Article by correspondent Salvacion Varona]

[Text] Bacolod City--Four hundred priests, nuns and Catholic lay leaders here yesterday entered their second day of collective fasting to support embattled Bishop Antonio Fortich and the local Church's controversial pursuit of social justice in this once-rich sugar bowl.

The fast started Monday noon with some 90 priests at the Bacolod Cathedral and will end Thursday afternoon by a concelebrated mass and rally where 20,000 are expected to attend.

Fortich told the CHRONICLE that the collective fast is the first in the history of the Church in Negros Occidental. "It proves that the Church, like any other institution, grows stronger and consolidates its followers in the midst of crisis," he said.

Both conservative and militant clergy joined that fast as they temporarily stopped past bickering on the ways of working for progressive change in the island.

They reflected on the life of slain Salvadoran Bishop Oscar Romero and confessed their fears in the face of what they perceive to be a systematic attack against advocates of the Church's preferential option for the poor.

Father Michael Martin said: "Fasting has cast out devils before, what's more diabolical than to want to kill the bishop?"

Last 27 April, a fragmentation grenade was thrown at the bishop's residence at the Sacred Heart Seminary, damaging windows beside the bishop's room.

An underground rightist vigilante group called Kristiyano Kontra sa Komunismo [Christians Against Communism] claimed responsibility for the attack.

Fr Romeo Empestan, director of the Kristiyanong Katilingban or Basic Christian Communities, also said that the religious community hopes to strengthen itself through the temporary physical sacrifice "so we can emerge better equipped to face what we expect to be intensified attacks on the Church."

Fortich said he agreed with Empestan's prediction. "It is to be expected, for the issue is our defense of justice, freedom, brotherhood and peace, and others will try everything, including terror, to divert us from this path."

"My priests are also human, and they hurt, especially when they see that people they serve suffer. Why can others not understand that we desire as much as they to a halt to all these killings? But we know that finally, only justice and God's love will damp the fires of revolt, not bullets, not lecture."

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CSO: 4200/591

MAJOR COMMERCIAL BANK PLACED IN RECEIVERSHIP

HK260907 Hong Kong AFP in English 0844 GMT 26 May 87

[Text] Manila, 26 May (AFP)--The Philippine Government sent shivers across the financial community here Tuesday when it placed one of the country's largest commercial banks, Manila Banking Corp, into receivership for insolvency.

Depositors and employees were thrown into confusion when the Monetary Board ordered branches to stop all operations in the first major bank closure under the Corazon Aquino government.

Authorities said Manilabank could either be reopened if management submitted to a "realistic" rehabilitation plan within 60 days or be liquidated outright.

The board also placed Merchants Investment Corp under receivership and liquidated Piso Development Bank which was put into receivership in February.

"All three institutions failed to submit acceptable rehabilitation programs after repeated advice by the Monetary Board," the board statement said.

The state-owned Philippine Deposit Insurance Corp would facilitate payments of insured deposits up to 40,000 pesos (\$1,951) per depositor, it said.

Bankers said the closure was widely expected since Manilabank, formerly one of the country's 10 largest banks, had received emergency infusions of funds from the Philippine Central Bank. Some, however, questioned the timing.

There was no immediate comment from Manilabank, which is classified as a "universal" bank, the highest category in the local banking system which combines commercial, savings and other functions.

The bank's board declined to disclose its assets and liabilities in fear of being accused of worsening its situation. A universal bank must have minimum capital of 500 million pesos (\$24.4 million).

Sources in the Makati financial district said the Manilabank closure could cause a bank run. It could also be interpreted as politically motivated since the bank's former president, Vicente Puyat, ran as an opposition candidate for senator in the 11 May congressional elections.

Mr Puyat was under fire for allegedly mismanaging the bank but was ousted before the elections by a cousin, Consuelo Puyath Reyes, who successfully ran for a House of Representatives seat as a handpicked candidate of Mrs Aquino.

A Makati businessman said the Manilabank closure was "a major shakeout of confidence in the financial system. You have people asking again which bank is safe, so we all gravitate to the bigger banks."

"A lot of people knew that it was shaky but I don't think they expected it so soon, that it would actually be closed," he said.

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PHILIPPINES

AQUINO ORDERS PROBE INTO GOVERNMENT TV SABOTAGE

HK240853 Manila MANILA BULLETIN in English 24 May 87 pp 1, 12

[Text] President Aquino ordered yesterday an investigation into the sabotage of the government-controlled People's Television Channel 4 (PTV-4), which was off the air for many hours yesterday.

Dodie Limcauco, Channel 4 general manager, said several persons broke into the compound on Bohol Ave. in Quezon City, climbed the 650-foot tower at around 6 am, and "monkeyed" with the connector of the transmission line on the 450-foot level.

The culprits then resealed it to avoid detection, Limcauco said.

He added that Press Secretary Teodoro Benigno had been informed of the situation and gave instructions to restore the government TV station's operations as soon as possible.

PTV-4 resumed telecasting yesterday afternoon.

QC police suspected that trained persons damaged the transmission line, putting the station off the air. Channel 4 guards said no visitors were around at that time. Police also suspected an "inside job."

Limcauco said access to the PTV-4 tower could come only from within the Bohol Ave. compound.

ABS-CBN Channel 2 studios and facilities are inside the PTV-4 compound.

The transmission line fault damaged the station's transmitter and three spare parts for the connector, Limcauco said.

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EMPLOYERS' GROUP PREPARES PROPOSALS FOR CONGRESS

HK251307 Quezon City BUSINESS DAY in English 25 May 87 p 7

[Text] The Employers Confederation of the Philippines (ECOP) has prepared a set of proposals on industrial relations and other issues affecting business and labor to be presented to Congress.

The proposals come from a set of resolutions agreed upon during the 8th National Conference of Employers last 23-24 April. Some of the proposals had also been discussed in last April's national tripartite conference in Tagaytay, drawing agreement from all participants.

In its first resolution, the ECOP is seeking changes in existing laws on subcontracting. Specifically, ECOP is proposing that as a general policy, subcontracting of work or services should be allowed only in specialized areas or where there is excess capacity, or for reasons of economic viability. The ECOP states in its resolution that there are millions of unemployed and underemployed in the country. It also acknowledges that employment generation "is and should be a priority of government and to this end, constraints to the promotion of employment opportunities should be removed."

A second resolution underscores the ECOP's stand on labor-management relations. Stating that under the 1987 Constitution, "the new concepts of shared responsibility between employers and workers, and participation of workers in decision-making processes affecting their rights and benefits have been enhanced," the Confederation of Employers has resolved to establish labor-management committees in every business establishment and to implement the Accord on Industrial Harmony.

It also endorses the creation of the Tripartite Accord Coordinating Council.

In forming the second resolution the ECOP stressed it was conscious that in the formulation of the mechanisms of the concepts of shared responsibility between employers and workers, a balance must be struck between the rights and obligations of both workers and employers, all in the interest of peaceful settlement of disputes.

The ECOP in its third resolution will pursue the creation of a voluntary arbitration committee and a permanent committee on structure for a continuing study on possible revision of labor laws. President Aquino spoke of the creation of these two bodies in her Labor Day pronouncements in Malacanang last May, but ECOP Vice-President Ancheto Tan told BUSINESS DAY no executive order has been issued creating these two bodies.

Lastly, the ECOP is seeking a clear definition, by legislation, on the right to organize labor unions and to bargain collectively involving managerial employees "to the end that certain categories be excluded to make collective bargaining meaningful in the interest of effective management."

The ECOP pointed out that prior statutes which excluded certain categories of managerial employees from the scope of the right to form labor unions and the right to collective bargaining have not been declared unconstitutional.

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AGRICULTURE SECRETARY ON EFFECT OF DROUGHT ON CROPS

HK201244 Quezon City BUSINESS DAY in English 20 May 87 p 23

[Article by reporter Michael D. Marasigan]

[Text] The number of provinces severely affected by the drought has risen to 46 as of Monday, up from only 26 at the end of last month, and the estimated total damage to rice and corn crops increased 31 percent from P329 million to P431 million, according to field reports reaching the Department of Agriculture.

Despite the increase in the damage, department officials say the overall effect on food production remains minimal.

Undersecretary Apolonio Bautista told BUSINESS DAY the drought will reduce the projected rice production by only 1.4 percent because most of the provinces lately affected by the drought have already harvested their crops. The National Food Authority projects rice production in crop year 1986-1987 at 6.3 million tons.

Bautista admits there were total crop losses in provinces which were first to be hit by the drought, but these were compensated for by good production in some provinces with irrigated farms. On the national scale, the damage is thus still tolerable, he said.

According to estimates made by the Department of Agriculture, a total of 104,200 metric tons of palay worth P279 million were lost due to the severe dry spell. In addition, about 74,700 hectares of corn lands were affected, with the total damage estimated at P152 million. Worst hit areas include the Bicol region, Northern Mindanao and Southern Mindanao.

An executive order earlier prepared to declare 26 provinces as calamity areas had to be revised as the number of affected provinces almost doubled.

The executive order once signed, will authorize the release of P9.8 million from the calamity fund to the Agriculture Department for procuring rice, corn and vegetable seeds which will be made available to the affected farmers at half the purchase price.

Earlier, Agriculture Secretary Carlos Dominguez said declaring the affected provinces as calamity areas would facilitate rehabilitation of rice and corn lands.

Although the drought has had its bad effects on thousands of farmers, it has a corresponding advantage for some others, Bautista said. He noted that farm gate prices of palay and corn in irrigated farms in the affected provinces have increased since the supply situation has been affected. He said this has definitely improved the income of some farmers.

The Agriculture Department has noted earlier that average buying prices of palay at the farm level have gone up from P3.20 to P3.50 per kilo from a previous average of P2.85.

At the retail level, commercial rice prices in Metro Manila went up from an average of P5.80 a kilo during the first quarter to P6.50.

Increased rice prices were observed in Regions II, IV, XI and XII but prices in the Bicol region, hardest hit by the drought remained at the average level of P5.50 per kilo.

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ADB ASKED TO HELP IN FORESTRY EFFORTS

HK251258 Quezon City BUSINESS DAY in English 25 May 87 p 13

[Text] The Department of Environment, Energy and Natural Resources has sought the cooperation of the Asian Development Bank [ADB] in stopping further forest deterioration in the Asia-Pacific region.

Environment, Energy and Natural Resources Secretary Fulgencio Factoran last week told participants of the ADB's regional workshop on forestry development and perspective that "everyday at least 15,000 hectares of forests are being lost worldwide while a meager 1,000 hectares per day are being reforested."

