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14 February 1986

SOUTHEAST ASIA REPORT

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EDITORIAL VIEWS PROBLEMS IN TRADE

Sydney THE SYDNEY MORNING HERALD in English 6 Jan 86 p 8

[Editorial: "Asia: Trade for the Daring"]

[Text] LAST YEAR, Australia's economy ran up against the constraint of its slow-growing export income. Asia's newly-industrialising countries are offering Australia a chance to climb out of a 30-year-old rut which has seen Australia's share of world export trade cut in half. But it may take more than last year's devaluation of the dollar to get Australia back into the fast lane of world trade with its East Asian and South-East Asian trading partners.

Australia's long-term problem is that it has never properly broken into the fastest-growing segment of world trade: the market for manufactured goods. It has depended instead on rural and mining exports. Our rural exports have been hit badly by protection and dumping, especially by the Europeans. But in any case, world demand for agricultural products has grown relatively slowly. Australia's mineral and energy exports enjoyed very rapid growth over the 1960s and 1970s, but again we have tended to confine ourselves to the *relatively* slow end of the business: unprocessed or barely processed commodities.

Model Plan

Australia has not broken into the manufactures trade mainly because its manufacturing sector, developed behind high-wall import protection, has grown up inefficient and inward-looking. That is changing as the levels of import protection fall and industries are forced to compete on the world market. But the change is slow and painful. And while Senator Button's motor vehicle industry plan may serve as a model for dealing with the most inefficient and highly-protected industries, there are still other, perhaps even tougher protection nuts to crack.

There are the textile, clothing and footwear industries, which successive Governments have looked at but never dared confront, and which remain a thorn in the side of Australian-ASEAN relations. And there is coastal shipping, which undoubtedly is an important constraint on the development of Australian manufactured exports, but which no Government has dared to even look at.

Asia's developing economies last year hit a down draught

caused by the slowing US economy. However, the prospects are for stronger growth this year, with South Korea and Singapore both expected to enjoy sharply increased growth rates. Certainly, the medium-term outlook remains very good, with the East Asian and South-East Asian regions the fastest-growing part of the world economy.

Their growth and industrial development means a new lease on life for our mineral and rural exporters. But it also means an opportunity to develop exports of processed commodities, services and manufactures. Manufactures to Asia? Yes, and a possible example is Mr Hawke's old favourite — Australian iron and steel to China. If China grows at anything like the rate predicted by its Government, consumption of steel will rise dramatically. No doubt Chinese and Japanese steel mills will continue to be the major source of supply. However, the Chinese are considering a strategy for the expansion of its steel industry that may offer significant export opportunities to the Australian steel industry.

Efficiency

China's iron ore and coal is of low quality, and its transport system couldn't keep the ore up to a rapidly expanding steel industry, anyway. There are good arguments for China to concentrate the expansion of its steel industry at the "finishing" end of the steel production chain. China could become a very large importer of pig iron and crude steel by the end of the decade. Again the bulk of the imports are likely to come from Japan. But given the right exchange rate, and the prom-

ised improvement in BHP's efficiency, the Australian steel industry could hold on to a respectable slice of the Chinese market.

Actually, the Australian steel industry should be one of the world's more competitive, sitting as it does on top some of the world's best coal deposits and not very far from some of the world's best iron ore deposits. Sadly though, the "not very far" is the monopoly of one of the world's most expensive shipping services. Australia's coastal shipping has never been properly examined by the Industries Assistance Commission. However, in the course of its investigation of the iron and steel industry back in 1980, the IAC calculated that the cost to BHP of *not* using flag-of-convenience vessels was equivalent to about 20 per cent of the steel division's pre-tax profit. "It is clear that the costs [to BHP] of protecting Australian coastal shipping are now so substantial... that they provide a major inhibition to nationally beneficial development of the iron and steel industry," the IAC said.

But long before it plucks up the courage to call for a report on coastal shipping, the Government will actually have to do something about the protection of three inefficient industries which compete directly with the major exports of many of our Asian trading partners. They are the textile, clothing and footwear industries. The three industries are enjoying the benefits of a seven-year protection program agreed to (under intense pressure) by the Fraser Government. The IAC has tentatively recommended that the level of protection be scaled down to a maximum of 50 per cent over seven years from 1988.

Asian trade

That may be too harsh for Senator Button, who will be attempting to get industry and union support for change. However, assistance to the three industries must be scaled back. The Australian market for textiles, clothing and footwear is relatively small. But these labour-intensive industries are on the first step to industrialisation for the developing countries of Asia. When their access to the markets of Europe and North America is severely restricted, our developing neighbours quite reasonably look to Australia. Protection of the textile, clothing and footwear industries is a luxury Australia can ill afford.

As they rapidly industrialise, the densely populated, capital and natural-resource poor economies of Asia are becoming highly complementary to the Australian economy.

Because of that, and their proximity, their importance to Australia will grow even faster than their share of world trade. A research paper prepared for the Federal Government's Economic Planning Advisory Council (EPAC) suggests that an achievable degree of success in the East Asian and South-East Asian markets could see Australia's total trade double in real terms over the course of the 1980s.

That will require an entrepreneurial flair that has been suppressed in Australia by decades of high protection and overvalued exchange rates. It will also require a determination by Australian Governments to resist the pleas for special treatment from both unions and owners of industries unfavourably affected by international competition. But the alternative is for Australia to slip further and further down the scale of trading nations and economic growth.

/12851

CSO: 4200/607

EDITORIAL URGES FARMERS DEMAND ANTIDUMPING LAW REVISION

Sydney THE SYDNEY MORNING HERALD in English 10 Jan 86 p 8

[Editorial: "How the Farmers can Dump Back"]

[Text] FARMERS outside Western Australia are naturally hopping mad. But they should do more than demand the same assistance provided under the blatantly political deal between Messrs Burke and Hawke. They should demand a revision of the anti-dumping law which allows manufacturers such as the fertiliser industry to so easily secure import protection. It is now almost routine for companies under pressure from imports to complain that their foreign competitors are "dumping" on the Australian market.

Dumping is a highly emotive subject, and the allegation is usually extremely difficult to prove or disprove. The Government, always under pressure to save jobs allegedly under threat, has given the minister, Senator Button, and his bureaucrats enormous discretion in dealing with dumping complaints. They can, for example, impose their own views of what the prices, costs and profits of foreign companies should be. And they can privately negotiate with foreign companies to lift their prices in Australia in return for the Government dropping the investigation into dumping.

Nearly all the pressure on the Government has been to make access to protection against dumping swifter and easier. When Rank Industries, alleging dumping by Japanese competitors, finally closed its uneconomic factory in Sydney last year, even the Opposition complained that anti-dumping assistance was still too hard to get.

The Government has not yet released its detailed reasons for slapping the dumping duty on imported fertilisers. However, local fertiliser manufacturers would have been under pressure from foreign competitors regardless of whether they were dumping their products in Australia. The "high analysis" phosphatic fertilisers, which are increasingly popular with Australian farmers, are more economically manufactured in large plants located next to the sources of rock phosphate. Both the local producers of traditional superphosphate fertiliser, and domestic manufacturers of the high-analysis phosphatic fertilisers, have found it increasingly difficult to compete with imports from the giant overseas plants.

As well as seeking protection

against alleged dumping, local fertiliser manufacturers have asked the Government for more general assistance, including subsidies to encourage farmers to use the local product and, in one case, import quotas. The farmers' fairly reasonable suspicion is that, like so many other manufacturers, the fertiliser manufacturers used the dumping allegation to maximise their chances of getting at least some protection from imports. Certainly the fertiliser industry could have expected a quicker and more sympathetic hearing from the Customs Service, which administers the anti-dumping law, than from the Industries Assistance Com-

mission, which conducts detailed, public inquiries into claims for general protection.

The protection afforded the fertiliser manufacturers will affect farmers directly. However, all import barriers to protect the manufacturing sector disadvantage Australia's hard-pressed rural exporters, mainly by increasing domestic prices. Farmers' representatives are now among the nation's most vocal critics of protection for manufacturers. The farmers have the motive to pressure the Government to be more discriminating in the way it hands out protection. They also have the political muscle.

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CSO: 4200/607

AUSTRALIA

SOCIALIST LEFT RIFT TARGETS VICTORIA POLITICIAN

Hartley Likely to be Expelled

Melbourne THE AGE in English 6 Jan 86 pp 1, 3

[Article by Brendan Donohoe: "Left Attack Puts New Pressure on Hartley"]

[Text]

Outspoken leftwinger Mr Bill Hartley looks certain to be expelled from the ALP after an attempt yesterday to suspend him from the Socialist Left faction.

Though narrowly defeated, the move to dump Mr Hartley from his own faction is a further erosion of his power base in Victoria's Labor Party. It means he is likely to be expelled by the party's national executive and then lose his SL membership at a mass meeting of the faction next month.

According to a national executive source, the opposition to Mr Hartley within his own faction was "just icing on the cake" for right-wingers who want to expel him. Mr Hartley, 55, will go before the national executive where he has only minority support, on 23 January.

The split in the SL erupted yesterday at a tense meeting of the faction's executive in Melbourne. Members of the SL's new guard moved that Mr Hartley, a key old guard member, be suspended for 12 months because of his "arrogant misuse of his SL membership" and "publicly and viciously attacking Pete Steedman."

But the anti-Hartley ambush was blocked by the intervention of Mr Ray Hogan, state secretary of the Miscellaneous Workers Union, who does not fit comfortably in either the new or old guard.

Mr Hogan, a member of the ALP national executive, successfully proposed that a committee be established to investigate the incidents in the preselection pro-

cess for Scullin and other matters troubling the biggest left-wing faction in the ALP nationally.

Mr Hartley last week publicly attacked Mr Steedman as an unacceptable candidate for the seat of Scullin and as being the "very genesis" of the split in the SL. Mr Steedman subsequently lost SL backing for the seat on Thursday night to a compromise candidate, Mr Harry Jenkins, son of the retiring speaker and Scullin MHR, Dr Harry Jenkins.

Yesterday's SL executive meeting was supposed simply to endorse Mr Jenkins for the safest ALP seat in Australia, but new guard members decided to "bite the bullet" against Mr Hartley and push for his suspension.

Sources said that a number of new guard members, including Mr Steedman, joined Mr Hogan in strong attacks on Mr Hartley's recent behavior and that Mr Hartley was shocked when the motion was tabled.

An attempt by one of Mr Hartley's supporters to adjourn the motion was defeated. But Mr Hogan's motion for a committee succeeded, with one abstention, by 15 votes to 11. There were 27 executive members at the meeting.

Sources said that Mr Ralph Edwards, an executive member who normally votes with the old guard, was among those who criticised Mr Hartley's recent actions.

The new committee, whose members are yet to be decided, will report back to the 4 February SL executive meeting. Even if the new guard lacks the numbers to

move against Mr Hartley at this meeting, a motion to suspend him will be moved at a general rank-and-file meeting of the SL later in the month.

The divisions between the new and old guards, which came to a head over the Scullin preselection, almost brought about a move to overturn Mr Jenkins' endorsement in favor of Mr Steedman.

The other contenders have officially withdrawn and ALP State secretary, Mr Peter Batchelor, said last night he welcomed Mr Jenkins' endorsement and looked forward to working with him.

Mr Hartley has been called on by the ALP national executive to show why he should not be expelled, suspended or disciplined for his recent actions, mostly through comments to the media.

Mr Hartley, a journalist who works from the Food Preservers' Union office in North Melbourne, is a member of the state ALP's administrative committee and foreign affairs committee and has twice attempted to become an ALP senator.

Much of his recently outspoken behaviour has centred on the jailing and subsequent release of the Builders' Laborers Federation secretary, Mr Norm Gallagher, and the Victorian and Federal Government's plans to deregister the BLF.

Yesterday's motion against Mr Hartley was moved by Mr Graham Bird of the Australasian Meat Industry Employees Union and seconded by Mr Paul Slape, secretary of the Municipal Employees Union.

Mr Hartley, who defended himself for more than 30 minutes at the meeting, was not available for comment last night.

Anthony Nagy reports from CANBERRA that a senior party source believed the Socialist Left motion to expel Mr Hartley from the ALP was a clear indication of how isolated he had become within the party. "Hartley's excessive attacks on Steedman have put him beyond the pale, even with his own supporters," he said.

The Federal Opposition Leader, Mr Howard, said the success of Mr Harry Jenkins junior in gaining SL support for Scullin had been a victory for Mr Hartley.

"Mr Jenkins may be a compromise candidate, but the compromise was determined by Mr Hartley's faction in the Socialist Left," Mr Howard said.

Mr Howard said it spoke volumes for the state of the ALP that Mr Hartley, who the national executive was attempting to expel had decided who would run for the party in its safest seat.

Mr Howard said electors in Scullin were also entitled to know where Mr Jenkins stood on the question of the Federal Government's move to deregister the Builders Laborers' Federation.

"It would be a betrayal of all his principles if the Prime Minister, Mr Hawke, campaigned in Labor's safest seat for a candidate who opposes the deregistration of the BLF or who is in any way sympathetic to this rogue union," Mr Howard said.

Editorial Views Hartley Failure

Melbourne THE AGE in English 7 Jan 86 p 11

[Editorial: "Time is Running Out for Hartley"]

[Text]

As each week passes, the link between Mr Bill Hartley and the Labor Party appears to become weaker, and it seems probable that he will be suspended from the party later this month. The chances of his expulsion increased substantially at the weekend when he was saved from suspension by his own faction by a deferral motion, and then only by a slim majority. Mr Hartley once dominated a section of Labor's Left, and through it influenced the broader Left and the party as a whole. Now the reverse is the case. Opposed by the Right and centre, and disliked by part of the Left, he finds himself on a narrow power base, teetering.

That is the obvious way in which Mr Hartley has become isolated from the Labor Party. It underscores the more important point: he has failed to grow up in government. It is a political truism that life in opposition allows a party freedom denied to it when in government. The opposition party can preach abstract principle, quibble over doctrine and ideology, or remain discreetly silent, safe in its powerlessness. Governments must deliver, and do so under the closest of public scrutiny. Sometimes they must compromise. They must appear stable and united.

Being in government imposes a responsibility on every member of the governing party, particularly on its office-holders. By any reasonable standard, Mr Hartley has not discharged this responsibility well. While three Labor governments were closing in on the Builders' Laborers Federation with a strong majority of community support, Mr Hartley led a campaign to defend the BLF and its leader, Mr Norm Gallagher. He had a rather fatuous ALP conference resolution to back him up, but it is indeed dubious political wisdom to pursue an unwinnable argument at the inevitable cost of hurting your own party in government.

The BLF saga is but the latest in a long history of divisive behavior by Mr Hartley stretching back about 20 years and covering a wide range of domestic and foreign matters. If he has ever been an electoral asset to the ALP, it has only been through his demonstration that the party can accommodate a wide span of views and aspirations.

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CSO: 4200/607

But limits to behavior must be drawn somewhere, and Mr Hartley will have a tough time proving to the ALP executive, or indeed to anyone but his own cronies, that he has not stepped out of bounds much too often.

The ALP federal officers have properly allowed Mr Hartley adequate time to prepare his defence. This may reflect the national executive's concern not to trample on Mr Hartley's rights, or perhaps its belief that the case against him is unanswerable and ought not to be spoiled through indelicate haste. ALP officials know that the expulsion move must not fail — that would boost Mr Hartley's stocks enormously — or be carried out clumsily, thus providing him with a martyr's cloak. The national executive must handle his case with caution also to avoid setting a destructive precedent. In the end, however, the link between Mr Hartley and the Labor Party should be severed.

BURMA

PAPER SAYS KAREN NATIONAL UNION MEMBERS 'KILLERS'

BK281139 Rangoon LOKTHA PYEITHU NEZIN in Burmese 21 Jan 86 p 4

[Pado Aung Ba article: "Karen National Union Stands for Killers"]

[Text] The Karen National Union [KNU] can be singled out as an organization that kills daily as a vocation. The KNU does nothing but kill. Their politics, economics, and social affairs involve killing.

Although maintaining their narrow racist outlook, the KNU kills its own Karen nationals--this is its great political program. Like a brutal executioner, the KNU treats killing in a matter of fact way and is not reluctant to kill children or the elderly. They relish mass killings even more and proclaim mass killings of innocent people as their victory. They rejoice at such killings, drinking, dancing, and shouting like barbarians.

On 2 January this year, 46 people were killed and 136 wounded when the KNU insurgents brutally opened fire on the vessel "Sindaw," which belongs to the Water Transport Corporation, on its Moulmein-Kya-in Seikkyi route. How despicable and brutal is the KNU, indeed!

The KNU, which has become desperate because of pressure from the army's offensive and opposition from the Karen working people, committed this atrocity against innocent working people. Such an action is like burning down a granary when rats cannot be controlled.

Most of those killed in this mass murder were Karen nationals, the killing of whom runs counter to the establishment of a separate Karen state, to the Karen revolution, and to the promotion of interests of Karen nationals as preached by the KNU. In reality, only Karen nationals were killed.

Many times before, thousands of workers have been killed in KNU attacks on vessels en route to Kyondo, Kya-in Seikkyi, Moulmein, and Pa-an. Why are they killing the working people en masse? The answer is simple: The KNU thinks it can survive only by drinking the people's blood. It thinks only atrocity and brutality will bring about the successful completion of the revolution. The KNU may also have killed Karen nationals to comfort the suppliers of their arms and cash.

This is not the first time the KNU has committed mass murder. It has killed people en masse since its inception, and the bones of the dead in the delta region, Pegu Yoma, Pyu, and Toungoo attest to their deeds.

Now the KNU is suffering politically, economically, and militarily. Its political stance was shaky from the beginning; they never have the support of the Karen nationals, who only oppose them. Militarily, they have strength only to kill in villages.

Since the army launched "Operation Yan Nyein Aung," more than 1,000 Karen insurgents have given up their arms at camps in Mela, Maw Pokay, and Wangkha. Except for the leaders, Karen insurgents have only chilli peppers and salt to eat. The subordinates no longer believe in the Karen revolution. They are fleeing from it.

To win back those who have deserted, the KNU proclaimed a so-called amnesty. Those returning before the end of August 1985 were promised reinstatement to former positions and ranks. However, the subordinates did not respond, and the leaders were disappointed.

The KNU now faces shortages of arms and men. It can no longer buy ammunition for carbines and AK-47's. It is trying to recruit men from Sho Khalo and Baung Nawng Waw refugee camps; hence, many have fled these camps. Those Karen youths who are afraid of forceful recruitment are fleeing to large towns like Kyondo, Kawkareik, Hlaingbwe, and Pa-an.

The KNU, which depended on the proceeds from the tollgates, went bankrupt when the army offensive closed down and destroyed smugglers' tollgates and when 100, 50, and 20 kyat currency notes were demonetized. Meanwhile, misunderstandings and distrust have grown between the leaders and subordinates to the point that the leaders can no longer order their subordinates around.

Under these circumstances, a social pursuit of acquiring mistresses and abusing other men's wives has become common, giving rise to further mistrust and suspicion. With their deteriorating political, military, and economic situation, the directionless KNU insurgents are turning against the innocent working people.

Bo Mya and his KNU insurgents are well aware of their approaching demise. They are counting their days on their fingers, but they have not ceased their atrocities and brutalities against the people. These murdering KNU members, who are committing mass murders, are bound to meet their fate soon.

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CSO: 4211/22

GOVERNMENT WELCOMES DECISIONS OF MUHAMMADIYAH CONGRESS

Jakarta HARIAN UMUM AB in Indonesian 13 Dec 85 pp 1, 7

[Text] Solo, AB--Minister of Religion H. Munawir Sjadzali, MA, said the government welcomes the decisions of the 41st Muhammadiyah Congress, because the congress accepted Pancasila as sole principle in accordance with Law 8 of 1985.

The minister of religion said in his speech closing the congress on Wednesday night [11 December] at the Pendopo Agung Mangkunegaran, Solo, that the congress was undisturbed, smooth functioning, and orderly.

According to the minister, the acceptance of Pancasila as sole principle does not in any way diminish Muhammadiyah's religious beliefs as an organization for propagating Islam or emasculate its struggle.

Minister Sjadzali feels that the new directors of the Muhammadiyah Central Executive Board selected by the congress will assure an extensive struggle by Muhammadiyah and that the rise of new, young leaders will assure a successful natural regeneration. Several groups (Islamic scholars, intellectuals, and businessmen) are represented in the new leadership. According to the minister, the effort to uphold Islam cannot succeed if performed only by Islamic scholars, but, on the other hand, the Islamic scholars cannot be excluded. The effort, therefore, must be made cooperatively.

The minister said the Islamic struggle can be called successful if it runs parallel to the national struggle. He judged that Muhammadiyah has never run against the flow but rather has always moved in line and in step with the government.

The minister stated a reminder that the responsibility of the Islamic community in national development is to take part in ensuring that development does not move in the wrong direction.

In the next 5 years, he hopes Muhammadiyah will have more accomplishments, the benefits of which should not be for Muhammadiyah members only but for the Indonesian People as a whole.

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CSO: 4213/74

SECURITY TIGHTENED TOWARD SHIPS FROM SOCIALIST COUNTRIES

Jakarta SINAR HARAPAN in Indonesian 13 Dec 85 pp 1, 12

[Text] Jakarta, 13 Dec 85--Although the nationalism of businessmen belonging to KADIN [Chamber of Commerce and Industry] is quite strong following their participation in the National Awareness Upgrading (TARPADNAS), they still need to be informed about the normal tactics and methods of socialist countries.

Several government officials involved in security issues stated this to SINAR HARAPAN in connection with the seminar on "Increased Economic Relations With East European/Socialist Countries" held several days ago. The seminar was organized jointly by KADIN and the Institute for National Defense [LEMHANAS].

The statements of those officials, who want to be anonymous, are consistent with a warning issued several days ago by Dr Soerjanto Puspowardoyo of the Literature Faculty of the University of Indonesia, who is an observer of Marxist teachings. He cautioned that trading with socialist countries means trading, not with businessmen, but with authorities who turn the political wheels of their countries.

Maj Gen TNI [Indonesian National Army] Soebijakto, governor of LEMHANAS, said himself prior to the seminar that though KADIN members going to socialist countries to do business give assurance that the security apparatus of these countries will not be directly "prejudiced" toward them, but that does not mean that the businessmen must drop their attitude of caution.

Complaint

A security official sounded a warning in connection with a complaint voiced in a newspaper article on Thursday morning [12 December] by an official of the Soviet Ministry of Foreign Trade. The Soviet official, Vladimir Blokhin, indirectly protested instructions issued by our director general of sea communications that, among other things, ships flying the flags of socialist countries are permitted to enter only five ports: Tanjung Priok, Belawan, Tanjung Mas (Semarang), Tanjung Perak, and Ujung Pandang.

The Soviet official told the newspaper that "the instructions of the director general clearly discriminate against friendly countries."

Security

A SINAR HARAPAN source cited examples to show that a statement appearing to be a complaint about merely technical or business issues, like the one reported above, may actually be from the security standpoint an effort to disrupt a security network established by the government.

Yoga Sugama, chief of BAKIN [State Intelligence Coordination Agency], explained some time ago in a working meeting with DPR [parliament] Commission I that the government has taken several security steps related to the entry of ships from the PRC or socialist countries.

Yoga said these security actions include a requirement for obtaining visa approval from the Directorate General for Immigration and a rule that crew members may move about only within port areas.

The regulations limiting the movements of crew members of ships from communist and socialist countries reportedly were issued at the time when trade relations between Indonesia and the PRC were beginning to be discussed actively. These regulations include a provision that such sailors may not go beyond the first limits of port areas.

Consequently, all necessities for ships and crews are brought near the ships. Even souvenirs will be made available so that there will be no justification for calling the security measures "inhumane."

It was admitted, however, that these restrictions mean crew members will not be free to seek "entertainment" in the area around a port, as normally enjoyed by sailors from ships of other countries. In restricting the entry to 5 ports, consideration was also given to the fact that these five ports have adequate security facilities.

This tight system of control applies not only to sailors, but to trade missions visiting Indonesia as well.

Some time ago, Soebijakto cited a famous example from the West, known in connection with the "Penkovsky Papers," in which a high KGB (the Soviet Secret Service) official disguised himself as a member of a Soviet trade mission to England.

"The same is certain to be true of all their trade missions," said Soebijakto, who once served as military attache in Moscow and as deputy assistant for intelligence under HANKAM [Department of Defense and Security].

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CSO: 4213/74

MANAGERS OF IRIAN TRANSMIGRATION PROJECTS CRITICIZED

Jakarta KOMPAS in Indonesian 14 Dec 85 pp 1, 12

[Text] Jayapura, ANTARA--Deputy Governor of Irian Jaya Sugiyono criticized the leaders of projects for preparation of land for transmigration settlements. He said that many of them are unsatisfactory because they do not go into the field enough and that most of them waste their time going back and forth between Jayapura and Jakarta.

He made this statement on Thursday [12 December] in a ceremony, held in front of the Irian Jaya governor's office, commemorating the 35th anniversary of transmigration. The deputy governor said project leaders whose families live in Jakarta do not do enough monitoring of project contractors in the field. Consequently, he fears that the projects will not meet their goals.

Transmigration has top priority in Irian Jaya and must be supported by a dedicated administrative apparatus. Unsatisfactory managers should resign, he stated. He said that money for the transmigration sector in Irian Jaya this year totals billions of rupiahs but that the sector is haunted by large "undisbursed development funds (SIAP)." This year alone, only 20 percent of the funds are available.

The Irian Jaya transmigration program has special meaning, Sugiyono declared, both as a support to the national program and as a catalyst for accelerating the development process in the province. Every weakness experienced so far should be used as a valuable lesson for future steps, because transmigration to Irian Jaya under PELITA [5-year development plan] IV is being given special attention by the government.

PELITA IV projects the transmigration of 137,000 households to Irian Jaya, which is 11 times larger than the total for the preceding 5-year plans.

Like a Sleeping Giant

He said that Irian Jaya, for all its simplicity of appearance, constitutes an expanse of natural resource potential. Seen from another viewpoint, it is a sleeping giant. The area's lack of inhabitants has affected its rate of development.

Problems now being faced by the world as well as by Indonesia are population, food, and manpower. These are critical, interrelated issues that could

produce a disaster threatening continuance of the life of mankind if they are not controlled properly.

This easternmost Indonesian province is four times larger than Java but is inhabited by only 1.2 million people. Because they live isolated in the interior, it is not surprising that the government is giving priority to this program.

The transmigration program is not only a way to raise the standard of living of the people but is at the same time a shield and fortress for the protection of the nation from every disaster that could arise from the three critical issues mentioned above.

To achieve successful development in this region, Sugiyono stated, the provincial government emphasizes investment in manpower rather than in technology, which we may not be able to master. "What's the meaning of capital stacked as high as the sky without the people to use it?" asked Sugiyono.

6942

CSO: 4213/74

REVOCATION OF SABANG'S FREE PORT STATUS CALLED BENEFICIAL

Jakarta SINAR HARAPAN in Indonesian 16 Dec 85 pp 1, 12

[Text] Banda Aceh, 14 Dec 85--From a HANKAM [defense and security] viewpoint, the revocation of Sabang's status as a free port will have a positive and extensive impact, because this action will reduce the possibility of infiltration and subversion from both within and outside the country.

Colonel CZI [Indonesian Corps of Engineers] Haryoto, commander of KOREM [Military Area Command] 012/"Teuku Umar," made this statement on Saturday [14 December] in a panel discussion held by the Banda Aceh branch of the Indonesian Engineers Association at Syah Kuala University.

In a working paper entitled "Sabang After Revocation of Law 4 of 1970, As Seen From the HANKAM Viewpoint," he said that Sabang, located on Weh Island, is an ideal place for a forward post for early detection of possible invasion from the west and north. This early detection capability will reduce the possibility of a surprise attack and will simultaneously give room and time for strike forces to prepare for action to repel the enemy from our territory.

According to Col Haryoto, the use of Sabang as a base for ABRI units will at the same time give them greater range in their monitoring of Indonesia's exclusive economic zone to the west and north. This means they will be able to prevent the pilfering of our ocean resources by foreigners.

Enemies

"The Strait of Malacca, as one approach to Indonesia, will be covered by a post at Sabang" declared the DANREM [KOREM commander] emphatically.

He also cautioned that because of the strategic location of the island an enemy would be very interested in capturing it in order to remove an Indonesian eye and ear while at the same time acquiring a forward post for controlling Indonesia and the Strait of Malacca.

Dr Alibasya Amin, specialist in regional economics at Syah Kuala University, said in his working paper on the cancellation of Law 4 of 1970 that from an economic and sociocultural viewpoint the position of Sabang is not as useful as other ports along the northern Indian Ocean because of the configuration of

Indonesia's territory and the trend of Sabang's transit trade to be oriented to Singapore and coastal countries of East Asia.

According to Dr Alibasya Amin, transit trade with Europe actually has some potential for growth, but, because the ocean trade system is oriented to ports in customs areas, trade with Europe via Sabang is seen as lengthening marketing routes and thus making them unprofitable because of added cost and time.

"The only hope would be if processing and assembling industries could be developed in Sabang," he said.

Representatives of various offices involved in the future development of Sabang participated in the day-long panel discussion. The governor of Aceh himself took part by reading a working paper on the future of Sabang.

