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Southeast Asia Report

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KAREN REBELS SEEK HELP FROM MIDEAST COUNTRIES

Bangkok THE NATION REVIEW in English 18 Feb 84 p 1

[Text] Mae Sot, Tak--Karen rebels have sent two delegations to seek military support from Middle East countries while a group of Karen Muslims has been fighting Burmese Government troops, a source close to the Karen rebel movement said yesterday.

The source quoted Gen Gladstone, a leader of Karen rebels fighting to claim independence from the Burmese Government, as saying that there were some Russian, Cuba and Vietnamese advisers in Rangoon but "they were not in the battlefield."

The latest move taken by the Karen rebels has been diplomatic manoeuvre. Their leaders have so far approached several countries for any possible recognition for their movements as an independent state.

"The most formidable development of the Karen forces is the involvement of the Karen Muslims in the ongoing battle against the Burmese forces. There are about 80 armed Karen Muslim fighters now," said the source.

If the Karen rebels get any substantial assistance from the Muslim brotherhood, the Burmese will be in trouble, the sources said.

The Russian advisers have been active in providing assistance to the Burmese Government which probably needs extra help, the source said, adding that the attack on Mae To Wo was different from the past onslaughts because the Burmese troops have encircled the Karen rebel stronghold.

The source, however, said that the Karen rebels are poised to fight Burmese troops in Mapoke, which lies opposite Tha Song Yang District of this northern province.

About 2,000 Burmese troops under the command of General Thin Maung had set up a headquarters opposite Baan Mae Than, of Tha Song Yang, and their reinforcements and food were carried by helicopters along with reconnaissance plane on guard.

Mapoke is the biggest and most important Karen rebel stronghold under the control of supreme commander Bo Mya.

Meanwhile, the Burmese Government announced in Rangoon that it will boost the force of militia and provide more arms for them to fight against insurgents.

The militia will occupy areas captured from rebel forces.

CSO: 4200/560

ROHINGYAS RESISTANCE TO GOVERNMENT EXPLAINED

East Burnham ARABIA, THE ISLAMIC WORLD REVIEW in English Jan 84 p 31

[Article: "Why the Rohingyas took up arms"]

[Text] The government's eviction policy has gone on since 1942. In that year's anti-Muslim riots more than 80,000 Rohingyas were killed. Many fled and now live, stateless and homeless, in different parts of the world.

In 1978, when the Burmese rulers expelled thousands of Rohingyas to the borders of Bangladesh, all the peace-loving countries and organisations, including the UN, tried to solve the problem. An OIC delegation tried to visit Arakan but were refused admission by the Burmese rulers.

In 1983 anti-Muslim riots took a heavy toll in Mon State, Kaya State and the Irrawaddy Division. Many mosques and religious institutions were demolished and burnt down. Since independence in 1948 Burmese forces have conducted at least 11 operations, in which many Rohingyas were killed, arrested or force to leave their homeland.

Most of the Rohingyas are farmers. They have played an important part in the economy of Burma. Thanks to them the Burmese government now exports rice. Rohingyas are also traders. They produce many essentials from cottage industries.

The recent citizenship law has deprived many Muslims, particularly Rohingyas, of Burmese nationality, leaving them stateless in their own state. Every Rohingya has to apply for "guest" citizenship. The application itself means that he declares that he is not a national of Burma.

According to this law, the Council of State may, in the interests of the state, confer on any person citizenship, or associated citizenship, or naturalised citizenship. Further, the Council of State may, in the interests of the state, revoke any class of citizenship of any person, except a citizen by birth.

Burma's ruler, General Ne Win, in his speech in the so-called parliament, declared that "we are, in reality, not in a position to drive away all those people who had come at different times for different reasons from different lands. We must also have sympathy for those who had been here for such a long time and give them peace of mind. We have therefore designated them associate citizens in this law. Why have we given them this name? Because, we were all citizens in the beginning, then these people came as guests and eventually could not go back and have decided to go on living here for the rest of their lives.

"If we were to allow them to get into positions where they can decide the destiny of the state and they were to betray us we would be in trouble. We will give them the right to earn according to their work and live a decent life. No more."

The administration has been given the legal right to confiscate Rohingyas' property and businesses because Rohingyas are not Burmese citizens. The property thus seized is re-distributed to Magh Buddhists. Agricultural produce must be sold to the Burmese government for low prices: as a result many Rohingyas have been forced to abandon their land.

We are determined to liberate Arakan, so that our children can have all required facilities to become the future leaders of our country in every field. We have requested all Muslim countries, in particular, and other countries, to allow our children to obtain all kinds of education.

We have been forced to take up arms. Politically and militarily we will force the Burmese authorities to come to the table for negotiation to solve our burning problems.

The basic objective of the Rohingya Patriotic Front is to establish an autonomous state named "Rohang Muluk," comprising the whole of present Arakan. We are mobilising the ethnic minorities, such as the Karen, Shan, Kachin, Pa-O, and Chin, in our favour. We want to convince them that we are all oppressed under the present regime. We appeal to the Muslim countries to come forward and help our fellow revolutionary minorities rescue us from the tyranny of the Burmese rulers.

We have come to the conclusion that without an autonomous state, we can't exist as Muslims in our own country. Burma is a multi-ethnic country but all the minorities suffer at the hands of the Burmese rulers. These minorities are also fighting for total separation from the rest of Burma. They support our cause. They are also willing to cooperate with us.

The RPF is the sole representative of the Rohingya people as well as the spokesman and defender of all Muslims of Burma. It is clear that the majority of the Burmese (Buddhist) people support the present ruler of Burma. Many intellectual groups, however, have maintained that the groups, however, have maintained that the government's policy against Rohingyas is a gross mistake. These intellectuals argue that Burma should move closer to Muslim countries for commercial and economic reasons in order to develop the country through cooperation with the Rohingyas.

CSO: 4200/560

BURMESE ISLAND IS SMUGGLERS HAVEN

Bangkok THE NATION REVIEW in English 19 Feb 84 p 13

[Article by Thepchai Yong and Pongsak Srisod in "The South in Depth" Series: "A Burmese Island With One Foot in Thailand"]

[Text]

KAWTHAUNG ISLAND, Burma – The first thing you are told when you arrive on this Burmese island in the Andaman Sea is not to use Thai or any other currency when you buy things.

A huge sign at the immigration check-point, which from a distance appears more like a welcome sign,

declares that anyone caught using foreign currency on the island is liable to 10 years imprisonment or even the death sentence.

However, this is only an official warning. In fact, the economy of this island of 7,000-8,000 is kept alive by the baht currency.

Kawthaung Island, commonly known as "Koh Song" among the Thais, is about 3.5 kms from Muang District of Ranong, a southern fishing province which borders Burma. A trip from the Thai side to the island by long-tailed boat takes only 25 minutes.

Hundreds of Burmese from Kawthaung Island cross to Ranong daily

to buy basic commodities which are scarce on the island. Many are petty merchants who buy goods in Ranong to resell to the islanders.

The community on Kawthaung Island is a mixture of Burmese, Indians, Chinese and Thais who have to depend on Ranong for almost everything from detergent to medicine. Fishing and agriculture are the two most important occupations on the island.

Small shop-houses, mostly one-storey, line the main street which cuts through the business section of the island. That is the most hectic part of the island, where you can get almost everything you need – all from Thailand, of course. Huge posters of teenage idols Phobe Cates and Sophie Marceau are even more predominant than the socialist propaganda posters spotted along the dusty street.

Local food-shops serve Thai beer, Thai soft-drinks and Thai cigarettes at moderate prices. Loudspeakers blare popular American tunes with Burmese lyrics.

"It is very difficult to get goods from Rangoon. So we have to depend on Thailand for everything," said a shop-keeper in perfect Thai. He was among the 20-30 families from Thailand who settle on the island decades ago.

Many of the Burmese and Indian shop-keepers also speak the southern dialect of the Thai language because of their frequent contact with Thai people in Ranong. Some of them sell electrical appliances apparently smuggled onto the island by fishermen from Singapore.

All the shop-keepers – despite the official warning – eagerly accept Thai currency for their goods. They then use it to pay for their supplies in Ranong.

Officials at the Immigration Office in Muang District of Ranong told *The Nation* that about 200 Burmese apply to enter the southern province daily. They are normally allowed to stay for about 24 hours. Many have relatives in Ranong.

However, only a small number of Thai people visit Kawthaung Island daily. The island is a district of Marid and is one of the few Burmese towns with a high cost of living. It is about 1,000 kms from Rangoon.

Motorcycles are the most popular transport on Kawthaung Island and, again, they are all brought over from Thailand.

Officially, Burmese are required to pay an 8,000-10,000-baht tax to Burmese Customs for each motorcycle bought from Thailand. But sometimes the motorcycles are smuggled to this island.

There are about 100 long-tailed boats that will take you from Ranong to Kawthaung Island for 30 baht. Operated by both Thai and Burmese, there is always tough competitions among the boat operators for passengers.

Visitors to Kawthaung Island are prohibited from taking cameras with them and *The Nation* was told that no "farangs" have been allowed on the island for years.

To get to the island, you must ask for a special pass at the Thai immigration check-point, which lies at the mouth of Ranong bay almost halfway between the two sides. Visitors are permitted to stay on the island until evening. But a 30-minute stroll is all it takes to see the town, which is surrounded by farmland and thick forests.

Kawthaung Island is quiet at night. There is almost no entertainment except during festivals.

There is a big difference between the atmospheres in Ranong and Kawthaung, although they are only 3.5 kms apart. Many of the islanders flock to Ranong during festivals – most recently Chinese New Year's Day – for the colourful and exciting celebrations there.

Large numbers never return to the island once they visit Thailand. They sell their labour at construction sites or mines. Illegal Burmese immigrants, several of whom are caught daily, are deported after being fined 1,000 baht. But most are put in jail for 50 days because they have no money to pay the fine.