In the Asia-Pacific region, the rate of depletion amounts to 2.6 million hectares a year or roughly 1.7 percent of the region's 156 million hectares of forest lands, he said.

"Half a century or even as late as two decades ago, it was still possible to speak of the forests of the Asia-Pacific as practically an immense and inexhaustible natural resource... But it took only a short while for the region's population to double. With it, the pressure on forest resources for land, food, shelter, water, forage and livelihood has more than tripled. Complicating the situation was the growing use of wood as a cheap alternative to oil not only for domestic uses but also for industrial purposes," Factoran said.

It can no longer be ignored that the region's forests, "or what is left of them," are today's new breeding grounds of poverty and discontent among a significant portion of the region's population, the secretary added.

"Unless there is immediate counter action, the entire productive natural forests of Indonesia, Malaysia, Thailand and the Philippines could be exhausted in less than 40 years," he said.

On the Philippine situation, Factoran said "the protection and conservation of the country's remaining forests shall be pursued through sustained yield and multiple use of forest management, the continued implementation of the log export ban, allowing log imports, logging ban in areas with critical forest denudation problem and the continuous assessment and monitoring of the performance of long-term forest leases.

Factoran asked for the ADB's help in the country's forest development efforts in the following activities:

--Census of forest inhabitants, for which some P50 million is needed.

A listing and socio-economic survey of forest dwellers is necessary for a successful integrated forestry program, he said;

--Financing for participants in a "social forestry" program to develop forest lands into farm lots;

--Contractual reforestation;

--Efforts to increase the government's capability for integrated surveys and use of novel techniques in remote sensing; to update and monitor natural resources;

--Forestry policy formulation; and

--Implementation of agrarian reform in the public domain, especially to provide support and social services for upland dwellers.

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PHILIPPINES

STORM DAMAGE, SOFTENING DEMAND CAUSE BANANA EXPORT DROP

HK201228 Quezon City BUSINESS DAY in English 20 May 87 p 11

["Economic Indicator" column: "Banana Exports Decline"]

[Excerpt] Exports of banana (fresh and dried) declined 6.20 percent in the first 2 months of 1987, to a freight-on-board value of \$17.624 million from \$18.789 million in the same period last year, data of the National Census and Statistics Office showed.

The country has been exporting less bananas following devastation of a significant portion of plantations in Davao City by blowdowns (or freak tornadoes) that destroyed many banana plants.

Tagum Agricultural Development Corporation (Tadeco), one of the leading banana producers-exporters, was affected by the blowdowns which devastated the equivalent of 1,500 hectares last year.

Clearing and replanting of the damaged areas alone could take anywhere from 6 to 8 months, so that the earliest Tadeco can expect to harvest from the affected areas would be by this month.

Another factor for the decline in exports is the softening demand for bananas in Japan, dropping from a per capita consumption of 10 kilos over a decade ago to only 6 kilos last year.

Newspaper reports indicate that the main reason is that giant cavendish bananas may have lost its novelty to Japanese because it is distributed on a mass scale in Japan.

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CSO: 4200/591

BUSINESS SEES NUCLEAR PLANT ANSWER TO POWER LACK

HK211311 Quezon City BUSINESS DAY in English 21 May 87 p 11

[Article by reporter Julie C. Del Castillo]

[Text] The government faces yet another dilemma--whether or not to operate the mothballed 2.2-billion, 620-megawatt nuclear power plant in Morong, Bataan.

Already troubled on one side by mounting costs and interest payments on loans and unrelenting opposition to the plant over the safety factor, the government is also likely to face pressure from the business sector to operate the plant if only to alleviate industry's present power problems.

Businessmen interviewed by BUSINESS DAY said the government may have to operate the controversial plant if it wants the industrial sector to fully contribute to the overall recovery effort.

They said that, as in the previous years of the Marcos administration, erratic and costly power supply in the country continues to be a major deterrent to industry's improved performance.

They added that unless government immediately undertakes measures to resolve the problem, the business community could only do so much to hasten economic recovery.

The government decided to mothball the power plant last year mainly due to strong pressure from various groups concerned about the possible destructive effects it posed on human lives and the environment, and pending resolution as to whether or not it would selectively repudiate part of its 28.2 billion foreign debt.

The country's total foreign debt is also hinged on loans outstanding on the nuclear plant.

The issue of operating the controversial plant almost became moot and academic and discussions quieted down following the nuclear plant accident last year at Chernobyl. However, some sectors in the business community are attempting to revive the issue because of industry's pressing power supply problem.

Businessmen, in general, appear to be lukewarm to the government's announcement that it would establish alternative power generating units to replace the nuclear plant's 620-megawatt capacity. A reason for the attitude is that these alternative plants would take time and more money to build whereas industry's power problems are immediate and crucial not only to its improved performance but also that of the whole economy.

While the nuclear plant is in its mothballed state, the government said it would establish at least one geothermal plant and another coal-fired plant. These are the Bac-Manito Geothermal plant in the Albay-Sorsogon area and the Calaca II coal-fired plant in Batangas Province.

Businessmen, however, pointed out that the aggregate 410-megawatt capacity of the two plants would not be enough to fully replace the nuclear plant's 620-megawatt generating power.

The Bac-Manito geothermal plant has a 110-megawatt capacity and the Calaca coal-fired plant 300 megawatts. The Calaca plant is also expected to provide power in addition to Calaca I's (also in Batangas) 300 megawatts.

Calaca I has been in operation since 1984. However, Calaca II as well as the Albay-sorlogon geothermal plant are expected to be in full operation only by 1991, the businessmen said.

The Government's National Power Corp [NPC] is also planning to revitalize the Rockwell power plant and increase its capacity from a present 100 megawatts to 400 megawatts. Sources at the NPC claim this could be done over a 3-6 month period, although independent sources said the job of revitalizing the generating unit could take at least from 18-20 months.

On the other hand, businessmen pointed out that while building new plants and revitalizing existing ones could take years, the mothballed nuclear plant could be put in operation far easier because the facilities are already in place. They said that at worst, it might take only about 18 months to revive the nuclear power plant.

They also pointed out that the government need not worry about the nuclear plant's cost because this has already been long incurred and payments on loans to build up the plant are already being paid.

In contrast, the government still has to find sources of financing for future power generating projects, they added.

The NPC had to shoulder total loans of about P24.4 billion (or 1.22 billion) from foreign sources and P698 million in domestic loans to have the nuclear plant built by Westinghouse Electric Corp.

The government is taking over all of the plant's assets and liabilities from the NPC. The finance department also said the government had made provisions in its 1987 budget to service the plant's liabilities. The department added that some P200 million had also been included in the budget to cover the cost of mothballing the plant.

Businessmen said the economy has been on the rebound early this year, as exhibited by an estimated first-quarter rise of 20 percent to 30 percent in sales by a surveyed 200 top industrial firms, compared to January-March last year.

However, businessmen said the industrial sector's overall performance during the quarter could have been far better had they not been plagued by some problems of the past particularly the high cost and erratic supply of power.

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8.91 BILLION PESOS AVAILABLE FOR FARM PROJECTS

HK151353 Quezon City BUSINESS DAY in English 15 May 87 p 2

[Text] The government had P8,910.9 million as of the end of March, from both domestic and foreign sources, to finance agricultural credits, a report submitted by the Agricultural Credit Policy Council (ACPC) to Agriculture Secretary Carlos Dominguez showed.

The ACPC report, copies of which were also furnished to other members of the Cabinet, indicated that 40 percent or P3,605.6 million of the total funds were immediately available for lending. Some of the funds were distributed to lending conduits and end-borrowers; some portions were allocated for guarantee funding.

ACPC statistics indicated that P5,138 million of the total were outstanding and in cash or in government securities and some remained to be withdrawn from foreign creditors.

The total amount of the lending and guarantee fund were allocated to 42 program funds broken down as follows: Comprehensive Agricultural Loan Fund (CALF), 17 funds with a total amount of P954.3 million (P544.1 million of which were outstanding); National Agriculture and Fisheries Council (NAFC), two funds with P491.3 million (P12.1 million); six Central Bank administered funds with P398.5 million (P151.4 million); three guarantee funds worth P825 million all of which were outstanding; and 14 other funds for onlending worth P6,241.8 million (P3,605.6 million).

About 35 of these funds provided financing for agricultural and agricultural-related projects, mostly launched during the 1970s to serve specific commodities and/or clientele at subsidized rates.

Half of these programs have now been consolidated into the CALF and will continue lending under current guidelines up to 30 June 1987, the ACPC said.

The integration of the funds into the CALF is an initial step of the government to gradually phase out direct agricultural lending activities.

The government's role in agricultural lending has been assessed by the ACPC as a "credit delivery through the various, fragmented, uncoordinated, commodity-specific and subsidized credit programs entailing high administrative costs."

The ACPC said the job of credit lending must be left to the banks, with minimum government participation. The government's role should be limited to the improvement of the credit environment to encourage greater private sector participation by providing enough support services, risk-reduction schemes, guarantee mechanism and other measures which will enhance farmers' profitability and bankability, the ACPC said.

Based on available data, the ACPC estimated that government credit programs released a cumulative amount of P11,786.8 million as of 30 September 1986. Of this total amount, 75 percent or P8,913.2 million went to Masagana 99 (P5,715.9 million), quedan financing (P1,773.4 million) and Kilusang Kabuhayan sa Kaunlaran [KKK National Livelihood and Development Program] programs (P1,423.9 million).

About one-third or P3,600.6 million were outstanding while past dues amounted to P1,473.2 million. About half, or P770.6 million of the past dues were traced to the KKK and roughly a third, or P468 million, to M-99.

The repayment rate ranged from a low of 16 percent (KKK) to a high of 99.8 percent (quedan financing). About nine out of the 27 programs with available information had repayment rates below 50 percent.

The government intends to further reduce its involvement in agricultural lending by next year when CALF is fully operational.

As of last year, funds for 18 government programs made up roughly 8 percent of the total funds made available to agriculture by both the government and private banks.

In 1985, the banking system's (both private and government) total loan portfolio amounted to P276.78 billion, 9.9 percent or P27.5 billion of which were made available for agriculture. Last year, the total loanable funds amounted to P336.66 billion with agriculture's share decreasing to 7.5 percent or P25.11 billion.

The ACPC also noted that the government provided a smaller proportion than the private sector. In 1985, of the total loanable funds for agriculture, 95 percent came from private banks and only 5 percent was shouldered by government banks. Last year 97.7 percent of the funds came from the private sector while only 2.3 percent came from the government.