6942

CSO: 4213/74

FERTILIZER SUBSIDIES EXPECTED TO GROW

Jakarta KOMPAS in Indonesian 11 Dec 85 p 2

[Text] Jakarta, KOMPAS--Fertilizer subsidies for 1985-86, budgeted at 557.8 billion rupiahs, are expected to grow to 750 billion rupiahs. Joni Marsinih, principal director of PT PUSRI [Sriwijaya Fertilizer, Ltd] revealed this in an exchange of views with the DPR [parliament] Budget Commission in Jakarta on Tuesday [11 December].

Marsinih said the leap in fertilizer subsidies is a result of the volume being used, the low prices of fertilizer to farmers, and the expanding cost of production and distribution. Marsinih's statement comes only a month after Minister of Industry Hartarto spoke of the need to improve the efficiency of fertilizer plants so the government will be able to reduce fertilizer subsidies. As a comparison, 1984-85 fertilizer subsidies were "only" 458.7 billion rupiahs, and BBM [petroleum fuel] subsidies in 1985-86 are only 532.3 billion rupiahs.

Marsinih explained that in future years fertilizer plants are to reduce their profits as one way of indirectly reducing subsidies. "The government says that if necessary there will be no profits in order to cut back subsidies," stated Marsinih, principal director of PT PUSRI, which produces 43 percent of the national urea fertilizer output.

Profits

The reduction of fertilizer plant profits is theoretically possible but will not do much to slow the increase in subsidies. The 1983 net profit of PT PUSRI, for example, was 53 billion rupiahs from a production of 1.62 million tons of urea fertilizer and 989,000 tons of ammonia. In that year, PT PUSRI reached its installed capacity of 1.62 million tons. "That seldom happens. In the industry, production generally rotates around 80 to 90 percent at most," Marsinih said.

The government has provided subsidies so that fertilizer prices to farmers can intentionally be kept low. Urea fertilizer sells for 230 rupiahs per kilogram in the Philippines, for example, and for 237.55 rupiahs per kg in India, whereas the current price in Indonesia is only 100 rupiahs per kg. This is in spite of a farming axiom that the price of fertilizer should be the same as

that of unhulled rice. "The present price of our fertilizer is much less than the price of rice (175 rupiahs per kg--editor's comment)," stated Marsinih.

Consequently, the more fertilizer farmers consume, the more subsidies will grow. That is precisely what has happened. In 1984, for example, only 4.2 million tons of urea were used, but the volume grew to 4.8 million tons in 1985.

6942

CSO: 4213/74

INDONESIA

BRIEFS

AMBASSADOR TO FINLAND DIES--The Indonesian Ambassador to Finland, Mr Mas Suryadi Promodiharjo, died on 21 January. [Excerpt] [Jakarta Domestic Service in Indonesian 1200 GMT 21 Jan 86 BK] /12858

SHUTTLE ASTRONAUT PLANS CONTINUED--Indonesia will go ahead with its plans to send its astronaut and all preparations are being made despite the space shuttle Challenger's mishap. Institute of National Space and Aviation Chairman Sunaryo made the remark in connection with the explosion of the space shuttle Challenger shortly after its launch at Cape Canaveral, Florida. As one of the officials actively involved in the preparation of the Indonesian astronaut program, Sunaryo expressed his sorrow over the tragic event. The space shuttle exploded only 90 seconds after takeoff, killing all seven astronauts on board. Indonesian astronaut-designate Pratiwi Sudharmono is scheduled to fly in the U.S. space shuttle on 24 June 1986. [Text] [Jakarta Domestic Service in Indonesian 0700 GMT 29 Jan 86 BK] /12858

MINISTER SPEAKS ON PALAPA B-3 LAUNCHING--Minister of Tourism, Posts, and Telecommunications Ahmad Tahir believes that the space shuttle Columbia will go ahead with its launch in June of the Indonesian satellite Palapa B-3 with the first Indonesian woman astronaut, Pratiwi Sudharmono, on board. Speaking in a telephone interview to Jakarta reporters from Medan today, Ahmad Tahir said that a postponement of the June space flight may take place only if decided by the National Aeronautics and Space Administration in connection with yesterday's explosion of the space shuttle Challenger. He added that the satellite Palapa B-3 is scheduled to be launched by the space shuttle Columbia, not Challenger. As NASA still has another space shuttle, namely Columbia, the orbiting of the Indonesian satellite will be carried out as scheduled. [Text] [Jakarta Domestic Service in Indonesian 1000 GMT 29 Jan 86 BK] /12858

CSO: 4213/86

MALAYSIA

BUSINESSMAN ARRESTED FOR RESCUE PLAN FAILURE

BK211327 Singapore Domestic Service in English 1300 GMT 21 Jan 86

[Text] The Finance Ministry says that Malaysian businessman-politician Tan Koon Swan was arrested in Singapore today following investigations by the Commercial Affairs Investigation Department into the financial affairs of Pan Electric Industries. Pan Electric Industries went into receivership last month after the collapse of the rescue plan negotiated by Mr Tan Koon Swan with the creditor banks. Under the rescue plan, Mr Tan and his associates were to have injected a total of \$40 million [Singapore dollars] to restore Pan Electric liquidity and allow it to continue operations.

The finance minister, Dr Richard Hu, told Parliament last week that a fund of \$20 million had so far been transferred. Other measures under the plan included relieving Pan Electric of all its outstanding share purchase obligations. Pan Electric, one of the 122 Singapore incorporated companies listed on the Stock Exchange of Singapore, got into trouble because of its massive forward share deals it had entered into, using funds borrowed from banks. The deal resulted in losses amounting to some \$40 million to the company. Mr Tan has interests in Pan Electric through (Sigma Metal Limited), a Singapore-based company which owns 22.3 percent of the Pan Electric shares.

/12858

CSO: 4200/579

MALAYSIA

PRICES FALL IN COLLAPSE OF PAN ELECTRIC

HK221156 Hong Kong AFP in English 1141 GMT 22 Jan 86

[Text] Singapore, Jan 22 (AFP)--Malaysian businessman-politician Tan Koon Swan was preparing to spend his second night in custody here as Singapore authorities today continued their enquiries into his financial dealings.

A spokesman for the Commercial Affairs Investigation Department (CAID) of the Finance Ministry, which was questioning Mr Tan, said there was as yet no decision on whether he would face charges. By law, he must be produced in court before tomorrow evening, or released. The decision on whether to press charges had political as well as legal implications and would be weighed carefully, local analysts said.

Mr Tan was taken into custody yesterday in connection with a CAID investigation into illegal insider trading linked to the collapse of a major local conglomerate, Pan Electric Industries, which triggered a three-day suspension of trading on the Kuala Lumpur and Singapore exchanges in early December. His detention sent shock waves through both business and political communities in Singapore and Malaysia, and brought share prices down sharply on the twin stock markets.

A 45-year-old self-made millionaire with extensive holdings, Mr Tan was elected president of the Malaysian Chinese Association (MCA), the country's second largest political party and a member of the ruling coalition, just two months ago--a position that could be expected to bring him a cabinet post.

A grim-faced delegation of the MCA leadership, including three government ministers, arrived in Singapore this afternoon in hopes of seeing Mr Tan "to find out what is happening," an MCA spokesman in Kuala Lumpur said.

Earlier, the Malaysian High Commissioner in Singapore, K. Tharmaratnam, had a half-hour meeting with Mr Tan, who asked him to pass a message to MCA members and other Malaysian Chinese to remain calm. Mr Tan was also allowed to see his constant companion, Penny Chang, who had accompanied him to Singapore at the beginning of the week for what was supposed to be a routine visit.

In Kuala Lumpur, an estimated 200-300 supporters of the millionaire politician demonstrated outside the Singapore high commission to protest his detention. Some of the demonstrators wore MCA T-shirts but a party spokesman denied any involvement in organizing the protest.

Meanwhile, BERNAMA news agency reported a run on Supreme Finance, in which Mr Tan has a substantial stake. Long queues of depositors were reported outside most Supreme Finance offices as depositors sought to withdraw their savings.

The stock markets in Singapore and Kuala Lumpur, still reeling from their unprecedented closure in early December, reacted badly this morning to the news of Mr Tan's detention, with a wave of panic selling reported immediately after the opening. A calmer situation prevailed later in the day, however.

Brokers said that it might have been worse except for the fact that already jittery investors had been extra-cautious lately to avoid getting their fingers burned.

Mr Tan wields considerable influence on the two exchanges as he has direct or indirect interest in at least a dozen listed companies. He was part of a failed bid to rescue Pan Electric before it went into receivership on November 30.

A second rescue plan, announced in December, also apparently ran into trouble. Mr Tan and his associates were to provide \$40 million (19 million U.S.) to keep Pan-el afloat, but no funds were forthcoming after an initial advance of \$20 million, despite requests from the receivers.

Mr Tan, considered the most powerful Chinese both economically and politically in Malaysia, won the MCA presidency by toppling his political archrival Neo Yee Pan. A rags-to-riches tycoon, he started out peddling dumplings for his father, a hawker originally from Hainan, China. But his drive and ambition took him rapidly into more lucrative employment, including a position as chief tax advisor in Malaysia to Esso where, he has said, he learned "the game of high finance." From there, he expanded into a variety of entrepreneurial interests and stock market investments in the 1970's.

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CSO: 4200/579

MALAYSIA

SHOCK WAVES FOLLOW PAN ELECTRIC FAILURE

HK220611 Hong Kong AFP in English 0600 GMT 22 Jan 86

[Text] Singapore, Jan 22 (AFP)--Millionaire businessman Tan Koon Swan, riding high after adding the leadership of Malaysia's biggest Chinese political party to his achievements two months ago, was today in custody in Singapore following investigations into the collapse of Pan Electric Industries.

News of his detention sent share prices downward on the Singapore, Kuala Lumpur and Hong Kong exchanges today, and shocked bankers and brokers who have been uneasy since the Pan Electric crisis triggered an unprecedented three-day suspension of trading on the Singapore and Kuala Lumpur markets in early December.

Mr Tan, 45, was formally taken into custody yesterday evening after being interviewed for several hours by the Singapore Finance Ministry's Commercial Affairs Investigation Department (CAID). The announcement of his detention was believed timed to follow the close of trading on the already jittery exchanges in Singapore and Kuala Lumpur.

The CAID and the Criminal Investigations Department (CID), where he was transferred for the night before being returned to the CAID early today, refused to comment on the affair or to say whether he would be charged.

The CAID began its investigation into the Pan Electric [Pan-el] conglomerate last February after a preliminary stock exchange enquiry into illegal insider trading at Pan-el, which went into receivership in late November after the failure of a preliminary rescue plan mounted by Mr Tan.

A second rescue plan, announced in December, also apparently ran into trouble. Mr Tan and his associates were to provide 40 million dollars (19 million U.S.) to keep Pan-el afloat, but no funds were made available after an initial advance of \$20 million, despite requests from the receivers.

He was initially involved in Pan Electric only indirectly, through his Sigma International, which had a 22.3 percent stake in the conglomerate.

Mr Tan, an MP for Damansara in the Federal District encompassing Kuala Lumpur, was elected president of the Malaysian Chinese Association (MCA), Malaysia's second largest political party and a member of the ruling National Front, in November after a stormy leadership struggle lasting 20 months.

The MCA leadership had been expected to bring him a post in the Cabinet of Prime Minister Mahathir Mohamad, although the appointment was postponed because of the Pan Electric crisis, Malaysian analysts said.

The MCA said after an emergency session in Kuala Lumpur late yesterday that the party, "saddened" by the news of Mr Tan's detention, would continue to function under the principles of collective leadership.

The prime minister was expected to issue a statement after a scheduled cabinet meeting today.

The son of a hawker from Hainan Island, China, Mr Tan made his fortune in the 1970s through stock market investments and financial trading.

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CSO: 4200/579

MALAYSIA

MALAYSIAN CHINESE PARTY URGES CALM AFTER PRESIDENT TAN'S ARREST

HK220346 Hong Kong AFP in English 0257 GMT 22 Jan 86

[Text] Kuala Lumpur, Jan 22 (AFP)--Malaysia's top Chinese political party, the Malaysian Chinese Association (MCA), has appealed to its members to remain calm in the wake of the detention of its millionaire president Tan Koon Swan in Singapore.

A statement issued by the MCA's top leaders after a three-hour meeting last night said that the party would function as usual despite Mr Tan's problems.

The 37-year-old MCA, Malaysia's largest ethnic Chinese political party with about 400,000 members, elected Mr Tan president two months ago. The party is a leading member of Prime Minister Mahathir Mohamad's 11-party National Front coalition and has played a major role in government since the then Malaya gained independence in 1957.

Mr Tan, 45, was taken into custody by Singapore's Commercial Affairs Investigation Department following investigations into the financial affairs of the giant Pan Electric Industries group which went into receivership at the end of November.

"Members are assured that our principle of collective leadership--a principle that has been followed and practiced by us will continue," the statement read out by Central Committee member Kok Wee Kiat said. "We are much saddened by news that Mr Tan Koon Swan, our president, has been detained by Singapore Government authorities," the statement said, adding that "pending definite information, we obviously are in no position to indicate our immediate action."

Among those present at last night's meeting held at the house of Deputy President Ling Leong Sik were party Secretary General Lee Kim Sai and Vice-president Chan Siang Sun. All three are full ministers in Dr Mahathir's cabinet.

Of Malaysia's 15 million people about 4.5 million are Chinese.

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CSO: 4200/579

FOUNDER DISAGREES WITH PARTY DEFENSE POLICY

HK230606 Wellington THE EVENING POST in English 6 Jan 86 p 17

[Text] Auckland, Today--A New Zealand Party founder and a candidate for the next election, Earle Thompson, says he can no longer support the party's defence policy.

The former vice-president said he was no longer prepared to push a policy he did not believe in.

Mr Thompson contested the leadership against John Galvin in August.

The Albany meat wholesaler believes it is imperative for New Zealand to remain in ANZUS, and maintain a high-profile defence force to protect its sovereignty and Pacific neighbours.

"I've already made it known within the party itself that I can't wear the defence policy," he said.

"Now I'm prepared publicly to state that."

The party wants New Zealand to be neutral, nonaligned, and to ban all warships. It also wants the armed services replaced with a large Civil Defence network, with a greater emphasis on territorial surveillance.

Leader John Galvin said Mr Thompson had broken the party's constitution by refusing to endorse or promote policy ratified by its membership. He appealed to Mr Thompson to push for policy changes through the correct channels--and not go public.

The two men have exchanged letters over the defence policy issue and discussed their conflicting views in private. Mr Galvin said the issue had been the subject of long-standing debate within the party.

"It is not valid to say it was a Robert Jones policy, that everybody had to toe the line," he said. "It has been debated widely and vigorously and every time it has come up at conference it has been endorsed."

Mr Thompson today acknowledged he had broken the party's constitution by expressing his personal views on policy but said there was no way he could support the defence proposals.

Asked why he canvassed the policy during the previous election if he disagreed with its principles, Mr Thompson said he wanted to give it a "fair go" after it was suggested by former party leader, Bob Jones.

NEW ZEALAND

GROUP URGES AUSTRALIA TO BAN SHIPS, CLOSE PINE GAP

HK240404 Wellington THE EVENING POST in English 18 Jan 86 p 3

[Text] The Campaign for Nuclear Disarmament [CND] in New Zealand has called on the Australian Government to close down its nuclear-related bases and has congratulated the Soviet Union on its moratorium extension on nuclear tests.

In statements today, CND urged Australia to join New Zealand in barring port entry to all nuclear-powered and armed warships and to close nuclear-related bases in the North West Cape, Nurrungar and Pine Gap.

CND congratulated the Soviet Union on its decision to extend the moratorium on nuclear tests for a further three months and said it hoped it would lead to the United States halting its programme and working towards a comprehensive test treaty ban.

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CSO: 4200/599

OPPOSITION LEADER OPPOSES SANCTIONS ON LIBYA

HK250702 Wellington THE EVENING POST in English 21 Jan 86 p 4

[Text] The Leader of the Opposition, Mr McLay, spoke out yesterday against economic or trade sanctions on Libya.

"Such sanctions do more damage to New Zealand than to the country that is targeted," he warned.

Mr McLay said there was little evidence that they had practical effect.

He was speaking on the eve of the first Cabinet meeting for the year.

The subject of sanctions proposed by the United States against apparent Libyan support for terrorist actions was on the agenda.

"While we would be obliged to honour mandatory United Nations sanctions, we have generally declined to go along with calls by individual countries for such embargoes," Mr McLay said.

"An example was our refusal in 1980 to agree to sanctions against the Soviet Union, following the invasion of Afghanistan."

But Mr McLay also said in a statement that there was strong evidence of Libyan involvement in international terrorism, and New Zealand's Government should be more vocal in its condemnation of terrorism--wherever it occurred.

"Apart from the Rainbow Warrior affairs, Mr Lange has said little on the subject --and, particularly was not prepared to go along with strong Australian comments on the Achille Lauro hijacking," Mr McLay said.

"The international community must seriously address the problem of terrorism. There must be internationally accepted security measures at airports and all countries should have permanent and well-trained counter-terrorist forces."

All law-abiding countries had to combine to make clear the consequences of terrorists' acts. These consequences should include:

A clear commitment to extradite terrorists for trial. "Too many countries (including the U.S. itself over the IRA terrorists) operate double standards in this regard."

A commitment to use force if necessary to free hostages.

Mr McLay said today's terrorists were professionally organized, highly trained and well funded.

"Their activities can only be controlled by effective preventive and reactive programmes co-ordinated between governments and private-sector organisations (such as airlines etc) that are likely to be targets."

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CSO: 4200/599

NEW ZEALAND

MULDOON PREDICTS 20 PERCENT INFLATION FOR 1986

KH230710 Wellington THE EVENING POST in English 15 Jan 86 p 4

[Article by Post Political report Tim Grafton]

[Text] New Zealand is in a wage-price spiral that will take inflation above 20 percent for 1986, former Prime Minister Sir Robert Muldoon told Orewa Rotarians in his traditional New Year's address last night.

Sir Robert said annual inflation figures for the March and June quarters would come down only because the corresponding 1985 figures were abnormally high.

"By normal standards, both the March and June, 1986, quarters will themselves be high because of the impact of the wage round which is virtually out of control and which is likely to add another 6 to 7 percent on to consumer prices" Sir Robert said.

"In the absence of further changes in government policy, we will be then looking at a September-year figure of at least 13 percent, which will take us over 20 percent for the calendar year 1986," he said.

Given the "mindless intransigence" of the unions, Sir Robert said he did not believe even the downturn in economic activity this year would break the inevitable wage-price cycle.

All the teeth had now been taken out of industrial legislation.

The wage fixing system was now a method of wage determination by strike action which was spreading in an appalling fashion to occupations which were vocations, he said.

Prices would also go up, by up to 7 percent, when the goods and services tax was introduced in October, not just the 5 percent stated by government Ministers, he said.

Reviewing some of the Government's economic moves of the past 12 months, Sir Robert said the "absurd free injected a new destabilising factor into the conomy.

External accounts had deteriorated sharply, but that would turn around toward the end of 1986 from Think Big projects of up to \$2 billion.

"Our external balances will improve this year, but principally because of a downturn in the total economy, the extent of which, I believe, will be much greater than the New Zealand public can possibly realise at the present time," he said.

Sir Robert predicted the interest market would settle at a mid-point of about 17 percent.

On agriculture, Sir Robert said the appalling treatment farming had received from the Government would be felt for another decade in 1986, that damage would permeate the whole economy.

Sir Robert also levelled some criticism at members of his own party and at the government statistician.

"Some of my colleagues in the National Party have fallen into this trap of using cliches of 'free market' and 'intervention.' But without exception, it is those who have little or no understanding of the realities of the economy and economic management," he said.

"There is no free market in today's world and intervention is an almost precisely accurate synonym for government," he said.

The free float and the volatility of the New Zealand dollar had caught many enterprises and, said Sir Robert, he feared there would be some "spectacular collapses" in 1986.

As for the government statistician, Sir Robert said the job was not being done properly; there was a failure to collect statistics on private-sector external indebtedness.

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CSO: 4200/599

INFLATION RATE DIPS, BUT RISES IN LAST QUARTER

HK260600 Wellington THE EVENING POST in English 20 Jan 86 p 4

[Text] Inflation increased by 2.3 percent in the December quarter, but has declined on an annualised basis.

Housing contributed half the increase, the Government Statistician said yesterday.

On an annual basis, the rise in the Consumers Price Index (CPI) for 1985 was 15.3 percent--down from 16.3 percent for the year to September and from 16.6 percent for the year to June.

Contributions to the December quarter increase of 2.3 percent were made on the following basis (figures rounded): : food 9.2 percent, housing 49.7 percent, household operation 12.9 percent, apparel 10.9 percent and miscellaneous 17.9 percent.

The sixth group, transport, contributed an 0.5 percent decrease.

Significant increases in the housing area were from interest on mortgages, dwelling rentals, local authority rates, purchase of dwellings and construction.

Other major increases in the December quarter were contributed by timber, contractors' charges for house maintenance, milk, cheese, meals away from home, household furniture, garden plants, women's clothing, used cars, credit charges on cars, vehicle insurance, books, beer, cigarettes and tobacco.

Decreases were recorded by petro, wine, fresh fruit, vegetables and meat.

The Minister of Trade and Industry, Mr Caygill, said the 2.3 percent increase was the lowest December quarter CPI since 1972 (apart from 1983, during the price freeze).

"The 2.3 percent increase compares to 2.8 percent for the previous quarter, and 5.1 percent for the quarter before that," Mr Caygill said.

The annual rate of inflation had also fallen for the past six months. "Almost half of the quarterly increase related to housing costs." Mr Caygill said that in a number of instances, those costs reflected increases that took place earlier in the year. "The largest single increase was in mortgage interest."

NEW ZEALAND

INTEREST RATES INCREASE LINKED TO DEFICIT FIGURES

HK230754 Auckland THE NEW ZEALAND HERALD in English 16 Jan 86 p 3

[Article by Wellington Staff]

[Text] Interest rates were pushed higher on money markets yesterday after the announcement that the government spent nearly \$4 billion more than it earned in the eight months up to November.

Interest rates on 90-day commercial bills rose to around 22-1/2 percent, a rise of more than 2 percent in a week.

They could be forced even higher when the terms for the January Government stock tender next week are announced today.

The government announced a borrowing programme last month which implied that it would need to borrow \$300 million in the January tender, to fully cover its projected deficit for the 1985-86 financial year of \$1.6 billion.

But the Treasury revealed yesterday that the deficit reached \$2991.2 million in the eight months to November alone.

Expenditure was up by 18.7 percent to \$11.4 billion, but revenue was up by only 16.2 percent to \$8.4 billion.

Officials said the figures were still "on track" for a deficit of only \$1.6 billion by March, with about half of the total income tax revenue due in the last three months of the financial year.

But the money market now expects the deficit to be closer to \$2 billion, with a consequent need for the government to borrow more money and push up interest rates.

An economic forecaster, Dr Gareth Morgan, said that if the government's tight monetary policy was to remain credible with a rising deficit, the January tender could have to be as high as \$400 million, with perhaps an additional tender later.

This would force interest rates up even further, and make it even less likely that the fall in money market rates late in 1985 will be passed through into mortgage rates.

The figures show that government spending is continuing to accelerate.

The budget provided for a 13.5 percent rise in net spending for the financial year as a whole.

In fact, spending was up by 14.6 percent in the five months to August, up 16.3 percent in the seven months to October, and now up 18.7 percent to November.

Administration spending was up by 28.6 percent compared with an original budget increase of 22.3 percent.

Spending on education, social services, transport and communications were all above budget, while foreign affairs and defence were below budget.

The biggest single increase was for paying the interest on and repaying government debt--up 43.3 percent because of higher interest rates.

Meanwhile, revenue is picking up, though it is still providing less than the budgeted increase of 28.4 percent.

It was up by 11.6 percent to August, 14.2 percent to October, and now 16.2 percent to November.

Revenue from customs duty was down by 5.5 percent, as the rising value of the kiwi dollar reduced the local value of imports. Revenues from duty had been budgeted to rise by 24.6 percent.

The decision just before Christmas to make hundreds of items duty-free, at a cost of \$60 million in a full year, will cut income from this source even further in the rest of the financial year.

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CSO: 4200/599

MP CALLS SOLARZ 'OVERLY OPTIMISTIC'

HK240338 Auckland THE NEW ZEALAND HERALD in English 18 Jan 86 p 5

[Text] The influential American congressman Mr Stephen Solarz left the country late yesterday after a three-day visit which the MP for Mr Albert, Helen Clark, described as "overly optimistic."

Mr Solarz, a staunch critic of the government's ban on nuclear ships, said there was still room for manoeuvre on the ANZUS impasse, and that the controversial anti-nuclear legislation "could indeed be part of the solution to the row."

But Helen Clark, who chairs Parliament's Foreign Affairs and Defence Select Committee, said there was little chance of a resolution to the deadlock while the Americans maintained such an inflexible position.

After a brief meeting with Mr Solarz yesterday afternoon, the government backbencher said he was "overly optimistic to believe he could find a solution where others had failed."

She commended the New York Democrat, who chairs the congressional subcommittee on Asian and Pacific affairs, for his willingness to come to New Zealand and see how people felt about the issue. But she said his insistence that the solution should be based on an open port policy was no solution.

"The Americans must send vessels which are clearly non-nuclear. But they are not toying with that option as a compromise at all."

She said she had told Mr Solarz that New Zealand had no more to offer on the issue.

"We have been reasonable all along and attempted to formulate a policy which does not conflict with their 'neither confirm nor deny' policy," she said.

"They have shown no flexibility. They are only keen for a solution on their terms."

In a press conference earlier in the day, Mr Solarz suggested that, if American ships could not visit New Zealand, the United States could suspend its defence commitments to New Zealand without formally scrapping the ANZUS alliance.

"I would characterise that as a separation rather than a divorce," he said.

But Helen Clark said the treaty, as it stood, contained no defence commitments.

"The measures the Americans have already taken mean the treaty is militarily inoperative now," she said. "There is nothing more they can do."

The Americans had underestimated the extent to which the government's credibility depended on maintaining its anti-nuclear policy.

"To be seen to back down, particularly under pressure from the Americans, would be electorally disadvantageous to say the least," she said.

"I suspect they are resigned to the policy as it stands until there is a change of government."

At his press conference, in Wellington, Mr Solarz said that it was not impossible to find a formula to reconcile New Zealand's anti-nuclear stance and America's determination not to waive its policy of neither confirming nor denying whether its ships were nuclear-armed.

Mr Solarz did not put forward any ideas on what that formula might be.

The Americans had come to an arrangement with Japan, a country which had a non-nuclear policy, but one which American warships visited, he said.

"I am not suggesting that the Japanese formula is one which is the appropriate one for a resolution of the differences between the United States and New Zealand.

"I simply say that it is an indication that it has been possible in the past to square the circle."

If there was going to be a compromise, Mr Solarz said the United States would have to accept that New Zealand would implement its policy with some form of legislation. The Americans would respect that law, as it respected Japan's nuclear law.

But the Coalition Against Nuclear Warships said Mr Solarz was insulting the intelligence of New Zealanders.

A spokesman for the group, Mr Nicky Hager, said it was insulting to suggest that the Prime Minister's assessment of which ships were nuclear-armed should be based on the assumption that America would respect the law.

"This is the arrangement that the United States has reached with Japan.

"In practice it is completely obvious that nuclear-armed warships come and go from Japan as they please. This is not respect of the law of all."

Mr Solarz said he had emerged from his talks with Mr Lange feeling that a solution to the ANZUS impasse was "not beyond salvation or reclamation."

Under the nuclear legislation, the Prime Minister had to be satisfied a ship was not nuclear-armed and Mr Lange had said himself he did not want to breach the American's neither-confirm-nor-deny policy, Mr Solarz said.

"So he will be making certain assumptions about our ships.

"I suppose the question then becomes whether the assumptions he will be making are compatible with what we believe to be the kind of minimal requirements we need, with respect to the sort of ships that we think have to be given access here."

"So I think there is some room for manoeuvre, particularly if the problem is approached at a practical, rather than a theological level."

If there was flexibility, Mr Solarz said, the issue could be resolved.

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CSO: 4200/599

NEW ZEALAND

LANGE ACCUSES UNNAMED OFFICERS OF 'DISLOYALTY'

HK270942 Hong Kong AFP in English 0937 GMT 27 Jan 86

[Text] Wellington, Jan 27 (AFP)--The New Zealand Government today accused certain military officers of disloyalty and of making false allegations about its defence policy because they opposed its stand against nuclear weapons.

In a move unparalleled in recent years Prime Minister David Lange told a news conference: "There are disloyal officers in the Ministry of Defence because they are given to leaking information to the media."

He did not identify the officers.

Mr Lange said serving officers and other personnel who had leaked material had "made false allegations" about the government's policy and actions, and about Defence Minister Frank O'Flynn's handling of the defence portfolio.

And Mr O'Flynn said in an 11-page written statement: "From the first, the government's policy of not allowing nuclear weapons into New Zealand... was unpalatable to the defence establishment generally."

He continued: "Distaste turned in many cases to opposition when the United States, in avowed retaliation, progressively cut off all the forms of conventional defence co-operation with New Zealand."

The United States cut defence ties with its ally New Zealand after Wellington stopped a U.S. warship from visiting the country because Washington refused to certify that it was not carrying nuclear weapons.

Mr O'Flynn said the "vast majority" of Defence Ministry personnel had continued to serve the government loyally.

But he added: "Unfortunately, a few disloyal officers and staff have continued to leak information, often wrong or distorted, to the opposition and the media, aimed at discrediting the policy and the government."