CSO: 4200/560

FIJI HOUSE BOYCOTT TO CONTINUE

Auckland THE NEW ZEALAND HERALD in English 13 Feb 84 p 1

[Article by HERALD Corres. Suva]

[Text] Fiji Opposition members of parliament have agreed to abide by a decision to boycott parliamentary meetings for as long as Tomasi Vakatora remains as Speaker.

The decision was made yesterday by members of the national Federation Party and its small Fiji ally, the Western United Front.

It followed rumours that the Opposition Leader, Jairam Reddy, was threatening to resign unless the boycott was continued. There were reports that a number of members wanted him to climb down from the position he took at the end of the budget meeting last December.

Mr Reddy was then escorted from Parliament on Mr Vakatora's orders after he had refused to stand when protesting a point of order.

Mr Reddy subsequently issued a statement accusing Mr Vakatora, a Government MP, of bias against the Opposition.

He said he would not return to Parliament until the Government agreed to replace the Speaker. The 35 other Opposition members said they would join the boycott. However, several Opposition MPs are known to wish to continue attending meetings.

CSO: 4200/561

BRIEFS

NEW SOVIET-BUILT AIRFIELD--Air Force Secretary Group Captain Prasoet Satchukon said recently that the huge airfield under construction by the Soviet Union in the village of Kompong Som in Kampuchea since July last year has now been opened for use. He said that according to Air Force Intelligence, some transport planes have already landed at the airfield, but no MIG planes have landed so far. The Air Force secretary said the airfield can accommodate C-123 and C-130 aircraft as well as MIG jet fighters. He said it was not known whether construction of the airfield had been completed, that is whether the control tower, hangar, and repair workshop have been constructed. But he confirmed that the airfield is open for use. [Text] [Kuala Lumpur ASIAN DEFENCE JOURNAL in English Mar 84 p 3]

CSO: 4200/623

LEADERSHIP STYLE, DEVELOPMENT PROBLEMS, CORRUPTION

Kuching THE BORNEO POST in English 6 Jan 84 p 12

[Article in the "Notes on Laos" Column by Barry Wain: "Collective Leadership Collectively Shuns the Limelight"]

[Text] Vientiane--There's no personality cult in Laos.

Indeed, the opposite is true. Not only do the aging communist revolutionaries who wield real power emphasize collective leadership, they are content to live almost anonymously.

The seven-man politburo of the ruling Lao People's Revolutionary Party stays out of sight most of the time. Seen least of all is Kaysone Phomvihan, secretary general of the party, prime minister and undisputed supremo.

The only others depicted in posters in government offices or in public celebrations are economics overlord Nouhak Phounsavanh and President Souphanouvong, who rank second and third respectively in the party.

Mr Kaysone is believed to live and work some of the time at Kilometer 6, a former American housing and school compound that used to be called Silver City. That's understood to be the politburo headquarters. He's also thought to have an office in the old U.S. Agency for International Development Compound.

Mr Kaysone greets important delegations from the socialist world. He also makes a point of receiving ambassadors, including those from the West, when they arrive for a posting in Vientiane. But they mightn't see him again during their stay.

He rarely appears in public, even for National Day celebrations. Sometimes he isn't mentioned in official newspapers for weeks on end. When he goes abroad--and he does regularly--it mightn't be reported at all at home. One Western diplomat recalls that the first hint that he'd left Laos on one occasion was a news item in the Budapest press that he was visiting Hungary. One East European envoy says: "This is my second year in Laos and I've never seen him."

That's all the more extraordinary considering the limited dimensions of Vientiane: It has a population of no more than 100,000. The reason for all the secrecy isn't clear.

Some put it down to fear of assassination. Attempts were made to kill Mr Kaysone in 1976 and 1977. Others are inclined to see it as a habit acquired as the communists waged their guerrilla war for 20 years from remote caves in Sam Neua province, since renamed Houaphanh. The way to power was clandestine.

The existence of the Lao People's Revolutionary Party wasn't revealed to the public until 1972, a good 17 years after it was formed. Until then, the communists had directed the revolution from behind a front organization. Even today, the party doesn't disclose the identity of its rank-and-file members and says little about its methods and activities.

"They don't quite believe they're in charge of the country," one diplomat says. "They still have a siege mentality."

* * *

Former Laotian king Savang Vathana is almost certainly dead.

Diplomats say private confirmation of his death has come from former prime minister Souvanna Phouma, himself a prince before the 600-year-old monarchy was abolished in 1975. Mr Souvanna, 82 years of age and ailing, is officially an "adviser" to Mr Kaysone's administration.

During their armed struggle, the communists repeatedly proclaimed support for the monarchy, apparently fearful of alienating large sections of the peasantry. But once in power, they accepted the king's "voluntary" abdication and established a socialist republic.

Allowed to continue living in their modest palace in Luang Prabang, the king and crown prince Vong Savang were arrested in early 1977 amid rumors that resistance forces were looking to them for leadership.

The government has been reticent about their fate. Officials use a standard response: They have no news, but as far as they know the king and his family are at Viengsai in Houaphanh province.

Recently, however, Vice Foreign Minister Soubanh Srithirath hinted at the king's demise. "When I was in Vientiane in 1974 it seemed to me that the king was about 69 years old," he said. "Every human being is mortal."

Mr Soubanh used the stock answer about the crown prince: "I think he is there" in Viengsai.

Diplomats explain that the government is reluctant to announce the king's death because it could spur Laotian exiles to name a successor, who might provide a rallying point for dissidents.

* * *

Laos has publicly tried civil servants for corruption.

According to Laotian sources, only about half a dozen conventional trials have been held since the establishment of the Lao People's Democratic Republic eight years ago.

The country has no constitution and no code of law. Officials say they're revising the pre-1975 law code to make it appropriate for a socialist society.

When the Communists first took over, suspected offenders were arbitrarily locked up. Since 1978, persons accused of specific crimes have been investigated, prosecuted and punished under interim rules and regulations which stipulate that only the verdict has to be given in public. In practice, people have continued simply to disappear for a period.

Since the first trial, in 1981, the authorities seem to have been aiming at the introduction of a comprehensive judicial system. Last month, 120 officers from various ministries attended what the government called an "accelerated course of socialist law," conducted in Vientiane by East German specialists.

The trial of 42 government employees in September was attended by their families and representatives of ministries where they worked. Although it wasn't reported in the official press, the results quickly became public knowledge. Many of the defendants were charged with misusing aid funds in the field of agriculture. All had been arrested six months earlier. (In fact, 43 had been picked up, but one was later released.)

Sources say the hearing, lasting two days, didn't meet Western standards of a fair trial. No defense attorneys were allowed, they say, and files weren't examined rigorously. In the end, however, 10 of the accused were found innocent and freed. The 32 others were judged guilty and given jail terms of one to 20 years. They're being allowed to appeal.

Those convicted included two vice ministers: Thongvan Phanladsavang of the Social Security and Veterans Committee, and Sitaheng Rasphone of the Ministry of Agriculture, Irrigation and Cooperatives.

Both are French-educated and both worked for the old regime. They'd been promoted to vice ministerial posts in last year's reshuffle, which emphasized competence rather than political purity. Sources say the prosecution alleged that Messrs. Thongvan and Sitaheng channeled aid funds into bank accounts in Bangkok for their personal use. In their defense, they argued that the funds were for the legitimate purchase of government materials, the sources say.

Mr Sitaheng got 18 years, Mr Thongvan seven.

Stone walls do not a prison make, in Laos at least. Two examples:

An expatriate couple who gave an employee 100 kilograms of rice as part of her salary were surprised when she declared three days later that she had run out and needed more. With some embarrassment, she confessed, "My husband took it."

That surprised the couple even more since her husband was in the middle of what turned out to be a 13-month jail term for some vague political offense.

It seems the husband showed up at his wife's house at night, accompanied by his prison guard. They'd talked it over in the cells and decided they could both do with more to eat.

A Western embassy had a similar experience. A repairman who worked part-time for the embassy was arrested on a recent bird shoot after one of his group fired a shot that fatally wounded someone. They were all incarcerated while the investigation dragged on and their families tried to negotiate their release.

Embassy staff were perplexed to see the repairman in the market one day. The guards had let him out to buy cigarettes, he explained, and he was just heading back to prison.

Big isn't necessarily beautiful when it comes to developing Laos.

The government reached that conclusion the hard way: by signing up for a string of fancy foreign aid projects that simply haven't worked. It points to at least four of them as examples of what is inappropriate.

They include a sophisticated cattle feed mill outside Vientiane that is operating at only a fraction of capacity. The main problem is that it lacks raw materials. A nearby state farm that was supposed to grow maize to supply the mill is also on the miss list.

As for irrigation, a dozen or more ventures have been initiated since 1975. Only one has been completed, sources say, and late at that. Some of the largest were undertaken without proper studies being made, with the result that they currently consist of primary canals and little else. Nobody has yet figured out how to get water from them to the farmers in their fields.

Governments and agencies funding development point to deficiencies on the Laotian side.

In a typical comment, the International Development Association, a World Bank affiliate for concessionary lending, says its undertakings in Laos are progressing satisfactorily after a slow start. But, it adds, "operations continue to be affected by a shortage of counterpart funds, spare parts and materials and a lack of qualified staff for some key positions."

For its part, the government seems a bit disenchanted with certain foreign experts sent to advise it.

"There are some projects that need to be changed," Vice Foreign Minister Soubanh Srithirath says. "We will try in future for more suitable projects, more suitable to our capacity to absorb them."

Poonsiri Chanyasak is something of a prophet, as well as an international fugitive, one-time gold smuggler and heroin trafficker.