While the ACPC attributed the drop in agricultural lending "to the reduced number and lending capacity of banks almost exclusively servicing agriculture," it also noted that "other reasons included 'poor demand' as articulated by the private commercial banks which complained of scarcity of readily financeable projects to match their excess liquidity."

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NEDA SETS 4.4 PERCENT INCREASE FOR GNP IN 1987

HK181345 Manila MANILA BULLETIN in English 18 May 87 p 21

[Text] The National Economic and Development Authority (NEDA) has targetted an annual increase in per capita GNP (gross national products) by 4.4 percent in real terms starting this year.

NEDA's new projections showed that real per capita GNP, which has been set back 10 years in 1985 when it fell to its 1975 level, will regain the highest level ever attained in the past by 1991. Real per capita GNP, the sum of goods and services, was projected to reach P1,933 by 1991.

Real GNP, on the other hand, was targetted to increase by 6.8 percent, on the average, annually during the medium term (1987-1992). At current prices, GNP is expected to reach P1,438 billion by 1992 from P697.3 billion at the end of this year.

According to NEDA, one of the fundamental goals is increasing employment opportunities in the country in order to attain such GNP growth.

Consistent with this goal, the development of agriculture will be given the highest priority in the development planning process. Output in agriculture sector (including fishery and forestry) was estimated to increase in real terms at an average annual rate of 5 percent. Gains from food production, including non-traditional agricultural export crops, are expected to contribute to such growth.

To complement the growth of the agricultural sector, industrial output was projected to increase at an average annual rate of 8.8 percent in real terms. However, instead of continuing with the past pattern of urban-oriented, capital-intensive and large-scale industrialization, the government will promote small-scale and labor-intensive enterprises, especially in the rural areas.

In terms of sectoral distribution, one-third of total output will be contributed by the industrial sector. The share of agricultural output will be less than industry's share while the services sector will continuously contribute the bigger share of around 30 percent, it was gathered.

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5 PERCENT RISE IN ENERGY CONSUMPTION REPORTED

HK191523 Manila THE MANILA TIMES in English 19 May 87 p 8

[Text] Total energy consumption for the first 3 months this year rose by 5 percent to reach a total of 25.4 million barrels of fuel oil compared to 25.26 million barrels in the same period last year, the Office of Energy Affairs [OEA] announced yesterday.

Attributing the increase mainly to the growth in domestic economy, sources also said that the growth in energy demand was mainly oil, which, at 14.1 million barrels of fuel oil equivalent, exceeds last year's volume by 12.5 percent. This corresponds to an oil dependency ratio of 55 percent for the first 3 months.

Increase was also reported for hydropower at 2.3 percent million barrels, or an increase of 3.6 percent, and coal at 1.7 million barrels of fuel oil equivalent to 9 percent hike.

Non-oil consumption, however, the OEA said, declined by 3.1 percent to 11.3 million barrels of fuel oil equivalent. This represented 44.5 percent of the country's energy use, down from 48.2 percent.

Imported energy requirements were up 11.8 percent to the equivalent of 13.8 million barrels of fuel oil. Oil imports rose 17.6 percent to 13.5 million barrels in order to meet higher demand.

Meanwhile, coal imports dropped 66.6 percent to 0.3 million barrels, the OEA report said. The imported oil's share of the primary energy mix was placed at 5.3 percent.

Use of indigenous energy sources for the first quarter declined 2.1 percent to 11.6 million barrels of fuel oil equivalent. This constitutes, the OEA said a 45.6 percent of total energy use and generate savings of 161 million in foregone oil imports.

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PINEAPPLE EXPORTS RISE 20 PERCENT

HK121229 Quezon City BUSINESS DAY in English 12 May 87 p 2

[Excerpt] Exports of fresh and dried pineapples performed well in the first 2 months of this year. Earnings continued to be on the uptrend, data from the National Census and Statistics Office (NCSO) showed.

The freight-on-board value of fresh and dried pineapples in the first 2 months of 1987 amounted to \$3.465 million, representing a 20.31 percent increase compared to \$2.880 million in the comparable period last year.

Increased shipments were supported by a rise in production, brought about, in town, by good weather conditions. The reduced costs of fertilizers also enabled planters to get maximum results.

Aside from the fruit itself, the thorny, sword-like pineapple leaf can also be converted into a finished product for export. It is a good substitute to stripped abaca hemp fiber and, mass-produced, it could generate foreign exchange earnings as well.

Unknown to many, the Japanese 10,000 yuen paper currency has stripped abaca hemp as one of its security features; chances are, stripped pineapple fiber may be used as a substitute, the Philippine Industries Promotion Society [PIPS] of Japan is planning to set up a fiber factory to be operated by a cooperative union. It will process fiber from pineapple stalks to be used as a raw material for making quality art paper.

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NAVY EXPECTS MORE ARMS SHIPMENTS TO MNLF

HK251214 Manila MANILA BULLETIN in English 25 May 87 p 12

[Text] More weapons and ammunition are expected to be shipped here this month by supporters of Muslim rebels in the South, Philippine Navy (PN) sources said yesterday. They said the arms would be carried by foreign vessels bound for Cotabato, Davao, and Zamboanga.

A PN official, who requested anonymity, said several PN patrols are guarding areas in Mindanao where vessels suspected of carrying the guns would pass.

He added that supporters of the Moro National Liberation Front (MNLF) continue to supply the Muslim rebels with Muslim rebels with weapons despite peace talks on Mindanao autonomy.

A military report said more than 600 guns were unloaded recently from ships by MNLF "friends" on the coasts of Zamboanga. Most of the guns were Russian-made AK-47 rifles, the report added.

Sources said in spite of the repeated pronouncements of the AFP [Armed Forces of the Philippines] that Muslim rebel groups were no match to the military forces, the strengthening of the enemies' logistics and war programs alarmed AFP officers assigned to Mindanao.

The PN is working double-time to monitor the rebels' activities and is boosting its fighting forces in "critical areas" in Mindanao, PN officials said.

Sources added that the navy is also intensifying its information drive to stop the entry of arms into the country. "But while the Coast Guard has seized many firearms and ammunition from inter-island vessels, they are small in number compared to the ones shipped by outside groups," they said.

Last week, the military dismissed reports that the war might break out anew in the South "since the rebels are not capable of waging war in Mindanao." But observers said MNLF forces are expanding in many areas in the South, and the New People's Army forces are not far behind."

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PHILIPPINES

MNLF COORDINATOR SAYS WAR 'A COMING REALITY'

HK240837 Manila THE MANILA CHRONICLE in English 23 May 87 pp 1, 6

[Article by Euly V. Salazar]

[Text] Tandag, Surigao del Sur--A Catholic priest who has joined the Moro National Liberation Front [MNLF] said that war with the government is now almost certain and that rebel troops are now positioned throughout Northern Mindanao "ready for war at any moment."

Fr Florio Falcon, MNLF coordinator for Northern Mindanao and a member of the MNLF panel during the peace talks in Jeddah last January, said the rebel group may declare war after the Ramadan ends on 29 May "when the Muslims will not be bound anymore by Islamic constraints until the next fasting period in 1988."

"War is a coming reality," Falcon said, adding that the situation came about because the government panel had "bungled everything" during the Jeddah talks.

Falcon said that the MNLF has set up garrisons in three to four provinces in Region 11 and others are being prepared even in non-Muslim areas.

He said that in Surigao del Sur alone, the MNLF has 500 soldiers armed with modern and high-powered weaponry "capable of fighting off aircraft."

Falcon said the MNLF has about 60,000 armed fighters backed by thousands of militiamen.

Falcon said that three MNLF generals are now overseeing the war preparations.

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PAPER REPORTS SULU FACTIONS 'BRACED FOR WAR'

HK191451 Manila THE MANILA TIMES in English 19 May 87 pp 1, 6

[Article by correspondent Rommee C. Espinosa]

[Text] Jolo, Sulu--Muslim rebel leader Nur Misuari's home island of Jolo is braced for war, not to secede from the Philippines but because of intense political rivalry between two factions.

In the face of mounting tension, armed men believed to be from Misuari's Moro National Liberation Front have landed in three parts of the island--Tanjung, the provincial capital and the town of Jolo itself.

Colonel Millena, deputy commander of the 2d Marine Brigade, said the armed groups were deployed to ensure the safety of local officials led by Jolo Mayor Aminkadra Abubakar.

Fears of an impending clash have gripped Sulu since the elections last week because of the heated rivalry between congressional candidates Hussin Loong and Sakur Tan.

To forestall the outbreak of hostilities, Millena said, the Southern Command has sought the replacement of the acting governor and the vice-governor.

He said a military takeover of the provincial government was another option the authorities were considering.

Millena also gave the assurance that his brigade and the local Philippine Constabulary [PC] command had taken steps for the evacuation of civilians if the situation worsened.

As a deterrent, the military has fielded its artillery, pointing its big guns at the warring camps.

Tora-tora planes have been flying on reconnaissance missions over the island. Two marine battalions have been sent to reenforce the army in Zamboanga City and two naval gunships are on their way to Sulu.

Millena said the Municipal Disaster Coordinating Council had set up evacuation centers for civilians at the Norte Dame College, Gandasuli, Kasulutan and the reclaimed area near Jolo.

Col Remeo Abendan, PC/INP [Integrated National Police] commander, also confirmed the report deployment of armed men around the island.

He and Millena disclosed that a Philippine Air Force plane was due today to fetch the warring politicians for a conference with President Aquino and Commission on Elections Chairman Ramon H. Felipe Jr.

The Comelec [Commission on Election] had earlier directed the suspension of the counting of votes aboard a naval boat.

In a related development, Acting Vice-Governor Kimar Tulawie of Sulu has urged people to stay calm and not be alarmed by the announcement made by Millena over radio.

Tulawie said the atmosphere in Jolo has stayed normal. He accused Millena of causing tension and panic among the residents, instead of urging sobriety and peace.

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GOVERNMENT STUDYING NEW TALKS WITH NDF

HK221401 Quezon City MALAYA in English 22 May 87 pp 1, 6

[Article by Nick Quijano and Jun Lopez]

[Excerpt] Hope of reopening national-level peace talks with the communist-led National Democratic Front [NDF] was revived yesterday when a government official said the government is studying how to resume the talks.

Alice Villadolid, head of the secretariat assisting the government negotiating panel, did not say if any formal or informal contacts have been made with the NDF ever since the talks broke down last January. She cited a MALAYA editorial last Saturday which said the NDF was willing to reopen national talks.

She also said chief government negotiator Teofisto Guingona, who took a leave to campaign for the Senate, has reassumed his role as peace envoy.