The chief of the armed services and the secretary for defence had no comment on the government attack.

Mr O'Flynn's statement was issued in reaction to a news report that he had stopped a colonel from taking up a posting to the Canadian National Defence College.

The story said a senior army officer had had to intervene with a personal plea to the prime minister to have the defence minister overruled.

Mr O'Flynn dismissed the story as "a bizarre falsehood."

Mr Lange said that the media that had published leaked information "might have had the guts to stand up and disclose their sources."

Instead, they afforded their sources the protection of "self-proclaimed privilege to make unsubstantiated allegations," he said.

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CSO: 4200/599

MILITARY WAGE HIKE EXPECTED TO EASE STAFFING PROBLEM

HK230640 Wellington THE EVENING POST in English 10 Jan 86 p 3

[Text] An imminent 15.5 percent pay hike for servicemen is expected to ease staff recruitment and retention problems in the armed services.

Servicemen are expected to receive the state servants' 15.5 percent annual general adjustment either next month or in March, the director of defence public relations, Commander Gerry Power, said today.

They may also receive an additional pay boost following negotiations with the State Services Commission.

The pay hike would "certainly" help arrest staff recruitment and retention problems, Commander Power said.

He added the last pay adjustment servicemen had received was in the mid-1970s, since then having received only cost-of-living adjustments.

Commander Power said there were indications recruitment and retention in the services was beginning to stabilize but it was "not as healthy as we would like."

Meanwhile, a study team from the three services is continuing its investigation into recruitment and retention problems.

Its brief is to produce a paper on ways of improving conditions in the armed forces, but it has not reached that stage yet. The team meets from time to time but as yet there is no indication as to when the study will be concluded.

Meanwhile, NZPA [New Zealand PRESS ASSOCIATION] reports Australia's armed forces are losing their officers in large numbers, and low pay rises for the military have been blamed.

Australia's defence force chief, General Sir Phillip Bennett, is also concerned that the Air Force and Navy in particular were in danger of not having enough experienced people to operate expensive new equipment.

The authoritative JANE'S INTERNATIONAL DEFENCE WEEKLY quotes a senior officer as saying disappointment at a recent 5.9 percent pay increase--which was about half what the Armed Forces Federation had argued for--pushed up the resignation rate.

Australia's three main airlines, Qantas, TAA [Trans Australia Airlines] and Ansett, have recruited 38 pilots from the Australian Air Force during the year, representing a loss of about \$440 million invested in their training, the magazine said.

In May last year, the POST reported the growth in aviation in New Zealand over recent months could be directly responsible for the declaration of "critical manning levels" in the Royal New Zealand Air Force.

There were considerable financial rewards awaiting pilots who left the Air Force to join Air New Zealand and other airlines.

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CSO: 4200/599

EDITORIAL CITES COMMUNIST DENIAL OF SUPPORT FOR AQUINO

HK221531 Davao City PEOPLE'S DAILY FORUM in English 7 Jan 86 p 2

[Editorial: "Communists Deny Support for Cory's Candidacy]

[Text] Now, everything is clear.

It was reported by one of the national dailies that the Communist Party of the Philippines (CPP) came out with a memorandum written in Philipino vehemently denying that they are supporting Cory Aquino.

The CPP is boycotting the polls because they described it as "meaningless but noisy electoral contest between local reactionaries.

The denial of the CPP came after President Marcos lambasted the candidacy of Cory and doy as being supported by the communists and if they will win this country will become communist. The VPP, in their memo even went on to charge the opposition as people "having no clear program of government, an indication of a conservative thrust in the bourgeois opposition."

The Marcos charges therefore hold no water as the CPP Central Committee issued a statement vehemently denying any support for the opposition tandem. It appears that only Marcos is creating the whole scenario out of his fertile imagination because even Jose Ma. Sison alleged chairman of the CPP denied that they support Cory.

The CPP said that the "snap presidential elections is not a free and democratic election where the people can express their real sentiments and effectively press for their struggle to oust the Marcos clique and dismantle the fascist dictatorship."

Cory, on the other hand, lashed back at Marcos saying that he (Marcos) is the root cause of the growing insurgency in the Philippines, that Marcos created the communist.

But by all indication, the political fight is on.

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CSO: 4200/598

PHILIPPINES

NPA ALLEGED BEHIND ZAMBOANGA ELECTION FORMS SEIZURE

Quezon City ANG PAHAYAGANG MALAYA in English 3 Jan 86 p 6

[Unsigned article: "Rebels Seize Poll Forms in Zambo"]

[Text] New People's Army terrorist grabbed election registration forms and books in at least six baranggays in Molave town, Zamboanga del Sur, during the nationwide registration of voters on Dec 28.

Military reports reaching Camp Aguinaldo yesterday said the dissidents, led by NPA commanders Gordo Neminio alias Aguila and Vic Pepito alias Glen, confiscated all other Commission Elections forms during the registration day campaign of terror in Molave town.

Brig Gen Jose P. Magno Jr., Regional Unified Command chief, said the baranggays affected were Simata, Alicia, Gutlang, Bag-ong Ariososa, Silangit and Santo Rosario.

Meanwhile, another band of NPA dissidents harassed an army detachment in Camanga, Tukuran, also in Zamboanga del Sur, and engaged a reinforcing platoon in a brief gunbattle that saw a civilian killed in the crossfire.

Four other civilians were wounded in the crossfire, according to Magno.

In a report to AFP chief of staff, Gen Fabian C. Ver, Magno said an undetermined number of NPA's believed to be led by a certain Commander Bayan attacked the Camanga detachment of Alpha Company of the 11th Infantry Battalion at about 7:30 p.m. on Dec 28.

A platoon of reinforcement was dispatched and while the soldiers were on their way to the beleaguered detachment, they encountered the armed band.

The identifies of the victims were not immediately available.

General Magno said the slain victim was a civilian passenger of a car which was caught in the crossfire.

No casualty was reported on both sides, Magno added.

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CSO: 4200/605

PHILIPPINES

CEBU COLUMNIST ON COMMUNIST ISSUE IN ELECTION

Cebu City SUN STAR DAILY in English 3 Jan 86 pp 4, 15

[Commentary by Godofredo M. Roperos: "Communism as an Issue"]

[Text] Any attempt by any sector to belittle the communist insurgency in our country, whether or not it is utilized by any political group as a campaign issue, will be doing a disservice to the public interest. For the insurgency problem is as real as the existence of the sun and the moon in space, and is similarly relevant to our own survival as those two phenomena of nature. If the communist problem in our midst is being used by the top leadership of the ruling party as an issue against the opposition, it should be the latter's responsibility to prove to the country's electorate that it is not, and that the opposition has never contemplated being associated with the communists now or ever.

But merely saying, as one opposition stalwart has been reported as saying, that it is President Marcos who could be the communist since she believes that "one who commits evil is the one who promotes communism," is not really denying the issue. The reasoning here is too simplistic and naive to be credible even to the average Filipino mind. The opposition stalwart has reportedly added that since the Marcos regime "has promoted these evils," then therefore he, President Marcos, "is the one who is a communist." Let us not nitpick on this assertion, though, for by an effort to stretch our imagination, we probably can divine what the speaker wants to mean exactly by her statement. But this statement does not by any means explain away to the mass of our electorate the charge that the opposition is trying or is already, playing footsie, with the communist insurgents. Not that we believe it, of course, but we just would like to have a credible reply from the opposition's side.

For right now, here in our city, the hand of the Communist Party of the Philippines/New People's Army is already very much visible in the various forms of unrest going on around us, the latest of which is the so-called group of refugees brought to the city from a sitio in the mountains of Balamban. Our sounding from our sources among the rural folks in Balamban indicates that these "refugees" while truly residents of Sitio Malingin, have really left their homes at the start of the trouble there last October, and had re-settled in neighboring villages. But

while the others exerted efforts to return home, many of them "chose" to come down to the Buanoy parish, and decided to live off the church and the donations from the kindly souls of the parish.

After a while, someone or somebody -- sensing perhaps that the "local support" was drying up in Buanoy -- decided to transport the group to the city and passed them off as real refugees, victims of harassment by elements of the military in the mountains. The fact of their arrival in the city, true enough, has become big news for the "human rightists" here, but a big black-eye to the military and the government, a fact which Gov Eduardo Gullas has recently tried to amend by giving government assistance to the displaced rural families in the form of rice and clothing. But whether they are genuine refugees, victims of so-called military harassment, no one can tacitly say, not even the priests and the media men who have talked with them.

"I have talked to them," said one priest to us," and I asked them who brought them to the city, and no one would tell me or are willing to tell me. They all feigned ignorance, saying that they do not know anything at all."

Now, isn't it a coincidence that they were brought to the city just a few days after the Supreme Court affirmed the snap elections law? News about the refugees' presence in the city broke into the media on Dec 23, while the SC decision came out some four days earlier, on the 19th or 20th. If indeed they are refugees in the true sense of the word, why didn't they come to the city at the height of the Balamban massacre investigations, why only on the third week of December, long after even a fact-finding team of the integrated Bar of the Philippines went to Gaas to get first hand information? Indeed, why was there no news of such harassment filtering down to poblacion of Balamban days before said refugees were brought or came to the city, when almost every week, residents from Gaas and other neighboring villages always come down to do their marketing in the poblacion, and even attended the Sunday "sessions" at the cockpit?

It would certainly be the height of naivete on anybody's part, knowing these little facts, to accept the presumption that the refugees came down to the city on their own volition, without an "unseen" mind guiding them, telling them what to do or say, or even how to act in front of the people in the "lowland" who can be that gullible and as easily taken as a bird stuck on a kapulot, the mountain-folks' favorite bird-trap, using the sticky juice of some forest trees. But unlike the opposition stalwart, we are not saying, though, that this is an "evil" communist tactic. There is nothing "evil" in the communist tactics in promoting its cause. All is fair in love and war. Woe unto the naive and the gullible who allow themselves to be taken.

For unlike the opposition stalwart who condemns communism as evil, we really do not think so. Communism as a way of life, has as much a

right to exist in this world as we have. It's just that it is not the way of life we wish to have, not the kind of ideology our country and our people have become used to. Our government rejects the ideology as the right one for us, the reason why President Marcos is bringing it out as an issue. Let our people decide. But evil, it is not. It is an idea that dares to challenge our own. And we must make our choice.

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PHILIPPINES

CEBU DAILY VIEWS COMMUNISM ISSUE IN 7 FEB POLLS

Cebu City VISAYAN HERALD in English 6 Jan 85 pp 3, 11

[Commentary by Eddie Adlawan in "The Monitor" Column: "Communist Scare"]

[Text] Gov Gullas, as programmed, has finally said his piece -- on that communist line. He said that the NPA "are starting to campaign" in Cebu's mountain areas for the Opposition candidates.

He said: "...even going to the extent of threatening to kill villagers" known to be Marcos supporters.

That leaves about two or three key KBL officials in the province who have not spoken their parts in the script yet -- on this communist scare line.

The latest KBL in Cebu who added his voice in supporting role was MP Tito Calderon. But the very first who said if, as if to ring the cue for the all-out blast, as designed by propaganda consultants, was the grand old man of Danao who said he will lead a revolution in Cebu should Cory Aquino be elected president because Aquino will make us communists.

The KBL propaganda line that Cory's election to the presidency will make the country communist may strain ordinary common sense -- but that is what it is intended to be.

It is designed to befuddle, to becloud, to deceive. And for a very good reason.

And the reason belongs in the KBL "dirty tricks" department.

For instance: The reason for this campaign line is that it will open two roads for possible ending. It can lead to a real honest-to-goodness election in February 7, or it can lead to its abortion along the way.

At the height of the campaign season, depending on trends, Marcos may, or can, decide to abort the election. He will simply intensify communist threat for manufactured reasons, orchestrate disorder nationwide, and even assassination (God forbids), and thus abort elections. The communist-scare line makes it easy.

Is this possible? For Marcos, the record says it is.

But would he do it?

The stakes for Marcos (and family) are too high. As an official of Bayan, in his statement for not participating in this election, said, "Marcos could not allow himself to lose." There's simply no way.

Defeat means loss of face, loss of wealth, hidden or otherwise; loss means a possible tidal wave of reprisals for alleged wrong done on the people.

That Bongbong Marcos denied rally permits to Cory Aquino in Laoag, even at the risk of nationwide censure, only proves that the attitude exists. That attitude or desire to survive by means fair or foul.

The only kink in his electoral exercise on February 7, is that the stakes are too much, too high for Marcos. The stakes involve his life, and that of his family, the protection of which is paramount to any man, parahold or not.

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CSO: 4200/597

BAYAN PREPARING POSTELECTION ACTIVITIES

HK171551 Quezon City ANG PAHAYAGANG MALAYA in English 10 Jan 86 pp 1, 7

[By correspondent Joey Salgado]

[Text] While it has chosen to stay away from the snap presidential election, the Bagong Alyansang Makabayan [New Nationalist Alliance - Bayan] is making preparations for a coalition slate with moderate opposition groups in preparation for participating in the coming local election.

Bayan said it is also preparing for a post-election scenario "after Marcos wins through cheating and terrorism." Bayan officer J. Virgilio Bautista said they are setting for massive people's strikes or Welgang Bayan [National Strike] and other concerted activities should Marcos, with a fresh "mandate" after February 7, crack the whip on both moderate and radical political groups.

Bayan's national council also deliberated yesterday on the ground rules governing their move for an active and militant poll boycott drive.

Bautista, director of the federation's Electoral Struggles Commission [ESC], said Bayan would raise the present snap poll campaign from "the level of personalities to that of concrete issues and alternative political platforms."

The decision to boycott the February 7 election was affirmed last Wednesday at the first day of Bayan's national council meeting.

While there are tactical differences between boycott and participation advocates, Bayan said it will encourage "healthy debates" with moderate political groups based on issues and platforms.

"We are going to hurl attacks on the Marcos dictatorship, while healthy criticisms will be given to the moderate opposition," Bautista said.

Bayan said it will rely mainly on its over two million members, mostly from sectoral and mass-oriented organizations, to carry out the active boycott call.

The ESC has also proposed the formation of committees to monitor cases of fraud and terrorism on election day. Alliances between boycott and participation proponents in Central Luzon and Cebu have already been forced to monitor election-related anomalies, and other Bayan chapters are reportedly eyeing such unity with moderate oppositionists.

In a draft policy paper, the ESC said the local polls provide Bayan a "good opportunity to work out and strengthen functioning unity among anti-dictatorship forces especially in the crucial grassroots level." The ESC proposal calls for a coalition "with the most progressive blocs and parties, which adhere to principles or advance programs that are consistent or closest with those of Bayan." The proposal added that since the federation does not intend to form a political party for the local election, prerogatives and privileges of the registered parties within the coalition "must be maximized for the benefit of all coalition candidates."

In line with this, Bayan said it will encourage joint efforts by volunteer groups, centralization of material, manpower and other resources, and the sharing of "political experiences through seminars and discussion groups."

The proposal added that the coalition tickets will be decided at the local Bayan units, subject to review by the next higher ESC organ.

Regarding the criteria for choosing local poll bets, the ESC proposal calls for "individual integrity without any record of corruption," no record of "crimes against the people," such as human rights violation or cooperation with the regime "in its policy of terror and repression," active involvement in anti-dictatorship activities, "preferably raising nationalist and democratic demands and fighting for such in whatever form of struggle."

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CSO: 4200/598

PAPER VIEWS PROPAGANDA WAR IN CEBU

HK221217 Davao City PEOPLE'S DAILY FORUM in English 5 Jan 86 pp 1, 8

[Article by Ed R. Fernandez: "The Homeless and the Propaganda War"]

[Text] Cebu City--There is a different kind of propaganda war being waged in Cebu.

The propaganda war is to the disadvantage of the group BAYAN [Bagong Alyansang Makabayan--New People's Alliance] and the League of Filipino Students [LFS] all over the city of Cebu, there are blue handwriting on the walls in blue ink (paint) blaming the chaos and anarchy to BAYAN and LFS.

All over the city, one can find these inscriptions CPP/[Communist Party of the Philippines]-NDF [National Democratic Front]-BAYAN-MASA [expansion unknown]. Whoever did these handwritings on the walls must have orchestrated the whole propaganda especially after the alleged abduction of the Redemptorist priest Fr. Rudy Romano, vice-chairman of BAYAN in Visayas.

When people nearby were asked to pinpoint who did those handwritings one would only receive a revealing "you know who" answer.

The Cebuanos and the Davaoenos have one thing in common in the face of this propaganda war: nobody would tell who did those, and nobody has seen who did those. Fear it seemed is a bedtime companion not only among Davaoenos but also the Cebuanos.

Even the editors and staff members of Cebu's leading dailies have accepted that they must accommodate all press releases both from the military and the New People's Army for fear that they might be the next victim.

As far as content is concerned, there is no difference between Cebu's dailies and Davao's dailies, especially in the case of the propaganda war. Both sides claiming they are right, and both sides have subtly instilled fear among the citizens.

Just before Christmas Day in Cebu, a total of 181 families fled their homes in the outskirts of Balamban, Cebu because of harrassment by the CHDF [Civilian Home Defense Force] in their area. St. Theresa's College were filled with people fearful of the safety of their lives. Seeing them makes one think that Nicaragdao has transferred to Cebu, the Philippines oldest and deeply religious city.

But the blue handwritings on the walls are already known to the people.

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CSO: 4200/598

PHILIPPINES

CEBU EDITOR ON DURANO INFLUENCE OVER DANAOK CITY

Cebu City VISAYAN HERALD in English 3 Jan 86 pp 3, 10

[Commentary by Al Alinsug in the "Do or Die" Column: "Danao City Today Under Durano"]

[Text] Danao City under the rule of thumb by the great Danao kingpin former Cong. Ramon Durano is expected to give Mr Marcos and Co. a majority that may be unmatched in all political exercises in the past. Nobody in the opposition will dispute this. They say they are helpless and say it is next to impossible to change the tide of things. Durano's best can be the opposition's worst.

I agree with the opposition men in their helplessness. Even a known Cebuano political genius, an 'enemy' of Durano, heaved a sigh in utter resignation to the scenario. Ramon Durano is to be saluted for his well-entrenched hold on the number of votes. Incredible but true.

He once said: "Place Danao City under PC control and in no time I will place the PC under my control." Nobody until now has disputed him on that. The monicker "political kingpin" is truer today than in the past. Another salute to the Danao man.

Some say his ire should not be courted. The moment he is aroused against any candidate, the fellow will be buried twelve feet under -- in terms of votes. The Danao political phenomenon is admitted by all.

I was there months ago to find out firsthand why. The philosophical Danao political kingpin showed us around for almost about two hours -- first to his foundation, then to his hospital, then to the graveyard. From birth to death there is Durano who takes care of his people. "This is not mere rhetorics," he blurted. It is only in Danao City where anyone can die with free coffins. This is true. I saw with my own two eyes these: coffins of all sizes, infants housed in the foundation building, home of the aged housing people waiting only to die, and a spacious cemetery with rows of cemented burials. "I willed that I should be buried in the midst of my own people," he told me as we were feating sight on the Surano-donated cemetery.

Durano is a bible-reading politician, more than any other that I have seen. He had bibles and religious books in his cement plant office and bibles and religious references in his corn-coffee factory space where he stays part of the time. Durano, in shorts, said he is loved by his people. Even children whom we saw in the vicinity of the Durano cemetery nodded. Durano quipped: "These children also vote for me."

Danao City is a peaceful place to live in. No one is killed there compared to the daily killings in Cebu City and environs. Nobody dies there of bullets, although Danao City teems with home-made guns from its unknown and unidentified factories. No PC or army will attempt to raid any of its gun shops. The gun cottage industry in Danao City is well known, but no one will dare point to any of them. Danao City is a queer city with its guns but not a single gun is turned around for its own citizens. Danao City enjoys the blessings of political manna. If its Danao, anyone can feel safe. But let the political kingpin know you are in his kingdom. Salute him. Enjoy talking with the man who made Danao City what it is today. Ramon Durano is rightly the "Father of Danao City."

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PHILIPPINES

CEBU COLUMNIST VIEWS VER'S 'CODE OF CONDUCT'

Cebu City VISAYAN HERALD in English 6 Jan 86 p 6

[Commentary by Eddie Adlawan in "The Monitor" Column: "'Golden Rule' is Ver's Code"]

[Excerpt] After reading Gen Fabian Ver's "Code of Conduct" for soldiers involved in counterinsurgency, we wondered why it took the General a long time to produce such a code.

It has all the ingredients of the famous book "How To Win Friends and Influence People."

Or, more specifically, the 17-point Code is the good old "Golden Rule" which says: Do unto others as you would others do unto you.

The most important feature in the Code that can stop military abuses, are:

- Respect the rights of people.
- Respect the female sex.
- Respect and treat prisoners, detainees and suspects fairly and humanely.
- Always be friendly, helpful and accommodating to people.
- Take good care of borrowed things and return them to the owner promptly.
- Pay for the food and drinks you take wherever you are.
- During operations, help preserve crops and properties.

What we want to know is whether Code can be of any good to the campaign of President Marcos. That is, if Ver's move was political.

On the long term, though, we believe battle-hardened soldiers long used to the soldier psyche can still be turned to social workers of some sort by the Code.

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PHILIPPINES

DAVAO DAILY REPORTS ON REBEL RETURNEE PROJECT

Davao City THE MINDANAO DAILY MIRROR in English 7 Jan 86 pp 3, 6

[Unsigned article: "Rebel Returnees in Livelihood Projects"]

[Text] Polomoloc, South Cot--Rebel returnees, more popularly known as balik-kapatid, under the government's amnesty program and elements of the 3rd Infantry Battalion joined hands in the execution of various livelihood projects in the municipality.

Battalion Commander Lt Colonel Ernesto Uy during a tour showed vast plantation of different varieties of vegetables planted in the once idle area.

Close to a hundred balik-kapatid and soldiers of the battalion pre-occupied themselves in highly profitable economic ventures.

Project components include the growing of commercial scale gardening, pig dispersal and cottage industries.

Col Uy has caused the construction of a building made of indigenous materials to accommodate a tailoring and a dress shop for the returnees.

An initial of five sewing machines had been secured by the commanding officer for the returnees with sewing skill.

Once the project is in full operation, this can generate income for the balik-kapatid, the colonel explained.

Another project being finalized by the battalion is the cultivation of an 8 hectare land leased by the land owner to Col Uy. Yellow corn is being raised by army men to be used as planting material.

Col Uy also disclosed that in cultivating the leased area, the returnees will be given full responsibility to tend the crop, Kibutz style. For mutual protection, the colonel evolved some plans that will insure the smooth implementation of the project.

To defend the returnees from possible harm by their former comrades who are still in the CPP/NPA organization, the Balik-Kapatid members were allowed by the battalion management to build their own huts in the camp perimeter.

DISSIDENT LINKS MILITARIZATION, BATAAN NUCLEAR PLANT

Quezon City ANG PAHAYAGANG MALAYA in English 3 Jan 86 p 9

[Article by Elmer G. Cato: "Leading Anti-Nuclear Plant Activist in Bataan Says: 'Militarization Tied to Nuke Plant Operation'"]

[Text] San Fernando, Pampanga -- Increased military activity in Bataan province during the past few weeks is part of a government scheme to pave the way for the operation of the controversial Philippine nuclear power plant, a leading anti-nuclear activist said here last week.

Lawyer Dante Ilaya, chairman of the Bagong Alyansang Makabayan (Bayan-Bataan), in an interview here told MALAYA that unceasing military operations in areas specifically those in the periphery of the nuclear plant are all aimed at its "forcible operation" next year.

At present, Ilaya said, there is a 1,800-strong military complement that sees to the security of the multi-billion dollar government installation. He added that the toppling of some 28 transmission towers of the National Power Corp. and increased rebel activity have led to the deployment of crack military units from Task Force Mt Samat which are backed by armor, amphibious, and helicopter support for counterinsurgency purposes.

These units, Ilaya said, "will play a pivotal role in the forcible operation of the plant."

Incessant combat patrols, nighttime forays, shows of force, and other military activities in the province, Ilaya said, appear to be concentrated in known rebel-infested areas like Orion, Orani, Abucay, Samal, Limay, Hermosa and Dinalupihan.

Beginning last month alone, Ilaya said, the military has netted at least 9 people in separate counterinsurgency operations in the province.

The apparent intent of the government to push through with its project despite popular Opposition, Ilaya said, is made evident by recent developments including the pronouncement of NPC President Gabriel Itchon on the plant's operation in June next year and the completion of reconstruction work on the blasted NPC towers.

Ilaya made it clear at the same time that they could come up with heightened forms of mass actions until a definite commitment from the Marcos administration on the non-operation of the plant is made.

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CSO: 4200/605

PHILIPPINES

DAILY REPORTS 'INTENSIFIED' NEGROS ARMS SNATCHING

Quezon City ANG PAHAYAGANG MALAYA in English 3 Jan 86 p 8

[Article by Edgar Cadagat: "Negros Arms Grabbing Intensifies"]

[Text] Bacolod City -- Arms grabbing operations by unidentified armed groups have intensified in Negros, giving rise to speculations that certain elements are arming themselves in anticipation of a forthcoming social upheaval.

Malaya gathered that about 7 haciendas guarded by CHDFs or by farm overseers, have been raided by unidentified armed men. The haul usually consisted of firearms, radio sets or office equipment.

Victims in these arms-grabbing operations do not report the loss of firearms to the military or seek the military's assistance as most of the high-powered firearms were reportedly unlicensed. Reporting the loss to the military could result in charges of illegal possession of firearms filed against them.

Sources said that a raid in the house of a rich planter netted for the raiders about 15 long and short firearms, including a Browning automatic rifle and thousands of rounds of ammunition.

Firearms of low calibers taken in other raids included .38 cal pistols, .45 cal revolvers, 9 mm and magnum revolvers.

The sources added that the arms-grabbing operations could be the handiwork of the NPAs to further their objective of strengthening their army and waging a revolution in the island of Negros.

Reports indicate that recruitment in the rebel army is going on at a fast pace thus necessitating the demand for more firearms.

Observers added that with the economic crisis buffeting the province, the arms could well be sold to interested parties as there is an existing lucrative market for weapons.

Planters are reportedly arming themselves in preparation for the expected upheaval: they need guns for protection.

Sources told Malaya that a "baby" armalite rifle sells at P25,000 while an M-16 model fetches as high as P30,000-P35,000.

PHILIPPINES

MARCOS REACTIVATES RETIRED, 'CONTROVERSIAL' PC COLONEL

Quezon City ANG PAHAYAGANG MALAYA in English 6 Jan 86 p 9

[Article by Edgar Cadagat: Negros' Colorful PC Chief Returns"]

[Text] Bacolod City -- Controversial but colorful Constabulary officer Col Francisco Agudon has been reassigned as provincial commander for Negros Occidental, after his retirement last year.

This was disclosed recently by Col Armulfo Obillos, outgoing PC Provincial Commander, in an interview with a local daily, the VISAYAN DAILY STAR.

Obillos told the STAR he had been relieved of his post effective Dec 25.

He added that he would be replaced by Col Agudon, who, according to earlier reports, was "reactivated" by President Marcos.

MALAYA gathered that this would be the third time that Agudon would assume the post as PC provincial commander, having been relieved some years ago after charges were filed against him in connection with the death of a PC soldier and several CHDF members who had earlier taken over control of the Isabela town hall, in an effort to air what they perceived were unattended grievances.

He was, however, reinstated some months later when he was cleared of charges filed against him.

He then went on to reassume his old post, until his forced retirement last year.

Political observers view Agudon's reassignment as part of the military revamp to install Marcos loyalists in key provincial posts. It is also viewed by many as having something to do with the coming presidential election.

Agudon has had a very colorful career as a military officer, having been assigned to various positions in the military service, including the Metrocom, the Anti-Hijacking Unit, and as provincial commander.

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CSO: 4200/605

PHILIPPINES

BISHOPS' STATEMENT ON CHDF: REORGANISE OR ABOLISH

Cebu City SUN STAR DAILY in English 3 Jan 85 pp 1, 2

Text A move to revamp or abolish the Civilian Home Defense Force (CHDF), in the country is among the several topics mentioned in a pastoral draft letter. Philippine bishops will meet later this month in Manila to polish the statement.

The draft, framed by the Catholic Bishops Conference of the Philippines (CBCP) has been circulated among several religious and lay leaders for comment.

It cites the need for "a reorganization of the CHDF with improved selection, training and discipline, or the abolition of these units."

Cebu Archbishop Ricardo J. Cardinal Vidal will attend the series of meetings as newly-installed CBCP president. He succeeds Davao Archbishop Antonio Mabutas.

The pastoral letter is expected to be made public after the talks.

The draft comments on down-to-earth problems of poverty, crime, labor unrest, IMF policies and others.

A subsection on the military and police, cites the need for discipline among troopers and law enforcers and "strong actions against the 'lost commands' and other paramilitary groups operating outside the law."

It said secret marshals are not needed to reestablish peace and order in towns and cities.

Journey Home

Meanwhile, most of the 181 Balamban farmers who evacuated to Cebu city to escape alleged CHDF harassment in their sitio, began their journey home before noon yesterday.

They left the St Theresa's College campus on board dumptrucks loaned by the Provincial Government.

Cebu Gov Eduardo Gullas visited the evacuees the night before bringing rice and canned goods.

He spent nearly an hour talking with them and asked the militant Panagalyansa sa mga Maguuma sa Sugbo (PAMASU) to help local authorities identify peasant problems, said St Nida Pineda, RGS, a church worker.