In 1980, Mr Poonsiri was prospering as a middleman in Vientiane under the name Thao Khamphon. He was widely suspected of winning government contracts for the delivery of equipment by bribing officials. In an interview with THE ASIAN WALL STREET JOURNAL, he talked freely of his joint ventures with Laotian authorities, despite being sought by the Thai government for narcotics offenses.

Mr Khamphon boasted that he had influential friends in Laos. "I have confidence the government will take care of me," he said.

It did, though not the way he anticipated. Soon after the interview was published, Mr Khamphon was thrown in jail for corruption and failing to pay taxes, among other things.

According to Laotian businessmen, he's still inside.

CSO: 4200/530

BATTLE FOR MCA PRESIDENCY LIKELY

Penang THE STAR in English 8 Feb 84 p 2

[Article by N.V. Raman]

[Text]

KUALA LUMPUR, Tues. — A battle between Datuk Dr Neo Yee Pan and Mr Tan Koon Swan for the MCA presidency in June is fast moving from a mere possibility to almost a certainty.

And the repercussions from such a contest could have serious effects not only on the MCA but the Malaysian Chinese community.

The MCA branch elections are scheduled to be held by the end of March, followed by the elections in all 114 divisions in mid-April.

Finally, elections will be held on June 2 to pick the president, deputy president, four vice-presidents and 20 elected Central Working Committee (CWC) members.

Datuk Dr Neo, the Housing and Local Government Minister, was the man handpicked to take over as acting president by former Transport Minister Datuk Lee San Choon, who retired last April.

And Datuk Lee made it clear before last year's general assembly that he stood by his choice.

He pointed out that while Datuk Dr Neo's style may be different, "he is a fighter at heart and is committed to the MCA's cause."

Mr Tan had in September 1982 realised that he had lost the chance to succeed Datuk Lee when the former president pushed through Datuk Dr Neo's appointment as deputy president after Datuk Richard Ho quit the post that year.

(Mr Tan is the managing-director of Multi-Purpose Holdings Berhad and anMCA vice-president who also heads the party in the Federal Territory.)

The Koon Swan forces, including Deputy Finance Minister Datuk Dr Ling Liong Sik and Federal Territory MCA leaders, had tried to get the party to hold an election at that year's annual general assembly to fill the No. 2 post.

Datuk Lee, however, hit out at those calling for an election and in a compromise solution, proposed to the CWC that Datuk Dr Neo be appointed the deputy president and Mr Tan a vice-president.

That compromise did not go down well with either side but neither faction wanted to openly challenge Datuk Lee's decision at that time, although the CWC went through a heated debate before approving the formula.

Last April, Datuk Lee proposed that Datuk Dr Neo take over as acting president and the CWC gave its unanimous approval.

Datuk Dr Neo, in his first move as acting president, made it clear to the CWC that he wanted party vice-president and Perak MCA chief Datuk Mak Hon Kam as acting deputy president.

The CWC unanimously approved the choice with Mr Tan and his other allies in the CWC going along as well.

But since then, the supporters of both Datuk Dr Neo and Mr Tan have been preparing for the real test — this year's party elections.

There have been constant attacks against Datuk Dr Neo and Datuk Mak by Mr Tan's supporters, some of whom claimed that Datuk Mak was the real "stumbling block" to party unity.

Datuk Mak recently came out publicly with a statement slamming those behind such tactics.

He said that he was prepared to quit if he was indeed preventing party unity and he pointed out that he was unanimously picked as acting deputy president by the CWC, which included Mr Tan.

Even as the shadow-boxing continued, a newspaper report quoting sources said that Mr Tan would step down from Multi-Purpose in March and announce his bid for the presidency, which immediately drew fire from Penang MCA chief and Datuk Dr Neo's ally, Mr Lim Kean Siew.

Mr Tan, however, said on Saturday that he had not yet decided whether to contest and was "evaluating" his work in Multi-Purpose.

MCA members are fully aware that a challenge by Mr Tan against Datuk Dr Neo will cause an upheaval in the party such as it has rarely seen before.

They pointed out that the last big contest for the presidency, between incumbent Datuk Lee San Choon and Datuk Michael Chen in

1979, was due mainly to a personality clash between the two.

"Datuk Chen was ambitious and felt that if he did not take on Datuk Lee, he would never be able to gain the presidency as the CWC was dominated by supporters of Datuk Lee.

"So, he went for broke and after his defeat, defected to the Gerakan. This time, the background to a contest would be different," they said.

They said that while both Datuk Lee and Datuk Chen were longtime politicians, this time the contest would be between a politician and technocrat (Datuk Dr Neo) and a businessman relatively new to politics (Mr Tan).

"Datuk Lee and Datuk Chen were never allies and it was inevitable that one day they would clash.

"Datuk Dr Neo and Mr Tan, however, were both Datuk Lee's supporters but with differing philosophies on the role of the MCA in Malaysian politics.

"About the only similarity to the 1979 contest is that Mr Tan, just like Datuk Chen then, also feels insecure and is concerned that he may never have the chance to go to the top, with Datuk Dr Neo around," they said.

It is also ironic that although Datuk Dr Neo has been longer in politics than Mr Tan, he is regarded somewhat as a maverick in the MCA while Mr Tan appears to be a throwback to the MCA's old days when it earned the image of a "towkay's party."

Datuk Dr Neo has consistently voiced his view that the MCA should place politics above economic interests and that the party should actively cultivate the support of the English-educated Chinese, the guilds and associations and become a grassroots party.

He has been accused of moving the party "to the left" in that he deliberately played down the party's traditional links with the Chinese business community and worked to get rid of the "towkay" image it had earned because of these links.

Datuk Dr Neo himself is said to feel that this accusation is a compliment rather than a criticism because the MCA's main struggle is in the political field, and not the business or economic field.

His supporters point out that present-day politics call for technocrats and "professional politicians who confine themselves to politics."

They fear that a Koon Swan victory in June would set the party back several years and again cut it off from the grassroots and bring back the "towkay" image.

One of them said: "It is not that Datuk Dr Neo feels that the MCA should not get involved in business. But his idea is that the MCA should restrict itself to setting the lead and then let the professional businessmen take over and run the show.

"He believes that politicians should confine themselves to politics and not meddle with business or use politics for business."

Mr Tan, however, believes that the MCA should be equally active in both economic activities and politics if it is to do a proper job of looking after the interests of the Chinese community.

He strongly feels that the MCA cannot afford to cut off its links, and lose its influence, with the Malaysian Chinese business community.

One of his supporters said: "It is how you use such links that count. If you become a tool of the business community, then you are obviously not going to be a very successful politician and the party could well lose support among the grassroots.

"But if you use such links to strengthen the party and contribute to the benefit of the nation and community, then what is wrong?"

Mr Tan's biggest liability, however, is that he has been a businessman all along and is comparatively new to politics.

"He thinks like a businessman and is not too skilled in the ways of Malaysian politics, which sometimes seems like a minefield through which one has to tread very carefully.

"There is a danger that by continuing to operate as a businessman, which he has been doing even while being active in politics, he could — if he became MCA president — be susceptible to pressures that could never be applied on someone who is a fulltime politician," said one MCA leader.

CSO: 4200/617

PRESIDENCY BATTLE COULD BREAK UP MCA

Penang THE STAR in English 8 Feb 84 p 2

[Text]

KUALA LUMPUR, Tues. — A Tan Koon Swan challenge against Datuk Dr Neo Yee Pan for the MCA presidency in June could lead to a free-for-all that might very well leave the party in a shambles.

Supporters of both sides have already begun zeroing in on some of the perceived weaknesses of their respective opponents and victory, for whoever wins, could well turn out to be a Pyrrhic one.

Mr Tan's supporters are launching an attack on Datuk Dr Neo's nine-month leadership as acting president and pointing out that in that time, the party has lost two by-elections — Bandar Raub State seat and the Seremban parliamentary seat.

They have also conveniently included the loss of the Kepayang State seat in Perak although when the by-election was held in 1982, Datuk Lee San Choon was still party president.

Datuk Dr Neo is also being caricatured as a leader without grassroots support, as being ill-tempered and a politician who is only worried about his position and not that of the community.

While the attacks on Datuk Dr Neo appear also to imply a criticism of Datuk Lee's judgment in picking Datuk Dr Neo as his successor, Mr Tan's supporters are still hopeful that Datuk Lee will repudiate Datuk Dr Neo before the June 2 party election.

That appears a vain hope at present as Datuk Lee, before the MCA general assembly late last year, made it plain that he stood by his choice and urged the party to give him full support.

The anti-Yee Pan forces have also pointed out that Datuk Dr Neo is nowhere as dynamic as Mr Tan when on the stumps and claim that he does not have one of the key attributes of leadership — the ability to motivate people.

They also claim that his pushing for Datuk Mak Hon Kam as MCA acting deputy president "shows lack of judgment and he has split the party with his choice rather than uniting the party behind him."

Apart from these more printable accusations, there have also been innuendoes made about Datuk Dr Neo's personal life and his family.

Datuk Dr Neo's supporters have not taken these attacks lying down. There have been attacks against Mr Tan's personal life too.

His loyalty to the party has also been questioned as have been his business dealings. He is managing director of Multi-Purpose Holdings Berhad and he also has his own firm, Supreme Corporation.

And more ominous, Penang MCA chief Mr Lim Kean Siew's attack on Mr Tan on Friday appears to indicate that even the institutions started by the party for the benefit of the community will be dragged into the conflict.

Mr Lim claimed that Mr Tan's reported plans to retire from Multi-Purpose in March was because Mr Tan "wanted to run away from the troubles of Multi-Purpose."

He also questioned why Multi-Purpose had allegedly bought shares in Supreme and Malaysian Resources, a company associated with Mr Tan's allies.

Mr Tan slammed back that "professionals (Mr Lim is a lawyer) should check their facts before making statements" and that it was up to the shareholders of Multi-Purpose to judge whether the company was doing well or not.