Meanwhile, the Moro National Liberation Front, the Moro Islamic Liberation Front and the National Democratic Front in Northern Mindanao said they would give the lie to President Aquino's claim of election victory as well as of a victorious military offensive against the insurgents.

Villadolid also reported that a 3-day parley in Lanao del Norte, held by sectoral representatives and regional commanders of the NDF, the [remainder of article missing]

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CSO: 4200/591

EDITORIAL URGES END TO MNLF PEACE PROBLEM

HK191429 Quezon City MALAYA in English 19 May 87 p 4

[Editorial: "Democracy Without Peace"]

[Text] Amid glowing government rhetoric that the country has made the quantum leap to full democracy after the 11 May elections, the problem of peace in Mindanao and throughout the archipelago continues to linger.

The Maoist insurgents, having abandoned the peace talks, remain committed to an armed struggle, their commitment to revolution probably enhanced by the rout of so-called liberal and left-leaning candidates in the just-concluded polls.

Their annihilation at the polls, and the recent revival of Republic Act 1700 which declares the Communist Party illegal and membership in the organization a crime, are likely to drive many of those in the left to full-time work in the underground. Encouragement for them to pursue the road to parliamentary struggle has been reduced to zero.

The Muslim problem in the south, meanwhile, has reached a critical point and military tensions are already felt across the troubled island. While the government seems earnestly committed to the pursuit of genuine peace with our Muslim brothers, the military has issued inflammatory statements that have pushed the island to the brink of war.

The warning of Brig Gen Cesar Tapia, Southern Command chief and Western Mindanao military commander, that at least 100,000 government troops--about 40 percent of the Armed Forces--are ready to destroy "any target" was poorly timed and only tended to fuel, rather than douse, the tensions gripping the island.

Tapia's warning also reflects how the military has come to underestimate the nature and scope of the 15-year-old secessionist problem. The Armed Forces' increasingly hawkish posture betrays an attitude not in conformity with the government efforts to seek peace with Muslim insurgents at the negotiating table.

We urge the military to tone down its saber-rattling and the government to remain firm in its pursuit to win honorable peace not just with our Muslim brothers but communist rebels who pose a greater threat to national security.

We urge the Moro National Liberation Front to give autonomy in the South a chance without necessarily sacrificing what it claims are its historic rights to the whole of Mindanao.

The National Democratic Front has expressed its willingness to reopen peace negotiations and the government must seriously consider this option to talk peace on broader political, economic and social parameters.

The so-called restoration of democracy here would be meaningless if the fratricidal war continues to maim and kill while the parties that could talk peace sit idly by, adhering to their hard-line positions and squandering the few remaining chances at achieving peace in this troubled land.

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PHILIPPINES

GOVERNMENT TROOPS SHELL ILOILO MOUNTAIN GUERRILLAS

HK181347 Quezon City BUSINESS DAY in English 18 May 87 p 14

[Text] Iloilo City--Government troops sealed suspected rebel positions with heavy artillery in the mountains of Alimodian, Iloilo, after intense fighting that began Tuesday left 10 persons [as published] and four wounded, the military said.

A military spokesman said NPA guerrillas ambushed a passenger jeepney in that town Tuesday morning and killed two soldiers who were on their way to a market place. A civilian was wounded in the attack.

The spokesman said the rebels staged another ambush in the same town Wednesday, killing an army sergeant.

Two army battalions were deployed in the mountains of Alimodian to pursue rebels who were reportedly holed up in a remote barangay when the shelling started, the spokesman said.

Brig Gen Domingo Rio, RUC [regional unified command] 6 commander, supervised the operations from an advance command post in the town. Helicopter gunships gave air support for the ground troops who were sent to conduct search-and-destroy missions.

The spokesman said a top rebel leader was killed during the military offensive and that six others were captured.

Another rebel was killed in an encounter with a military patrol in Oton, Iloilo, last Wednesday night, he added.

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CSO: 4200/591

REPORTAGE ON INSURGENCY CLASHES

24 Killed in 3 Days

HK151033 Hong Kong AFP in English 1026 GMT 15 May 87

[Text] Legazpi, Philippines, 15 May (AFP)--Security forces killed seven communist guerrillas in a clash near this eastern city Friday, the military said, while 17 other people were reported slain in other areas in the past 3 days.

Seven New People's Army (NPA) rebels, including two women, died in a clash with a paramilitary constabulary patrol on the outskirts of Ligao town some 300 kilometers (180 miles) southeast of Manila, Major Juanito Calilung said.

Another member of the NPA band was captured, while the security patrol sustained no casualties, he added.

The NPA--which vowed not to disrupt Monday's national elections--resumed large-scale attacks in four provinces Wednesday, leaving 11 rebels and six soldiers dead, the official PHILIPPINE NEWS AGENCY (PNA) reported in Manila.

It said the heaviest fighting occurred near Banay-banay town in the southern province of Davao Oriental, in which 10 rebels and town soldiers were killed and 18 wounded when NPA units ambushed an Army patrol and a bus.

The other clashes Wednesday reportedly occurred in the central provinces of Iloilo and Negros Occidental, and in Kalinga-apayao in the north.

Death Toll for Year Shows Drop

HK180253 Manila Far East Broadcasting Company in English 2300 GMT 17 May 87

[Text] The military reported that a total of 1,455 people have been killed in the communist and Muslim insurgency in the country this year, 22 percent less than in the same period last year. The Army yesterday [17 May] said 1,121 people were killed up to 15 May in violence related

to the nationwide communist insurgency. The rest were casualties from the smaller Muslim separatist rebellion in Mindanao. The casualties were 456 communist guerrillas, 55 Muslim rebels, 391 soldiers and policemen, and 353 civilians.

A total of 1,608 people were killed during the same period last year. They were 645 rebels, both communist and Muslim; 502 soldiers and 461 civilians.

NPA Kills 13 Civilians

HK160303 Manila Far East Broadcasting Company in English 2300 GMT 15 May 87

[Text] NPA rebels struck again yesterday killing 13 civilians and 1 home defense militia in Barangay San Vicente, Makilala, North Cotabzto. Nine other civilians and three CHDF [Civilian Home Defense Force] militiamen were wounded. The victims were aboard two vehicles at the Fire-Stone rubber plantation bringing a 230,00 peso payroll to the firm's plantation. The [word indistinct] CHDF men fought back forcing the NPA rebels to withdraw. Among those slain were CHDF members Marcelo Palog, Florencio Carbon, and (Rufa Beltran). The NPA rebels, numbering about 20 also, exploded land mines that turned over the lead vehicle in the payroll convoy.

Meanwhile, 19 other NPA rebels were killed in 6 other encounters in various parts of the country. Ten of the rebels were killed when they ambushed an army team in Banaybanay, Davao Oriental. All the eight soldiers were wounded in that ambush.

10 Guerrillas, 4 Soldiers Killed

HK211245 Hong Kong AFP in English 1237 GMT 21 May 87

[Text] Manila, 21 May (AFP)--Ten communist guerrillas and four soldiers and policemen have been killed in clashes across the Philippines during the past 4 days, the official Philippine News Agency (PNA) reported Thursday.

The rebels and government troops died in fighting in the provinces of Ilocos Norte in the north, Quezon east of Manila, Eastern Samar in the central islands and Davao del Norte in the south, PNA said.

Meanwhile, some 100 families fled their homes in the northern province of Tarlac Wednesday after communist New People's Army (NPA) guerrillas threatened to burn their village down, PNA reported.

The NPA apparently suspected that residents of the village of Cabarabuan had informed the military about one of its fighters, who was killed in a gunfight with paramilitary forces Sunday, PNA said, quoting military spokesmen.

Additional troops had been dispatched to the village to protect the remaining residents, PNA added.

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CSO: 4200/591

BRIEFS

OPPOSITION WARNS OF PRICE INCREASES--Opposition leaders debunked the claim of the National Food Authority [NFA] that rice and corn prices will not rise with the increase of the price of gasoline. The UPP [Union for Peace and Progress]-KBL leaders said that once the price of gasoline is raised, the prices of all goods automatically increase and the people will suffer. As a matter of fact, they added, while the people were occupied with the election campaign, the Bureau of Internal Revenue made an increase in real estate taxes. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 22 May 87] /9604

BASES COOPERATION ON AIDS ASKED--The Philippine Government will ask the U.S. military bases authorities to take action to prevent the spread of the killer disease AIDS. Information will also be sought on the extent of AIDS cases among U.S. servicemen at the Subic Naval Base in Zambales and at Clark Airbase in Angeles, Pampanga. Health Secretary Alfredo Bengson said he has written to base authorities asking for a meeting. He said the government will determine if action has been taken by the U.S. authorities to check the spread of AIDS from U.S. servicemen. The move was prompted by findings that many prostitutes associating with American servicemen have contracted AIDS. The confrontation with American officials was requested by Bengson after the bases authorities failed to respond to a request for data about the prevalence of AIDS in the bases. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 24 May 87] /9604

AQUINO APPEALS FOR PRAYERS--President Aquino called upon the people to pray for transformation in government that would improve the lives of the people with the convening of Congress. The president spoke at the Kalayaan Hall of Malacanang before some 700 members of the Baptist (?vespers) worship service who came from Iloilo, Negros Mindanao, and other parts of the country for the 52d annual convention. In the call for peace, Mrs Aquino admitted being conservative, scriptural, and old fashioned. A society, she said, is judged by the families that compose it, and families by the individuals that make it up. She pointed to the change in the heart of the people which caused them to topple down strongman Marcos. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 22 May 87] /9604

NO INFLATION ASSURED--There will be no inflation as a result of election spending. This assurance was given by Budget Secretary Giliermo Carage in an interview with newsmen following the monitoring board meeting with the president at Malacanang yesterday afternoon. Assuring the people that no new money was printed, Carage said the [words indistinct] the money spent in the last elections was money already in circulation. This money is already in the hands of politicians and their supporters. What happened, according to Carage, is that the spending was accelerated. He said that if there was going to be inflation, it took place already. But indications are that there is no unusual inflation that took place. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 15 May 87] /9604

LOCAL ELECTIONS SET--Jaime Ferrer and Comelec [Commission on Elections] Chairman Ramon Felipe met yesterday and decided to set the local polls for the first week of November. They consulted after a brief [words indistinct]. The president said the people may not understand why the polls should be deferred for so long. Earlier, the Comelec was reported to favor holding of local elections in January of February. A definite date for the local polls is expected to be announced soon. The original schedule for the elections of governors, vice governors, mayors and vice mayors and provincial and municipal boards was set for 24 August. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 22 May 87] /9604

RICE SUPPLY--The country is assured of enough rice supply despite the drought. National Food Authority Public Affairs Director Danilo Consomido said there is an oversupply of rice in the country estimated at 1,699,091 metric tons of rice. He said that the current stock can last nearly 4 years, even if consumption is from 700 to 1,000 metric tons daily. Consomido said the drought could actually be a help to traders because it will give them a chance to unload their stocks in the market in view of the expected shortfall in the palay [unhusked rice] harvest due to the drought. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 19 May 87] /9604

RISE IN CENTRAL VISAYAS EXPORTS--Exports from the Central Visayas totalled 165,118,838 kilos valued at \$50.7 million in the first quarter, up 24 percent and 8 percent over the 1986 levels of 138,074,188 kilos worth \$46.8 million in 1986, data from the Bureau of Customs district office in Cebu City showed. Deputy customs collector for exports Jesus Pepito said the bulk of the increase was registered in the months of February and March, with average volume increase of over 50 million kilos and over \$18.5 million in value, he said. [Text] [Quezon City BUSINESS DAY in English 18 May 87 p 3] /9604

DROUGHT IMPACT--President Aquino has been urged to declare 26 drought-hit provinces as calamity areas as production losses resulting from the prolonged dry spell have been placed at P329 million. In his report to the president and the cabinet yesterday [13 May], Public Works Secretary Vicente Jayme said there would be no [word indistinct] in the next 2 weeks.