Gullas also said he will speak with Brig Gen Renato Ecarma, RUC 7, chief, about the farmers grievances but added he could not assure that their demand to abolish the CHDF in Gaas can be granted.

The evacuees, nearly half the population of Sitio Malingin, Bry. Gaas arrived here shortly before Christmas. They were fed and sheltered in empty classrooms under the supervision of Cardinal Vidal.

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PHILIPPINES

MARCOS WARNS AGAINST HOARDING, PANIC BUYING

HK180046 Manila Far East Broadcasting Company in English 2300 GMT 17 Jan 86

[Text] President Marcos yesterday [17 January] warned traders and retailers against hoarding essential goods. The President issued the warning to ensure price stability and prevent artificial shortages of goods in the markets. This followed reports that some unscrupulous traders have resorted to hoarding of consumer goods, speculating that prices of these products will go up after the elections. The chief executive said this practice of some traders is inimical to the country's fight against inflation. He said this would undermine the general price stability obtained in the country over the past several months.

The president directed Trade and Industry Minister Roberto Ongpin to employ the full force of the law to protect the public. Minister Ongpin was directed to close any retail or trade establishment if necessary to prevent price manipulation.

The chief executive also called on the public to avoid panic buying, since that could lead to artificial shortages of essential consumer goods.

In another move, the president has allowed rice and corn businessmen another 2-year exemption from the payment of increased taxes on gross sales of grains. This means the exemption of grain traders from the addition taxes is extended to 31 December 1987. The move is designed to prop the viability of rice and corn businessmen and ensure good supply and stable prices.

At the same time the chief executive has allowed rice and corn shipment in customs ports an additional 2 days free of storage. Previously grain businessmen were allowed only 2 days' free storage privilege.

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CSO: 4200/598

MANILA, TOKYO DISAGREE OVER MONITORING LOG EXPORTS

HK160955 Manila BUSINESS DAY in English 15 Jan 86 p 2

[Text] A dispute between the Philippines and Japan over Filipino log export shipments to Japanese buyers is threatening to escalate into a major diplomatic row that could affect trade relations between the two countries.

The dispute arose from the decision of the Presidential Anti-Dollar Salting Task Force last year to appoint an outpost surveyor to remeasure Philippine logs entering Japanese ports.

The task force was empowered to appoint an outpost surveyor by Executive Order No. 1044 signed by the president in August last year which created a new surveillance system to strengthen the regulation and monitoring of log exports.

Under the executive order, no log exportation will be allowed and no log export authorization issued unless the foreign log buyer authorizes in writing the inspection and remeasurement--for both quantity and quality--of the logs at the ports of destination.

The task force appointed a Japanese-based inspection agency, International Inspection and Testing Center (INTECO), to undertake the monitoring. INTECO was to submit regular reports to the task force whenever log shipments from the Philippines arrive in Japanese ports.

INTECO conducted a few inspections but late last year, the firm sent an urgent telex to the task force informing the Philippine body that it can no longer do inspection work for the Philippines until an agreement is reached between the governments of the Philippines and Japan.

INTECO said further that the Japanese Ministry of Transportation has threatened to cancel its license to operate in Japan if it persists on undertaking the inspection work commissioned by the Philippine Government.

In the face of this threat, INTECO told the Philippine government that it will indefinitely suspend its survey work until the matter is resolved between the Philippines and Japan.

The Philippine government had required the inspection of log exports entering various Japanese ports starting in 1985 to stop the smuggling of logs which has been going on for the last several years.

The task force itself, conceived by Trade and Industry Minister Roberto V. Ongpin, was created to stop rampant dollar salting by exporters and importers which reached its height during the economic crisis in 1983-84.

Essentially, INTECO was appointed to inspect all Philippine log shipment to Japan, to remeasure the volume of logs exports and to submit a report to the task force so it could take appropriate action.

Upon receiving the telex of INTECO suspending inspection work for the Philippines, the task force officially wrote to the local Japanese embassy explaining the reasons for the inspection being done by INTECO, emphasizing that the inspection activity being done by INTECO was in accordance with international standards on surveys and inspections.

Replying to the letter of the task force, Takashi Koezuka, first secretary of the Japanese embassy in Manila, informed the Philippine government that the Tokyo government cannot allow INTECO to continue such inspection work as "Japan regards such actions as the exercise to public power (by the Philippines)... in Japanese territory."

Koezuka said the Japanese government cannot allow INTECO to do inspection work or secure official records for transmission to the Philippine government. He added that such activities will only be allowed if the importer or the exporter voluntarily allows or consents to such inspection or remeasurement of logs coming from the Philippines.

But even if the importer and export voluntarily agrees to have the logs remeasured, the inspector cannot use such records officially, particularly as evidence in a case that may be filed later against any or both parties, he pointed out.

Finally, Koezuka said that if the Philippines is granted such authority to inspect, the Japanese government in the future would expect a reciprocal arrangement.

At any rate, Koezuka said the surveillance system adopted by the Philippines on log exports through the executive order may require "the withdrawal of certain amendments" which tend to allow the Philippine government to "exercise public power in Japanese territory."

Last week, the task force sent a letter to the Japanese embassy disputing its claim that the appointment of a surveillance team in Japan constitutes the "exercise of public power in Japanese territory by the Philippines."

It added that the monitoring and inspection being done comply with internationally-set standards and do not infringe on Japanese sovereignty.

The task force added that the executive order, being a directive from the president, cannot be amended solely on the basis of statements made by the Japanese government since this act of the president "is part of the sovereign powers vested (on him)."

The task force was apparently surprised by the non-cooperative stance taken by the Japanese government on the matter. "We really do not know why the Japanese are reluctant to cooperate in trying to minimize the collusion between

Philippine exporters and Japanese importers in log smuggling," a task force insider told BUSINESS DAY.

Since the smuggling of logs is done through the undervaluation of log shipments in the Philippines as reported by the exporters, any overshipment that arrives in Japan is really to the benefit of Japanese buyers and perhaps the Japanese government itself, he added.

At the rate things are going however, he said the task force may consider recommending the banning of log exports to Japan since without the surveillance system, it will be extremely difficult to stop the smuggling of logs to Japan.

The Philippines ships about 65 percent of its total log exports to Japan which comes to about \$100 million annually. Every year however, Philippine export figures as reported by the Bureau of Customs are way below what are reported as actual shipments that were unloaded in Japanese ports resulting in the substantial loss of foreign exchange for the Manila government.

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PHILIPPINES

COLUMNIST EVALUATES EXPERTISE AGAINST INSURGENCY

Manila BULLETIN TODAY in English 8 Jan 86 p 6

[Commentary by Adrian Cristobal: "The Question of Counterinsurgency"]

[Text] To begin with, there are no experts in counterinsurgency -- not priests who work among the poor or military brass with maps. But there are those who have had experience in counterinsurgency. For example, the Chinese warlords who lost China to the communists. The Americans and South Vietnamese who lost Vietnam. And the British who quelled the Malaysian guerrilla movement, the Indonesians who dismantled the Indonesian Communist Party. And the Philippine government under Quirino, Magsaysay, Marcos, which twice broke the backbone of the communist rebellion.

Insurgency is on the rise again, admittedly stronger and more sophisticated than the previous ones. In one respect, it is a new insurgency; in another, it is a continuity from previous rebellions. Rebellion is as constant as injustice. A society renews itself either through reform or revolution. In a Third World country, there is no such thing as extirpating the roots of discontent once and for all -- not until a desired state of affairs is more or less attained.

It is for this reason that logic and sanctimonious sermons count far less than experience and determination in mounting a counterinsurgency program. There is not one cause, personal, institutional, or ideological, for the rise and triumph of a revolutionary movement, as there is not one personal, institutional, or ideological cause for its defeat.

In an important sense, a revolution is never defeated; its armed resolution is simply dissipated. A revolution is defanged when its popular demands for equity and justice are accommodated into the social mainstream. This can be a never-ending task of generations of leaders.

There is always some time and there is always little time. A miscalculation in sentimentality or experimentation can be too late. In this regard, Lenin remains the wise man. Just as one should not pay at revolution, one never plays with counterinsurgency.

You have to separate the men from the boys.

PHILIPPINES

VER SAYS AFP MAKES, EXPORTS MILITARY HARDWARE

Manila BULLETIN TODAY in English 3 Jan 86 p 8

[Article by Jose De Vera: "RP Makes, Exports Guns"]

[Text] Gen Fabian C. Ver, Armed Forces chief of staff, said yesterday that the AFP, under its five-year Self-Reliance Development Program (SRDP), does not only manufacture its military hardware needs but also exports some to members of the Association of Southeast Asian Nations (ASEAN).

Ver disclosed this after visiting the AFP industrial estate in Fort Bonifacio.

The development of the industrial estate was started in 1983 to consolidate and integrate the production base of defense contractors involved in the SRDP.

The estate services major manufacturing requirements of three top SRDP contractors, namely, Veterans Electronics and Communications (Vetronix), Elizalde Tool Manufacturing Corp. (Elitool) and A. V. Andres Corp. (Avecorp).

As chairman of the board, Ver witnessed the turnover by Col Eliseo Rio, SR (ret), general manager of Vetronix, to Commodore Ernesto M. Arzaga, Logistics Command chief, of 100 sets of URC 773 transceiver radios.

These sets represent the initial delivery of utility radio communication sets contracted and manufactured in the country for battalions recently organized to beef up the counterinsurgency campaign, Col Reynaldo San Gabriel, AFP-GHQ spokesman.

According to Brig Jose C. Bello, Vetronix managing director and AFP deputy chief of staff for material development (J-8), Vetronix is also manufacturing the communication needs of the Constabulary and the Integrated National Police (PC-INP).

Bello said technology transfer from reputable electronics firms are being effected to enhance the SRDP capabilities of the AFP.

Vetronix, according to San Gabriel, has concluded a five-year contract with the AFP for the production of several thousands of URC 187 for use by field unit troopers.

Existing techno-transfer agreements, Bello explained, are being reviewed to improve local technological expertise, as well as to expand the export potential of SRDP products in Southeast Asia.

Vetronix has been manufacturing tactical communications sets, including hand-held radio sets and mobile tactical repeaters, and has penetrated the communication industry in Asia.

Ver also visited the Avecorp site and the Elitool plants which has contracted the AFP for the manufacture of several thousands of combat arms, to ensure that Elitool can meet the needs of the AFP on time.

Ver directed Bello, Arzaga, and Col Jose Villalobos, RDC facilities and capabilities, and thereby accelerate the accomplishment of the SRDP, San Gabriel said.

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PHILIPPINES

DAILY CITES VER ON INDONESIA MILITARY CHIEF'S VISIT

Manila BULLETIN TODAY in English 9 Jan 86 pp 1, 18

[Text] Gen Fabian C. Ver, Armed Forces chief of staff, said the visit here of Gen Leonardus Benjamin Moerdani, commander-in-chief of the Indonesian Armed Forces (IAF), strengthens the partnership of the Philippines and Indonesia for the advancement of peace, progress, and stability of the two countries.

Moerdani arrived yesterday aboard a C-130 Indonesian military plane for an official three-day visit. He planed in with nine other IAF general officers.

Moerdani, the highest military official of Indonesia, was sent here by President Suharto to personally turn over to Ver two Cessna 212-200 aircraft manufactured by P.T. Nurtanio Aircraft Industry of Indonesia.

The two aircraft are on loan at no cost to the Philippine government for a period of three months. These will be used by the Armed Forces of the Philippines in its counter-insurgency campaign.

The ceremonies for the turnover will be held today at the Maharlika Lounge of the Villamor Air Base in Pasay City.

Ver said Indonesia and the Philippines are neighbors, so close and with so many things in common. He said both are predominantly peopled by peace-loving brothers of the Malayan race who, at one time or another, were both colonized by foreign powers.

Ver said as neighbors, the two countries must be able to share ideas and help each other "so that in the dark of night, no intruder can sneak in to endanger our citizens."

"We must police our neighborhood so that bad elements will stay away and a cooperative undertaking will ensure safety of both countries."

Moerdani and his party will make a call on President Marcos today. A dinner will be hosted for them by Ver tonight in Camp Aguinaldo.

Aside from Ver, the Indonesian military official was also met by Philippine Ambassador Manuel T. Yan to Indonesia and the Indonesian Ambassador to the Philippines Poer Bonegro, both former military officials of their respective countries.

He was given full military honors at Camp Aguinaldo yesterday.

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PHILIPPINES

VERITAS CITES PLANTERS, WORKERS, NPA, CLERGY ON NEGROS

Quezon City VERITAS in English 5 Jan 86 pp 18, 19

[Excerpts' of interviews by Rosario Cruz Lucerno with Planters, Workers, Clergy on Negros Situation: "Voices From Negros"]

[Text] Newspapers and magazines are filled to the brim with stories about Negros. Articles abound with statistics: on infant mortality, starvation wages, population growth -- on just about everything that has to do with the plight of the sugar worker.

Amid all this jostling and shoving for the most accurate, most comprehensive, most sympathetic interpretation of the Negros situation, we have perhaps forgotten that the people of Negros have something to say, and they can say it without our help.

Below are excerpts from conversations with planters and workers from Negros on their life, problems and prospects. The last word is from members of the clergy of Negros who have, as they involve themselves in the concerns of the people, themselves undergone a sea-change in attitudes and outlook.

The Planter Speaks

On the Rise and Fall of the Industry. Before the industry fell, we were so rich we didn't bother to industrialize because we were so few that we could always use the vast majority of the people for labor. We had all these people, but we could afford them all. We got so rich we could not finish what we had.

But now the sugar industry will never recover. This was bound to happen. We were living in an artificial world. Sugar was a political commodity, used by the United States to control us, to do their bidding. But when the Laurel-Langley Agreement expired, the government did not bother to renegotiate because we were all so confident of our ability to hold our own in the world market. We used to say: "If the Arabs have their petro-dollars, we have our sucro-dollars."

The Problem. The source of all our problems is overpopulation. This country should create more jobs. The workers keep multiplying but I am obliged to provide every one of them with work. Their families keep growing but none of them want to leave the farm. In the meantime, because I have no more money I have to cut back on the land that I can plant to sugar. So instead of giving six days of work to one man I have to give it to three people, so they can only get two day's worth of wages each.

The Solution. Land Reform is very unpopular with those who stand to lose from it, but it can be done. It is just that these few families who own 80 percent of the whole island of Negros are so greedy they want to buy the whole world.

But many planters are now parcelling out their lands so the workers will have their own farm plots to cultivate, which will eventually make them self-sufficient. I am sure this is not what the NPA want. The NPA want trouble so they can take over. Let's not kid ourselves over that. They want the gravy for themselves. Look at Vietnam and Cambodia. Who are living well there now? Only the commissars. How can we like the NPA -- or Communism? Everybody who is lazy will be treated the same as everybody else who is industrious. Yet they work under the barrel of the gun. There's no way you can progress like that. No way!

It has to be regulated. The state must step in and distribute as justly as it can be done without hurting -- too much! -- the rich.

But this is possible only if the people still have a "real" leader. But he is even now already controlled by events. He can no longer do it now even if he wants to. His cronies will not allow him. All their wealth was stolen from the people -- how can you expect a thief to give back what he has stolen?

This transition stage is very good for the people. The landlords are being "forced" to share their land with the people. What we enjoyed so much before, what we deprived the people of, we are now giving back to them. Now they will become proprietors, they will produce their own wealth. Can you imagine how beautiful this place will be?

If my maid, for example, will be able to buy her own house, eat in the restaurant, travel -- then you and I can make more money easily.

The solution now lies upon us, but the question is: do we have time? We are racing against the NPA.

The Planter and Worker: A Dialogue of Sorts

The Master-Worker Relationship

Planter: We should get together and solve our problems -- theirs and mine. But the moment they come to me, I lose already. They

never come to me in order to give me something; they come to take something from me. You may say they have nothing to give. Of course they have plenty to give. I need their work.

Worker: We have no right to fight them because they are more powerful than us. They are our source of food. If we should fight them, then what would happen? They would fight us. While it's true that we have the voice with which to shout, how can we shout if it will displease them? We would be the villains in the system.

The worker is the HACENDERO'S source of wealth. My fellow workers scold me for taking my case to court and pressing charges against our AMO (master). They say we need to run to him when we get sick. But the financial aid we get from him is a loan, and we pay it back. Our AMO gives us loans because we are of use to him. So we should not think that we have UTANG NA LOOB. Oh no! We workers are one of the materials of this hacienda. If a tractor breaks down and is repaired, why shouldn't they also have us "repaired?" But when we grow old, they ignore us because we are useless.

The Need For Education

Planter: These people have nothing up here (taps head). They do not think. How can they allow themselves to be used by these Commies?

They will outwit us every time. I had a piece of land from which I tried to eject some squatters. They insisted that it was their land. So I showed them my title to the land. And they replied, Yes, the title was mine but the land was theirs. How can you talk to people like that? All right, so I gave them a total of P40,000 to leave my land. They took my money and stayed. They are still there.

You know the workers now? AY ABAW, KA PILOSOPO -- especially the women; they are so bold. A worker's wife asked me why her husband got only the amount that I gave him. So I showed her all his records and computations and she said -- very respectfully -- TE, TOTO, your computations are based on the old minimum wage. You know what? She was right. But I forgot -- I simply forgot.

What they need is education. The reason why they just stay in the farm and keep multiplying is because they lack education. But you know, even if they are educated, they still go back to the farms. Several years ago, when money still meant something, I offered P2,000 to anyone who would leave the farm. But nobody took up the offer.

Worker: When the children go to school in the morning, I leave ahead of them so I don't have to watch them walking away from the house, constantly turning their heads to me, hoping I could give them some money that they need for school that day. This morning we had a

breakfast of just LUGAW and salt; then when they were about to leave for school they asked their mother for BALON. TE, I have no money. So they walked to school crying because I had nothing to give them.

Ambition

Planter: I had a worker whose son was so brilliant I put him through college to take Industrial Engineering at De La Salle, Manila. When he graduated I urged him to go to Saudi so he could send dollars back to his family. Do you know where he is now? Back home being the town fireman.

Worker: Even if we can leave the farm, where would we go? The AMO, always the AMO. You leave the AMO, you meet the AMO. Where can we go? Wherever we go, everywhere there is the AMO. We are up against everyone, because they are all on his side.

[Question] Tell me about yourself?

[Answer] My name is Ramon. I am nine years old. When I grow up I will cut sugar cane.

[Question] Then what?

[Answer] Just cut cane, of course.

[Question] Where will you cut cane?

[Answer] Here.

[Question] Besides cutting cane, what would you like to do when you grow up?

[Answer] That's all.

[Question] What course would you like to take?

[Answer] Grade 6.

[Question] What kind of work do you find hardest to do?

[Answer] Nothing.

[Question] What is your favorite chore?

[Answer] Chopping wood.

Work and Laziness

Planter: The trouble with these people is that they're lazy. This country is so rich that even if you work only two hours a day, you

will never go hungry. That is why they are so lazy -- they know this land will always yield something even if they don't work.

Workers: We work in the rain or the heat of the sun to feed our family. It sucks all of our blood, even our whole body, as we work in the fields.

I have been having chest pains lately, maybe from hitting the ground too hard with the hoe, so I just plaster Salonpas on my chest. Thank God, at least, that I've never had PASMO.

Planter: Do you see that woman? (pointing to a woman looking about 70 years old) Can you believe that she is younger than my wife? (who is 45 years old) I don't know why. She came to us from the farm 20 years ago and has been our laundrywoman since.

Worker: I am 100 years old, I think. My body aches so much, my eyes have gone blind, dear God, what great sin have I committed that I am punished like this? I wish that you could take my life, oh God. What will I do with myself? Oh God, please give me poison so I can just go quietly. My body now recalls all the accidents I have had in my life. When I was young, I fell from the BAGON twice as I was loading cane. When I was working on our vegetable plot on the roadside, I was hit by a flying rock from a speeding vehicle...

Hunger in Negros

Planter: You have not seen real starvation yet. Give us six months of revolution and you will see what real starvation is. There will be food riots in Manila because nobody in the countryside will plant. The rich will still have their money but they will have nothing to buy with all their money. In a revolution we all lose. You pit 56 million people against each other and we will all starve.

Workers: We really went hungry this year. Of course, we have always had a hunger period every year, but it used to be shorter and milder. This year was the worst. We are lucky if we have boiled KANGKONG (IASWA) to eat. But you still cannot say that the whole of Negros is hungry. Only the poor are starving -- the rich are still fat.

The NPA

Planter: You work your ass off, you scheme to get these lands. Now they will take it away from you and give it to other people who have not worked for it. Is that fair?

It is most probable that these Commies planted their own boys in the seminaries 12 or 15 years ago so that now they are leaders of the revolutionary clergy.

Worker Turned NPA:

The desire and motive that now governs my life is to fight for the liberation of the people. The peaceful option is now closed to us. Escalante proved that. In this system, you are legal only if you do not win. The word "peace" has been so distorted by this system so that it stands for institutionalized violence. "Peace and order" means that the people are strafed when they express their sentiments.

The Clergy of Negroes and Their Changing Roles

On Peace and Violence

There are now two kinds of clergy in the Church: the reactionary because it wants to maintain "peace," and the emerging Church, which is "pro-people," i.e., for the oppressed peasant. This does not mean that we are automatically pro-violence. Violence comes from the Establishment; but we do not exclude violence in the liberating process if the option of peace is closed to us. Our concept of peace is best expressed by the Hebrew greeting SHALOM, which wishes peace for the TOTAL being -- this is the authentic idea of peace. This is not synonymous to the "peace and order" that is bruited about by the military whenever they have to justify their atrocities.

On the Planters

The planters think we are against them because we see them as sinners. It is not part of our priesthood to hate people. We are saving people from the sinful structure, not sinfulness; we are not against them, but only against where they are. In the same way, if they accuse us of keeping company with the Communists, we are only being Christians; we respect people, not ideology.

The Revolutionary Struggle

Many of the planters are now parcelling out their lands to the workers and providing them with capital to cultivate these. This does not mean that the struggle is over. If the planters are resorting to this, that is because they have been forced to -- by economic circumstances, by fear of the insurgency movement, etc. This is a sign of victory at one stage in the struggle and will hasten the end of the revolution.

But what is more important is the organizing and educating process that the people must undergo. Many conservatives express the fear that Communism is just another form of tyranny, in fact the worst kind. Again, this is just their limited, feudal view of the people as being unable to handle the reins of the nation. What we are doing now -- providing them with the intellectual tools for analysis -- is, in fact, a deterrent to eventual tyranny.

On Priesthood and Politics

There is no contradiction between my priesthood and my political line. The political option is different from the religious option. My political line does not necessarily efface my Christianity. As a priest, my only wish is to serve the people. There are only two ways in which a priest can think he can do this: either to support the status quo or to transform the people. I can only logically opt for the second; it follows that, at this time, the struggle is essential to my priesthood.

You do not have to read many books to realize this. The Gospel is full of examples. The history of salvation is the history of revolution. God made His Chosen People revolt against the Pharaohs. What's the difference between the pyramids and the Film Center?

Christ died between two zealots, urban guerrillas. You have to understand Christ within His historical context.

There are some priests among us who are critical of the BCC (Basic Christian Community) because they say it is a purely political/economic system and has lost the dimension of Faith. But the BCC is, in fact, a return to the genuine, original concept of Christianity, when Catholicism centered itself upon the total wellbeing of Man. Now the Institutional Church is married to capitalism; even the Pope is conservative because he must protect it. As an institution, the Church has no sensible economic and political programs that would best serve the interests of the people. So the BCC is the option of individual priests. Through the BCC, we are organizing, conscientizing and providing livelihood programs for the people. This is part of the whole revolution.

But we are not ruling out armed struggle as part of this revolution if the Establishment opts for violence.

The Sacraments

We fulfill our Sacramental duties faithfully. It minimizes criticism from the reactionary sectors and maintains a credibility. All this emphasis (text unclear) Marian Celebration -- the processions, prayer rallies, rosaries -- the proponents of this are the reactionaries, because it is a diversionary tactic. But we are riding on it in order to transform it. Devotion to Mary can be expressed through devotion to the people.

Religion Versus Communism

The contradiction is not between religion and Communism; it is between capitalism and communism. Capitalism centers upon Profit, Catholicism and Communism centers upon Man.

In the future, when we have finally set up the form of government that is best for us, then it is the people who will decide the form in which they will want to express their faith. What Marx attacked was not religion per se but the expressions of faith during his time that diverted the people from their social/economic problems. Right now, the Charismatic Movement and the prayer groups -- these are the opiates of the people.

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PHILIPPINES

VER SEEKS ABOLITION OF SOME MILITARY UNITS

Manila BULLETIN TODAY in English 4 Jan 86 p 6

/Text/ Gen Fabian C. Ver, Armed Forces chief of staff, was reported yesterday to have recommended to President Marcos the abolition of a number of headquarters of intermediary units as he pursued the strengthening of regional unified commands and territorial forces.

Sources close to Ver said the AFP chief is ready to implement a plan for the dismantling of AFP units considered as "unnecessary" and duplicating functions of other units.

Under the plan, sources said, several division headquarters, brigade headquarters, and other field units will have to be scuttled and their resources and personnel distributed to RUC (regional unified command) headquarters.

Principal reason for the move, the BULLETIN was told, is budget constraints.

RUCs, which are actually mini general headquarters in the regions, would definitely be strengthened to make them effective in the insurgency campaign.

Ver has launched four objectives to further strengthen the AFP command.

These are: To revitalize the military; invigorate the Filipino soldier; strengthen the civil-military relations; and enhance the defense and security preparedness.

The abolition of unnecessary units in the regions would make administration of resources and personnel easy, sources said.

For instance, in Cebu City alone, the military has its RUC headquarters, the PC/INP Regional Command headquarters, and the headquarters of the Army's 3rd Infantry divisions. These are the 1st Infantry Division, and other smaller units.

The AFP has a total of five Infantry divisions. These are the 1st Infantry Division, based in Jolo, Sulu; the 2nd Infantry Division based in Camp Capinpin, Tanay, Rizal; the 3rd Infantry Division, based in Cebu City; the 4th Infantry Division based in Cagayan de Oro City; and the 5th Infantry based in Camp Aquino, Tarlac, Tarlac.

Middle-echelon military commanders said that the presence of several AFP units in one region confused the soldiers.

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CSO: 4200/606

FURTHER REACTION, CRITICISM OF MUNRO NPA ARTICLE

Military Reformist Interview Cited

Quezon City ANG PAHAYAGANG MALAYA in English 4 Jan 86 p 5

[Letter to the Editor by Sarah N. Demetrio, University of the Philippines:
"Foreign Journalist Misrepresents NPA"]

[Text] I have a cousin who is a member of the Reform Movement ("We Belong") in the Armed Forces of the Philippines. Although we disagree about quite a number of things, we do keep up communication lines between us.

There was still a bit of irritation in his demeanor when he confided to me that at one forum of the Reform Movement sometime ago, a foreign journalist who identified himself as Ross Munro of TIME news-magazine kept plying him and his fellow reformist officers with questions about "atrocities" of the New People's Army.

Since this was not the subject matter of their forum (reforms in the AFP), they politely tried to beg off from Munro's questions. But because Munro kept badgering them, they shunted him off to an intelligence officer. My cousin says Munro also riled even Defense Minister Enrile with his boorishness about NPA "atrocities."

My conversation with my officer-cousin came to mind when I read Munro's piece in MALAYA which had originally appeared in the American journal COMMENTARY.

It would appear that when Munro came to the Philippines, he already had preconceived notions about the NPA. He then proceeded to dig up whatever "evidence" he could to support his notions.

There was a clear case of misrepresentation on Munro's part. He made it appear he was researching for an article in the liberal TIME when he knew all along he was writing for COMMENTARY, a publication of the Zionist and ultra-reactionary American-Jewish Committee.

I had expected better from MAIAYA than to disseminate such rubbish (because largely unsubstantiated assertions) as appeared in Munro's article.

As a Filipino newspaper, MAIAYA is in an infinitely better position to research and write about the NPA than a Munro who comes to the Philippines only to do what, from his COMMENTARY article, is a journalist hatchet job for the CIA. And to preserve its reputation for fairness, TIME would do well to dissociate itself from the likes of Munro.

TFD Defended, Bayan Hit

Quezon City ANG PAHAYAGANG MAIAYA in English 7 Jan 86 p 5

[Letter to the Editor by Quirino Torres, Manila: "Urge Closer Look at Cause-Oriented Group"]

[Text] Thank you for reprinting Ross H. Munro's "A long hard look at the NPA: The new Khmer Rouge" which, I am sure, will generate quite a lot of discussion about what is happening to the communist movement in our country.

One of the more controversial portions of the article is the identification of certain organizations as communist fronts. And yet, come to think of it, I doubt whether the relevant question is whether this or that organization is a communist front.

I will grant that communists are active in Task Force Detainees, but I have to balance the good TFD does for communists (let us grant for the sake of argument that it is bad to do something good for communists) against the good TFD does for the many innocent people who have been unjustly detained.

As for the Bagong Alyansang Makabayan (BAYAN), I have seen its clumsy and arrogant attempts to dominate the opposition and, failing in that, its blatant efforts to torpedo any initiative to unite the various opposition groups, and still failing in that, its call for a boycott of the elections. I strongly believe that this irresponsible organization is a cancer on the body politic which should be excised as soon as possible, regardless of whether it is a communist front.