And Multi-Purpose executive chairman Datuk Oon Seng Lee not only rebutted Mr Lim's allegations but also said that the company has decided to take legal action against him.

Datuk Dr Neo's supporters claim that they are labouring under a major handicap — the efforts made by their man in the Cabinet to ensure that the legitimate interests of the Malaysian Chinese are taken care of cannot be revealed publicly.

They say that this could leave him open to charges of not doing a proper job in the Cabinet "and it is something which is quite worrisome."

The dragging in of Multi-Purpose into the fray and the virulency of the attacks against one or the other leader indicate that a contest between Mr Tan and Datuk Dr Neo could turn out to be a no-holds barred contest.

Since the proposed redelineation of parliamentary and State constituencies, if passed by Parliament, would require new divisional elections to be held later in the year, the internal politicking could deal a devastating blow to the party.

And should an early general election be held (the Government's term expires only in April 1987 but given past trends, the next general election is likely to be in 1986), the MCA could find itself too weak to negotiate for new seats or even to hold on to what it won in 1982.

Even while the accusations and counter-accusations fly, the smear campaigns and the alleged "buying" of support goes on and the big guns prepare to open up, a more important activity that is going on could well decide the outcome of the contest.

This is the "headhunting" that is going on before the branch and divisional elections to be held in March and April respectively.

Under the MCA constitution, a branch is entitled to send one delegate to its divisional annual general meeting for every 10 of its members while a division is entitled to send one delegate to the party's general assembly for every 100 of its members.

Some enterprising divisional chairmen have apparently tried to boost the number of members in branches to ensure that those branches where they have support will send more delegates to the divisional AGM's, where elections will be held.

The Koon Swan forces claim they have identified at least one division where certain branch chairmen have artificially inflated the number of members.

They claim that although the names in the branch's membership lists are Chinese names, it was discovered that the actual holders of the identity cards whose numbers were listed turned out to be either Malays or Indians.

Supporters of Mr Tan claim this practice was being carried in several other divisions and that "we are prepared to spend a lot of money, whatever it takes, to get to the bottom of this racket."

Datuk Dr Neo's supporters dismissed such allegations and pointed out that if such a thing was occurring, all Mr Tan's supporters had to do was to report the matter to the election steering committee headed by the party secretary-general.

"The committee can suspend the branches involved and prevent them from taking part in the elections. The fact that no branch has been reported indicates that such claims are false," they said.

CSO: 4200/617

MCA CALLS FOR MORE RACIALLY BALANCED ELECTORATE

Kuala Lumpur NEW STRAITS TIMES in English 8 Feb 84 p 4

[Text] Kuala Lumpur, Tues--The Federal Territory MCA has urged the Election Commission to move the Bukit Jahil and Kampung Sungei Besi areas from the Sungei Besi to the Seputeh constituency when it reviews the proposed electoral seat re-demarcations.

Its honorary secretary, Mr Michael Yeoh, said this step was necessary to balance the developments in the two constituencies and to ensure a more racially-balanced electorate.

"Bukit Jahil and Kampung Sungei Besi will have fast development potential and their exclusion from Sungei Besi constituency will spur development in Seputeh.

"Otherwise, the development in Sungei Besi will be over-saturated since massive developments are taking place in Bandar Tun Abdul Razak and the numerous housing estates in Cheras," he said in a statement.

Chinese Voters

He also proposed that the Seputeh constituency should give up the Brickfields area to the Lembah Pantai constituency while taking over the Kampung Sentosa, Kampung Bahagia and Kampung Bohol wards from the latter.

This step would boost the percentage of Malay voters in Seputeh from 7.9 percent to 11.4 percent while reducing the percentage of Chinese voters from 83.4 to 79.8 percent.

This would give a more balanced proportion of voters in the Seputeh seat, he said.

To ensure that the proposed new Batu and Kepong constituencies would also have more "mixed" electorates, Mr Yeoh proposed that the Kolam Ayer district be shifted from Kepong to Batu.

"At the same time, Batu should give up the Pekan Batu, Changkat and Kampung Padang Balang areas to Kepong.

"This will raise the percentage of Malay voters in Kepong from 6.6 to 17.2 percent while reducing the percentage of Chinese voters."

CSO: 4200/616

MCA CONCERNED WITH PROPOSED ELECTORAL CHANGE

Kuala Lumpur NEW STRAITS TIMES in English 8 Feb 84 p 4

[Text]

KUALA LUMPUR, Tues. — The Federal Territory MCA is concerned that the proposed re-delineation of the parliamentary constituencies in the Federal Territory would give politicians a chance to play up racial issues in the next general elections.

Its honorary secretary, Mr Michael Yeoh, in a statement, said this was because the proposed new constituencies would have a greater concentration of voters belonging to one particular race compared with the old constituencies.

"A very obvious consequence of the proposed changes is that they will increase racial polarisation in the Federal Territory."

Citing examples, Mr Yeoh said the proposed re-demarcation would create three new Chinese-majority seats with a greater percentage of Chinese voters than in the old constituencies.

These three new constituencies were Seputeh having 83 per cent Chinese voters and seven per cent Malay voters, Kepong (84 per cent and six per cent respectively) and Bukit Bintang (83 per cent and eight per cent respectively).

In contrast the proportion of Chinese to Malay voters in the old constituencies of Sungei Besi, Kepong and Kuala Lumpur Bandar were 74 to 20 per cent, 73 to 14 per cent and 79 to 11 per cent respectively.

"At the same time, the proposed changes will increase the number of Malay majority seats from one to two. They are Titiwangsa (64 per cent Malay majority) and Lembah Pantai (56 per cent).

"Only the two proposed new seats of Batu and Sungei Besi would have more acceptable racial mixes.

Sentiments

"The Batu seat would have 43 per cent Malay and 40 per cent Chinese voters while in Sungei Besi it would be 28 per cent and 58 per cent respectively," Mr Yeoh said.

In the nationwide electoral seat re-demarcations announced by the Election Commission on Jan. 3, the number of parliamentary seats in the Federal Territory had been increased from five (they were Sungei Besi, Kepong, Kuala Lumpur Bandar, Damansara and Setapak) to seven.

Two of them, Seputeh and Batu, were newly created while three of the old ones (Kuala Lumpur Bandar, Damansara and Setapak) were renamed and had their boundaries redrawn.

Two of the old seats, Kepong and Sungei Besi, retained their names under the proposed re-delineations but were given new borders.

The seven proposed new seats are Seputeh, Bukit Bintang, Kepong, Sungei Besi, Titiwangsa, Lembah Pantai and Batu.

The Election Commission had invited the public to study the re-demarcations and submit their opinions and objections.

Mr Yeoh said from the analysis the proposed re-delineation would not contribute to national unity as they went contrary to efforts to create a more plural society.

"A candidate in the general elections will under these circumstances tend to exploit racial issues so as to ensure the support of the majority race.

"This is unhealthy as racial sentiments and prejudices will be whipped up, contributing to disharmony and disunity."

He urged the Election Commission to take steps to ensure more racially balanced constituencies in the delineation exercise.

CSO: 4200/616

ANWAR SEES INTERNAL THREAT TO UMNO

Kuala Lumpur NEW STRAITS TIMES in English 5 Feb 84 p 5

[Text]

KOTA BARU, Sat. — Umno Youth has been told that the party is facing a threat caused by "conflict and competition" from within.

"Our party is quite threatened by conflict and competition," Umno Youth head Encik Anwar Ibrahim said during a dialogue session on the national culture with Umno Youth executive council members at Kem Kijang yesterday.

He regarded it as "an unhealthy trend" within the party which must be stopped.

"The leaders in Umno Youth must check the source of poison pen letters, allegations and other developments within the movement to prevent it from spreading," he said.

Encik Anwar, who is also Culture, Youth and Sports Minister, said party leaders should not be easily influenced by poison pen letters and false allegations.

There should be a guideline to ensure that such developments within the party could be stopped.

On culture, he said the spiritual factor was important in developing national culture.

He said Malaysians needed "cultural power," besides economic and political power.

"We want the Muslims to be rich, but they must also be spiritually stable."

Encik Anwar added that the development of a Malaysian culture was not only "an issue" for his Ministry but also for the other Ministries, such as the Trade and Industry Ministry and the Education Ministry which should contribute towards its development.

CSO: 4200/616

NATIONAL CULTURE POLICY NOT SUBJECT TO CRITICISM: ANWAR

Penang THE STAR in English 12 Feb 84 p 2

[Article by Phlip Rodrigues]

[Text]

KUALA LUMPUR, Sat. — The Government is willing to hold talks with anyone on the National Culture Policy but will not entertain any criticism, Culture, Youth and Sports Minister Encik Anwar Ibrahim said today.

"Such criticisms will be rejected," he told reporters after meeting the Indonesian Education and Culture Minister, Prof. Dr Nugroho Notosusanto at his office today.

However, Encik Anwar said the Government was willing to talk about the implementation of the National Culture Policy with anybody.

He said that the door on public discussion of the policy was not shut but stressed that before such talks could begin "the principle of the policy must be accepted first."

"We are willing to listen to comments about the implementation of the policy and the preservation of our culture. All these can be discussed," he added.

Encik Anwar's recent remark that the National Culture Policy was closed to comments caused a stir.

MCA Youth leader Datuk Lee Kim Sai expressed concern over Encik Anwar's hardline stand. He said he could not understand what the Minister meant by the remarks.

Datuk Lee, who is the Deputy Minister in the Prime Minister's Department, also said he would seek an early meeting with Encik Anwar to discuss the proposed policy.

The Gerakan called for a dialogue among Youth leaders of all Barisan Nasional component parties on the issue.

The United Chinese School Committees Association criticised Encik Anwar for making the statement which it said violated the principles of democracy.