The southwest monsoon rain, which normally falls in the second half of May, is expected to be delayed, but if the rains are delayed, the cropping season will have to start in July. Jayme, quoting a report from the Department of Agriculture, said that the long dry spell has affected production and 64,800 hectares of rice and 49,000 hectares of cornland. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 13 May 87] /9604

GOVERNMENT REORGANIZATION COMMISSION ABOLISHED--President Aquino has abolished the Presidential Commission on Government Reorganization [PCGR] and transferred its function to the Department of Budget and Management [DBM] Malacanang announced yesterday. Under Executive Order [EO] No 165 which was signed by the President last 5 May, the President explained that PCGR was abolished to streamline operations and eliminate unnecessary duplication of functions. She said the DBM has been mandated to promote economy and efficiency in government operations, including the development of agency organizational structure and staffing patterns as well as the design and review of systems and procedures for methods improvement and optimum resource utilization. These functions were among those assigned to the PCGR. EO 165 said the implementing details on government agency reorganization shall now be submitted to the DBM for consideration and inclusion in the budget document. The PCGR was created by President Aquino at the start of her administration last year and its head ex-PCGR [word indistinct] given Cabinet ranks. [Text] [Quezon City BUSINESS DAY in English 11 May 87 p 14] /9604

PROTECTION OF NATURAL RESOURCES--President Aquino said yesterday that one of the priority tests of Congress when it convenes in July will be the enactment of tougher laws for the preservation and protection of the country's natural resources especially its national forests. The president said it has been that the illegal exploitation of resources, especially our natural forests, is likely due to the lack of tougher laws against such exploitation as well as tougher measures for the implementation of such laws. In a speech at the second anniversary of the Department of Energy and Government and Natural Resources at the Ninoy Aquino Parks and Wild Life center in Quezon City, the president noted that about 100,000 hectares of forests are destroyed annually. The president said that when the Congress convenes a priority issue will be to determine, as soon as possible by the law, the specific boundaries of land or the public domain and how they may be acquired, developed, (?held), or leased. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 15 May 87] /9604

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THAILAND

FURTHER REPORTING ON PRK BORDER WEAPONS TRAFFIC TO BURMA

Paper Sees High-Level Racketeering

Bangkok NAE0 NA in Thai 18 Mar 87 p 3

[Editorial: "War Weapons"]

[Text] The recent seizure in Nakhon Sawan Province of a large shipment of war weapons with sufficient firepower to raze a city has generated great apprehension about the identify of the weapons traffickers and their objective. People wonder if any soldiers were involved.

Based on the evidence available, it appears that some of these weapons were brandnew. Some had clear code numbers. Those familiar with this assume that the weapons with code numbers came from an armory. Officials also assume that if the traffickers stole these weapons, it would have taken them months to steal this many weapons. These weapons had a value of more than 100 million baht. After gathering together this large shipment of weapons, they then loaded them for shipment to their destination.

This shows that these weapons traffickers had been engaged in this for a long time. They had to have had connections with weapons trafficking sources outside the country. There must have been someone with sufficient prestige to control this operation.

What is alarming is that if these weapons had reached the hands of influential dark powers, the people would have been in great danger. Usually, the dark powers forge links with the political apparatus. They "reinforce" and rely on each other.

It is not difficult to obtain war weapons in Thailand. There is a thriving trade in war weapons along the border. During the period in which the influential groups were thriving, each group stockpiled large quantities of weapons. Every so often, they used the weapons against each other, which greatly alarmed the people.

Investigating this case is too large a task for the police alone. Thus, it is good that the military is providing help. We hope that the senior police and military officials responsible can solve this case in order to assure the

people that the state units can protect them and maintain security. We feel certain that the culprit was someone higher than a non-commissioned officer. This operation had to be directed by a senior person. The seizure in Nakhon Sawan was not the first such seizure. Previous to this, officials seized several shipments of weapons that were being transported by truck and train. But officials have never succeeded in catching one of the chief culprits.

If officials succeed in catching only the small fry again, the trafficking in war weapons will definitely continue, and the trust of the people will be shaken.

Army Secretary: Weapons May Go to Khun Sa

Bangkok NAEO NA in Thai 18 Mar 87 pp 1, 16

[Excerpts] At the Office of the Army Secretary on the morning of 17 March, Maj Gen Narudon Detchapradit, the secretary of the army, talked with reporters about the matter of highway police seizing a large shipment of war weapons in Nakhon Sawan Province. He said that after the weapons were seized, the army sent officials to cooperate with the police. It was learned that some of these weapons had come from abroad and some, such as the 60-mm mortars, had been produced in Thailand as part of the Thai-Singaporean Weapons Production Program for use in military and police units.

Maj Gen Narudon said that some of the weapons, such as the RPGs and 120-mm mortar shells, did not come from our armories. It is thought that they were smuggled in across the Thai-Cambodian border.

The secretary of the army said that this was a huge shipment of weapons. The traffickers acted very audaciously. This posed a great danger to the country. The traffickers may have been transporting the weapons to the north or somewhere else. As for the idea that the weapons were being taken to Khun Sa, this minority group probably doesn't need weapons from Thailand. But now that it is based in the tri-border area, perhaps it is obtaining weapons from here.

"What I have said today is not meant as an excuse," said Maj Gen Narudon.

In an interview with reporters on the same topic, Mr Sawai Phatno, the deputy minister of interior, said that he will meet with the director-general of the Police Department in order to discuss forming a committee to get to the bottom of this. If local officials are allowed to handle this by themselves, they won't be able to get at the chief culprits.

Mr Sawai said that the police now know that the owner of the truck used to transport the weapons is from Mae Sot District in Tak Province. Officials are looking for him. As for the two suspects who were arrested, police officials have been ordered to guard them closely, because it is feared that someone may try to kill them in order to keep them from talking. These men are important keys who can lead to the chief culprits.

"The people behind this are probably weapons dealers. I don't think that soldiers are involved. The investigation hasn't gone that far yet. I have to

report to the prime minister on this," said the deputy minister of interior. He added that during the cabinet meeting, he will give a report to the cabinet, too.

Mr Sawai repeated that weapons trafficking is a major issue. This is much more serious than the bombing of the home of the leader of the Prachakon Thai Party. If it is discovered that soldiers are involved, they will be arrested regardless of their rank. It is not the government's policy to traffic in weapons or be a party to this.

Paper Wants Case Investigated

Bangkok NAEO NA in Thai 19 Mar 87 p 3

[Editorial: "Protecting the Military"]

[Text] Maj Gen Narudon Detchapradit, the secretary of the army, announced that the war weapons seized in Nakhon Sawan included both foreign-made weapons and weapons produced by the Ordnance Department. He said that this was an audacious act that posed a great threat to the country.

Except for this statement, the secretary of the army did not say what the army plans to do to clear up this matter. Thus, we have to conclude that what he said was just an "acknowledgement" rather than an attempt to clear up this case.

We feel that the actions of these weapons traffickers pose a direct threat to the nation's security. We feel sure that these weapons traffickers have ties to people in the military. Simply "acknowledging" this will do little to help improve the situation.

The army must cooperate with the police and the House Military Affairs Subcommittee. A special committee must be established to investigate this. It must have the power to question people and examine documents. It must periodically report its findings to the people and set a definite time limit for completing the investigation.

We are opposed to concealing things and allowing this matter to fade away. This will just do even greater damage to the military's image. We are well aware of the fact that there are both good and bad people in the military. Most soldiers are good people. Thus, the reputation and honor of these people should be protected by eliminating the few bad people.

Government units frequently try to protect the bad people by claiming that they are trying to protect the institution. The good thing about this is that it prevents people from digging into things and expanding the "wound." But the bad thing is that over the long term, people lose faith in these government units. The people come to believe that the units that protect bad people are unworthy of their trust.

The army now has a very resolute commander who subscribes to correct principles. The old way of thinking should be changed to "protect the good people, eliminate the bad people." Using people as scapegoats is an outdated method. If the only objective is to protect the institution, this will be bad for the people in general.

THAILAND

OFFICIALS SUPPORT TRADE WITH LAOS

Bangkok MATICHON in Thai 26 Apr 87 pp 1, 2, 16

[Unattributed report: "Government Is Ready To support 'Private Sector,' Trade With Laos Can Be Expanded"]

[Excerpt] At 0900 hours on 25 April at the Charoen Hotel in Udon Thani Province, the Editor's Office of PRACHACHAT THURAKIT, Bangkok Bank, and the Udon Thani provincial Chamber of Commerce held a national-level seminar on the topic of Thai-Lao border trade and economic revival in the northeast. Sublieutenant Praphat Limpaphan, the deputy minister of foreign affairs, officiated at the opening of the seminar, which was attended by more than 300 people.

In his speech, Sublieutenant Praphat said that since 1984, trade between Thailand and Laos has increased greatly. There were very few trade problems or obstacles during the period 1985-1986. However, Laos does not have an investment promotion law. The Thai government has never done anything to hinder those who want to invest there.