Achievements (and mischief) aside, an organization should be judged on the basis of whether it is what it claims to be. On these criteria of honesty and integrity, a communist front becomes suspect. Rather than ask whether this or that organization is a communist front, we should determine whether the group in question is telling the truth about itself and if not, why it is parading under false colors and what it is trying to hide.

There are many organizations -- left, right and center -- each allegedly working for some worthy cause but in fact furtively furthering its own hidden agenda. On the honesty criterion, all such groups should be subjected to the same skeptical review as the organizations Mr Munro claims are communist fronts.

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CSO: 4200/606

CLERGY CRITICIZES ARMY PROGRAM FOR BUTUAN YOUTH

Quezon City ANG PAHAYAGANG MALAYA in English 3 Jan 86 p 9

[Text] Butuan City (MMNS) -- The diocesan Catholic priests have forged a common stand assailing the five-day "vigilantes training for counterinsurgency" of students 15 years old and above in baranggay Tungao by the 30th Infantry Battalion of the Philippine Army.

Fr Voltaire Rono, superintendent for diocesan schools, expressed concern over what he called as the intrusion of the military into the country's educational system. Rono said the priests will issue a formal statement on their collective stand.

Speaking about the National Service Law in the symposium on human rights sponsored by the Urios College Student Central Government, Rono revealed that students of the diocesan St Christopher Academy and the government-owned Tungao Barangay High School had been required to attend a five-day out-of-campus "vigilantes training."

The training was reportedly directed by Schools Division Superintendent Dr Sol F. Matugas.

In her letter dated Nov 4 addressed to the South Butuan District Supervisors and furnished to the principals of the above-mentioned schools, Matugas wrote that: "In line with the Letter of Instruction 1435 signed by the President, directing all civilian government officials to get involved and participate actively in non-military aspects of counterinsurgency operations especially in the rural areas, the Battalion Adjutant, 4th Infantry Division (PA) based in Buenavista, Agusan del Norte will undertake vigilantes training in Tungao for a duration of five days."

The said activity, reportedly conducted in a mountain several kilometers away from the baranggay proper last Dec 3 to 7, was initially met with "vehement objection" by parents, Rono said. However, he added, because of fear, they allowed their children to join the "vigilantes" training.

Rono maintained that while the training was backed up by a presidential instruction, he questioned the morality of it.

In other parishes, he said, it was reported that the young people have either run away or were forced to train for the indigenous Civilian Home Defense Force.

Rono expressed fears that there might be some "brainwashing" during the training which, for him, was primarily conducted to make the students work as intelligence men for the government. He added that this was the first reported training in Mindanao.

"Schools must now show their protests. Otherwise the same would be applied in other places," Rono added.

As an initial show of protest, the St Christopher Academy refused to hold four consecutive Saturday classes to replace the school time lost during the training.

Rono was a member of the panel of discussants in the symposium.

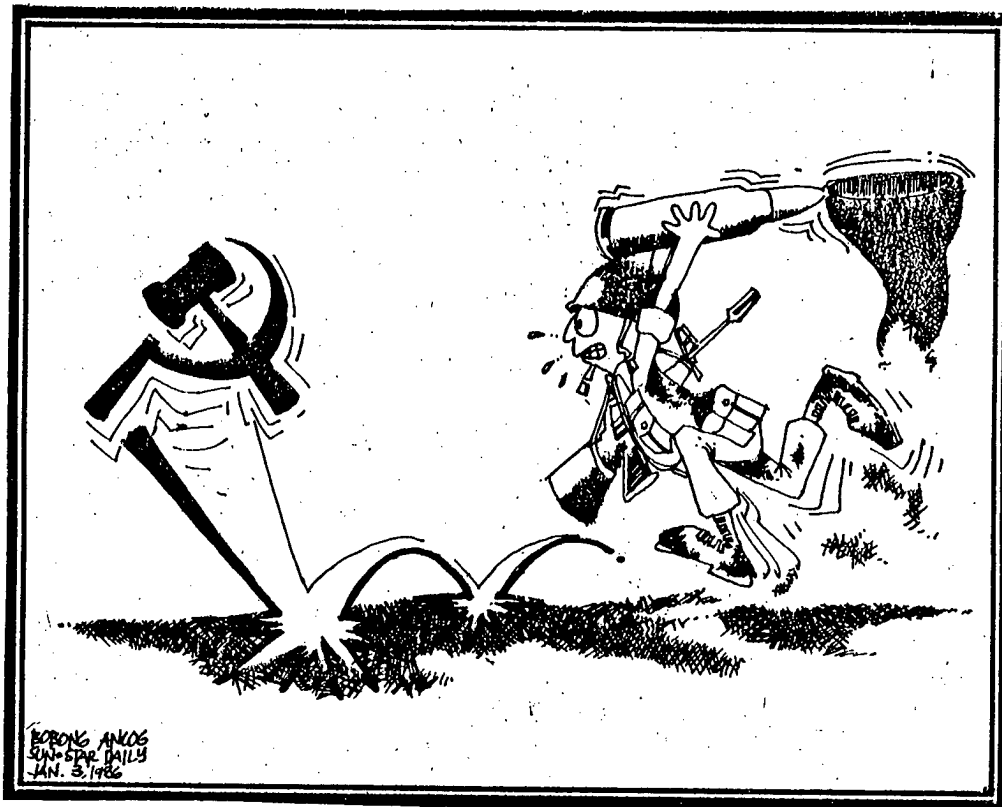
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CSO: 4200/605

PHILIPPINES

CARTOON VIEWS MILITARY ATTEMPTS TO STEM INSURGENCY

Cebu City SUN STAR DAILY in English 3 Jan 86 p 4

[Cartoon by Bobong Ancog]



/12851
CSO: 4200/597

PHILIPPINES

MILITARY TO STEP UP CEBU EFFORTS AGAINST COMMUNISTS

Cebu City SUN STAR DAILY in English 1 Jan 86 p 5

[News Analysis by Leo S. Enriquez III: "Military Gets Set to Cope with Plan of Communists"]

[Text] Military authorities are expected to step up their efforts in countering a plan of the Communist-led National Democratic Front (NDF) to plunge Cebu into chaos and bring about a revolutionary situation in the province.

This desired atmosphere has continuously eluded the provincial committee (Provcom) of the Communist Party of the Philippines and the Bagong Hukbo ng Bayan (CPP/BHB).

Captured documents now with the military revealed a new program hatched up the local underground movement which recognized their errors in 1985.

Contingency

The underground is not happy over the "sluggish" development of the "national democratic" struggle here, the documents showed.

While in their own words the revolution spread like "prairie fire" in some parts in the country, what they experienced in Cebu was an "irregular" growth and setback.

Based on these documents, the military learned of the scheme of local Communists to intensify subversion in the urban centers and increased insurgency at the countryside for 1986.

The military is therefore expected to draw up its own contingency plan, in parallel with the strategy adopted by the CPP/BHB in the province.

Patrols

A general plan to cope up with the following will be drawn up by the military:

--More soldiers and policemen will be trained for civil disturbances and counterinsurgency;

--More civil military operations will be launched, not only in the metropolitan area, but also in the hinterlands;

--More mobile checkpoints will be set up to round up both criminals and underground personalities, including the transport of firearms and ammunition;

--Naval patrols will be intensified around the province of Cebu to check the possible infiltration of subversive elements from out of town, who would help hasten the revolutionary development in the province.

Plans

--Military detachments will be established in desolate areas, which are threatened by the underground movement;

--Security operations will be conducted regularly in places where the underground movement are reportedly active and;

--A sustained propaganda campaign will be waged by the military to win back its lost credibility.

The military will also have its hands full during the first quarter of the year, when the snap elections will be held. Another plan is also expected to be implemented by the military should any contingency arise.

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CSO: 4200/597

PHILIPPINES

NEW BATTALION FIELDIED IN REGION 2

Manila BULLETIN TODAY in English 4 Jan 86 p 6

[Article by Antenor B. Parazo: "New Troops for Region 2: 1 Battalion fieldied in NPA Areas"]

[Text] Ilagan, Isabela -- The strength of the military in Region 2 has been beefied up with one combat battalion.

The outfit is composed of officers and men pulled out from various military units and new enlisted men.

Aside from this 1,000-man contingent, another battalion will be fieldied to this region. It will be used as an augmentation force.

These developments were disclosed by Col Hilario Bayabos, chief of staff of the Regional Unified Command (RUC) 2, and Col Alfonso Mora, provincial commander of Isabela, during a year-end gathering of Isabela provincial and local government officials led by Gov Faustino N. Dy.

The meeting was also attended by Members of Parliament Rodolfo Albano, Prospero Bello, and Simplicio Domingo, lawyer Santiago Respicio, general manager of the Philippine Tobacco Administration, and representatives of the media.

Bayabos reported that the new combat battalion has been fieldied in the western part of Region 2 which covers the provinces of Kalinga-Apayao, Ifugao, and western Cagayan. It is in this area where the New People's Army forces has been operating since four years ago.

Bayabos informed Isabela officials that the campaign against the dissidents in the region has been intensified. It resulted in the reduction of the rebel forces, he added.

Colonel Mora reported that the peace and order condition in Isabela has returned to normal.

The crime rate has been in the down trend in 1985, he said. The rate has been reduced by 14 percent from that of 1984, he added.

On the Isabela rebel front, Mora said, the number of NPA-influenced barangays in the province has been down to 50 from 112 the year before. On the whole, Mora said, Isabela had been safe.

In reply to queries from media men, Bayabos and Mora explained they have not recommended the demobilization of the civilian home defense forces in the region because of the need for more men in the fight against insurgency.

Furthermore, they said, there is no assurance yet if the region will get the additional combat battalion that has been pledged for the area.

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CSO: 4200/605

BRIEFS

NAVY ON CAM RANH BAY THREAT--The navy yesterday said the Soviet forces in Cam Ranh Bay in Vietnam were a threat to Philippine security. Commodore Brillante Ochoco, the navy flag officer in command, voiced the concern at a luncheon with members of the defense press corps at the Army and Navy Club. Ochoco said that as long as democracy is the Philippine way of life, the presence of any communist force nearby should be considered a threat to national security. Earlier, a U.S. naval officer dismissed speculations that the port call here of the USS Blue Ridge, flagship of the U.S. 7th Fleet, had something to do with the February 7 election. He said that the Soviet military buildup in Cam Ranh Bay was a move toward the intimidation of countries in the Pacific and Indian oceans. Commander John McGrath, public affairs officer of the Blue Ridge, also said the Soviet military expansion could also be a means to increase Soviet trade with Pacific countries. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 19 Jan 86] /7051

CLASS SUSPENSION AFTER POLLS--The Education Ministry says it has not decided as to whether classes are to be suspended after the February 7 elections. Intelligence reports indicated that various rallies are being planned by militant student organizations. Education minister Jaime Laya said he has not yet received reports from the [words indistinct] regarding the impending student rallies. The League of Filipino Students, however, confirmed that its 20,000 strong member will stage a nationwide boycott. [Text] [Quezon City Maharlika Broadcasting System in English 1100 GMT 22 Jan 86] /7051

U.S. SATISFACTION WITH ESF OPERATIONS--The utilization and operation of the Economic Support Fund [ESF] is in order, proper and in accordance with the control mechanism jointly set up by the Philippines and U.S. Governments. Deputy Information Minister Ronaldo Puno disclosed this preliminary finding of the U.S. information audit team. The team recently came to Manila to investigate the operations of the ESF, a component of the 900 million dollar base rental package. The team was sent by the U.S. General Accounting Office following a resolution filed by two Congressmen asking for an investigation of the operations of the ESF. The two are Senator Edward Kennedy and Representative Stephen Solarz. [Text] [Quezon City Maharlika Broadcasting System in English 0800 GMT 23 Jan 86] /7051

CSO: 4200/598

THAILAND

COLUMNIST REACTS TO U.S. AMBASSADOR'S VIEWS ON USSR, SRV

Bangkok NAEO NA in Thai 7 Dec 85 p 16

[Nui Bangkhunthian column: "Thailand Does Not Want a War"]

[Text] One reader asked me to summarize a speech made by Mr Willian Brown, the U.S. ambassador to Thailand, who gave a speech to members of the U.S. Chamber of Commerce on 27 November. The newspapers printed excerpts of the speech and so it was difficult to understand what he said. I will try to summarize his 12-page speech for you.

Mr Brown said that he had been in Thailand only 5 months but that he had had previous experience in Moscow, Singapore, Kuching, New Delhi and Taipei. At the beginning of the speech, he spoke about the threat from Vietnam and the Soviet Union. He said that this is the 8th year that they have occupied Cambodia. Because of this, Thailand has had to bear the burden of supporting the refugees, and it has been under constant pressure.

The United States is aware of this threat and so it has given ASEAN military and economic aid worth \$8.3 billion. It has given \$3 billion in aid to Thailand alone (which is approximately 78 billion baht).

The problem in Thai-U.S. relations is the lack of understanding on economic matters. Each side has different policies. Mr Brown said that the United States has generously allowed the developing countries to seize the trade beachhead for more than 30 years. While other countries were growing richer, the United States grew poorer. The free trade policy, which the United States has always supported wholeheartedly, has boomeranged and hurt the United States. The U.S economy is in trouble. The trade deficit has reached \$150 billion. The countries that have prospered are Japan, Taiwan and South Korea.

Thailand does not pose a threat to the United States. But the United States is Thailand's largest market. The United States has suffered a trade deficit with Thailand for several years in a row. This year, the trade deficit is expected to reach \$19.5 billion. Mr Brown asked why Thailand isn't raising a hue and cry against Japan, which has set up tariff barriers against Thai goods. Why does it allow the EEC to set quotas?

Thailand and the United States share a common problem; namely, a chronic trade deficit and fear of an insecure position. Thus, Thailand should understand why the United States has implemented the protectionist measures that it has. Even though a bill to limit imports has been proposed, President Reagan can veto this. Mr Brown asked Thailand to look at the problem deeply and fairly in order to prevent any long-term damage to our relations.

At the end, Mr Brown returned to the expansion of Vietnamese and Soviet power. He said that the Soviet Union has strengthened its military forces at Camranh Bay and Danang in the South China Sea and in the Indian Ocean. China, on the other hand, has reduced its military forces 25 percent. Vietnamese forces have expanded their zone of control to the Thai border.

The United States is prepared to give weapons support to Thailand. It is ready to help develop and upgrade Thailand's military. There have been more than 20 joint military exercises. The United States is ready to send support forces. Even the sale of the F-16 aircraft shows its desire to help Thailand.

After considering the speech given by Mr Brown, I believe that the United States is sincere toward Thailand. But I would like to tell Mr Brown that if the United States wants to help Thailand, it should give only economic aid. It would be better to let Thailand build up its military power by itself. That would be preferable to shipping over large numbers of weapons and military tools. Because besides the fact that this is a heavy burden on the United States at a time of economic weakness, Thailand has no desire to become a second Vietnam.

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CSO: 4207/132

EDITORIAL FAULTS ECONOMIC ADVISORS FOR GLOOMY PREDICTIONS

Bangkok SIAM RAT in Thai 30 Dec 85 p 3

[Editorial: "The Abilities of the Scholars"]

[Text] People frequently say that Thailand's economy is now in crisis and that the country may not survive, particularly under the present administration of Gen Prem Tinsulanon, the prime minister.

Such statements are frequently uttered by Thai scholars, who try to show their great intelligence by using statistics and drawing comparisons. They use the knowledge that they gained while studying abroad and some of their own ideas. They try to spread their ideas by giving public lectures, granting interviews to the newspapers and radio and writing articles.

We feel that besides having a negative effect on the stability of the government, which employs these scholars, their dire economic predictions about Thailand's economy are actually damaging the nation's economy. Our reason for saying this is that when these scholars criticize Thailand's economy, foreign and domestic investments in Thailand decline.

We are surprised that the government hires such people. The government employs them to give advice when economic problems arise. In the present situation, these scholars should be using their knowledge to make recommendations to the government or prime minister, who is the head of the government, about how to solve the problems.

We admit that our present economic situation is very alarming. But we feel that there is still time to solve the problems. It is not too late. We suggest that the government, particularly the prime minister, consider this matter. Because these scholars, who are employed by the government, are just reporting bad news and frightening people. That's all they are doing.

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CSO: 4207/118

PREM ECONOMIC ADVISOR PREDICTS GRIM FUTURE

Bangkok DAILY NEWS in Thai 15 Dec 85 pp 1, 2 20

[Unattributed report: "Prem Advsiior Predicts a Very Difficult 5 Years"]

[Excerpt] On 14 December, the Research Institute for National Development held a seminar at the Asia Phathaya Hotel in Phathaya City on the topic the "Next Step in Development." The seminar was attended by about 200 well-known economists from both the public and private sectors. This was a gathering of national-level "chiefs" in economic circles.

Dr Wiraphong Ramangkun, an advisor to the prime minsiter, opened the seminar by presenting the results of a study done on Thailand's general economic situation. He asserted that during the next 6 years, Thailand's economic situation will be quite bad. What is important is that the open unemployment rate will increase. And within the next 2 years, Thailand's foreign debt will reach dangerous levels.

Agricultural exports, which were once the country's main source of revenues, will expand at a rate of less than 2 percent. At the same time, the export of agro-industrial products, which have become our new hope, will expand at a rate of only 1 percent. Thus, such products give little reason for hope. Similarly, the industrial sector, which has been a source of hope, will expand at a slower rate than before. However, Dr Wiraphong said that hopefully, things will improve in about 5 years after all these crises have passed, although no one knows how bad things will become.

Another problem worth noting is Thaland's foreign debt. Dr Wiraphong said that the ratio of foreign debt payments to foreign revenues is currently about 27.7 percent. In coming years, this situation will grow even worse, with the figure rising to 28.8, 30.4 and 30.6 percent. The situation will become more and more dangerous as this figure approaches 30 percent. A clear example is the Philippines, where the figure has already reached 30 percent. This indicates that the country is economically bankrupt.

Important reasons for this decline is the decline in export activities and the decline in revenues from sending people to work in the Middle East. It is well known that these countries have cut back construction and other national development activities for financial reasons.

Dr Wiraphong also talked about the current accounts deficit in the public sector. He said that it is the public sector that is responsible for this deficit. The public sector likes to borrow money for domestic use and satisfy needs without trying to build a savings system as an alternative. The current accounts deficit first became a serious problem in 1980. This problem will not improve in the next 5 years because of our large foreign debt.

"My prediction that the foreign debt will increase at that rate is based on the assumption that the government will have to convert the foreign loans to low-interest, long-term loans. The loan ceiling this year and next year will be \$1 billion. In the following years, the ceiling will be \$700 million. If the debt ceiling is increased, the ratio will definitely increase. This is because foreign currency revenues for repaying debts are limited and will decline," said Dr Wiraphong. As for unemployment, he said that the unemployment rate will be about 6.87 percent among the educated and about 15.3 percent among those with a vocational education.

Mr Olan Chaiyaprawat, the assistant managing director of the Thai Commercial Bank, who commented on the research done by Dr Wiraphong, said that he agreed with these economic predictions. He painted an even bleaker picture, saying that if he was a creditor with money to lend, he would definitely not lend any more money to Thailand in its present situation. Thailand will have to take various steps, which will have to be discussed further, in order to save itself.

"I don't agree with the suggestion that we should act like a millipede and simply curl up and wait for a better chance. Because if the sun gets too hot, we will die. Instead, I think we should act like a piece of steel. No matter how great the pressure, we could withstand it. Or if we were placed in the fire and pounded, we could still become a sword."

Mr Chawalit Thanachanan, the deputy governor of the Bank of Thailand, said that the research results presented by Dr Wiraphong were even gloomier than those presented by the Bank of Thailand.

Mr Phisit Phakkasem, the deputy secretary-general of the National Economic and Social Development Board, said that an important point is that we should not be overly concerned about the growth rate. Rather, we should focus on the form of this growth so that we are in a position to determine what adjustments need to be made during this crisis in order to maintain our stability.

"We should be careful about the dark economists, or godfather economists, who are outside the system and outside our control. Take the oil share funds, for example. Something has to be done to bring them into the system before it is too late and they collapse. Because these funds are growing."

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CSO: 4207/130

EDITORIAL ATTACKS U.S. FARM BILL

Bangkok NAEO NA in Thai 20 Dec 85 p 4

[Editorial: "The Farm Bill"]

[Text] It is expected that the U.S. House of Representatives and Senate will pass the bill known as the "1985 Trade and Agricultural Products and Food Reserve Bill," which is commonly referred to as the "Farm Bill," next week. This bill was approved by a joint congressional committee on 14 December. President Reagan is expected to sign the bill into law without making any objections.

During the deliberations on this bill, it was claimed that the Thai government gives financial support to rice exporters and that this has resulted in the United States losing its rice markets. Thailand controls the largest share of the world rice market. From this, it is clear that the main objective of this bill is to put pressure on Thai rice on world markets.

That claim by the U.S. joint congressional subcommittee is totally groundless. It is well known that the United States began growing rice after the United States sent "experts" to Thailand to gain knowledge. They were sent under the guise of giving help in improving rice cultivation. Furthermore, Thai rice exports are not supported by the government in any way. Rather, the government collects various taxes on this. But even though various taxes are collected, the price of Thai rice is still cheaper than that of American rice. U.S. production costs are approximately 10,000 baht per kwian [1 kwian equals 2,000 liters]. Besides that, the quality of American rice is inferior to that of Thai rice. Even though the United States tried to help its farmers by purchasing rice at a high price and selling it abroad at cheap prices by extending long-term credits based on Public Law 480, Thai rice still outsold American rice.

If this bill is passed into law, this will have a much greater effect on Thailand than the textile bill, or Jenkins Bill. This is because farmers form the great bulk of the population. That is, farmers make up 85 percent of the population. American farmers make up only about 1 percent of the population of the United States. And cultivation is carried on in only two or three states. Thus, the plight of the U.S. farmers cannot be cited as an excuse when compared with Thailand's problems.

Even though the Thai units concerned have made a mistake by not raising a hue and cry about this prior to this, it is still not too late for the government to take urgent action to prevent the promulgation of this law. This law is aimed at Thailand specifically. The problems that will be caused by the promulgation of this U.S. law will be much worse than anything in the past. They will be much worse than anyone can imagine.

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CSO: 4207/132

THAILAND

EDITORIAL CONCERNED OVER U.S. FARM BILL

Bangkok SIAM RAT in Thai 21 Dec 85 p 3

[Editorial: "It's Time To Concentrate"]

[Text] Another economic storm from abroad has engulfed Thailand. Last Wednesday, the U.S. Congress passed an agricultural bill known as the "Farm Bill." A news report stated that President Reagan will definitely sign this into law sometime next week. Once this bill goes into law, the U.S. government will authorize spending a sum of money to support U.S. agricultural exports. Today, U.S. agricultural exports are very depressed at the international level because the prices of the goods are too high as compared with the prices of similar goods from other countries.

Included among the agricultural goods to be supported by the U.S. government are rice and corn. Because rice and corn are Thailand's principal exports, we will face strong competition from the United States, which will try to win markets, particularly markets in Africa that are now dominated by Thailand.

Thailand's rice exports are already encountering problems, and this will just make things worse. The rice mills are not purchasing rice and the exporters are not stocking rice based on the Ministry of Commerce's paddy price support policy. The exporters are worried about not being able to compete for markets with the United States and so they have cut back on the amount of rice purchased from the mills. As a result, the mills don't dare purchase much paddy from the farmers because they are afraid of being overwhelmed by the interest on the money borrowed from the commercial banks. The result will be that the farmers won't be able to sell their rice, which is a very worrisome matter.

This is a very alarming situation, both for the government and the people of Thailand. But people should not become so frightened that they refuse to act. Both the public and private sectors should concentrate and see if there is a way to solve this problem. And if there isn't, what can be done to reduce the effects of this? The United States has said that the promulgation of the Farm Bill will not affect Thailand. We should question the United States to see if this is really true.

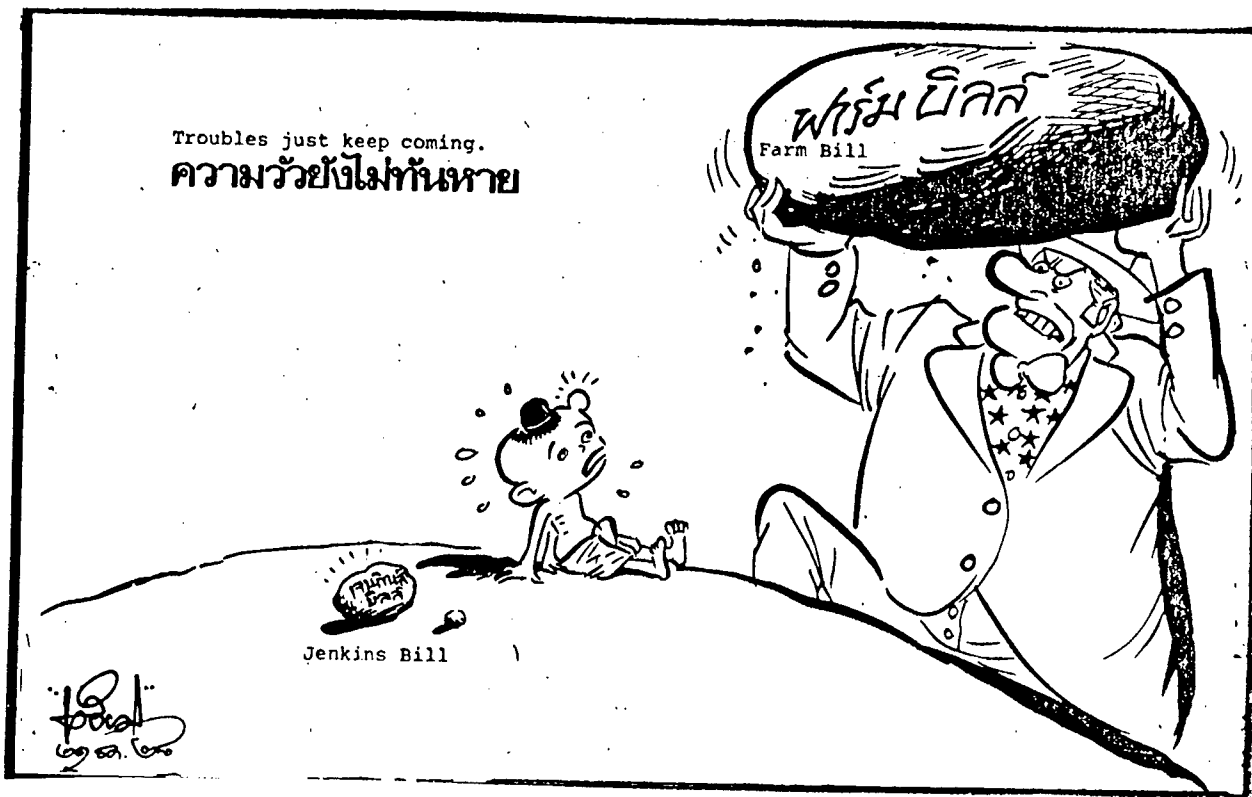
Is it possible that the United States will not touch Thai rice and corn markets? The Ministry of Commerce and the Ministry of Foreign Affairs must quickly find the answer to that question. Otherwise, the exporters and the mills will stop purchasing rice.

THAILAND

CARTOON HIGHLIGHTS LOOMING THREAT OF FARM BILL

Bangkok SIAM RAT in Thai 21 Dec 85 p 3

[Cartoon]



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CSO: 4207/128

EDITORIAL SUPPORTS CABINET MOVE ON EEC TAPIOCA ACCORD

Bangkok MATICHON in Thai 25 Dec 85 p 4

[Editorial: "Liberation From the 'Slave Agreement'"]

[Text] The Council of Economic Ministers has passed a resolution approving in principle scrapping the tapioca trade agreement between Thailand and the EEC. Not only does this show their intention of protecting the interests of the country by saving billions of baht. It also shows that the government used democratic methods to arrive at a decision on how to solve an important problem. It showed that the government considered the recommendations and warnings of the "honest" scholars and did not stubbornly follow the path of a particular party.

The tapioca trade agreement that Thailand signed with the EEC in 1982 and that will expire in 1986 is a "slave agreement" that has resulted in huge losses for Thailand. This is because this is a restrictive agreement. It has resulted in tapioca imports for the EEC declining to only 4.5 [million] tons a year at a time when the EEC's tapioca import capabilities are about 6-7 million tons a year.

This slave agreement was initiated by Social Action Party ministers. Thus, as the time for this agreement to expire approached, instead of listening to the tapioca growers, the Tapioca Products Association and the "honest" scholars, who want to protect Thailand's interests and who have recommended that this agreement be scrapped, the minister of commerce and minister of agriculture and cooperatives, both of whom are members of the SAP, stubbornly insisted on extending this agreement.

However, the strong and resolute resistance voiced by tapioca growers and merchants and "honest" scholars prevented the SAP ministers from stubbornly sticking to their path and forced them to bring these recommendations before the National Tapioca Board. And in the end, it was decided to scrap this unfair agreement signed in 1982. The Council of Economic Ministers has entrusted the National Tapioca Board with the task of negotiating with the EEC in order to increase tapioca exports to those countries.

At present, our tapioca is in great demand by the EEC countries. It is thought that we could export 6 million tons a year. This is a factor that Thailand's representatives can use in bargaining with the EEC. Since we have such a positive factor on our side, it will be very sad if we end up signing another agreement that is to our disadvantage.