However, Encik Anwar said today that he did not think a meeting with the MCA or a dialogue among Youth leaders was necessary.

He said: "This does not mean I do not want to meet them. I have always been meeting with the MCA representatives or other BN members to discuss various issues including the culture policy.

"They can meet me but we don't have to discuss only the culture issue."

Encik Anwar also said that national poverty was an issue which people should pay more attention to.

"Why talk only about our culture policy? To me, national poverty is also an important issue," he said.

He also criticised people who "politicised" the culture issue saying this would only cause a lot of misunderstanding.

Meanwhile, the Gerakan urged Encik Anwar to adopt a more liberal attitude towards the National Culture Policy.

Its Wanita publicity bureau said his statement that the Government would not entertain any more criticisms on this matter was uncalled for.

"The Government should encourage more discussion as the issue affects the way of life of all citizens," it said.

CSO: 4200/617

NO DEBATE ON COMMUNAL CULTURE ISSUE: ANWAR

Kuching THE BORNEO POST in English 17 Feb 84 p 1

[Text] Kuala Lumpur, Thurs.--Culture, Youth and Sports Minister Anwar Ibrahim today hit out at those who still raised issues in connection with the development of communal cultures in the country.

He regretted that such questions were still raised even though communal cultures were allowed to develop together with the National Culture whose evolution was encouraged and upheld.

In a statement, the minister stressed that debate on the question of the National Culture Policy should not be extended.

The statement was issued in response to a statement by the chairman of the United Chinese School Associations of Management, Encik Lim Fong Seng, yesterday on the National Culture Policy.

Encik Anwar said he regretted the statement "which seemed to distort my stand on the policy by making it appear that I and the ministry have not shown respect for the cultural aspirations of other communities."

The Minister said Encik Lim should not so narrow in his thinking as to fail to understand national policies and aspirations including the National Culture question.

The National Culture, he said, "advocates indigenous culture as its central philosophy with inclusive of cultural elements of other groups."

Encik Anwar said a number of Chinese organisation leaders were still trying to distort his statement to make it appear he was practising an autocratic policy.

He repeated it was a big mistake to think that such outcries and utterances would shake "our confidence in the National Culture Policy which has been accepted and needs to be implemented with commitment and without any compromise.

He was confident that the younger generation in particular would not be trapped by the narrow communal thinking of those who would create an illusionary threat to cause tension for ulterior political motives.--Bernama

CSO: 4200/617

GREATER ROLE FORESEEN FOR MILITARY ARMOR

Kuala Lumpur NEW STRAITS TIMES in English 6 Feb 84 p 5

[Text]

KUALA LUMPUR, Sun. — Rapid clearing and development of jungles into agricultural land, estimated to reach a peak of 120,000 hectares per year in the future, will offer better scope for deployment of armoured fighting vehicles (AFV) in Malaysia.

It is envisaged that in 10 years' time, the army must be able to have a strong and credible force of AFVs, including tanks, to take advantage of this suitable terrain.

Armoured columns in conventional warfare in Malaysia have good operational advantages and their mobility allows flexible manoeuvres through highways, roads, jungle paths and valleys.

These observations by a writer in the latest issue of the army journal *Sorotan Darat* lists the points of usage of tanks and other armoured fighting vehicles against the backdrop of opposition to their deployment in the Malaysian army.

The army has over the last five years purchased several types of armoured personnel carriers, armoured fire support vehicles and light tanks to build up its firepower.

"In conventional warfare," the writer argues, "the armed forces' armoured fighting vehicles would be the best answer to a sudden and surprise attack."

"Concentrated firepower from the armoured fighting vehicles can be used to break through the weakest point of the enemy's advance and to provide combat troops with protection from artillery and infantry fire."

The writer argues that the Japanese campaign to occupy Malaya was made possible by the deployment of Type 95 and 97 tanks despite the prevailing view that tanks and armoured fighting vehicles were not feasible in tropical countries.

Armoured fighting vehicles were also used with success by the British in Burma, and by the Australians in New Guinea and the Americans in the Pacific islands from 1940 to 1945.

Critics have also argued that anti-armoured fighting vehicles' weapons cost much less than armoured fighting vehicles.

But the writer notes that the British then had anti-armour weapons but failed miserably against the onslaught of Japanese tanks.

While 50 per cent of the land mass in Peninsular Malaysia and 80 per cent in Sabah and Sarawak are made up of jungle, the clearing of land up to 120,000 hectares per year in the future would reduce these statistics considerably giving more open land for armoured fighting vehicles manoeuvres.

There are some setbacks to the usage of these vehicles but with modern engineering technology and equipment, it may be overcome, the journal says.

The journal adds that the rationale of having armoured columns was to offer the "greatest amount of resistance by a small number of troops."

"At the same time it reduces fatalities and encourages courage and bravery among the troops."

"Today, the armoured fighting vehicles are an integral part of the combat units of the army with capabilities to harass, disorganise and demoralise enemy forces," says *Sorotan Darat*.

CSO: 4200/616

BUMIPUTERAS PARTICIPATION IN NEP SHORT OF GOAL

Kuala Lumpur NEW STRAITS TIMES in English 9 Feb 84 p 1

[Article by Adlin M. Zabri]

[Text]

WITH only six years left till the 1990 deadline of the New Economic Policy (NEP), an alarming total of 207 private companies in the manufacturing sector with total paid-up capital of about $400 million, have yet to comply with the policy's requirement regarding equity participation by Bumiputeras.

Of the 207 companies already identified by the Ministry of Trade and Industry, more than half, 120, have no Bumiputera equity interest at all while 81 are fully controlled by non-Bumiputeras and another 11 by foreign interests.

The ministry, when monitoring Bumiputera participation in industry, undertook a national survey covering 12 sectors. These included electronic and electric products, tobacco and tobacco products, palm kernel oil and vegetable oil and food manufacturers.

Preliminary results of the survey, made available to *Business Times* yesterday, revealed that of the 27 manufacturers with total paid-up capital of $83.15 million in the electronic and electric sector, Bumiputera participation was meagre — four per cent of the equity or $3.36 million. The figure fell short of the 28.5 per cent of the shareholding allocated to Bumiputeras in these companies at the time of licensing.

Although Bumiputera equity in the sector ranges from 1.5 per cent to 30 per cent, the mean was only 4.8 per cent.

Among the notable companies are Siong Industries (M) Sdn Bhd, Japanese-owned KOA Denko (M) Sdn Bhd, NEC Malaysia Sdn Bhd, Sharp-Roxy Corporation (M) Sdn Bhd, Carrier International Sdn Bhd and Matsushita Electronics Components (M) Sdn Bhd.

Business Times understands that Matsushita is currently having discussions with Komplek Kewangan Industries Sdn Bhd on the possibility of the latter acquiring the equity set aside for Bumiputera in this company.

It is also understood that Siong Industries has submitted a proposal to the ministry to transfer 40 per cent of the equity. Presently, the company has, at 30 per cent, the largest Bumiputera equity participation, in the sector.

In the tobacco and tobacco products sector, the American cigarette company, R.J. Reynolds, has yet to comply with its equity requirement. The company has the largest paid-up capital, at $21.5 million, among the 207 companies identified.

The palm kernel oil sector, which has been in the limelight in recent times thanks to the cooking oil crisis, is controlled almost entirely by non-Bumiputera companies and their foreign partners.

Presently, Bumiputera entrepreneurs have about 3.4 per cent share in the $50.78 million of paid-up capital compared with the 31 per cent meant to be allocated to them.

Guan Soon Heng Edible Oil Sdn Bhd, which has enjoyed a number of investment tax credits from the government, is notable among those which have not complied with the equity requirement. The company's paid-up capital of $16 million is one of the highest among the 207 companies.

Despite the government's effort to increase Bumiputera participation in the manufactured food industry, the community's share of the existing paid-up capital accounts for only 2.9 per cent, a long way short of the 26.6 per cent envisaged.

The sector manufactures products ranging from snack foods and chewing gum to cocoa products and canned pineapples.

Deputy Trade and Industry Minister Haji Muhyiddin Haji Mohd Yassin told *Business Times* recently the government was concerned at the slow rate at which Bumiputera entrepreneurs were registering themselves with the ministry's Bumiputera Participation Division.

He said the idea of the registration was to give the ministry a general view of the strength of Bumiputera entrepreneurs keen to participate in the restructuring exercise. This would help privately-owned companies to find suitable and capable partners, he added.

He expressed satisfaction that a number of companies had come forward to submit their reasons for not complying with the ICA.

Haji Muhyiddin said the ministry, however, would not wait for Bumiputeras to come forward; it would go ahead with implementation neverthless.

CSO: 4200/616

SHORTFALLS IN NEP TO BE RECTIFIED

Kuala Lumpur NEW STRAITS TIMES in English 11 Feb 84 p 5

[Article by Khairuddin Hassan]

[Text]

KUALA LUMPUR, Fri.— The Government has identified the shortfalls in the New Economic Policy and will implement new strategies to rectify them.

The decision was made after a lengthy study of the draft of the mid-term review of the Fourth Malaysia Plan.

The draft was the main subject of discussion at the meeting of Mentris Besar and Chief Ministers chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad this morning.

The meeting, which was held at the Implementation and Co-ordination Unit (ICU) of the Prime Minister's Department, was also attended by Deputy Prime Minister Datuk Musa Hitam, several Cabinet Ministers and key Government officials.

Sources said the 88-page draft, comprising 17 chapters, had been distributed to Ministers, Mentris Besar and Chief Ministers for their perusal and comments in December.

The meeting identified several "weak areas" in the implementation of the Fourth Malaysia Plan which needed to be rectified.

The draft will be tabled in Parliament next month.

It was originally scheduled to have been unveiled at the October sitting of the House.

Projects

The sources declined to disclose the strategies to be taken, but one said they incorporated the manpower position, employment, population, as well as urban and rural development.