"Thai textile investors once went and asked to participate in a joint investment project with the Lao government. The truth is, Thai businessmen can invest there," said Sublieutenant Praphat. He added that it is not clear whether Japanese and Australian investors have in fact invested in Laos as reported. The Thai government is making a great effort to negotiate with Laos on investment matters, because it is feared that Laos will begin trading more with other countries. Thailand once proposed that Laos open a crossborder market in order to promote trade along the Thai-Lao border. But Laos was not ready.

Sublieutenant Praphat said that additional temporary border transit points can be opened in order to facilitate things for merchants if those in the private sector request this. Today, there are only three transit points, two in Nong Khai and one in Mukdahan. The problem is that it is very difficult for people to obtain a visa. Thailand has tried constantly to negotiate with Laos about this. Another problem is that Laos usually trades only with those businessmen with whom it has done business before. Thus, it is difficult for other businessmen to penetrate Lao markets.

"As for the various problems, businessmen should take advantage of the meetings of the Joint Public-Private Committee for Solving the Economic Problems. There are no obstacles as far as the government is concerned," said Sublieutenant Praphat.

After that, there was a debate on the effects of Thai-Lao border trade. Those participating in the debate included Mr Somphon Kiettiphai, the director-general of the Department of Business Economics, Ministry of Commerce, Mr Wiraphong Ramakun, an advisor to the prime minister, Mr Santi Manikan, the governor of Nong Khai Province, and Mr Somsak Choeikamhaeng, the president of the Udon Thani provincial Chamber of Commerce. Mr Phongsak Phayakwichian, the editor of PRACHACHAT THURAKIT, served as moderator.

Mr Somphon, the first speaker, said that Thailand now has the chance to expand trade. The statistics show that Thailand's trade with Laos accounts for only 40 percent of Laos' trade, which means that our trade with Laos could be expanded by more than 50 percent. The goods produced in Thailand are of good quality, and Laos has a great need for such goods. These include rice, textiles, machinery, and electrical appliances. Thailand has an advantage over other countries, including Japan, Singapore, and Australia, in investing in Laos.

"There are several other areas, such as mining, in which Thailand and Laos can invest jointly. Laos has problems concerning technology and industry. Thailand can invest jointly with Laos in these areas. The recent changes in Lao trade should help improve trade with the private sector. The water is rising. We should dam up as much water as we can. As for how much we can dam up, that is a question that will have to be discussed," said Mr Somphon.

Mr Wiraphong said that there are political differences that affect Thai-Lao trade. Things are very complex. Many things have to be considered. We have to consider both politics and security. We should not look at things only in terms of state-to-state. We have to look at all the political problems. We have to consider international political matters and the relationship between the two peoples. In Thai-Lao trade, if we are too strict, this will force Laos to trade with other countries. "Laos' limitation is that trade is not based on the market mechanism. Instead, it is based on state stipulations. If Thailand trades with Laos, we have to see if this will have any effect on our trade with the United States, Europe, and Japan. The two sides must be mutually dependent on each other. The government's policy must change in accord with the situation. The conditions must benefit us, too," said Mr Wiraphong.

Mr Somsak said that businessmen would like more border transit points opened. Laos is now implementing its Second Economic Development Plan. The Soviet Union is providing support. Even though Laos is poor, it receives help from its senior partner. There shouldn't be any problems as far as trade is concerned. There are several programs calling for foreign investors to invest in Laos. But great care must be exercised when investing there, because our political systems are different. There should be government-to-government investments. At the local level, it should be the villagers who are involved.

"The needs of Laos are very great. In particular, it needs to invest in producing consumer goods. Thai investors can do this. We would like to see Thai goods sent to Vietnamese markets through Laos. That is a large market," said Mr Somsak. He added that Thailand should be more broadminded and let economics lead. Everything would improve.

THAILAND

PREM VISITS MEKONG UNIT, ASSESSES LAO TIES

Bangkok BAN MUANG in Thai 21 Apr 87 pp 1, 19

[Excerpts] The prime minister and his party, which included Squadron Leader Prasong Sunsiri, the secretary general to the prime minister, landed at the Nakhon Phanom airport at 1145 hours aboard an Afro aircraft. The prime minister then went to MROU [Mekong River Operation Unit] headquarters in order to inspect this unit. He has never forgotten the time that he worked with the MROU in carrying on suppression operations in the forward area of the 2d Army Region. Everyone carried out his duty bravely. He has followed the activities of this unit constantly. The unit is strong and has good discipline, and it has hit the targets. The prime minister called on every member of the unit to protect the lives and property of the people living along the Mekong River and build good understanding between the peoples of Thailand and Laos. Even though this may be difficult, if we understand each other, we can solve the problems.

Gen Prem said that actually, we don't have any problems with Laos. There are problems as the top echelon only, and we are now working to reach an understanding. The two countries really want to be friends. He said that he hopes that the work of the MROU will help improve relations between the two countries.

The MROU is responsible for defending against infiltration by communist terrorists, preventing the smuggling of weapons and supplies, and maintaining the sovereignty and interests of the country along the Mekong River. It does these things by conducting river patrols from Chiang Khan District in Loei Province to Khong Chiam District in Ubon Ratchathani Province, a distance of 857 km. The MROU has 12 substations along this route.

The MROU seizes contraband goods being smuggled to and from Laos. Contraband goods shipped to Laos include consumer goods such as shoes, water pumps, fertilizer, and clothing. Items smuggled into Thailand from Laos include forest products such as animal skins, forest animals, and marijuana. The MROU also arrests Lao refugees.

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THAILAND

COLUMNIST VIEWS CAMBODIA: CGDK CAN'T WIN

Bangkok BAN MUANG in Thai 22 Apr 87 p 4

[Stop the World column by "Free Man": Solving the Cambodian Problem Is Up to China and Vietnam"]

[Excerpts] Thailand has been affected by the fighting between the anti-Vietnamese faction, which occupies the area along the Cambodian-Thai border, and the Vietnamese forces that are supporting the Heng Samrin government in Phnom Penh. We have also been affected by the more than 100,000 Cambodian refugees, who have crossed into Thailand and taken land away from the Thai who live along the border. Thus, Thailand is more concerned than the other ASEAN countries about finding a solution to the Cambodian problem. But Thailand does not have enough power and influence to force those concerned to act in accord with Thailand's proposals for solving this problem.

When the Khmer Rouge seized Phnom Penh in 1975, China began playing a role in Cambodia. When Vietnamese forces invaded Cambodia in 1978, China sent an aircraft to take Prince Sihanouk from Phnom Penh to Beijing to prevent his capture by Vietnamese forces. (Today, Prince Sihanouk still lives in Beijing. He rarely visits his forces along the Cambodian-Thai border.)

Today, Prince Sihanouk is the president of the Coalition Government of Democratic Kampuchea. Mr Khieu Samphan, the leader of the Khmer Rouge, is the deputy president, and Mr Son Sann is the premier. But Mr Son Sann spends most of his time in France. Only Mr Khieu Samphan lives along the Cambodian-Thai border, although no one knows his whereabouts for sure. The United Nations has recognized this government as the legitimate government of Cambodia.

No one is sure how many soldiers the CGDK has under its command. The clandestine radio operated by the Khmer Rouge broadcasts propaganda reports daily, but these have not been confirmed by independent sources. However, Western military experts have estimated the combat strength of the CGDK and the Vietnamese-Heng Samrin faction. They agree that the CGDK cannot defeat the Vietnamese-Heng Samrin faction. If the present situation continues to drag on, Vietnam will gain an even tighter grip on Cambodia. Vietnam may start assigning Vietnamese to the Heng Samrin army, and this army may start receiving weapons from the Soviet Union. When that happens, Vietnam may withdraw its forces from Cambodia and commit itself to Cambodia by means of a

joint defense treaty with the other two countries of Indochina. And it may bind itself to the Soviet Union by signing a friendship treaty.

The burden will fall on Thailand unless something is done to solve the refugee problem and remove the 100,000 refugees from the Cambodian-Thai border.

We will probably have to wait until China, the Soviet Union, and Vietnam reach an agreement. Air Chief Marshal Sitthi Sawetsila, the Thai minister of foreign affairs, should ask the leaders of these countries how long it will be before they reach an agreement.

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THAILAND

MONK PLANS FARM HELP; BANK RICE BUYS NOTED

Bangkok SIAM RAT in Thai 16 Apr 87 pp 1, 16

[Unattributed report: "Kittiwuttho Talks With Sonthi About Discharging the Debt of the Farmers"]

[Text] Kittiwuttho is creating waves again. This time he has talked with Deputy Prime Minister Sonthi about discharging the debts of the farmers. Whoever repays the principal during 1987-1988 will not have to pay the interest, which now totals more than 2 billion baht. He is not afraid of criticism. People are free to say whatever they want. He is carrying out his duties as a monk.

On the morning of 15 April at the Government House, Phra Udonkhanaphirak, or Kittiwuttho, the director of Chittaphawan Withayalai, met with Admiral Sonthi Bunyachai, the deputy prime minister and chairman of the Rice Policy and Measures Committee, in order to discuss ways to help farmers.

In an interview after the meeting, Kittiwuttho said that Admiral Sonthi had asked him to come meet with him in order to discuss discharging the debt owed by farmers to the Bank for Agriculture and Agricultural Cooperatives [BAAC]. They discussed cancelling the interest owed. He said that his views are similar to those of Admiral Sonthi and so they held this meeting.

Kittiwuttho said that the idea is that farmers who repay the principal in 1987 or 1988 will not have to pay the interest. Today, farmers nationwide owe the BAAC a total of more than 10 billion baht. This plan would save the farmers more than 2 billion baht in interest. This will bring good results if the government can implement this idea. The farmers will benefit, and this will not cost the government anything. It will get back the 10 billion baht in principal instead of having people default on their debts.

A reporter asked him how he felt about the government's rice measures and today's rice prices. Kittiwuttho replied that rice prices are now much better. But he said that we must do any even better job. The BAAC's program to accept paddy pledges is a good program. Things are different than in previous years. The farmers are interested, because they can store their rice in their own rice barns and don't have to worry about the rice disappearing.

Kittiwuttho also talked about setting up small rice mills at the temples. He said that to date, 700 mills have been sent to temples in various subdistricts. These will go into operation next month. Monks will monitor things. In setting up small rice mills, the target is to have 2,000 mills with a production capacity of 15 kwian [1 kwian equals 2,000 liters] per day. No limit has been put on the number of mills with a capacity of 2-5 kwian per day.

The reporter asked how he felt about the fact that monks have been criticized for helping the farmers. Kittiwuttho replied that you cannot stop people from criticizing you. Everyone has the right to make criticisms. But his position is to do what is right. "I have never been afraid. If we become caught up in fear, we can't do anything. Monks must act properly in accord with the discipline. We shouldn't pay too much attention to criticism. People are free to say what they want. The best thing is to do what is right."