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CSO: 4207/130

FOREIGN MINISTER DISCUSSES PARTISAN POLITICAL ROLE, ALLIES

Bangkok NAE0 NA in Thai 7 Dec 85 pp 8, 9

[Interview with Air Chief Marshal Sitthi Sawetsila, minister of foreign affairs, at the Ministry of Foreign Affairs, by Bunchai Mahatthananchai; date not specified]

[Excerpts] After Lt Gen Withoon Yasawat and Dr Rachot Kanchanawanit announced on 2 December that they were running for election on the SAP ticket, NAE0 NA had a chance to talk with Air Chief Marshal Sitthi Sawetsila, the deputy party leader. He answered questions and talked about the candidacy of these two men. The interview took place in his office at the Ministry of Foreign Affairs.

[Question] Why did the Social Action Party decide to field these two candidates?

[Answer] These two men went through a very careful screening process. Because today, you can't just pick people haphazardly and expect to win. And you can't rely on the party's name. Mr Chamong (Simuang) is a good example. His victory shows that the people of Bangkok want honest and determined people who can do a good job of representing them.

The selection of candidates was very difficult this time. I contacted many people and screened all of the possible candidates. There were people who have done a good job and who are very well known today. They were screened very carefully. There were a very large number. Happily, we have found suitable candidates.

M.R.W. Khukrit Pramot, the party leader, was in Chiang Mai at that time. He frequently called to see if we had chosen any candidates yet. After we made our decision and approached them about this, he had to approve our choices. It was Achan Kasem Sirisamphan who took them to see M.R.W. Khukrit at his house in Suan Phlu.

[Question] Did M.R.W. Khukrit agree right away?

[Answer] He was very pleased. He already knew them. During the period that Mr Withoon helped Achan Sanya (Thammasak) by working at the Police Department,

Achan Khukrit once parked his car there and said not to let anyone touch his car. (Laughs) As for Achan Rachot, he joined the Free Thai group after me.

[Question] There are reports that it was you who recommended Lt Gen Withoon.

[Answer] (Laughs) Let's say Achan Khukrit. Actually, I have known Thep (the code name for Lt Gen Withoon during the period that he commanded the thahan phran irregulars in Laos) for more than 10 years. I have known him ever since I was with the National Security Council. Dr Rachot is a close friend of Phong (Sarasin).

[Question] In selecting candidates, wasn't Mr Phong one of those considered?

[Answer] Yes. At first, he planned to run. But he is the party secretary. He is very busy and has little time. Also, he wanted to manage the campaign. And he had been making preparations to run in another zone for more than a year. For these reasons, he asked that we find someone else. This made things more difficult for us. But we found suitable candidates.

[Question] What are these two men like?

[Answer] I think that Dr Rachot can answer your questions about various matters. He knows a great deal about such matters as unemployment and other economic problems. Mr Withoon is involved in the hotel business and in trade activities. He has met with merchants and knows their background. He has been in contact with the press and with villagers. He has much political experience. I like Dr Rachot's ideals very much. He told me about his accomplishments. He has become well known for building various things and for repairing the Throne Hall, which had been damaged by water. He drew up designs for Pra That Phanom Phutthamonthon.

He is very interested in politics. He established the Seritham Party. One of his ideals was that the Seritham Party did not need anything from anyone. Political problems were discussed. Those who joined him included such people as Mr Bunying (Nanthaphiwat) and Mr Prasit (Narongdet). We discussed democracy. He knows that democracy can fail if we don't have good people. This was one reason why he joined. He was glad to join. He is prepared. He is already well known. He joined in the interests of democracy.

I have known Mr Withoon, whom I call Thep, ever since I was with the National Security Council. I went with Mr Prasong Sunsiri. At that time, Thep was in Udorn. That was before Laos fell. He was a colonel at that time.

I visited him every 3 or 4 months. He worked very hard. Prior to that, the people there were undisciplined. Some of the people did not take their work seriously. He went and organized things and established order. Without the Thai volunteers, I think that Laos would have fallen long before it did.

When I went to visit him, I would find him working late at night. We used to talk in his office. It was very cold. After talking, we would go out for something to eat. Thep used to talk about his work until 0200 or 0300 hours before going to the hotel to go to bed. He had strict rules against going to

nightclubs. While you were working, you couldn't engage in such activities. I like such discipline.

During the time that he served as a police officer, he provided much help to Achan Sanya. Things were very disorderly at that time. He made a great effort. The police could not control things because many youths were involved. He tried to help by having the police disarm. But Achan Sanya had to rearm the police because of the great disorder. After that, things calmed down. The bandits were suppressed. He suppressed the bandits in Phetburi. He said that if things did not improve, he would take action personally. The crime situation there improved greatly after that.

He even helped with the police budget. He constructed flats for police officials. He was the first to do that. The policemen loved him. He worked for the Police Department for 18 months. The younger policemen know him very well.

He told me that Achan Sanya gave them a budget of 200 million to purchase pickup trucks and radios. He made a very low bid and managed to purchase the trucks for approximately 10,000 baht apiece. The police are still using these trucks.

He said that if he managed to procure the necessary number of radios, Luang Athasit, who was the minister of interior at that time, agreed to let him spend the 200 million on police welfare. He inspected all the police stations and found that the police had to take turns sleeping on cots. Many did not have any place to live. He procured the radios from Laos. He obtained more than had been planned. And so he was allowed to use the 200 million to build flats for the policemen. He was the first to do that. Because of that, policemen have places to live.

[Question] Has M.R.W. Khukrit used the words "fight to the death" in reference to this election?

[Answer] Yes, he has written that. I will "fight to the death," too. (Laughs) We will fight democratically and fairly. Because these two men are so willing and because they are good men, I will do my utmost, too. I will put the few assets that I have at their disposal. I have told everyone.

[Question] You are the deputy party leader. But in previous elections, you have never gotten so involved.

[Answer] That's true. This is the first time. I have great confidence in the candidates. I don't feel that I have done much for the party. I have not attended many of the meetings. I have usually been busy with official matters. I have never campaigned and have never asked for credit. I have considered myself a servant of the people. If I can score results that benefit the country, that is enough for me.

But this time I have to get involved. The fortune teller has called a dragon in a cave. Usually, the dragon sleeps quietly unless it is disturbed. (Laughs) This time I will get out myself. The party has told me which zones to go to. I can visit the zones in 2 or 3 days because I work quickly. I have my own

methods. I would like to go to many places to meet the people. I told Achan Kasem not to limit me because I will go everywhere that they ask me to go. That will probably tire me a little.

[Question] Does the Dusit zone require the use of five ministers?

[Answer] Yes. That is a very large zone. About 500,000 people live there. There are about 230,000 voters there. If we can get out the vote. Military, railway and cement organizations are there. My son is working there, too.

[Question] Will this election be an indication of how the SAP will fare in 1987?

[Answer] It will point out a few things. If we lose, party morale will suffer. I have told people not to become discouraged. We have not yet fought and yet people are already giving up.

I am a very optimistic person. This can be a new beginning for the SAP. We must meet with the people and see what problems they are having. We can't just go when they have problems or just go occasionally. That won't achieve anything. We have to get out and ask questions and find out what needs to be done. If we can do this, our chances of winning in 1987 will be very good. We may even win more seats than before.

I don't agree with methods that use...materials.... Let's use other things. I would like us to use our talents and do things properly in the election. I don't want us to use other things. If we do, we won't attract good people.

I will tell you something that I know to be a fact. This is a turning point for the SAP. If we win, our morale will return.

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THAILAND

PUBLISHER CITES REASONS FOR POSSIBLE COUP

Bangkok LAK THAI in Thai 2 Jan 86 p 58

[Speak Thai column by Rattana Yawapraphat: "New Year Coup"]

[Excerpt] Why do many Thai believe that there will be a coup around the beginning of 1986? It isn't difficult to answer this question. The 9 September rebellion provides a ready example.

The first reason is that people are tired of the government headed by Gen Prem Tinsulanon. Prem has been prime minister for 5 years now. The people are very poor. Nothing has improved. Only the todies and sycophants have prospered. When Prem came into office, there were 10 million poor people. This figure has now risen to 50 million (according to the latest census, Thailand's population is 52 million).

Second, the economy has gone into a recession, and there seems to be little chance of a recovery. The disparity between wages and the cost of goods is growing greater every day. When people criticize the government's policies, the government tries to excuse itself by saying that the reason why the Thai economy is so bad is that the world economy in general is bad. The government has not formulated any new economic policies to show the people that the government is taking steps to end their misery and build a brighter future for them.

Third, there is no other word for politics in Thailand's parliamentary system than "prostitution politics." This is politics in which people sell themselves. Because of this, the people do not have any faith in the political system. They do not trust the politicians. They do not believe that the politicians and political parties can save the country from disaster.

Finally, the military (particularly the army) has begun "warming up" (excuse me for using English, but the meaning is clearer in English than in Thai) on the sidelines of the field of democracy to show the people that it is ready to take to the field and change the players if the spectators, who are now booing the present cabinet, show signs of moving onto the field to drive out the old team and replace it with a new team.

These four things have caused people to fear that there will be another coup at the beginning of 1986. Because the fruit is so ripe, it would be very easy to pick the fruit. Or if we wait just a little while longer, it will drop by itself.

Because of his experiences, I would like to give Gen Prem Tinsulanon a new nickname and call him "Sua Tao" [Old Tiger]. He has definitely heard the rumors about a possible coup and knows the reasons for this. Prem has many tools at his disposal to keep him informed about important matters. Prem is very familiar with Thai political circles. But he is now coming under attack by M.R.W. Khukrit, who once asked him to become prime minister. But now, Khukrit has many complaints. He has criticized Prem's cabinet and predicted that Thailand's situation will become critical in the next 5-6 years. He has also called Prem a "woman."

Today, Prem is being criticized by people everywhere, particularly those who once supported him. What will he do to prevent the New Year's coup? We can watch this play during the coming days. 23 December 1985

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THAILAND

ATHIT SUPPORT TO SOUTHERN UNIVERSITY; SEPARATISTS' EFFORTS

Bangkok SIAM RAT in Thai 7 Dec 85 pp 1, 12

[Unattributed report: "Fourth Army Region Takes the Lead in Establishing a University in Nakhon Sithammarat"]

[Text] The 4th Army Region is the spearhead in establishing Nakhon Sithammarat University. Athit spoke at a charity affair to raise money for the university.

A news report from the 4th Army Region has informed SIAM RAT that on 7 December, Gen Athit Kamlangek, the supreme commander and RTA CINC, will give a speech on the topic "A Look at Nakhon Sithammarat" in order to raise funds to establish a university in Nakhon Sithammarat Province.

The news report stated that the fact that Gen Athit has traveled to the south in order to help raise funds for the construction of a university in Nakhon Sithammarat Province shows that he fully supports the establishment of a university there. The establishment of this university is a strategy of the 4th Army Region.

Col Banchon Chawalasin, the head of the Reporting and Intelligence Center, 4th Army Region, told SIAM RAT that at present, the situation in the south is fairly calm. The various terrorist groups are not very active. Only the bandit terrorists are active. They are trying to establish a revolutionary council in the Middle East in order to turn their struggle into an international struggle just like the PLO.

"But I don't think that they will succeed because the conditions no longer exist here," said Col Banchon. He added that the 4th Army Region is also waging an offensive against the Malaysian communist guerrillas by developing the area and building roads. But the work is difficult because this is the rainy season.

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THAILAND

COLUMNIST REACTS TO SRV-MALAYSIA AIR LINKS

Bangkok SIAM RAT in Thai 19 Dec 85 p 2

[Article by Chaipayat Yonpiam: "Vietnam, a Plan To Trap the Crocodile"]

[Text] There was new activity on the part of Vietnam at the beginning of this week. Commercial air services were opened between Malaysia and Vietnam. And Hanoi is making a great effort to open similar air services between Vietnam and the Philippines.

Vietnam has frequently complained about the fact that most travelers who want to visit Hanoi and Ho Chi Minh City must transfer planes in Bangkok before flying on to Vietnam. Vietnam claims that before these foreign visitors arrive in Vietnam, they are exposed to Thailand's views on the situation in Southeast Asia, which are at odds with Hanoi's views. And even more importantly, if the "visitors" who have to change planes in Bangkok for the flight to Hanoi happen to be Vietnamese, they are questioned in Bangkok as if they were enemies. And there is much criticism, particularly from the Thai mass media.

Vietnam's distress about being at the end of the route and having to go through Bangkok to get anywhere may provide an answer to the question of why Mr Nguyen Co Thach, the Vietnamese foreign minister, whose duties require him to make frequent trips abroad, has tried to avoid changing planes in Bangkok this past year. That is Vietnam's reason. Thailand's response would probably be that it can't do anything to help as long as Vietnam continues to cause trouble along the Thai-Cambodian border.

Viewed from another angle, the real reason why Vietnam is trying to establish air links with other countries in the region is that Vietnam is hungry for foreign currency. Vietnam's economy is in such dire straits that it has to beg for money from its senior comrade, Moscow, in order to survive. Vietnam has to try to establish links with other members of ASEAN, which opposes Vietnam on the Cambodian problem. It wants to expand trade and promote tourism.

Air service between Vietnam and Malaysia got underway with the exchange of a shipment of goods. For the inaugural flight, Vietnam used a Boeing 707 aircraft abandoned by the Americans in southern Vietnam. It was used to transport a shipment of fresh food, including fish and other seafood, to Malaysia. On the way back, it landed at Ho Chi Minh City carrying a load of goods from Malaysia. Actually, Malaysia is probably very pleased by this, too. It's economy is very depressed, and it is having problems selling its goods.

Malaysia, the world's leading tin exporter, is also having trouble selling its tin. Malaysia has little chance of developing new export markets. Opening the door to trade with Vietnam is better than nothing even though Malaysia knows that Vietnam is a poor country and does not have money to purchase goods. Even if a barter system is used, there is little chance of Vietnam bartering goods with anyone. Because the few goods that it manages to produce today are barely sufficient to service the debts owed its old creditors; that is, the Soviet Union and the East European Council for Mutual Economic Assistance (COMECON).

Malaysia has long been upset by the fact that in selling goods to Vietnam, it has had to rely on a middleman who is a fellow member of ASEAN, that is, Singapore. Thailand, too, has been very upset by the fact that Singapore has acted as the middleman and ignored the economic boycott against Vietnam. It has purchased Thai goods, including rice and other consumer goods, and then quietly sold them to Vietnam for a nice profit.

Vietnam has constantly tried to break the economic boycott and end the isolation imposed on it as a result of its policy of aggression. Vietnam is also trying the same approach with the Philippines. Vietnam probably wants to attract large numbers of tourists in order to bring in large sums of foreign currency. But there are still doubts about how successful it will be and about whether it will be able to solve the various problems that have arisen.

The first problem is that Vietnam sorely lacks the facilities for attracting foreign tourists to Vietnam. It lacks hotels, restaurants and internal transportation for tourists. Suitable means of transportation must be used. But at present, Vietnam's means of transportation are below standard. And it has very limited capabilities for receiving tourists.

Another point is that Vietnam's efforts to promote tourism are being frustrated by political tricks perpetrated by Vietnam itself. To earn large sums of money from tourism, Vietnam will have to rely on Western tourists, particularly Americans. But Vietnam has forbidden Americans from visiting Vietnam. Recently, Vietnam allowed a group of American veterans to visit Vietnam. But this was really a Vietnamese trick with political overtones. The welcome was quite different from that normally afforded international tourists.

As for whether flights between Hanoi and Manila, a matter that is now being negotiated, will prove to be successful, the question that must be considered is, Who will visit Vietnam using the commercial aircraft of these two countries if Americans are excluded? It would be convenient for Americans to use Manila instead of Bangkok as a transfer point for flights to Hanoi. But Vietnam continues to maintain a "hands off" policy toward the Americans. How can it hope to attract tourists from other Asian countries? Who would be interested in seeing the dilapidated houses and the gloomy faces of the poor there? Because these Asian tourists can see the same sorts of things in their own countries. It isn't necessary to spend money on a trip there to see these things.

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EDITORIAL SUPPORTS MILITARY ROLE IN POLITICS

Bangkok SIAM RAT SAPDA WICHAN in Thai 22 Dec 85 p 2

[Editorial: "Soldiers and Politicians"]

[Excerpts] Most of the country's problems today are political problems. To preserve democracy, there must be national unity in order to prevent the rise of dictatorship or some other system of administration. If democracy is to grow, there must be compromise, there must be a parliament and there must be elections. What the leader of the Social Action Party is afraid of is that certain political parties and certain people are sowing dissension by making people think that the military is the enemy of democracy. He disagrees with that completely. He feels that soldiers and civilians cannot split apart. The military and the people must live together. Soldiers are citizens and as such have the right to voice their opinions. They can't be silenced.

The leader of the SAP also said that the SAP is the friend of all factions. It has never separated itself from anyone. Whenever a problem has arisen, it has discussed the matter with others. He said that to preserve democracy, people should vote for the SAP candidates because the SAP's candidates can coordinate things with the military. Democracy takes time. If there are frequent coup d'etats, democracy will not survive. It's only another 17 months until the government's 4-year term expires. If nothing happens during that period, there will be greater confidence about democracy's chances of survival.

The use of force to solve the country's problems will fail. It is the military that has resisted and suppressed the coups. This shows that the majority of the soldiers are opposed to solving the problems using force. They are against using resolute power to govern the country as in the past.

However, the democratic political party system is something new in Thailand and has not yet gained the full confidence of the people. This is evident from the fact that to date, no political party has yet managed to win a majority of the seats in parliament. And some of the politicians are still interested mainly in protecting their own interests and those of their friends rather than the interests of the majority. Thus, it's only natural that the military still doubts the honesty of the politicians. There is only one way to overcome this and that is for the military and politicians to relax and try to understand each other. They must not divide into factions. They must not try to gain a monopoly on patriotism or love for the people as some politicians and parties are trying to do at present.

THAILAND

NESDB'S DR SNOH ON EXPORT PROMOTION, 'BUY THAI' DRIVE

Bangkok THAI RAT in Thai 17 Dec 85 p 9

[Interview with Dr Snoh Unakun, the secretary-general of the National Economic and Social Development Board; date and place not specified]

[Excerpts] [Question] What is your understanding about the "buy Thai drive?"

[Answer] In my view, this refers to inculcating a permanent preference for Thai goods among the Thai people. This is an ideal that we must all help foster in order to solve the economic problems that have arisen, particularly the trade deficit, which is one of our main problems.

However, we must be careful in inculcating this ideal. Simply encouraging people to "buy Thai" is not enough. To help solve the economic problems, particularly the trade deficit, we must also show them how they should "buy Thai." We must be careful in implementing our "buy Thai" drive. In the initial stage, when people want to purchase something, they should buy items that are produced domestically. They should feel that by purchasing items produced domestically, they are helping to reduce our trade deficit.

In the next stage, to help reduce the trade deficit even more, people should try to purchase goods that have been produced using domestic raw materials and that create jobs. Because at present, many goods are produced using imported raw materials. Such items include electric generators and cosmetics. If we continue to purchase large quantities of these items, we will not be able to solve the balance of trade problem, and the trade deficit will just get worse.

[Question] Do you think that the "buy Thai" drive can solve the country's economic problems, such as the trade deficit?

[Answer] Definitely. Looking at Thailand's economic situation in the past, it can be seen that the trade deficit has been Thailand's main economic problem for the past 20 years. And it has grown worse and worse. In 1983, the trade deficit reached 89 billion baht, which is the largest deficit ever recorded since we began implementing national economic and social development plans. In 1984, even though the deficit declined 20 billion baht, the deficit was still quite high. This deficit stems from the fact that Thailand spends more foreign currency on imports than it earns from exports.

Solving this problem is like solving family budget problems. That is, an effort must be made to increase revenues to match expenditures or to lower expenditures. However, international trade is becoming more and more competitive. In such a situation, it is becoming more difficult for Thailand to export goods. Thus, buying goods produced in Thailand in order to save foreign currency will help reduce the trade deficit.

Again, I would like to remind people that to lower the trade deficit, "buying Thai" must be done in the proper way. That is, people should purchase goods that have been produced in Thailand using mostly domestic raw materials and whose production creates jobs.

[Question] The government has now announced three economic policy lines: be frugal, buy Thai and step up exports. Do you think that this will help restore the country's economy?

[Answer] These three policy lines are essential to restoring the nation's economy. These are essential for reducing the trade deficit and restoring the country's financial and monetary stability. The actual implementation requires detailed steps. We have 24 operations lines and methods. People in both the public and private sectors will take cooperative action. Some things have already been implemented.

As for being frugal, this does not mean that people must tighten their belts or do without things. Rather, this means saving in an efficient manner, knowing what is sufficient and using things in the most beneficial way possible. In our public economic system, there must be greater austerity or savings. Our financial institutions must have ways to increase domestic savings instead of allowing domestic savings to decline gradually as has happened in the past period. These savings could be in the form of accumulated funds, which we have begun to establish. This will benefit both the employees and the employers who establish funds for when people leave their jobs. Eventually, these funds will grow and become important sources of capital that can be used to develop the country.

Similarly, the "buy Thai" drive provides an opportunity to increase domestic production. This will create more jobs, and investments in Thailand will increase. There will be more revolving capital in the country, and it won't be necessary to use foreign currency. But the point that I would like to stress is that the "buy Thai" drive does not refer just to finished goods. Thai industrial goods must be included, too. The state enterprises use large quantities of these goods, such as electric cable, porcelain insulators, television sets and many other goods. We are now producing such goods. But there are problems with the conditions for holding bids for these goods and problems concerning quality. The way to solve the problems is for the domestic producers to invest jointly with foreign producers, who are respected and who could give assurances. Our system must be improved so that domestically produced industrial goods can participate fairly in competitive bidding. This will provide an opportunity for us to make greater use of Thai goods.

Exports are very important. This concerns the lives of the people and the country's economic position. Thus, we should mobilize the strength of the entire country to promote exports. This should not be the duty of the exporters only. The countries that win this competition will not be those that leave this just to the exporters. The entire country, from the government to the domestic producers, must take responsibility and provide support. But the important thing is that if we are to be able to compete, our exports must be of good quality and prices must be competitive. We must improve the quality of our planning and market penetration. I think that we see the situation clearly and that we have plans. If we cooperate with each other, this will be the start of the recovery of the nation's economy.

[Question] In your view, what is the quality of Thai goods like at present? What needs to be improved? Why do Thais feel that domestic goods are inferior to goods produced abroad?

[Answer] At present, Thailand can produce a variety of goods whose quality is equal to that of goods produced abroad. We export many types of goods that earn us tens of billions of baht in foreign currency. The problem is that many Thais don't know what we produce or what the quality of the goods is. In some cases, producers may produce goods only for export. Thus, the Thai people do not have a chance to use these goods. In other cases, producers use foreign labels and don't dare mention that the goods were produced in Thailand because locally produced goods aren't popular. If the Thai people begin to buy more goods produced domestically, I am confident that Thai producers can produce good quality goods.

However, even though we are capable of producing good quality goods, most of the goods produced do not meet the standards. Thus, I would like to suggest that the producers take steps to ensure that the quality of their goods meets the standards. They should also take steps to keep production costs as low as possible. The government, which is responsible for ensuring standards, should improve the various systems in order to expand and accelerate things. It should have a production policy line and help ensure the quality of Thai goods so that Thailand will be able to depend on itself in the future.

[Question] Is the "buy Thai" concept something that should be inculcated in people from the time they are children?

[Answer] Yes, definitely. This is a value that should be inculcated in children, youths, adults and leaders. In particular, the leaders in society, regardless of what level they are at, should set an example by adhering to the "buy Thai" ideal in daily life.

[Question] What suggestions do you have for inducing the Thai people to buy Thai?

[Answer] I think that the most important thing is the understanding of the people. I think that it is essential that everyone help "buy Thai." This is essential for the survival of the country. Thus, I think that people must be informed and made to understand that not supporting this and not purchasing Thai goods is wrong. They must be made to realize that Thai goods are of good

quality. An effort must be made to get people to accept goods produced domestically even if the quality is sometimes not up to standard.

At the same time, the producers must try to improve the quality of their goods based on the needs of the consumers at each income level, who have different occupations and different ideas. The state should inspect the quality of the goods regularly and guarantee the quality in order to generate greater confidence among the consumers.

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THAILAND

DR SNOH URGES OVERSEAS WORKERS TO REMIT FUNDS

Bangkok DAILY NEWS in Thai 16 Dec 85 p 3

[Unattributed report: "Snoh Urges Overseas Workers To Remit Funds To Help the Country"]

[Test] Mr Snoh Unakun, the secretary-general of the National Economic and Social Development Board, said that the economy next year will not be much better than in 1985. He said that it will probably not be possible to reach the predicted economic growth rate of 5 percent. "We feel that the rate will be only around 4-4.2 percent. To reach a rate of 5 percent, we will have to see what has to be done," said Mr Snoh.

As for the agricultural and mining sectors, which are experiencing great difficulties today, he indicated that there is very little chance of these sectors recovering next year. "In the past, we could rely on these sectors to help provide relief during economic recessions. But now, we can't rely on these two sectors. But I am confident that the export industry will expand if we make a great effort to penetrate markets. Take vegetables and fruit, for example. If we can improve packaging and satisfy the tastes of the customers, we can increase exports greatly," said Mr Snoh. He said that what is worrisome today is the fact that foreign currency revenues from exports have dropped. In a normal situation, we can obtain currency from the Thai working abroad to help improve our economy. But at present, our overseas workers are having problems, too.

Mr Snoh talked about a plan that he thinks should be discussed, that is, urging overseas Thai workers to remit the money that they have accumulated. "I think that we should see if this is feasible. At this stage, I am only asking about the possibility of this. From what I understand, there are many Thai who want to return and settle down in Thailand after having lived abroad from many years. The question is, what can we do to facilitate their remitting this money?" said Mr Snoh. A reporter asked whether there would be any risk involved. The controls that Thailand has imposed on taking money into and out of the country do not encourage people to remit money. "This must be discussed with the national bank to see what can be done," said Mr Snoh.

But as for the problem in the short term, Mr Snoh said that the government will provide comprehensive help to the industries that are having problems. In particular, as a step toward solving the problems facing the construction industry, people from the private sector, including land developers, housing development constructors, construction companies and the National Housing Authority, and the public-sector units concerned will hold a seminar to discuss what can be done to solve the problems and overcome the obstacles so that things can proceed satisfactorily. "This will definitely be done before the end of the year," said Mr Snoh in conclusion.

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THAILAND

PRICE SUPPORT FOR RICE URGED; PROGRAM EVALUATED

Bangkok SIAM RAT in Thai 25 Dec 85 pp 1, 12

[Unattributed report: "Prem Issues Urgent Order To Help Raise Paddy Prices"]

[Text] Prem has issued an urgent order to implement Ministry of Agriculture measures to help Koson's paddy price support project. On a special affairs television program, a banker clearly stated that the banks cannot extend credit to rice mills that have not repaid their old debts.

At its recent meeting, the cabinet agreed in principle to implement the augmented rice pledge measures of the Ministry of Agriculture in order to enable the Ministry of Commerce's paddy price support program to hit the targets. But Mr Koson Krairuk, the minister of commerce, has asked that the measures not be implemented until we have had a chance to evaluate the results of the program on 15 January 1986.

A news report has informed SIAM RAT that while the eastern seaboard development project was supposed to be the main item on the agenda at the 24 December cabinet meeting, Gen Prem Tinsulanon, the prime minister, brought up the paddy price problem. The cabinet approved the immediate implementation of the augmented measures without having to wait until 15 January 1986. Mr Trairong Suwannakhiri, the spokesman attached to the Office of the Prime Minister, did not make any announcement about this following the meeting.

That afternoon, Mr Thaloeng Thamrongnawasawat, the under secretary of agriculture, stated that after the prime minister issued this order, Mr Narong Wongwan, the minister of agriculture, held an urgent meeting with officials that afternoon in order to take quick action on this. Also, orders were issued to the provinces that same day.

As for the 1 billion baht to be spent on this, the under secretary of agriculture explained that this money can be drawn immediately. The economic ministers have issued a resolution increasing the interest rate from 7.75 percent to 9 percent, but this should not pose a problem. The Ministry of Agriculture will invite the people concerned to attend a meeting on 26 December.

Mr Narong Wongwan, the minister of Agriculture, talked with reporters about the use of the Ministry of Agriculture measures to raise paddy prices, which the prime minister has ordered the ministry to implement immediately. He said that because it was not possible to hold a meeting of the augmented measures committee on 24 December, a meeting will be held on 26 December. Representatives from the rice mills will be asked to attend in order to inform them of the change in the interest rate.

As for the augmented measures, the paddy purchase units cannot be activated until after 26 December, at which time it will be stipulated in which provinces they are to work. Surveys must be conducted to determine where prices are very low.

When asked whether the quick approval of the augmented measures is an admission that the measures of the Ministry of Commerce have failed to achieve results, Mr Narong laughed and said that "I don't admit that. Ours are just additional measures."

Mr Thawisak Sesawet, the director-general of the Department of Agricultural Extension, talked with SIAM RAT about farmers registering their rice cultivation activities in order to qualify to sell rice to the mills as part of the augmented measures program. He said that he has ordered subdistrict agricultural officials to be very strict about this so that the measures reach the farmers. He has ordered that the work be completed by 2 January 1986.

That same day, there was a report that the executive committee of the Marketing Organization for Farmers (MOF) had issued a resolution to have the MOF purchase paddy by taking paddy to settle the fertilizer debts. This will be done in a businesslike manner, with the MOF using 300 million baht from its revolving fund. The paddy must be purchased at the price stipulated by law.