He said other strategies would seek to improve poverty redressal programmes and Bumiputera participation in the NEP which had failed to achieve the desired targets.

Under these strategies, the public and private sectors will have greater roles to play, particularly in finance and implementation.

This will become inevitable when the Government makes substantial cutbacks in development and operating expenditure.

Only greater participation by the public and private sectors could save large-and medium-scale economic projects from being postponed or abandoned.

It was learnt that the meeting also agreed to shelve several projects which did not directly benefit the people, especially the poor, to ease the Government's economic burden in the wake of the global recession.

One source said the projects to be shelved would mainly be:

- Those not yet approved for implementation;
- Those approved, but not yet implemented; and,
- Those which have just started.

It was also learnt that projects which were being implemented would have to be re-oriented.

For example, spin-off industries from the heavy industries will be distributed to the rural areas to help eradicate poverty.

The meeting also discussed the fishery policy, especially with regard to fishing areas off Peninsular Malaysia.

Concern was expressed over encroachment by foreign fishermen into Malaysian waters and the adverse effect it on the livelihood of local fishermen.

CSO: 4200/616

MALAYSIA, MALDIVES SIGN ECONOMIC PACT

Kuching THE BORNEO POST in English 21 Feb 84 p 13

[Text] Kuala Lumpur, Mon--The Maldives and Malaysia today signed an agreement on economic and technical cooperation.

The agreement, which fulfilled a pact reached by Prime Minister Datuk Seri Dr Mahathir Mohamed during his visit to the Maldives in April last year, was signed by Foreign Minister Tan Sri Ghazali Shafie and his Maldivian counterpart, Encik Fathulla Jameel.

Under the agreement, Malaysia is expected to provide the Maldives with economic and technical cooperation under Malaysia's technical cooperation programme for developing countries.

Speaking to newsmen after the signing of the agreement, Encik Fathulla said trade and industrial cooperation were the priorities of his country under the agreement.

In this context, the Maldives would welcome any specific proposals from both the private and government sectors of Malaysia, he said.

He said he had met representatives from the private sector this morning and "I think there is a lot of potential for trade and industrial cooperation between the two countries."

He disclosed that a delegation from the Malaysia Overseas Investment Corporation (MOIC) has just returned from the Maldives and he was confident of getting some concrete proposals from them.

The volume of trade between Malaysia and the Maldives was small at present but he felt that the percentage of the Maldives's imports from Malaysia could increase.

He said a substantial volume of trade between the two countries was passing through Singapore and "my complaint is that the volume of trade between the two countries should increase substantially despite the fact that the Maldives had a population of only 160,000.

Encik Fathulla mentioned fisheries and shipbuilding as areas which his country would specifically look into at present. In the case of fisheries, he expected training in engineering.

Referring to the agreement, he said it would provide the framework to build-up on the existing ones and contribute to the concept of south-south cooperation espoused by the two countries.

"We may be innovative and contribute to the strengthening of the concept. This is how we should also strengthen ourselves," he added.

On the political level, he said his discussions with Tan Sri Ghazali touched in general on international and regional affairs.

He stressed that the two countries which were members of the organization of Islamic Conference had identical views on most issues apart from having similar approach to a resolution of these problems.

Encik Fathulla, who is accompanied by the under-secretary of the Ministry for External Affairs, Encik Ibrahim Hussein Zaki, arrived here yesterday for a four-day visit.

He will call on the Prime Minister Datuk Seri Dr Mahathir Mohamad tomorrow, visit some private companies and make a day visit to Pulau Pinang before going home.

Meanwhile, a Wisma Putra official said the one area interested by the private sector at present was the fishing and canning industry in the Maldives.

The Maldives, with an annual harvest of 50,000 tonnes of Tuna, is looking for partners for its canning industry.

Fishing also accounts for 40 percent of the Maldives' foreign exchange earnings and provides jobs for 69,000 of its people.--Bernama

CSO: 4200/617

BRIEFS

RAIS TO CONTEST VICE-PRESIDENCY--Ipoh, Tues--Land and Regional Development Minister Datuk Rais Yatim will contest the post of Umno vice-president at the Umno general assembly in May. Sources said he made the announcement at a dialogue here with the Sungai Siput, Kinta, Ipoh, Menglembu and Batu Gajah Umno divisions last night. Those present at the dialogue were divisional heads and representatives from Uno Youth and Wanita. Datuk Rais unsuccessfully contested one of the three vice-president posts at the last party elections. However, he was elected to the Supreme Council with the second highest number of votes after Terengganu Menteri Besar Datuk Haji Wan Mokhtar bin Wan Ahmad. State Executive Councillor Haji Khalid Nasir also announced his intention to retain his post as the permanent chairman of Umno Youth. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 8 Feb 84 p 5]

RAZALEIGH NOMINATED FOR UMNO VICE-PRESIDENCY--Tanah Merah, Thurs--The Bukit Bunga Umno branch has nominated Tengku Razaleigh Hamzah for the post of Deputy President. The nomination was made at the branch's general meeting yesterday, Tanah Merah Umno division executive secretary Encik Abdul Manaf Deraman said today.--Bernama [Text] [Kuala Lumpur NEW STRAITS TIMES in English 10 Feb 84 p 6]

VIOLENT TREND IN UMNO--Kuala Lumpur, Friday--Datuk Musa Hitam expressed concern today at what he described as a "trend of violence" emerging in UMNO. The Deputy Prime Minister and Deputy UMNO President said that he would draw the attention of the party's Supreme Council to this trend and ask for guidance on how to handle it. "Although only one or two incidents of violence had occurred, I view the matter seriously because such a thing was unheard of (in UMNO) before this," he told reporters after chairing the party's disciplinary committee meeting here. He said he would also report to the council, convening on Feb 25, on branch meetings held this month. In this connection, Datuk Musa urged branch and division heads to adhere to the UMNO constitution and regulations when organising and holding meetings. "The UMNO constitution is very clear on administration, general meetings and on all matters relating to the election process and meeting procedures," he said. Referring to today's meeting, he said it had taken a decision on reported incidents involving members of the Setapak and Petaling divisions. It also made a decision on reported disturbances at the Tanjung Karang UMNO branch meeting and the Pelabuhran Kelang UMNO Youth meeting. The decisions would be forwarded to the Supreme Council, he said.--Bernama [Text] [Kuching SARAWAK TRIBUNE in English 18 Feb 84 p 1]

CSO: 4200/616

PAPER LAUDS CORY AQUINO DECISION TO PARTICIPATE IN POLLS

Davao City PEOPLE'S DAILY FORUM in English 6 Mar 84 p 2

[Editorial: "A Right Decision"]

[Text] Now that some sectors of the opposition have joined UNIDO in its decision to participate actively in the coming elections on the general theme, "Ballots, Not Bullets," the entire country can rejoice on the fact that here for the first time, was a step that is rightly aimed towards reconciliation. Coupled with the fact that no less than the widow of the slain Sen Benigno Aquino, Jr has come out openly on her decision to set aside the boycott movement which was the battlecry of the opposition earlier, there is reason to believe that reconciliation and eventual political peace may finally dawn on the nation.

Of course it is still too early to predict that the participate-in-the-May-elections movement will definitely free the country from dirty elections or enable all candidates of the opposition to win over their rivals in the ruling party. But the fact remains that the collective decision of the UNIDO and some segments of the opposition has erased some degree of doubt that the Philippines was being led in the past towards political and socio-economic degredation. There is nothing more refreshing these days than to see the administration and the opposition trying to have one common goal: peace and harmony through the medium of the ballot.

The "ballot, not bullet" battlecry of the UNIDO should be the battlecry of all parties, including that of the much-discredited government of Mr Marcos. It is to the credit of UNIDO that the first singular reconciliatory act has been made. This should be the cause for rejoicing not only for those who are actively engaged in politics, but also for those who want to see this country saved from all forms of anarchy or the "assembly by the streets."

Let the new battlecry of the opposition spur all future moves to seek peaceful solutions to the country's problems. There is no substitute to reform through reconciliation. The leaders of the opposition who have seen through this dictum, including Mrs Cory Aquino, deserve the congratulations of the rest of the country that has almost been wrecked by highly partisan politics.

CSO: 4200/611

MANILA DAILY VIEWS INCREASING ANTIMILITARY TESTIMONY ON AGRAVA BOARD

Manila PHILIPPINES DAILY EXPRESS in English 15 Mar 84 p 4

[Commentary by Noel C. Cabrera in the "As We See It" colunn: "Where Are These Witnesses?"]

[Text] Agrava board hearings the past two months or so have slowly given shape to a theory that rejects the allegation that it was Rolando Galman who shot ex-Sen Benigno S. Aquino Jr. Initial testimonies before the board sought to prove this allegation.

Testimonies in recent weeks have tended to cast doubt on the veracity of earlier eyewitness reports that Galman was indeed the gunman. What's more, they have tended to point to military elements as the killers of both Aquino and Galman.

Before these latest testimonies, the possible involvement of the military was readily dismissed as baseless and even subversive rumor-mongering.

What strengthens, at least in the public mind, the suspicion that military elements had something to do with the assassination is the disappearance of vital witnesses who could shed light on Galman's dealings with military men, specially prior to the incident.

At least three persons are said to be missing--Galman's common-law wife, his alleged girlfriend with whom he supposedly spent the night with on the eve of the assassination, and the sister of this alleged girlfriend. All three were allegedly picked up by burly armed men with walkie-talkies and CB radios.

Clearly, the military stands to lose the most if the three missing witnesses do not turn up soon. Already, public sympathy has gone to Galman's family and the mother of the two sisters. Worse, the military's guilt is getting to be an accepted fact in the minds of many.

The search for the three cannot be permitted to go the way of other cases that were allowed to drag on until public interest in them died down.