Kittiwuttho said that monks have a duty to help people. The Buddha taught us to work on behalf of and help bring happiness to the people. Monks must help the world. Today, monks are much more aware. In particular, in the northeast, it is expected that monks will play a leading role in the revival there.

The reporter asked about the small mills and their problems with the Department of Industrial Works, Ministry of Industry. Kittiwuttho said that the problems have now been solved. Work has not been stopped. The minister of industry has even ordered officials to facilitate this by revising the law. Laws can be changed.

A report from the Bank of Thailand [BoT] stated that the BoT has given financial support to paddy traders in supporting rice prices in order to increase the incomes of the farmers in accord with the government's policy. It has allotted 5 billion baht for this. The data show that as of 14 April, 904 paddy traders were participating in the program, an increase of 30 as compared with the same time last month. They have borrowed a total of 3,974.18 million baht, or 80 percent of the amount allotted for the program.

The report stated that 2,030,765 tons of paddy have been purchased. It is expected that by the end of April, which is the end of the rice harvesting season, paddy traders will have borrowed approximately 4.5 billion baht based on this program, which is close to the amount allocated by the BoT at the beginning of the program. However, to date, 18 commercial banks have submitted requests to borrow 6.8 billion baht from the BoT based on this program.

The report stated that the BoT has studied the data and sent officials to observe things and visit those who have received help based on this program. It has found that paddy prices have been increasing.

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DEPUTY PM SEES MONK FARM PLAN AS SOLUTION

Bangkok SIAM RAT in Thai 17 Apr 87 pp 1, 16

[Unattributed report: "Sonthi Sees Kittiwuttho's Plan as Solution to Farmer Debt Problem"]

[Text] Sonthi believes that Kittiwuttho's idea can solve the farmers' debt problem. He is preparing to talk to the Bank for Agriculture and Agricultural Cooperatives [BAAC] about discharging 2 billion baht in interest owed by farmers. The BAAC is a tool of the state. If the state asks it to cooperate, it must cooperate.

Admiral Sonthi Bunyachai, the deputy prime minister and chairman of the Rice Policy and Measures Committee, talked with reporters at the Government House on the morning of 16 April about his meeting with Phra Udonkhanaphirak, or Kittiwuttho. He said that he asked Kittiwuttho to come see him in order to discuss discharging the interest owed by farmers to the BAAC during 1987 and 1988. As of today, they owe more than 2 billion baht in interest. Prior to this, Kittiwuttho had proposed a solution and so he asked him to come see him in order to discuss the details.

Admiral Sonthi said that Kittiwuttho's ideas on this problem are in line with his own ideas. As for whether this is feasible, the matter must first be studied and analyzed. A reporter asked when a conclusion would be reached. Admiral Sonthi replied that he is trying to take action as quickly as possible. But the matter must be approved by the cabinet. The reporter asked if this has to be considered by the Rice Policy and Measures Committee. Admiral Sonthi said that it doesn't, because there is a special committee to discuss this. The reporter asked whether the prime minister knows about this. Admiral Sonthi replied that he has been informed about this and is now waiting for the results.

The reporter asked what will be done if the BAAC refuses to cooperate. Because 2 billion baht is a huge sum of money. Admiral Sonthi said that there should not be any problem. He monitors the BAAC directly. If something is feasible, all state officials must cooperate.

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MONK RUNS COLLEGE TO FIGHT COMMUNISM, GETS ARMY HELP

Bangkok SIAM RAT in Thai 16 Apr 87 pp 1, 16

[Unattributed report: "Kittiwuttho Reveals His Reason for Purchasing Withayalai Khanasawat, Fears That Communists Will Attract Students From the Northeast"]

[Text] The new owner of Withayalai Khanasawat, Kittiwuttho, said that if this college is allowed to fail, it will damage the reputation of the government and give the Soviet Union a chance to attract students from the northeast. The debts will be paid by donations.

Prha Udonkhanaphirak, or Kittiwuttho, the director of Chittaphawan Withayalai, was interviewed on the morning of 15 April about the changes that have been made at Withayalai Khanasawat since he took control from Mr Chirasak Khanasawat, the previous owner. He feels that education is an important issue for the country, particularly in the northeast, where the majority of the people are very poor and do not have an opportunity to study in Bangkok. Thus, it is essential to preserve Withayalai Khanasawat, which has always scored very good results. If it is allowed to fail, this will damage the reputation of the government, and graduates will be set adrift. Besides this, if there are no educational institutions at this level in the northeast, other countries, particularly the Soviet Union, will be able to attract large numbers of students to study in their country.

"From what I understand, scholarships have been given to many students in the northeast. Also, Withayalai Khanasawat has a Faculty of Agriculture that can help improve agriculture in the northeast," said Kittiwuttho. A reporter asked what will be done to pay off the college's debts. Kittiwuttho replied that actually, the college does not owe too much. It is the former owner who has a large personal debt. As for the outstanding debts, he will ask for charitable donations from the creditors. As for the instructors who will teach at the college, great stress will be placed on quality. Many of the faculty members have a Ph.D., and many people are providing help.

The reporter asked about his plan to "turn the northeast green" and asked if this is being coordinated with the army. Kittiwuttho said that there must be cooperation. His plan calls for the institution, that is, the faculty and students, the military, the temples, and the people to cooperate with each

other. The reporter asked whether this plan is in line with the new structure of the Internal Security Operations Command (ISOC). Kittiwuttho replied that it is. This matter has already been discussed with military officials.

"If we unite and cooperate with each other and the government is honest and sincere about wanting to help the people, I am sure that the northeast can become a prosperous region in less than 3 years. We can obtain water and turn the land green," said Kittiwuttho.

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THAILAND

MONK'S BUSINESS VENTURES, POLITICS, ARMY TIES QUESTIONED

Bangkok SIAM RAT in Thai 22 Apr 87 p 7

[Storehouse-Field column by Saengthai Khaokuthai: "The Green Path of Kittiwuttho"]

[Text] Do you remember? During the period 14 October 1973 to 6 October 1976, Kittiwuttho made his now famous statement that "killing communists is not a sin."

Today, Kittiwuttho, or Phra Udonkhanaphirak, the director of Chittaphawan Withayalai, is again involved in anti-communist activities. He has purchased Withayalai Khanasawat, which had financial problems, and taken over from the previous director, who had serious personal financial problems. Kittiwuttho did this in order to ensure the survival of this college and prevent communist countries from attracting students in the northeast to schools in their countries. Besides this, this will tie in with his program to turn the northeast into a forest area, which is a policy of the Ministry of Agriculture and Cooperatives under the leadership of Gen Han Linanon, the minister of agriculture, and which has the support of Gen Chawalit Yongchaiyut, the RTA CINC.

The plan formulated by Kittiwuttho calls for cooperation among four entities, the educational institution, that is, the instructors and students, the military, the temples, and the people, in order to turn the northeast into a lush area. This policy is in line with the new structure of the Internal Security Operations Command (ISOC), in which the prime minister is the director and Gen Chawalit is the deputy director.

Kittiwuttho's dream of fighting the communists has now been fulfilled, because he is now in direct contact with the top powerholders in the country. It is thought that Kittiwuttho will be able to carry out his plan. He certainly has enough money to support his plan. Don't forget that his policy of "establishing mills in temples" has been implemented, and 700 mills have already been established. This gives him great power in the agricultural business sector. No rice mill owner has ever acquired 700 mills all at once. He is like the "rich Chinese" of Chittaphawan. Furthermore, he plans to increase the number of mills to 2,000 mills nationwide.

Many people are afraid that Kittiwuttho's "commercial Buddhism" activities will veer off the path that should be followed by monks. But I think that such things are inevitable in Thai society today. Because Thai love arguments and discussion. Before they do anything, they hesitate and talk endlessly. The Nong Ngu Hao airport project has been under discussion for several decades now. Many administrations have discussed this, but it has never been built. People have been arguing about the Kra Isthmus for years. The same is true of the dam, national fertilizer, and soda ash projects. Construction on these projects has been postponed time and again.

It's as if we are eating leftover food all the time. When a new government comes to power, it lights the fire and reheats the same old food. This is its daily task. If we let the government handle the "green northeast" project, we will probably have to wait until the forests are gone completely. By the time of the 300th anniversary of Bangkok, there still won't be any forests.

But now that soldiers and monks have gotten involved, it is much more likely that action will be taken. Field Marshal Sarit Thanarat, who was from the northeast and who wanted to develop the northeast, would be very pleased.

Soldiers have made many mistakes. So have monks. But by getting involved in the "green northeast" and "higher paddy price" programs, they have improved their image somewhat. Actually, it is not difficult to take action on behalf of the country and society. All you need is the discipline of the military, the free labor of monks, and the financial resources of Chittaphawan. The difficult then becomes quite simple.

Those in parliament probably disapprove of such talk, but what else can be done? There are many monks and soldiers. If we don't cheer the monks and soldiers, how can we cheer Prem? It's too bad that monks can't become senators like soldiers and relieve each other as happened 2 days ago. If that was possible, Thailand would probably have its own "Archbishop Makarios" at Banglamung.

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CHANGES PROPOSED IN COMMERCE MINISTRY EXPORT PROMOTION

Bangkok NAEO NA in Thai 3 Apr 87 pp 5, 12

[Unattributed report: Reduction of Power of Ministry of Commerce: Phachon and Montri Recommend that Prem Review Structure of Export Development Committee"]

[Text] The under secretary of commerce has provided data to the minister of commerce, who will recommend that the prime minister review the plan to change the structure of the Export Development Committee. It is said that this conflicts with the law and that the committee will play too great a role. Also, it is not right to transfer commerce's power to this committee.

A news source in the Ministry of Commerce told NAEO NA that Mr Montri Phongphanit, the minister of commerce, is preparing to ask Gen Prem Tinsulanon, the prime minister, to review the plan to change the structure of the Export Development Committee.

This plan received cabinet approval during the Prem 4 administration. The plan calls for upgrading the status of the committee by having the committee chaired by the prime minister instead of the minister of commerce and increasing its responsibilities from simply monitoring the use of funds from the International Trade Promotion Fund to stipulating export development policies.

Actually, the matter had already reached the stage of drafting a prime ministerial statement, which was signed by Gen Prem. All that was left to do was announce this in the government gazette. It would then have been law. But then, during the Prem 5 administration, the prime minister asked to study the matter and took the opportunity to table the matter. Mr Phachon Itsarasanao, the under secretary of commerce, was ordered to review the matter.