On the evening of 24 December, the Special Affairs Television of Thailand broadcast a program on the matter of raising 1985/1986-season wet rice paddy prices. Mr Koson Krairuk, the minister of commerce, and representatives from the organizations concerned with the paddy price support program, such as representatives of the farmers, mills, exporters and Banking Association, were invited to come discuss the obstacles and problems that have arisen in the program. The main emphasis was placed on having the various factions reach an understanding in implementing the paddy price support program. The representatives from each group were given a chance to ask about the things bothering them. For the most part, those participating in the discussion expressed a willingness to compromise.

At one point in the discussion, Mr Narong Sisa-an, the deputy managing director of the Thai Farmers Bank, who participated as a representative of the Thai Banking Association, brought up the doubts that the rice mills have about the extension of credit. He said that the banks have already allotted money for the paddy price support program and that some credit has already been extended. But many mills have not received any credit from the banks because they have not yet repaid last year's credits. At the same time, the paddy pledged to the banks is gone; there is no more in the godowns. And so how can the banks be expected to extend any more credit? Mr Narong added that the rice

mills should first settle their old debts. They can't join the program and then just wait to receive new credits.

The Department of Internal Trade made public reports received on rice prices and rice trading activities in various provinces. These reports had been sent to the central rice price support policy operations center. According to these reports:

On 20 December 1985, Mr Thani Rotchanalak, the governor of Saraburi Province, reported the following figures, which are in line with those reported by the provincial commerce official:

100% rice at the mills: 3,150 baht per ton.
5% rice at the mills: 3,000 baht per ton.
10% rice at the mills: 2,900 baht per ton.
15% rice at the mills: 2,800 baht per ton.
25% rice at the mills: 2,700 baht per ton.

In Lampang Province, the provincial commerce official reported that rice has been bought and sold at the mills at the stipulated prices.

In Khon Kaen Province, the provincial commerce official reported on 19 December that 5% rice is selling at the stipulated price, that is, 3,000 baht. The same is true in Udorn Thani Province, which sent a report on 17 December.

In Phetchabun Province, the provincial commerce official reported on 18 December that, deducting for moisture and extraneous matter, the farmgate price of 5% paddy is 2,700 baht per ton.

In Maha Sarakham Province, the farmgate price of 5% paddy is 2,600 baht per ton; 10% paddy is 2,350 baht; 15% paddy is 2,250 baht; and 25% paddy is 2,100 baht. These are the prices after deducting for moisture and extraneous matter. This is because paddy from Maha Sarakham contains 17-20 percent moisture and 5 percent extraneous matter.

In Surin Province, the farmgate price of 5% paddy is 2,600 baht per ton.

In Chainat, the provincial commerce official reported on 17 December that there is little paddy available at present, and the moisture content is very high. But even so, the farmgate price for 15% paddy is 2,600 baht per ton.

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THAILAND

ATHIT ABSENT FROM CROWN PRINCE SEND OFF TO AUSTRALIA

Bangkok THAI RAT in Thai 9 Dec 85 p 20

[Unattributed report: "Crown Prince Leaves for Australia"]

[Text] At 0730 hours on 8 December, the Crown Prince left air force headquarters at Don Muang on an official visit to Australia during the period 8-17 December. The air force placed a DC-8 aircraft at his disposal for the trip. On this trip, the Crown Prince is being accompanied by Sublieutenant Praphat Limpaphan, the deputy minister of foreign affairs, and 20 other people. A large number of senior government officials were on hand for the send-off. These included Gen Prem Tinsulanon, the prime minister, Mr Ukrut Mongkhonnawin, the president of parliament, Police Lt Chan Manutham, the minister attached to the Office of the Prime Minister, Gen Praphan Thupatemi, the RTAF CINC, Admiral Nippon Sirithon, the RTN CINC, and Police Gen Narong Mahanon, the director-general of the Police Department.

The Crown Prince arrived at Canberra, the capital of Australia, at 2045 hours local time. He was taken to the Government House for a reception. As for his itinerary during his visit to Australia, on 9 December he will attend a party for alumni of the Dantrull Military Academy. On 10 December he will meet with the president of the Australian parliament and the Australian minister of foreign affairs.

On 11 December he will travel to Brisbane in the state of Queensland, where he will observe agricultural and irrigation activities. He will also grant an audience to Thai there. On 12 December, he will travel to Melbourne, where he will visit an aircraft production plant and watch an air demonstration. That evening, he will grant an audience to Thai there. On 13 December he will travel to Sydney, where he will visit the University of New South Wales. He will take a boat trip around Sidney Bay and greet the Thai there. The next day, he will tour a housing development and visit the Phuttharangsi temple.

On 15 December, he will travel to Perth and take a boat ride on the Swan River. The following day, he will observe activities at the port and grant an audience to Thai there. On 17 December he will meet with businessmen from Perth and then return to Thailand. He is scheduled to arrive at the air force airfield at 2140 hours.

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THAILAND

EX-GENERAL WITOON ON SAP TIES, WEALTH, CIA

Bangkok SIAM RAT SAPDA WICHAN in Thai 8 Dec 85 p 54

[Interview with Lt Gen Witoon Yasawat, an SAP candidate in Bangkok Metropolitan Zone 1; date and place not specified]

[Excerpts] [Question] Why did you decide to join the Social Action Party?

[Answer] I have been close to the SAP for a long time. I was a member of the Legislative Council of Thailand when Achan Khukrit was the council president. Several important party members were members of the council, too. Mr Phong Sarasin, Dr Kasem Sirisamphan and Air Chief Marshal Sitthi Sawetsila were all members of the council. We frequently chatted together. Achan Khukrit sent Mr Phong to invite me to join the party. I was willing. And so I applied for party membership. As for running for election, I sincerely want to serve the country and the people. I have never considered taking some other course because I have always acted honestly. I could not feel at ease otherwise. Another reason for my deciding to join the SAP is that this party has tried to take the middle path in order to support democracy with the king at the head. It has not gone too far to either the right or the left. I think that that is good.

[Question] Because you were the commander of the thahan phran irregulars in Laos, some people say that you worked for the CIA.

[Answer] During the time that we fought in Laos, we fought on the side of the Lao government. The CIA acted as a sponsor. We acted in accord with international law. We were recognized by the Lao government, and all those who went were volunteers. I, too, went as a volunteer. Some people will say that I worked for the CIA just because I worked there for so long--9 years. But they don't understand. They were soldiers and so were we. As for the CIA, the two governments sent us there to fight on the same side. I was not a member of the CIA. That's impossible. We were separate entities. Most of the CIA personnel in Laos were soldiers. They were not spies. The CIA funds were used to fight, not to carry on secret spy missions as in a novel. They fought like other soldiers.

[Question] How do you feel about the charge that you made a fortune from fighting in Laos?

[Answer] Such questions make me angry. Some day... I should sue the newspapers over such statements. But I won't out of consideration for my wife. My family is involved in the hotel business. But we aren't the sole owners. We own about 35 percent of the shares in various hotels. We have used money from the Thai Military Bank. This bank is operated by senior people. Anyone can see that I am not wealthy. I can prove that. No one made money in Laos. Mr Han (Gen Han), Maj Gen Chamlong (Simuang) and I all fought in Laos. None of us had a chance to make money. We didn't have access to the funds. It was the Americans who had the money. And there was no scrip. The U.S. forces in southern Vietnam used scrip. After a certain period, the scrip was changed. But there was no scrip in Laos. We used kip. We did not touch any money.

[Question] Many people think that Gen Han Linanon, who is running on the Democrat ticket, has worked for democracy and opposed dictatorship. Thus, it is expected that young people who have the right to vote will vote for him.

[Answer] I don't know about that. But Gen Han and I have great respect for each other. I respect him, and he respects me. We have fought side by side. Our thinking about democratic soldiers is very similar. But I have been a democratic soldier since 1973. He became one later. But he really is a democratic soldier. As for the students, both of us have a chance because both of us are democratic soldiers. But he has an advantage in that he was a full general. I was just a lieutenant general. I was promoted to lieutenant general a few months before I turned 50 years old. I was promoted to lieutenant general in April 1975. That's 10 years ago. But I was then left "hanging." I was exiled on charges of trying to stage a coup. That was because I fought so hard against dictatorship. Thus, students have a chance to vote for two people.

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THAILAND

ACADEMICS DISCUSS DOMESTIC, CAMBODIA PITFALLS

Bangkok MATICHON SUT SAPDA in Thai 22 Dec 85 pp 14-16

[Unattributed report: "Thai Political Trends: Parliament and the Military, Factors Decisive for 'Democracy'"]

[Excerpts] While some political observers feel that the government and, in particular, Gen Prem Tinsulanon are implementing policies as if trying to "buy time," Mr Chayanan Samutwanit keenly noted that during the past 5 years, Thai politics has shown great continuity and maintained security to ensure survival. Even though Mr Chayanan made this observation last August, it was reported in KHAO ASIA SUKSA, Issue 3/1985, only recently.

This report is based on the ideas presented at a debate on "Present Political Trends in Thailand," which was sponsored by the Security and International Studies Institute, Chulalongkorn University. Mr Chayanan Samutwanit, Mr Suchit Bunbongkan, Mr Sombun Suksamran and M.R.W. Sukhumphan Boriphat participated in the debate.

Parliament and the Military, Pillors Supporting the Government

In the view of Mr Suchit Bunbongkan, an advisor to the prime minister and an associate professor with the Faculty of Political Science at Chulalongkorn University, there are presently two pillors propping up the government:

1. Parliament: This refers to the political parties from which the government derives its support.
2. The military: The military is still a political force that the government cannot ignore.

Thailand's present political problem is how to create and maintain a balance between the political parties and the military so that neither side feels hurt. The government has constantly tried to maintain this balance. Because Thai politics is in such a situation, Thai politics must rely on the leaders. And the leaders of the government must be capable of coordinating things between the military and the political parties.

Presently, the stability and security of the government depend on the government's ability to maintain the balance between the military and the political parties. To this end, consideration must be given to:

1. Splits within the political parties, particularly before an election, when the political parties have to wage election campaigns.
2. The economic problems, which could lead to political turmoil depending on how successful the government is in solving the problems.

These two problems could lead to political turmoil and military intervention, with the military citing national security as its reason for intervening. Because in the military's view, if there is political turmoil, the military must play a political role in order to preserve national security. But if there is no political turmoil, the military will not have any reason to play a greater political role. The military will be less apt to seize political power by staging a coup and more likely to engage in parliamentary politics. The military will change the form of maintaining security by doing things based on a democratic model.

If the balance between the military and the political parties can be maintained, this will help make the military think that democracy can work in Thailand. Thus, it is the government's duty to maintain the balance between the military and the political parties and solve the problems that could lead to political turmoil, which the military could use as an excuse to intervene in politics.

Policy on Cambodia, a Fragile Point for Thai Politics

M.R.W. Sukhumphan Boriphath, who works at the Security and International Studies Institute, Faculty of Political Science, Chulalongkorn University, discussed political trends in Thailand today based on Thailand's foreign policy, which will affect our domestic policies.

He said that in general, Thailand's foreign policy is moving in the right direction. We are trying to keep relations with all countries at an equal level. We are trying to control our instinct to find a patron.

Thailand's present foreign policy reflects:

1. The diversity that has arisen in international and domestic political systems.
2. The dispersion of power in the domestic and international political systems.

The foreign policy most likely to cause problems for Thailand today is our policy on Cambodia. Even since Vietnam occupied Cambodia, Thailand has been trying to exert pressure to have Vietnam withdraw its troops from Cambodia and have Cambodia serve as a buffer state like before. Thailand has played international politics to exert pressure on Vietnam and has achieved some success. Vietnam has been isolated, and, except for the Soviet Union, other

countries have supported Thailand. Thailand's losses have been very small. But in the future, Thailand's losses will grow larger. This could happen if Vietnam, which has been pushed into a corner, decides to wage an all-out struggle and does everything it can to solve the Cambodian problem without regard to existing laws and agreements.

For example, Vietnam agreed not to invade Thai territory. But it is no longer adhering to that agreement. It sends troops into Thai territory to attack the Khmer coalition forces in Thailand. If the Khmer coalition is smashed, Thailand will no longer have a buffer state. Vietnam and Thailand will confront each other face to face.

As for the Khmer coalition fighting in Thailand, at present, some of the Khmer Rouge and Sihanouk forces have gone to carry on operations in Cambodia. But Son Sann's forces are still here. This could result in Vietnam sending troops into Thailand again. The fighting along the Thai-Cambodian border will probably increase, and China will not be able to give much help to Thailand. China probably feels that the best thing is to allow the border situation to drag on as at present. The present situation does not harm China very much. All it has to do is send weapons through Thailand. This is not happening on the Chinese border.

In the near future, this could have the following adverse effects on the politics and economy of Thailand:

1. Thailand will have to spend resources on solving the Cambodian problem instead of using them to develop the country.

Thailand's military budget now accounts for 20-21 percent the country's GNP. A large percentage of the budget goes to the military. If the situation along the border grows worse, the military budget will probably increase.

2. Domestic politics will be adversely affected. The Cambodian problem will enable the regular government officials, particularly the military, to control more and more of the nation's resources. The regular government officials and military will gain more and more power in the Thai political system.

3. Decisions on social matters and peace will not be up to the people and parliament. Rather such decisions will be in the hands of the regular government officials, particularly military officials. Decisions on foreign policy matters and on going to war will be in the hands of certain leaders. The majority of the people will not have a chance to participate in making the decisions. War could break out at any time without the people having a chance to participate in making the decision.

4. The conflict in Cambodia has generated great concern for security. Because of this, most people accept the military's role. If the security problem grows worse, the people may have no other choice but to give all responsibility and decision-making power to regular government officials, particularly the military.

Thus, domestic politics could become less democratic because of the security problems caused by the Cambodian problem. And because of this, the military will play a greater political role.

Today, there is a good balance between those who want democracy and those who do not. But the Cambodian problem could result in those who do not want democracy playing a greater role. If democracy is to develop, we must be safe from outside threats. Thus, Thailand's foreign policy on the Cambodian problem should be reviewed to determine whether this policy is correct.

The Beginning of Democracy Is Hope

All four men who participated in the debate are political scientists from Chulalongkorn University. Their common view was that parliament and the military are the pillars now supporting the administrative system. To maintain the government's position, the leader must be highly skilled at coordinating things between the political parties and the military.

Private businessmen are beginning to play a greater role both through their business activities and through the political parties. Even though the military has recently shown a greater willingness to accept democracy and the parliamentary system, these political scientists all expressed great concern that the military will use the economic and political factors to stage a coup and deal a death blow to our burgeoning democracy.

The common feeling of the scholars and many other people is that if the parliamentary system is developed continuously based on the 1978 constitution, democracy will grow stronger and stronger. This is the hope. And it is the way out of Thailand's age of distress. But democracy will not grow through magic incantations. Democracy can grow only through the struggles of the masses working through the political parties in a parliamentary system and an appreciation of the rights of the people.

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THAILAND

LECTURER DISCUSSES MUSLIM CONCERNS, GOVERNMENT INDIFFERENCE

Bangkok MATICHON SUT SAPDA in Thai 29 Dec 85 pp 11, 12, 49

[Article by Dr Mohamad Abdul Kader: "How Can the Southern Border Problem Be Solved?"]

[Excerpts] This is excerpted from a paper read at the "Special Lecture on the Thai Muslims in the Southern Border Provinces: A New Trend." The lecture was given in Room 101 of the Withaya Phattana Building. It was sponsored by the Institute of Thai Studies, Chulalongkorn University. Gen Sitthi Chirarot, the minister of interior, expressed great interest, saying that "this is a very interesting analysis, and I agree in principle. This should be put to good use together with the other units of the Ministry of Interior that will work in the south."

Misconceptions about the southern border provinces have been passed on time and again during lectures to government officials attending high-level educational institutions such as the National Defense College, the Institute of Psychology and Security and the School of Public Relations and during seminars and demonstrations for officials, including civilian, military and police officials from various units. Sometimes scholars are invited to give lectures. At other times, provincial-level officials give lectures after having made a fact-finding trip and listened to reports. Most of these lecturers are officials from Bangkok whose position is similar to that of the people in the audience. The only difference is that they were recently assigned to the area. Sometimes, senior people have to maintain their interests and those of their group and so they have to say the same thing as others about such matters as the bandit terrorists, the Malaysian communist guerrillas and the Muslims in the area. I have personally listened to such lectures several times. For example, lecturers have said: the depressed rubber situation has "led to poverty among the Muslims, which has resulted in their joining the bandit terrorists"; "Muslims don't like to study the Thai language"; "Muslims refuse to speak Thai"; "Muslims do not understand religion correctly"; "when teaching religion, Muslims distort the truth"; "the ponoh schools are hiding places for bandit terrorists"; "Muslims have very strange customs; they can have four wives and marry when very young"; and so on. These are the types of things that lecturers and government officials from various provinces have been saying for many years.

I don't claim to know everything about all these things. But as a person who was born in that area, who is a Muslim by birth and education, who has experience concerning human behavior, who has worked with the masses in the area for many years and who would like to serve as a bridge and foster better understanding between the groups that have difference customs, that is, between the Muslims and the Buddhists, and between the administrative officials and the people, I think that I have very factual data. I would like to talk to you about the conditions and problems in the southern border provinces, the reasons for the problems and the way to solve the problems.

The Problems

The problems in the southern border provinces are problems of the administrative officials there; they are not problems of the people. The fact that the majority of the people are Muslims who speak the Malay language in daily life is a condition, not a problem. The problem that has arisen from this condition is that there is a lack of understanding between the people and the officials. The officials doubt the loyalty of the people and wonder whether they are pro-Thai. A good way to solve this problem is for the two sides to meet each other halfway. That is, the people should be encouraged to study the Thai language and the officials working there should study the Malay language and learn the customs of the people. If we had started out by accepting and showing respect for each other, which is the best way, these problems would have been solved long ago. Language is a means of communicating with each other and making a lasting impression. To persuade people to learn the Thai language, officials have told them that it's much better to know more than one language.

But some officials have not followed their own advice. Some officials have lived in the south for over 10 years, but they still cannot speak a word of Malay. This shows that they are not interested in the people. Or they may lack a facility for languages. They may have tried but failed to learn the language. Usually, people who speak only one language have a narrow world view. They also tend to be narrowminded. Thus, the people in the southern border provinces cannot expect any understanding or cultural support from the officials even though most of the people want cultural support more than economic or technological support. This is because these latter things will follow automatically. Once people are content, they will be more willing to cooperate with the state.

The Reasons

An important cause of the problems is that we lack provincial administrators who have in-depth knowledge about human behavior and who realize the importance of traditions, particularly religious traditions, which are related to national security. There are some officials who feel that only Buddhists are Thai. Thus, those who do not believe in Buddhism, particularly the Muslims, are not Thai. This belief is manifested in the formulation of administrative policies, such as the country's assimilation and educational policies, which are in line with Buddhism and which establish Buddhist ceremonies. In doing this, no consideration is given to the effect that this

has on people who hold other religious beliefs even though the constitution grants freedom of religion.

This policy of assimilation for national security is aimed at getting people to be loyal to the country. But do they have to be loyal to Buddhism as well? Religion and nation are two separate things. Not everyone who believes in Buddhism is Thai. Thai can follow any religion they want. The fact that everyone follows the same religion is no guarantee that people won't split into groups. The important thing is for people to coordinate their interests. National security depends on social justice.

Muslims cannot participate in Buddhist educational activities and ceremonies. This includes the morning chants, the religious teachings in the classroom and textbooks, the religious ceremonies in paying respects to teachers, the lighting of candles and incense on important school days and ceremonies to pay obeisance to the king. The public schools are for all the people. Children of many faiths attend these schools. During such ceremonies, the Muslim students feel troubled and uncomfortable. This bothers Muslim parents and Muslim society in general. But they don't know what to do because they are afraid of being disloyal to the country. Those who send their children to attend the military and police academies, where discipline is very strict, can't protest or oppose this.

Islamic principles prohibit Muslims from participating in the ceremonies of other religions. Whoever violates this is subject to immediate excommunication. This is one of the worst sins. When a government unit or school conducts Buddhist ceremonies on the occasion of an important national or school day, the Muslims subordinate to that unit or the Muslim students who attend that school cannot participate.

Buddhist principles prohibit oppression, and psychological oppression is much worse than physical oppression. People are willing to sacrifice their lives to preserve the religious principles in which they believe. Muslims are very strict about their religion. But some officials are not very sincere about their religion. There was an article in an educational journal about minority groups and national security. The author of the article wrote that "Thai Muslims are too strict about their religion. This poses an obstacle to cultural assimilation with Thai Buddhists." That reflects the writer's personal values. And it goes against Buddhist principles, too. This shows that the writer does not realize the importance of cultural problems. When Muslims speak Malay in the village or at home, they are regarded as unpatriotic and disloyal. These views have made Muslims feel that these officials are selfish and narrowminded nationalists.

Solutions

National security is of paramount importance to all people, including Buddhists, Muslims and people of other faiths. If people enjoy equal rights, share in the benefits and are proud of being Thai, they will do their utmost to help preserve and protect national sovereignty. Religion is a personal matter. People should not be compelled to participate in a religious ceremony under the pretext that this concerns the nation. Steps should be taken to make

policymakers and administrators see that religion and nation are separate. They have to know what should be done on important days of the nation, monarchy and educational institutions attended by people of different religious faiths so that everyone can participate happily and willingly.

Today, the Head of the Islamic Faith in Thailand, Prasoet Mahamad, serves as an advisor to the Department of Religious Affairs, Ministry of Education, on Islamic affairs. He is the chairman of the Islamic Central Committee of Thailand, which is subordinate to the Ministry of Interior. Muslims in the southern border province accept him as the Head of the Islamic Faith in Thailand. They have great respect and faith in him because he has great knowledge about and understands the Muslims in the southern border provinces. He has relatives living in the south. In one period, he took an Islamic studies course in Pattani Province. Government officials should discuss their policies and actions that concern Islam with the Head of the Islamic Faith in Thailand.

As for political and economic matters, the Office of the Prime Minister should have Muslim advisors from the southern border provinces in order to ensure that things are done correctly and quickly, including the development of the rubber and oil palm plantations, which can earn large revenues for the country. But because the administrators do not understand the problems and don't know what to do to get the people to cooperate in planting new species of rubber trees or in developing the economy, it is important that the small and large units rely on the knowledge and understanding of the people. This will result in people working together to get things done quickly. Lack of understanding retards economic development, and millions of baht in revenues are lost. For example, the state has been planting rubber trees for many years now but only 27 percent of the work has been completed. If all the work had been completed 30 years ago, Thailand would today be earning huge revenues from rubber. The same is true for oil palm plantations.

Seminars for officials in the southern border provinces should be developed and carried on in the right way. Having the officials passively listen to lectures for 5 days and then return home without funds or a system for making inspections and monitoring and evaluating things is not the right way to do things. People who are experts in holding seminars should be asked to set clear objectives and prepare seminar models that will change people's thinking and that will give them knowledge that they can use in monitoring and evaluating things. If things are done this way, greater results will be achieved for the money spent, and there will be measurable results.

It's time that officials took a serious interest in the minority group problem in the interests of national security. They shouldn't think just about cultural assimilation. They shouldn't think just about changing Muslims' names from Arabic to Sanskrit, placing Buddha images in the schools and implementing policies to establish a population and cultural balance in the southern border provinces. They shouldn't think about suppressing or pressuring people. This would just have a boomerang effect. Applying greater pressure will just generate a greater reaction. Suppression will just make things worse. This will waste money and ruin relations between the officials, who are considered to be representatives of the government, and the people. This will also

tarnish our image abroad. The implementation of a good policy on the Muslims in the southern border provinces would be welcomed by all Muslims in Thailand, who now number several million, and by Muslim countries throughout the world.

The state will benefit if Muslims participate in developing the country's economy, abandon the bandit terrorist movement and help defend the nation's sovereignty. In the past, Muslims have displayed great heroism.

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SENIOR ARMY MOVES, PHICHIT FUTURE VIEWED

Bangkok LAK THAI in Thai 2 Jan 86 pp 12-14

[Unattributed report: "Keep an Eye on the Next Military Reshuffle: Big Chot Versus Big Sua for the Position of 1st Army Region Commander"]

[Text] "There will definitely be a mid-year reshuffle in April 1986. Circumstances have made that a necessity. Having a mid-year reshuffle means that something unusual has happened. Because normally, generals are reshuffled only once a year at the beginning of the fiscal year. But in 1986, there will be two reshuffles, the mid-year reshuffle in April and the annual reshuffle in October. There are indications that there will definitely be a mid-year reshuffle. And some people may have to be moved at the beginning of the year in order to fill vacant positions," said a high-level news source of LAK THAI about the possibility of a mid-year military reshuffle.

As for the possibility of a reshuffle at the beginning of the year, which would really be a "special case," that is probably connected to the mid-year reshuffle, too. More and more people in military circles are beginning to talk about the possibility of a mid-year reshuffle in the army. And there is speculation about who will be appointed to which position.

"The position of RTA CINC holds great meaning for the mid-year reshuffle. A mid-year reshuffle is an indicator of whether the RTA CINC will be granted another 1-year extension. If he was going to be granted another extension, there probably wouldn't be so much talk about a mid-year reshuffle. But because there is so much talk about this, it must be assumed that he will not be granted another extension and that he will retire in 1986," said our news source. He explained that "if Gen Athit Kamlangek, the RTA CINC, is not granted another extension in 1986, it will mean that four army generals will retire this year. Besides the RTA CINC, the others scheduled to retire are Gen Chuthai Saengthawip, the deputy army RTA CINC, and Gen Akkhaphon Somrup and Gen Kamhaeng Chanthawirat, both of whom hold the position of assistant RTA CINC. The important point is that the person who replaces Gen Chuthai as deputy RTA CINC must be an assistant RTA CINC or deputy army chief of staff. But as mentioned above, the two assistant RTA CINCs will both retire this year and so that leaves only the two deputy army chiefs of staff, Lt Gen Wanchai Ruangtrakun and Lt Gen Charat Wongsayan, both of whom are senior lieutenant generals. However, Lt Gen Wanchai Chitchamnong, the 4th Army Region commander,

is senior to both these men even though the position of army region commander is a step below that of assistant RTA CINC. Thus, the talk about a mid-year reshuffle probably has to do with Lt Gen Wanchai Chitchamnong, who would have to be promoted to full general before he could be made deputy RTA CINC. From the standpoint of seniority, Regional Commander Wanchai should have been promoted to full general last October. It is thought that he will definitely be promoted during the mid-year reshuffle in preparation for appointing him deputy RTA CINC. Before he can be appointed to that position, he must first serve as assistant RTA CINC. There will probably be changes in this position, too. If the RTA CINC is not granted an extension, he will definitely be replaced by the army chief of staff. That is based on grade."

"Stated simply, this will be a preparatory transfer. Because neither of the two deputy army chiefs of staff can be promoted to deputy RTA CINC yet if promotions are based on seniority. Both are junior to Lt Gen Wanchai Chitchamnong, who is from a senior class even though he is still a regional commander. If the army region commander is transferred, a new commander and deputy commander will have to be appointed. These are transfers that will probably be made during the mid-year reshuffle. We will have to wait and see."

As for a reshuffle at the beginning of the year, there have been rumors that changes will be made in January so that things are in line with the situation and so that the things that senior people see as "necessary" are done before April 1986. Many people wonder whether that is the month in which the "smoldering fire" will "burst into flame." This reshuffle is considered to be very "special."

LAK THAI has constantly reported on the activities behind the scenes. As we have reported, the main target that will be affected by this special reshuffle is the position of 1st Army Region commander, which is currently held by Lt Gen Phichit Kunlawanit, or "Big Sua," who is presently keeping to himself because he attends the National Defense College every morning and because of other reasons.

We have already reported that the person who will replace "Big Sua" as 1st Army Region commander is Gen S. There have been other reports that Lt Gen Wichit Sukmak, the chief of the Territorial Defense Department, will replace "Peter," a classmate of his at West Point and a fellow member of CRMA Class 2. Rumors about Gen S. are circulating widely in military circles.

There is talk about several people with the name "Gen S." A high-level news source informed LAK THAI that Gen S. is a major general who is currently serving as a deputy army region commander. He is said to be well qualified for the position of army region commander. Many people wonder to whom the initial "S" refers. We would like to reveal that this "S" refers to Maj Gen Sanan Sawetseni, the deputy commander of the Special Warfare Command. He is a member of CRMA Class 1, the same class as Gen Chawalit Yongchaiyut, the army chief of staff. Some people feel that "S" refers to Maj Gen Somkhit Chongphayuha, the deputy chief of the Army Field Forces Department and former deputy commander of the 3d Army Region and commander of the 9th Division. He, too, is a member of CRMA Class 1. They are like S. 1 and S. 2.

LAK THAI has followed this matter closely. A high-level news source has told us that there is now an "S. 3." That is, it is neither Maj Gen Sanan Sawetseni nor Maj Gen Somkhith Chongphayuha. This "new S." is "Big Chot," or Lt Gen Sunthon Khongsomphong, the commander of the Special Warfare Command.

It had been thought that Lt Gen Sunthon Khongsomphong, or Big Chot, would definitely be promoted to full general and appointed assistant RTA CINC in 1986. However, there are now rumors that he will be appointed 1st Army Region commander in place of "Big Sua," who as a member of CRMA Class 2 is his junior by one class. Big Chot and Big Sua are close friends. This is something unexpected. But several news sources have stated that this is "very likely."