CSO: 4200/611

FURTHER ON ALLEGED NPA MAN'S AGRAVA BOARD TESTIMONY

Manila ANG PAHAYAGANG MALAYA in English 3-5 Feb 84 p 3

[Text] A self-confessed member of the New People's Army (NPA) yesterday belied the testimony of government witness Rosendo Cawigan and called him "a liar".

In his testimony before the Agrava fact-finding board, David Peralta, who claims to be the secretary to the chairman of the kagawaran ng katarungan (bureau of justice) of the NPA, said Cawigan can never be a member of the NPA because he does not appear in the "Order of battle" where the members of the organization are listed.

The NPA is the military arm of the outlawed Communist Party of the Philippines.

Before his testimony, Peralta submitted an authorization letter from a "Kumander Sumilang." Peralta said Sumilang is the chairman of the bureau of justice of the NPA.

Asked by Rodolfo Jimenez, Avsecom counsel, if his credentials are authentic, Peralta replied, "when Cawigan said he is an NPA commander why did you not require him to present credentials?"

Peralta also denied the claim of Cawigan that former Sen. Benigno S. Aquino, Jr. was an NPA commander.

He said his organization does not pay attention to Cawigan "because nobody believes him". He added that he testified only to clear the "damaged reputation of the NPAs".

Referring to the testimony of Cawigan, Peralta said their organization does not require a member to kill first a person before being a commander. He also disclosed that a member doesn't promote himself to a rank of commander. "It is your platoon members, usually composed of 12 persons, who will recommend you for promotion," Peralta said.

Peralta testified in a blue-colored jacket, rubber shoes and denims. He told the board that he entered the organization on Sept. 21, 1972. He, however, refused to give the list of commanders of the NPA saying that "it is most sacred."

When questioned by Jimenez if he can tell the board the strength of the NPA, Peralta said, "I can answer your question, perhaps, if you are no longer a lawyer of the military."

Peralta said their system of government is Marxist and not Maoist.

CSO: 4200/558

JOURNALIST ANALYZES FIRST COUPLE'S 'GLEAM' AT KBL MEETING

Manila PHILIPPINES DAILY EXPRESS in English 16 Mar 84 p 4

[News Analysis by Miguel Genovea in the "As We See It" column: "First Couple's Obsession"]

[Text] One thing that stood out at the meeting of the KBL central committee last Tuesday was the gleam in the eyes of both President Marcos and the First Lady Imelda R. Marcos. It was apparent that the First Couple was not only at ease but also reliving the excitement of past political contests.

President Marcos, displaying the old fire, did not hesitate to assert his leadership. He decided party disputes on the spot. His firmness deterred those who tried to raise their hands in protest. It was futile to argue with a veteran political leader determined to impose party discipline.

The First Lady was more gentle. But even with such a demure posture, one could easily detect the sternness of a party leader in her. Without showing any inclination to favor any particular aspirant, she spoke of surveys to find out individual strength and popularity. The impression created was that the voters themselves must decide the KBL ticket and that she was intent on ferreting this out through the surveys.

It was evident that both the President and the First Lady were not running in any popularity contest among their fellow KBL partymates. All that they were obsessed with is to make the KBL candidates in May win. That, they hope, will be a vindication not only of themselves but of the government that they represent as well.

The meticulous and selective policy in picking the KBL bets for the May 14 Batasan elections shows that the leaders are sensitive to the need of changing provincial administrations irresponsive to the welfare of the people.

There have been many glaring cases of incompetent or uncaring provincial officials who are virtual relics of the weakness and waywardness of the old politics.

Take the case of Abra where the NPAs are reportedly curious about the composition of the KBL slate. It seems that if the ticket includes the same undesirable old guards, then the rebels are sure to campaign against the lineup. Otherwise, they may have an open mind on the government's policy of attraction to win them back to the side of the law.

Atty Elpidio Valera, a member of the Board of Review for Motion Pictures and Television, in line with this policy, has reportedly been sent by the President to persuade Fr Conrado Balweg, the rebel priest, to return to the folds of the law.

The wanted priest and other dissidents are reportedly awaiting the results of the election. A change of administration in Abra resulting from the defeat of candidates whom the rebels abhor may make Valera's mission fruitful.

In the meantime, Valera, who is determined to bring down the rebels from the hills, said that he is pursuing candidacy in May whether he is an official KBL candidate or not.

CSO: 4200/612

TWO MNLF FACTIONS CLASH IN COTABATO, 11 DEAD

Manila BULLETIN TODAY in English 11 Mar 84 pp 1, 8

[Article by Roy C. Sinfuego]

[Text] Cotabato City--Eleven persons believed to be members of the Moro National Liberation Front (MNLF) were killed when two feuding MNLF commanders and their men clashed in barangay Paidu, Polangui, Pikit, North Cotabato, last Wednesday.

Military sources said the feuding MNLF groups are remnants of the Misuari faction under the command of "kumander Bitol." They said the clash was apparently triggered by the killing of one "Kumander Mangansakan" and the possible leadership rivalry over the MNLF's areas of operation.

The reports which failed to identify the fatalities said at least 10 houses were burned by the rebel groups and some 300 families have evacuated.

Simeon A. Datumanong, chairman of Lupong Tagapagpaganap ng Purok (LTP) of the regional autonomous government asked for immediate military assistance from Brig Gen Cesar A. Tapia, AFP Regional Unified Command XII commander.

Tapia said he had ordered Col Aproniano Elardo, RUC XII deputy commander, to send troops to the area to assist the evacuees.

CSO: 4200/611

CIVIL LIBERTIES UNION STATEMENT AGAINST AMENDMENT NO 3

Manila ANG PAHAYAGANG MALAYA in English 3-5 Feb 84 pp 1, 6

[Statement issued by the Civil Liberties Union on the implications of Amendment No. 3 allowing land grants, signed by Renato Constantino, Rogaciano Mercado and Sedfrey Ordonez.]

[Text] Amendment No. 3 is one more step in the denationalization of the Constitution.

If we view it within the context of the 1973 Constitution, the government's foreign investment-oriented development program, and recent demands of foreign business, the amendment emerges as yet another accommodation to the requirements of foreign corporations.

Through the instrumentality of the service contract provided for in the 1973 Constitution, even 100 percent foreign-owned corporations have been able to circumvent the nationality requirements for the exploitation and development of our natural resources. The amendment in question would accelerate, to an unprecedented degree, the privatization of lands of the public domain so that consequently, as private lands, they would be open to growers-contract arrangements with TNC agribusiness ventures. Accelerated conversion of disposable public lands would speedily expand the tillable lands that would be open to service contracts with foreign capital. Indeed, the grants could even be orchestrated to conform to the particular land requirements of agribusiness.

The amendment is in line with demands voiced by American businessmen at the Asia-Pacific Council of American Chambers of Commerce meeting in March, 1983 in Bangkok. During that meeting, American business leaders strongly urged host governments to relax land ownership rules and called on their own government "to include land ownership reciprocal rights as part of bilateral treaty negotiations."

These developments should be seen against the backdrop of the World Bank-funded program for the restructuring of Philippine agriculture so that it can be geared to the agribusiness investments of transnational corporations.

This new Constitutional Amendment is an added measure to a still broadening range of concessions for the benefit of foreign capital, resulting in the further derogation of our sovereignty over the national patrimony.

CSO: 4200/558

1983 REBEL SURRENDERS, GOVERNMENT CAMPAIGN SUMMARIZED

Manila BULLETIN TODAY in English 10 Mar 84 p 28

[Article by Tony Pe Rimando]

[Text]

COTABATO CITY — A total of 1,649 rebels returned to the fold of the law last year in the autonomous region of central Mindanao. They also yielded 338 assorted firearms and numerous rounds of ammunition.

Regional Unified Command (RUC) 12 Chief Brig. Gen. Cesar F. Tapia said 1,202 of the rebel-returnees and sympathizers belonged to the Communist Party's New People's Army while 447, including 29 commanders, were from the Moro National Liberation Front (MNLF).

Gen. Tapia, in his year-end report to Gen. Fabian Ver, chief of staff, through Region 12 Lupong Tagapagpaganap ng Pook Chairman Simeon A. Datumanong, said the surrender of the dissidents has gone a long way in the restoration of peace and order in the southern Philippines.

He cited the strong support and cooperation of local government officials, like governors and municipal mayors, in the success of the military's implementation of the government's policy of attraction and reconciliation.

During the same period, Gen. Tapia reported that the RUC's civil relations operations conducted 35 civic action programs and provided 15,522 persons with free medical and dental treatment and distributed 85 boxes of assorted medicines and 500 sacks of rice in cooperation with other government agencies. (Tony Pe Rimando)

CSO: 4200/611

CEBU PAPER ON ATTEMPT TO BUY LOCAL OPPOSITION

Cebu City VISAYAN HERALD in English 7 Feb 84 pp 1, 4

[Article by Ernie Arcenas]

[Text] The vaunted opposition unity forged in recent weeks splintered with a "big bang" last night when opposition leader Migs Enriquez exposed the insidious attempt by a close relative of the ruling family and local opposition allies in presenting a pseudo-opposition slate in the city and province of Cebu.

Lawyer Migs Enriquez, who was interviewed by a panel of radio personalities over station DYRB, revealed that he was offered the amount of P.5 million with the rest of the opposition candidates if this would allow former Sen. Sonny Osmena and Marcelo Fer to run in the City of Cebu. The bargain, Enriquez said, is that he and other opposition hopefuls should run in the province of Cebu.

According to Enriquez the offer was later raised to P3 million. The fearless radio commentator said the offer allegedly came through Lito Osmena, nephew of former Sen Serging Osmena and brother of Sonny Osmena. What is obnoxious, Enriquez said is that the amount allegedly came from a close relative of the First Couple.