Mr Phachon has recommended that Mr Montri ask Gen Prem to consider revising this. He has pointed out that, legally, this cannot be done. This is because the money in the International Trade Promotion Fund is collected based on the 1979 Export-Import Act, which states that only the minister of commerce has the authority to collect money for the fund.

If the chairman is changed from the minister of commerce to the prime minister, the new chairman won't have the legal authority to collect money for the fund or serve as fund chairman. The fund would collapse. The way to solve this problem is to have two committees, a policy committee chaired by the prime minister and a fund committee chaired by the minister of commerce. The director-general of the Department of Commercial Relations can serve as secretary of both committees.

The structure of the policy committee will probably remain unchanged. The prime minister and minister of commerce will serve as chairman and deputy chairman respectively. However, the director-general of the Customs Department and the director of the Bureau of the Budget will be removed as committee members in order to have only policy-level members. Thus, committee members will include the minister of foreign affairs, the minister of agriculture and cooperatives, the minister of science, technology, and energy, the minister of industry, the minister attached to the Office of the Prime Minister, the under secretaries of commerce, communications, and public health, the secretary general of the Office of the Board of Investment, the secretary general of the Development Council, the governor of the Bank of Thailand, and representatives from three private organizations, that is, the Thai Industrial Association, the Thai Banking Association, and the Thai Chamber of Commerce. Besides this, there will also be six other members from among the pool of qualified people.

There are many problems concerning the powers and duties of the policy committee. The Prem 4 cabinet passed a resolution stipulating that the policy committee's only role was to set policy. But when this was drafted as a prime ministerial announcement and sent to the Office of the Juridical Council, someone added a stipulation giving the policy committee the power to control the implementation of things. That is, it was given the power to "stipulate export measures, methods, and plans."

Mr Phachon has told the prime minister that if this stipulation is allowed to remain, the powers of the Ministry of Commerce will be transferred to the policy committee. For example, export regulations and methods will have to be approved by the policy committee. This will lead to duplication of effort and lead to many problems during implementation. If a merchant cannot obtain permission from the Ministry of Commerce to export goods, he will be able to go to the policy committee for permission. In principle, the policy committee should play a role at the policy level only.

Mr Montri agrees totally with the view of Mr Phachon and is preparing to ask Gen Prem to review this matter. Mr Phachon does not feel that it is necessary to upgrade the Department of Commercial Relations to ministry level.

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ANALYSIS: MALAYSIA FISHERIES DISPUTE TO GO ON, MAY WORSEN

Bangkok SIAM RAT SAPDA WICHAN in Thai 5-11 Apr 87 p 8

[Unattributed report: "Disbanding the Mob of Fishermen, a Problem Waiting To Explode"]

[Text] After anchoring for 4 days in the Pattani River in order to protest the actions of Malaysian warships, which have fired on and seized Thai fishing boats while they were fishing in Thailand's territorial waters, the 1,000 fishing boats from various provinces temporarily ended their protest and weighed anchor. They were satisfied with the action taken by the government on this issue. But they said that they would give the government 7 days to achieve results in the negotiations. After that, if nothing has been achieved, they will hold another demonstration until this problem is solved.

Gen Prem Tinsulanon, the prime minister, has ordered the Ministry of Foreign Affairs to take action to solve this problem. It is negotiating with Malaysia in order to set up joint sea patrols by either naval or police units. In cases in which Thai fishermen are arrested, an effort should be made to solve the problem with the neighboring government. If the case is going to be sent to court, Thai officials should be given time to provide help during the investigation before charges are filed in court.

The demonstrating fishermen stated that they will continue to demonstrate until the government helps the fishermen solve this problem. The fishermen established a 17-man committee composed of representatives from various provinces. The chairman of this committee is Mr Somphon Khamkhotrasun. At a meeting, the committee submitted five proposals to the government to solve this problem:

1. The government should negotiate with Malaysia to open up international waters;
2. the government should send Thai warships to protect Thai fishing boats along the boundary between Thailand and Malaysia;
3. the government should secure the release of the Thai fishermen arrested by Malaysia;
4. the Government should negotiate with Malaysia to obtain permission for Thai fishermen to transit Malaysian waters; and
5. Thai warships should maintain contact with Thai fishing boats 24 hours a day via radio channel 4 in order to keep abreast of the movements of boats engaged in fishing activities.

Besides this, four of the representatives, that is, Mr Charoen Chantha-isara, the president of the Pattani Fishing Association, Mr Chukiet Piticharoenkit, the deputy president of the Pattani Fishing Association, Mr Chinda Wachitdon, the representative of boat owners in Rayong Province, and Mr Sitthiphon Rattanaphonwarisakun, the representative of boat owners in Chanthaburi Province, traveled to Bangkok in order to meet with Air Chief Marshal Sitthi Sawetsila, the deputy prime minister and minister of foreign affairs, and explain the facts concerning Malaysia's seizure of Thai fishing boats and arrest of Thai fishermen.

Thai Fishermen and Malaysia, a Chronic Problem

Actually, the problem between Thai fishermen and Malaysian officials is not a new problem. This is a chronic problem that has existed for many years prior to this demonstration by Thai fishermen. Malaysian officials took resolute action at the beginning of 1986. That time a Malaysian patrol boat fired on two Thai fishing boats, wounding two fishermen and killing another.

Malaysian officials claimed that 50 Thai fishing boats had violated their territorial waters. When the patrol boat approached to seize the boats, one of the Thai fishing boats headed toward the patrol boat in order to ram it and so the patrol boat had to fire on the fishing boat.

In the wake of this incident, Mr Abbaidilla Abdul Kadir, the director-general of the Malaysian Department of Fisheries, issued a statement saying that Malaysia will take resolute action against those who intrude into and fish in its territorial waters. This is because such activities are considered to be intrusions that result in Malaysia suffering financial losses.

As a result of this, Mr Narong Wongwan, the then minister of agriculture and cooperatives, sent a letter of protest to Malaysia through the Ministry of Foreign Affairs in order to have Malaysia pay compensation. Because the point where this happened was located in a disputed area to which neither country had absolute rights, and people from both countries had the right to use this area.

On 22 January 1986, senior officials from the Department of Fisheries, the Ministry of Foreign Affairs and the Ministry of Interior, university lawyers, naval officials, and representatives of the fishermen held a meeting and concluded: 1. Thai have the right to fish in the triangular area formed by the mouth of the Kolok River and Kota Baru. Malaysia and Thailand have agreed that Thai can fish in this area until an agreement is reached on who has ownership rights to this area. 2. Malaysia should begin negotiating seriously on this issue in order to demarcate the border clearly as soon as possible. 3. So that fishermen know which area belongs to Thailand and which area belongs to Malaysia, patrol boats of the Thai Department of Fisheries and navy boats should conduct patrols in this area. 4. Fishermen should be warned not to violate Malaysia's territorial waters. 5. Fishing boats are often unclear about which are Thai waters and which are Malaysian waters. They should be equipped with communications equipment and radar so that they are always sure of their position. 6. Thailand and Malaysia are engaged in disputes about several issues, particularly transit rights of Thai boats. The

Ministry of Foreign Affairs should conduct negotiations on this issue. 7. Malaysia should admit that Thailand has the right to operate boats along traditional routes based on the Law of the Sea. 8. Thai fishing boats that plan to fish in other waters must inform the Department of Fisheries in advance in order to prevent Malaysia from shooting at the Thai boats and claiming that they violated Malaysia's territorial waters. 9. Details on boat operations and maps should be provided to the fishermen as quickly as possible. 10. The Ministry of Foreign Affairs should hold talks with Malaysia on holding a joint conference on the new Law of the Sea. Malaysian officials must be made to understand that Malaysia cannot use violence against Thai fishing boats even if they do intrude into Malaysian waters. They can seize the boats and fine them, but must then release them. The only law that applies is the Law of the Sea.

The Problematic Area, a Joint Agreement During the time of the Kriangsak Administration

As for the area formed by the mouth of the Kolok River and Kota Baru, which is where Malaysian ships frequently shoot at Thai fishing boats, Mr Plotprasop Suratwadi, the deputy director-general of the Department of Fisheries, said that during the period when Gen Kriangsak Chamanan was prime minister, Thai and Malaysian representatives held a joint meeting in Chiang Mai Province. Those at the meeting passed a resolution allowing both Thai and Malaysian fishing boats to fish in this area.

"The things that have happened show that Malaysia refuses to abide by the agreement. It has used force by sending warships to seize Thai fishing boats even though Thailand and Malaysia had reached an agreement on this."

A news report stated that Malaysia has implemented much stricter measures in checking foreign fishing boats fishing in Malaysian waters. Besides sending ships to patrol Malaysian waters, Malaysia is also using aircraft to patrol its waters. It is carrying on such patrols in the area formed by the mouth of the Kolok River and Kota Baru, where, by agreement, Thai fishermen are allowed to fish.

An official at the Taru Tao National Park said that on 26 January, seven Malaysian patrol boats intruded into Thai territorial waters near Adang-Rawi Island in the Taru Tao National Park area. These seven Malaysian patrol boats fired at 25 Thai fishing boats, which fled to the island. "The fishing boats came and asked us to help them. What could we do. They had warships. All we had were some shotguns," said this park official. He added that that same evening, an unidentified aircraft flew into this area. "Everyone in the area knows about this."

A radio official with the Department of Fisheries reported that at 1100 hours on 25 March, Malaysian warships No 39 and 3145 approached fishing boat No 83 while it was operating in Thai waters. The Malaysian officials searched the Thai fishing boat but did not find any fish. They beat the man in charge of the boat and stole a CB radio, a gold necklace weighing 15 grams, and some cigarettes and clothing. But they did not arrest anyone.

Mr Sawai Phattano, the deputy minister of interior, observed that the reason why Malaysian officials are seizing so many Thai fishing boats without cause is that Thai fishing catches are among the highest in the world because of having expert captains and efficient equipment. Malaysia would like to catch fish, too, but can't. "I really don't want to say that Malaysia is seizing our fishing boats in order to carry on fishing operations, but their behavior indicates that that is exactly what they are doing."

The deputy minister of interior said that Malaysia is in the midst of an election campaign. Personally, he feels that certain people may be trying to benefit politically from taking a tough attitude on this issue.

Even though the end of the demonstration by the fishermen has reduced the tension to a certain degree, this is just a temporary solution to the problem. Unless Malaysia takes action to fulfill the demands, these fishermen will demonstrate again. These demands are a means of measuring Malaysia's sincerity about cooperating with Thailand, its neighbor, in solving this problem.

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