"This is a lateral transfer because his current position is equivalent to army region commander. If he is made 1st Army Region commander, his transfer cannot be considered to be a promotion. The position of commander of the Special Warfare Command is an important position. The person who holds this position commands an elite force, that is, the special combat paratroop units. This is nothing to get excited about. It would be much more exciting if Sanan or Somkhith were promoted because they are now at the level of deputy army region commander. People have been talking about this for more than a month now. At a party held by U.S. officers at a hotel, a senior person from the U.S. embassy told Big Chot that "you are going to be transferred." This shows that the United States, which is well informed about activities in Thai military circles, knew about this in advance and saw a way out," said our news source.

As for Big Chot, Lt Gen Sunthon Khongsomphong, replacing Big Sua, our news source said that senior people have probably approved this. Lt Gen Sunthon Khongsomphong and Lt Gen Phichit Kunlawanit have probably discussed this, too.

The reason why Lt Gen Wichit Sukmak, the former commandant of the Chulachomklao Royal Military Academy who was just promoted to lieutenant general and made chief of the Territorial Defense Department, will not be moved to the 1st Army Region is that he was transferred and promoted to lieutenant general just this past October. As for Maj Gen Sanan Sawetseni, he will probably have to take some time to prepare himself. It is thought that if Lt Gen Sunthon Khongsomphong is appointed 1st Army Region Commander, Maj Gen Sanan, who is a deputy commander of the Special Warfare Command, will be promoted to lieutenant general and made commander of the Special Warfare Command. It's unlikely that a senior officer from some other unit would replace Lt Gen Sunthon as commander of this unit. Maj Gen Sanan is more suited to rising through the Special Warfare Command than through the 1st Army Region. As for Maj Gen Somkhith Chongphayuha, the deputy chief of the Army Field Forces Department, our news source said that it would be difficult for him to rise through this stream because he is waiting to be promoted to chief of the department.

Our news source said that the change in the 1st Army Region will be made very soon. And a news source from the U.S. embassy said that this will happen in January 1986. That means that there will be a special reshuffle even before the mid-year reshuffle.

However, another news source said that this may be "delayed" until the mid-year reshuffle in April. And there will definitely be a mid-year reshuffle. However, the situation will dictate when this transfer occurs. There have been few predictions about which position Lt Gen Phichit Kunlawanit will be given. There have just been a lot of rumors.

Some feel that if Lt Gen Sunthon Khongsomphong is appointed 1st Army Region commander, this will "pen him in." That is, his chances of being appointed assistant RTA CINC during the 1986 annual military reshuffle will decline.

LAK THAI has followed this matter closely. Several news sources have said that the replacement of Lt Gen Phichit Kunlawanit as 1st Army Region commander is a "necessity" in the present situation. But Lt Gen Sunthon Khongsomphong will not serve as 1st Army Region commander for very long. That is, in October 1986 he will be promoted to full general and appointed assistant RTA CINC. He will definitely not serve as 1st Army Region commander until 1987.

"Phi Chot is a good link. He is a person who can maintain the situation. His appointment had to be approved by several factions. In a period of turmoil such as this, you have to have a person who can control things. Otherwise, things will become very dark," said our news source.

11943

CSO: 4207/129

BRIEFS

POPULATION PERCENTAGE OF ELDERLY--Mr Sawong Thapkrut, the director of the Welfare Assistance Division, Public Welfare Department, talked about the elderly and disabled in Thailand. He said that surveys have shown that there are now approximately 2.5 million people above the age of 60 in Thailand. In the next 10 years, the number is expected to reach 5 million. This is the result of the medical advances that have been made. Also, knowledge about treating the elderly has spread. This has contributed to keeping people alive longer. The surveys have also shown that there are approximately 300,000 disabled people in Thailand. [Text] [Bangkok NAE0 NA in Thai 22 Dec 85 p 16] 11943

TRANG GOVERNOR ON DEEP WATER PORT--What special projects is the province engaged in today? One project is the deep water port project. The river port is now outmoded. Foreign ships have been coming here for many years. The river channel is small and shallow in places. Foreign ships still come, but only small ships. The large ships cannot reach the port. The Ministry of Communications has sent officials to conduct a survey for building a deep water port about 12 km from the Kantang Port. I think that the government will support this project. We are trying to get the government to take an interest in this project. The day before yesterday, the general manager of the State Railway of Thailand visited Kantang. I told him about this, and he said that he would be glad to support this if this becomes a reality. He said that it would not cost too much to extend the railroad from Kantang District to the deep water port. But if the deep water port is constructed in Phuket, which is what the government now proposes, building a railroad line from Surat Thani would require a huge investment. He said that the State Railway of Thailand could not do that. But if the deep water port is built in Kantang, he said that he would be glad to help. I am doing everything possible to have the port built here. This is an important project. [Interview with Phiraphat Sattayaphan, the governor of Trang Province (age 57)] [Excerpt] [Bangkok SIAM RAT SAPDA WICHAN in Thai 29 Dec 85 pp 54, 55] 11943

CSO: 4207/121

INTERNATIONAL RELATIONS, TRADE AND AID

MEETING MARKS INDIA'S 36TH NATIONAL DAY

OW241914 Hanoi VNA in English 1611 GMT 24 Jan 86

[Text] Hanoi, VNA, Jan 24--A meeting was held at the municipal theatre here this evening to mark the 36th National Day of the Ehiblic of Indian (January 26).

Among those present on the presidium of the meeting, jointly sponsored by the Central Committee of the Vietnam Fatherland Front (VFF), the Vietnam Committee for Solidarity and Friendship with Other Peoples (VCSFOP), and the Vietnam-Indian Friendship Association (VIFA), were Dong Sy Nguyen, alternate member of the Political Bureau of the CPV Central Committee and vice-chairman of the Council of Ministers; Hoang Minh Giam, president of the VCSFOP; and Indian ambassador to Vietnam Pushkar Johari.

Addressing the meeting, Prof Dang Hoi Xuan, minister of public health, described the emergence of the Republic of India 36 years ago as an historic event of great importance which, he said, has given a fillip to the struggle for national liberation in Asia, Africa, Latin America and elsewhere in the world.

Extolling great achievements recorded by the Indian people in national development and defence over the past 36 years, Dang Hoi Xuan stressed that today India ranks among the few countries with a perfect and highly-developed industry becomes self-sufficient in food consumption thanks to marvellous achievements in the "green revolution" and "white revolution." [sentence as received] He cited other successes of the Indian people in preserving public security, consolidating national defence and strengthening national unity. "India is a bright example for the developing countries in the Third World," Dang Hoi Xuan remarked.

Regarding to its external policy, Dang Hoi Xuan said that the world public has highly appreciated the Indian Government's prompt and correct decision to recognize the government of the People's Republic of Kampuchea as well as its support for the Indochinese countries' peace initiatives aimed at settling the Kampuchea issue and for the trend of dialogue between the Indochinese and ASEAN countries. As the chairman of the nonaligned movement, Dang Hoi Xuan went on, India has played an outstanding role in the Third World, making considerable contributions to forging ahead the movement for national liberation, the struggle against the arms race, first of all the nuclear arms race and the militarization of the outer space, for peace, national independence, and social progress.

After hailing the constant promotion of the friendship and cooperation between the two countries Dang Hoi Xuan expressed the Vietnamese people's resolve to do their utmost to enhance their close cooperation with the Indian people in the common struggle for peace and stability in Asia and the world as a whole, for the noble objectives of the non-aligned movement, and for prosperity, progress and happiness of the Vietnamese and Indian peoples. He thanked the Indian people and government for their valuable and effective assistance to Vietnam in the struggle for national liberation in the past and in national construction and defence at present.

In his reply, Indian Ambassador Pushkar Johari brought out brilliant achievements recorded by the Indian people over the past 36 years. He recalled the development of the friendship between India and Vietnam, especially the successful visit to Vietnam paid by Prime Minister Rajiv Gandhi in November 1985.

He noted: "India has been striving to make a modest contribution to Vietnam's national development through a program of economic cooperation between the two countries. India considers the enhancement of this cooperation a task of great importance. It believes that the agreements on economic cooperation between India and Vietnam will be materialized."

The meeting took place in an atmosphere of friendship and fraternity.

/8918

CSO: 4200/594

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

PANAMA PEOPLE'S PARTY GREETED--Hanoi, VNA, January 24--The Central Committee of the Communist Party of Vietnam today extended its warmest greetings to the 8th Congress of the Panama People's Party. The message says: "Your congress is convened at a time when the world situation is becoming ever more strained due to the U.S. imperialists' warlike policy and arms race. In Central America, in particular, the Reagan administration is taking new and extremely dangerous steps of escalation against Nicaragua, an independent and sovereign country, thus causing the situation in the region to deteriorate and become more complicated. "We are firmly confident that your congress will create new conditions for developing your party's forces, strengthening the party's internal solidarity and unity so as to be worthy of its role as the vanguard of the working class and the entire labouring people of Panama. Your party, together with other democratic and progressive forces in Panama, will step up the struggle for recovering the Panama Canal and the surrounding area, thus making active contributions to the common struggle against U.S.-led imperialism, for peace, national independence, democracy and social progress of the peoples in Central America, Latin America, the Caribbean and the rest of the world." The message concludes by wishing the congress great success, and the solidarity and friendship between the two parties and peoples further consolidation and development. [Text] [Hanoi VNA in English 1526 GMT 24 Jan 86 OW] /8918

TV AGREEMENT WITH ALBANIA SIGNED--Hanoi, VNA, Jan 25--An agreement on radio and television cooperation between Vietnam and Albania was signed here today. It provides for the increased exchange between the two countries of radio and TV programs on their national construction and defence in the years to come. Signatories were Tran Lam, member of the Communist Party of Vietnam Central Committee and director of the Vietnam Radio and Television Commission and Syrja Laze, Albanian ambassador to Vietnam. [Text] [Hanoi VNA in English 1551 GMT 25 Jan 86 BK] /8918

TIES WITH VIETNAM QUOTED BY HANOI--The Thai paper PRACHACHAT said that it is necessary for Thailand to step up relations with Vietnam like other ASEAN countries. In a recent issue, the paper said: Once economic cooperation is set up and developed, it would have to develop relations in other fields. In fact, there is a possibility for Thailand and Vietnam to negotiate. The paper affirmed that Thailand should step up economic relations with Vietnam, for this will only do good to Thailand. [Text] [Hanoi International Service in English 1000 GMT 26 Jan 86 BK] /8918

WORLD PEACE COMMITTEE ESTABLISHED--Hanoi, VNA, Jan 26--In response to the "International Year of Peace" launched by the 40th General Assembly of the United Nations, Hanoi has established its World Peace Committee with Dr Pham Khac Quang, chairman of the Municipal Fatherland Front Committee, as its chairman. In its inauguration on January 25, a representative of the committee said that this year the committee will focus its work on activities in response to the International Year of Peace, in support of the peace initiatives of the Soviet Union and against the U.S. "Star Wars" program. [Text] [Hanoi VNA in English 0715 GMT 26 Jan 86 OW] /8918

HANOI RECEPTION--Hanoi, VNA, Jan 26--Indian ambassador to Vietnam Pushkar Johari gave a reception here today in honour of the Republic of India's 36th National Day January 26. His guests included Dong Si Nguyen, alternate Political Bureau member of the Communist Party of Vietnam Central Committee, vice chairman of the Council of Ministers; Nghiem Xuan Yem, vice chairman of the National Assembly; Nguyen Thi Dinh member of the party Central Committee, president of the Vietnam Women's Union; Nguyen Dinh Tu, member of the party Central Committee, minister of vocational and higher education; and other high officials. Also present at the reception were members of the Diplomatic Corps and representatives of international organizations here. Indian Ambassador Pushkar Johari and Vice Chairman Dong Si Nguyen raised toasts to the great and comprehensive achievements of the Indian people in national construction and defense, to the successes of the Vietnamese people in socialist construction and national defence, and to the further consolidation and development of the close cooperation between Vietnam and India. Also on this occasion, an Indian film was screened here yesterday by the Vietnam Committee for Solidarity and Friendship with other peoples and the Vietnam-India Friendship Association. [Text] [Hanoi VNA in English 1635 GMT 26 Jan 86 OW] /8918

CSO: 4200/594

PARTY ACTIVITIES AND GOVERNMENT

TRAINING NEW GRASSROOTS UNION CADRES

Hanoi THANH NIEN in Vietnamese Sep 85 pp 11-12, 17

[Article by Thai Doan Thoi: "A Few Thoughts About Building, Nurturing, Fostering Effective Activities of Ranks of District, Ward Union Cadres in Light of New Requirements"; passages within slantlines in *italics*]

[Text] Currently, a central task of our entire party and people is to strive to successfully implement the resolution of the Eighth Plenum of the CPV Central Committee on eliminating the flat-allocation system and concentrated bureaucratism and resolutely switching to economic accounting and socialist business. It can be said that this is a great revolution in our country's economic managerial system in the first stage of the transitional period to socialism.

Building a contingent of competent union cadres apt to meet the above requirements is a pressing effort that requires the solicitous leadership of party committee echelons and a struggling endeavor of union officials and must go hand in hand with successfully implementing the Political Bureau's Resolution 26 on youth proselytization.

In this article, I evoke a few initial thoughts about building and reinforcing the ranks of union cadres at district and ward levels in light of new requirements.

We know that in recent years the system of flat-allocation management and concentrated bureaucratism has exerted a negative impact on our union's organization and ranks of cadres. This system gave rise to dependence and passiveness and restricted, even destroyed, dynamism and creativeness, long seen as valuable attributes of union cadres. Quite a few of them, influenced by bad practices of flat allocation and bureaucratism, have been reluctant to take part in the union movement and have been prone to showing off and exalting empty achievements at the expense of work productivity, product quality and economic efficiency and of the need to study party lines and policies and raise their knowledge and mass proselytization skills.

Thus, to meet the new requirements and fit in with the new managerial system, we must build and reinforce the ranks of union cadres vigorously, especially at ward, district and basic levels. The reason is that these cadres are directly

in charge of mobilizing youths engaged in economic activities to set up the new managerial structure.

In my opinion, first of all /we must promptly refine the apparatus by replacing those key cadres lacking enthusiasm, responsiveness to economic matters and the ability to mobilize youths to mix themselves in economic and social activities with competent personnel devoted to stimulating youths to establish the new managerial system and to struggling against vices of bureaucratism, flat allocations, laziness, dependence, passiveness and verbal and factual deception in labor and daily life./

In recent years, due to objective reasons, our union has put in place a contingent of cadres politically trusted but endowed with little knowledge about economic matters and economic management. Since union participation in managing the economy and shaping the new managerial structure is now mandatory, difficulties have generally appeared everywhere. According to reports on the situation of district union cadres, only 16 percent of ward and district secretaries--and 18 percent of standing committee members--are technically competent and very few key ward and district cadres are versed in economic management. (Even in industrial installations, only about 20 percent of union cadres are technically competent and the number of those knowledgeable about and capable of economic management is still small.)

After investigating and getting a full picture of the cadre situation, the Haiphong union committee standing committee has resolutely replaced a ward secretary and appointed two competent secretaries in an effort to regenerate its contingent of ward and district cadres through gradual additions of key personnel proficient in economic management. A few other provincial and municipal union organizations are vigorously turning over a new leaf, bringing in competent cadres step by step.

Nevertheless, renewal must go hand in hand with solicitous supply of economic knowledge and economic management skills to existing union cadres. The reason is that, no matter what the extent of renewal, we can only replace a limited number of key cadres while the great majority still remain at work and still sorely need an infusion of economic basics. It is worth noting that teaching economic knowledge to union cadres is not entirely similar to training scientific-technical and managerial cadres. The latter receive their instruction mainly through school attendance while union cadres do so mostly through practical work--mobilizing youths to take part in setting up the new management system based on profit-and-loss accounting and socialist business. Naturally, it is very necessary to hold training exercises and short-term training classes; but the most essential and most regular endeavor for union cadres is to conduct research, self-teaching and self-review through useful and daily economic activities.

Thus, union echelons must intensively draw experiences from the campaign to mobilize youths doing economic work, using this as a basis for training their cadres in a realistic and effective manner. That our union has not duly reviewed the campaign to mobilize youths, especially to stimulate them to participate in economic activities and economic management, is one of the chief

reasons why the knowledge and capabilities of cadres, particularly those at ward and district levels, have developed slowly.

I think that in the days to come union echelons should, under CPV committee echelons' leadership, open elementary and advanced training classes and training exercises in economic management at union schools, and resolutely rearrange workloads to permit attendance of key ward, district and grassroots cadres.

To make these classes highly efficient, union echelons and all union schools, especially at the central level, should intensively use experiences from the union's involvement in economic activities to prepare documents and curricula suitable to the /needs of trainees--union cadres/ at district and grassroots levels--and of the campaign to stimulate youth contributions to implementing the resolution of the Eighth Plenum of the CPV Central Committee on prices, wages and money and Resolution 26 of the Political Bureau on youth proselytization.

Finally, to achieve good results cadre training must go hand in hand with building a rational apparatus, properly defining the functions of that apparatus and its components and devising scientific work methods.

Cadres will not mature, or will mature very slowly, if they work within a loose apparatus marred by slow remedial progress, unclear functions and tasks and nonscientific work organization.

Making that apparatus effective at district and municipal levels and using this as a springboard to make individual work equally effective is a great and all-encompassing issue. In this article, I discuss only how responsibilities should be divided among union district echelons and how they should work.

In response to requirements of union participation in economic activities and economic management, the best division of responsibilities in union district and ward organs still lies in assigning standing committee members to specific duties and to area supervision. The name of the game is how to best link specific duties with area responsibilities to enable cadres to delve into their specific duties while properly guiding activities organized by wards, districts and union superior echelons in areas under their supervision. Generally speaking, area supervision involves comprehensive guidance of various kinds of work while specific assignments concern with in-depth study of specific points and targets. A widespread occurrence in many places is that standing committee members are interested only in area supervision, giving up or neglecting in-depth study of assigned duties. In area guidance, they also often slide into generalities, failing to delve into central points and to see their specific assignments through in the most effective manner.

To properly conduct in-depth study of assigned duties, first of all union standing committee members must have a sense of research and investigation to solidly grasp party lines and policies and acquire necessary knowledge through reading documents, books and newspapers. And most important, they must go into the grassroots level because main daily economic activities, as well as vibrant and meaningful realities, all happen there. Only by going into the grassroots

level can they see the true nature of production and take part in union organization management and thoroughly understand the young generation's beliefs, psychology, thoughts and aspirations, and thereby suggest procedures and measures to solve problems accurately and in keeping with realities. Union cadres, including committee echelons, must have a /permanent/ sense of resolute struggle to overcome bureaucratism, red tape and formalism, which continue to prevent union cadres from staying in touch with basic installations and with nonparty youths and to make union, ward and district cadres less alert to economic issues and economic management, thus affecting the quality of study, review and settlement of problems confronting the grassroots level.

As far as work methods of ward and district union organization are concerned, first of all the need for work programs and plans should be mentioned. Annual and monthly work programs should be set up, containing central points and completion deadlines on which guidance organization is based.

Regular meetings of union district committee standing committees should discuss not only common-interest problems and various kinds of work, but also the special subject of union participation in economic management (that concept is more encompassing than the concept of the "union doing economic work"--in other words, the union taking charge of this or that project). Standing committee meetings on a special topic should begin with a report by the comrade in charge of that topic, to be followed by the audience's discussion then by conclusions made by the secretary or deputy secretary.

We should avoid the widespread practice of union secretaries or deputy secretaries doing everything at meetings of district and ward union committee standing committees. The latter's members used to attend as passive spectators, even when their own assignments came up for discussion. This has led standing committee members to show a low sense of responsibility for and an inadequate willingness to scrutinize the assignment process, thereby considerably slowing up the growth of their capabilities and their maturity. And as a result, at the district level only union secretaries or standby deputy secretaries are often seen as mature.

To achieve good results, standing committee meetings also depend on well-prepared agendas, which should be carefully weighed and sent ahead to standing committee members for consideration. Discussion should be democratic and conclusions should be unequivocal and apt to truly reflect a collective decision.

A realistic effort to assign responsibilities and select implementation measures and completion deadlines is needed to bring these collective decisions to fruition.

In light of the commitment of the union central committee, its provincial committees and central schools to building and reinforcing their work and district cadres and in light of union cadres' attachment to self-reinforcement and self-training, we believe that the ranks of ward and district union cadres will certainly be built in line with the new managerial system and will rapidly mature to meet the new requirements of active union participation in economic activities and socialist business and of effectively struggling to eliminate the flat-allocation bureaucratic structure in economic and social management.

PARTY ACTIVITIES AND GOVERNMENT

RENOVATION OF YOUTH PROSELYTIZATION URGED

Hanoi THANH NIEN in Vietnamese Sep 85 pp 1-3

[Article: "Raising the Effects of Union Educational Work"; passages within slantlines in italics]

[Text] The forum organized by THANH NIEN magazine in early August 1985 centered on how to fully grasp the basic views and goals of Resolution 26 of the CPV Central Committee Political Bureau on strengthening leadership over youth proselytization (see THANH NIEN magazine of August 1985)

This month's forum delved into the special topic of /raising the effects of educational work/; upcoming forums will debate the special topics of /union activities in the economic field/ and the task of /building and consolidating union organization, especially at district and grassroots levels./

Resolution 26 of the Political Bureau emphasized the need for teaching communism to youths in the new stage. In the last forum, Comrade Vu Mao elaborated on the fundamental views and tangible goals of that resolution.

Ideas expressed in this month's forum focused on forms and measures designed to make educational work highly efficient, thus translating the party resolution into deeds. Three topics required attention:

1. Actively renovate communist education forms and methods to fit in with each individual's psychological characteristics and present-day youths' living conditions.
2. Educational work should go hand in hand with union performances, economic activities and the task of building and consolidating union organization.
3. Educational work should maintain close ties with state agencies, mass organizations in the Fatherland Front and social organizations.

--/Why should we actively renovate youth education forms and methods?/

The forum arrived at a consensus that the educational goals stipulated by Resolution 26 are very meaningful and comprehensive, encompassing the need to educate youths about revolutionary ideals and virtues and national traditions

and adequate lifestyles, to reinforce their will and capability of collective mastery and to raise their cultural, scientific, technical, and managerial knowledge, thus enabling them to "live, fight, labor, and study following great Uncle Ho's example." In light of these goals, the Political Bureau resolution notes that, in recent years, the Vietnamese young generation in general has striven to train, study and mature while fulfilling the two strategic tasks of building and defending the Vietnamese socialist fatherland. "The party highly appreciates and commends the contributions and exploits of youths and the Ho Chih Minh Communist Youth Union [HCMCYU]," the resolution says. However, with the revolution entering a new stage and with new tasks for them to do, youths still display weaknesses as well as fundamental strengths, as Resolution 26 points out and as all of us know. Hence, it is urgent to renovate educational forms and methods vigorously, so that instruction will diffuse deeply into young minds and achieve high efficiency, enabling youths to promptly overcome weaknesses.

Compared with their predecessors, present-day youths enjoy a higher educational level and broader social and international contacts; consequently, the volume of information they receive every day from the mass media is greater and much more varied. Against this backdrop, union indoctrination will attain very low results if it is solely based on the familiar pattern of study sessions with union cadres monologuing from beginning to end. But a few places including the Mai Dong mechanical factory have improved study methods of Marxism-Leninism by introducing dialogues between cadres and members and between teachers and students, achieving excellent results in the process. Assimilation is easy because grievances originating from actual production are aired directly and solved by the audience. Hence, forum participants have agreed that we should /skillfully merge the teaching method used at study meetings and union schools with the debating technique from symposia and dialogues, and that union cadres should merely play the role of guide, reporter and recapitulator, etc. We should learn to master other educational forms and measures--organizing collective activities/ such as "traditional festivals," "youth festivals" and "pilgrimages" to historic cites, / or exalting exemplary individuals in units and localities for youths to view, study and strive to imitate; then we should report tangible results to union organization./

In carrying out propaganda and educational work, many places have held exams to choose /"young propagandists"/ and narrators of traditional tales and stories drawn from union books and newspapers. In the past several years, this approach has demonstrated its vitality; thus, we should continue to improve and expand it. /Setting "years for studying special topics"/ such as year on Marxism-Leninism, a year on the economy and economic management, etc, is also an important measure designed to reinforce cadres' and nonparty youths' basic skills and economic knowledge and thinking and create a "plateau of awareness," enabling them to effectively and intensively digest problems relating to party and government lines and policies and union goals and activities and forge a correct view and attitude on phenomena arising from economic and social life. In the opinion of a representative of the union central committee propaganda and training department, union echelons should promptly review and draw experiences from that approach and turn it into a routine performance.

--The above-mentioned educational forms and measures and also those to be devised are very good; however, they are designed only to beef up youth awareness. But, as Resolution 26 of the Political Bureau clearly indicates, youth education does not stop at buttressing awareness; it must be aimed at promptly generating a boiling and widespread revolutionary movement among youths. This movement is both a measure and a yardstick measuring union education results. Thus, /to attain high efficiency, educational work should not only renovate its forms and methods, but also maintain close ties to practical activities in the fields of labor, combat readiness, combat, study and enhancement of daily lifestyle. Especially, it should maintain close ties to economic activities,/ because these are the most central, vital and constant endeavor in the new revolutionary stage, requiring great youth creativeness and attracting large youth input.

All views expressed at the forum have affirmed that the relationship between educational work and economic activities is marked by mutuality and causality. Political awareness will become firm only if the educational effort at strengthening it is continually reflected in useful and economic activities. And only through these activities will youth production and collective mastery capabilities be really fostered.

In recent years, a few districts and towns including Hoa Thanh, Dong Ha, Can Xuyen, Hoang Hoa, Nghia Hung, Soc Son and Dong Trieu, have accordingly accelerated economic activities to train youths and also to make money to build material bases and purchase means and tools to properly serve local education.

Currently, linking political education with economic activities is no longer a novel and thorny issue, requiring ample discussion. Especially in light of Resolution 8 of our party's Central Committee on eliminating the concentrated system of flat-allocation bureaucratism and resolutely switching to economic accounting and socialist business, basic union organizations can take a more active role in that field of activities. It should be affirmed that all useful and economic activities /must display a clear educational nature/ by serving as a basis for reinforcing union cadres' and youths' socialist behavior and their determination and abilities to work.

Properly linking political education with economic activities is a measure apt to generate high efficiency; however, to apply it successfully union organization must be strong and union cadres must have enthusiasm, capabilities and economic knowledge. That is why to attain high efficiency educational work /must be closely associated with building and consolidating union organization./ A basic union organization which is remiss and left to deteriorate, which displays poor activism or has been inactive for days and which has weak cadres or a serious--but unfilled--cadre shortage, is not even able to transmit orders from superior echelons to its members, let alone to raise education efficiency through useful and economic activities. Consequently, in setting a comprehensive youth education program for the new state Resolution 26 of the Political Bureau clearly indicates the need to build and consolidate the HCMCYU and strengthen the effort at providing elementary and advanced training to union cadres. On the current situation, the resolution points out, "Union organization at the grassroots level is still weak, membership is numerically

small and work quality is not high. Many youths are not yet drawn into the Youth Federation. The ranks of union cadres are scarce and union work is slow in renovating its contents, forms and methods and bureaucratism is still widespread."

To reach high efficiency, union work should imperatively overcome the above weaknesses, focusing on building the union into a stable force--a prerequisite in which the stability of union organization at the grassroots level is a factor of paramount importance and plays the most decisive role.

/--The final question concerns the need for close association with state organs, mass organizations within the Fatherland Front and social organizations to make union education more efficient in the new stage./ Resolution 26 of the Political Bureau clearly affirms that under the direct leadership of CPV committee echelons, all state sectors, social organizations, veteran revolutionaries, educators, writers and artists are bound to actively take part in educating the young generation.

Views expressed at the forum have stressed the great capabilities of the sectors of education and information and culture in training youths and children. As state organs, these sectors control great and modern educational means, including schools, libraries, books and newspapers, movies and pictures, theaters, radio stations and television, and a large contingent of cadres. For instance, the education sector now has 500,000 teachers on its payrolls, several tens of times more than the number of union cadres in charge of education. School attendance is mandatory for students from 2 to 3 hours a day while the union can only assemble members and youths no more than a few hours a month. Thus, to reach high efficiency union educational work must be associated with other state sectors whose great capabilities and potential should be made to contribute maximally to educating the young generation in line with Resolution 26.

Not only cultural and educational but also economic state sectors exert great effects on youth education. These effects create a favorable environment for young laborers, enabling them to improve vocational and managerial skills while pulling more and more unemployed youths toward various production fields. Currently, there are tens of thousands of unemployed youths, living mostly in cities and towns and this number is expected to go up each year. If state economic sectors cannot arrange employment for them, union education will have very little effect; furthermore, some of these youths will become backward and prone to constant negativism.

In recent years, our union has taken it upon itself to coordinate with some economic sectors, achieving fairly good results in the process; however, in general this association has neither expanded, nor become routine at basic installations. According to a few comrades, in the days to come the union should, at the same time, clearly emphasize the educational nature and goal of that effort.

Above are main views expressed on the topic, "Raising the Effects of Union Educational Work," in contribution to properly implementing Resolution 26 of the Political Bureau.

There are also other views on building a wholesome educational environment for youths and children in their homes--an approach that requires of parents, brothers and sisters to set a shining example for their younger family members to follow. We will talk more about this subject in another article.

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