Enriquez said he refused to succumb to the juicy offer claiming that it is against his principle and the offer to buy him out is revolting. Osmena allegedly told him to receive the offer.

"A candidate in order to win should be prepared to eat even "human waste" (shit) if by doing so would mean political victory" Osmena allegedly told him.

Enriquez said the offer was finally accepted by Congressman Antonio Cuenco PDP Laban leader and opposition hopeful, against the objection of the Cuenco elders.

Enriquez told his radio listeners that henceforth, he is severing his ties with the opposition group of Cuenco, Osmena and Fernan. He said he cannot stomach the deception being hatched by the group to fool the Cebuanos by the arrangement which makes a proposed opposition slate a mix of the ruling clique.

The well-known radio commentator and newspaper columnist recalled that the [word indistinct] is supposedly to fund the election campaign of the group in the coming Batasan polls in May.

He then recounted the individual political history of Osmena, Fernan and Cuenco. Enriquez said Sonny Osmena prior to his departure to and when already in the US after Pres. Marcos declared Martial Law made speeches praising Marcos and martial law. Lito Osmena and Tony Cuenco were KBL candidates during the last election for members of the interim Batasang Pambansa where they lost to the Pusyon Bisaya bets. Fernan was likewise silent during all these years and was in the good graces of the First Couple until Ninoy Aquino's assassination.

Enriquez said these men who are now in complete control of the opposition in Cebu are of dubious political backgrounds and they do not deserve the trust and confidence of the people. The people need true opposition men to fight Marcos, Enriquez stressed.

CSO: 4200/558

BUSINESS SAID TO OPPOSE BIR ACCESS TO BANK ACCOUNTS

Manila ANG PAHAYAGANG MALAYA in English 3-5 Feb 84 pp 1, 2

[Article by Mar Kalaw]

[Text] A proposed presidential decree pending Malacanang approval, is causing much anxiety in the business sector, as it allows the opening of any bank deposit to any authorized investigator of the Bureau of Internal Revenue (BIR).

Businessmen and other professionals who have heard of the proposal are planning to formalize their opposition to the decree, which seeks to amend the bank secrecy law, or Republic Act 1405, by allowing the BIR inquiry into bank deposits of alleged tax evaders.

While some quarters have expressed fears that the decree poses an undue "intrusion into privacy," other observers expressed hope that it would help flush out government officials with hidden wealth.

Proposed by the BIR, the decree has reportedly been justified "as an effort to remove legal impediments which affect investigation activities of the bureau."

Some businessmen, however, said this new power of the BIR could be abused to such an extent that the bureau would be "selective" in deciding which bank accounts to inquire into--that is, only the deposits of those identified with opposition groups would be opened.

The controversial portion of the PD empowers "the commissioner of internal revenue, or his duly authorized representative, upon approval of the minister of finance, to inquire into the bank deposits in cases of income tax evasion."

One upset businessman said: "I am a faithful taxpayer, even though I am not satisfied with the way this government works. But I wouldn't want a BIR man looking into my bank deposits, when that bureau still has to make good its threat to go after Filipinos (most of them are government officials) with hidden wealth abroad."

Another raised the possibility that the decree might be used as a form of reprisal for the planned tax boycott of some opposition groups.

R.A. 1405 prohibits the examination of bank accounts by any person, government official, bureau or office except: 1) in cases of impeachment; 2) upon written permission of the depositors; 3) upon order of a court in cases of dereliction of duty of public officials, bribery, and if the money deposited is the subject of litigation.

But the proposed PD, concerned businessmen say, would defeat R.A. 1405, since it states:

"Section 2. All deposits of whatever nature with banks or banking institutions in the Philippines including investments in bonds issued by the Government of the Philippines, its political subdivisions and its instrumentalities, are hereby considered as of an absolutely confidential nature and may not be examined, inquired or looked into by any person, government official, bureau or office, except upon written permission of the depositor, or in cases of impeachment, or upon order of a competent court in cases where the money deposited or invested is the subject of the litigation. THE COMMISSIONER OF INTERNAL REVENUE, OR HIS DULY AUTHORIZED REPRESENTATIVE, UPON APPROVAL OF THE MINISTER OF FINANCE MAY ALSO INQUIRE INTO THESE DEPOSITS IN CASES OF INCOME TAX EVASION."

The proposed amendment will cover only deposits made after the effectivity of the decree, which will be after the Ministry of Finance has promulgated implementing rules and regulations recommended by the BIR Commissioner.

However, sections 2 (scope) and 3 (effectivity) of the drafted PD raises a question. If the PD will apply only to deposits made after its effectivity, then how can tax evaders prior to this be investigated?

Moreover, an observer asked, "what would that PD accomplish, only to instill fear on would-be tax evaders and to violate the bank secrecy law?"

But the memorandum insists that inquiry into bank deposits for tax purposes, which is not included in RA 1405, will facilitate income tax investigations of the bureau.

CSO: 4200/558

AGRARIAN REFORM MINISTER DISCUSSES PROBLEMS

Quezon City VERITAS in English 19-25 Feb 84 p 6

[Minister of Agrarian Reform Conrado Estrella interviewed on the problems of the agrarian reform movement by freelance writer Aigrette Cautico: "Let Succeeding Generations Solve The Problem of Tomorrow -- Estrella"]

[Text] Veritas: Exactly what is the impact of the amendment allowing the grant of alienable and disposable public lands?

Estrella: It has a great impact on our program because--while we have implemented P.D. 27, emancipating the tenant farmers in rice and corn lands, making them the automatic, amortizing owners--many of these lands are not sufficient perhaps for expanding families. We have so many trooping to my office, talking of lands. They want, as a means of livelihood, to farm alienable lands. They're ordinary workers in coconut plantations, in sugarlands. They're migratory seasonal workers. That was one of the reasons why this was submitted, this proposal to amend the Constitution, because the Constitution limits the use of public lands. So we added this as an additional mode of acquiring public land, which is easier, less cumbersome. Farmers will own the land, they can pass it on to their children and their children's children.

Veritas: This is non-transferrable?

Estrella: No. We're going to have another law to spell out the guidelines and safeguards so that this will not be subject to abuse. They can be transferred only by heriditary succession. If they sell their rights, we propose to do as we do in the rice and corn lands: take it back. The land goes back to the government and is reissued to an equally qualified farmer.

Veritas: How much alienable and disposable public lands are we talking about now?

Estrella: Well, according to the data we got from the Bureau of Forestry and Bureau of Lands, there are still 3.2 million hectares, so-called alienable, disposable. There are also 5.2 million hectares called unclassified. Maybe if they will classify that, they can take about 2 million hectares more.

Veritas: You're talking about 5 million.

Estrella: Say about 5 million, more or less. That's a lot of land and you will be making a lot of people happy.

Veritas: What kind of criteria are you going to use in handing out the land titles?

Estrella: Well, we don't know yet at the moment. That's why I told my staff to get ready so we will draft a bill. I have a committee on agrarian reform in the Batasan and we will fully sponsor the parliamentary bill.

Veritas: Why do you want to just grant public lands? Isn't it the policy of agrarian reform to encourage farmers to be self-sufficient and be less dependent on the government?

Estrella: Yah, but you know there are a lot of people who do not have the capital. They're willing but, if they don't have the capital, they have to go to the bank to borrow. But how can they borrow? They will require a collateral.

Veritas: But in the past, in the transfer of titles from the landowners to the tenants, they were allowed to take over their plot of land without collateral and then pay the Land Bank slowly. In 25 years, isn't it?

Estrella: Fifteen years. Instead of paying the rental to the landlord, they remit it to the bank as amortization. So in the period of 15 years, we estimate that they should be able to pay off all their amortizations on the land. And true enough, many of these farmers did not wait for 15 years. Some now have paid in full and we have given them the land titles.

Veritas: Why exactly was Question No. 3 included in the plebiscite?

Estrella: Because amending the Constitution requires ratification by the people. This has been submitted to the Batasan. The Batasan approved it after a lot of discussion, deliberation and debates. But the Constitution requires that whenever it comes to constitutional amendments, it must be submitted to the people for ratification.

Veritas: But isn't it within the legislative powers of the President to just declare that public lands can be granted?

Estrella: No, no, no. If it's contrary to the Constitution, the President cannot, he's not allowed to intervene.

Veritas: How much rice and corn lands in the Philippines have already been converted?

Estrella: Well, they have been transferred to the tenant-tillers that we have identified. Roughly 1.5 million hectares.

Veritas: Which means how much more is still being processed?

Estrella: Ah, a little more. We have finished about 95 per cent. It affects roughly one million farmer-families or, since in an average family there are six, six million Filipinos.

Veritas: Theoretically, the entire Philippines is a land reform area.

Estrella: Right.

Veritas: That's because of P.D. No. 2. But you've concentrated on rice and corn lands only. What is that?

Estrella: Because it is in rice and corn lands that social tensions took place, are taking place. So we concentrated on the rice and corn, and where tenancy existed at that time. And share tenancy was abolished with Decree No. 2 and Decree No. 27, the Tenant Emancipation Decree.

Veritas: Isn't it also true that there's some unrest on the sugar plantations?

Estrella: No, most of the sugarlands in the Philippines are worked on by hired laborers. They are not tenants.

Veritas: Do you have any plans of declaring sugarlands land reform areas?

Estrella: There's no basis at the moment because the President says it is our export product and you will disturb the present arrangement. It may affect production.

Veritas: How about in other areas, like coconut plantations?

Estrella: Wherever there is tenancy, we cover. In coconuts, there's no clear definition of tenants in coconut because mayroong tagasungkit, mayroon noong nagbabantay, mayroong naglilinis. So there's no clear tenancy there. The average landholding in coconut lands is five hectares, so why break them up? I'll cause trouble. If it's already five hectares, e huwag mo nang galawin iyan.

Veritas: With the tenant farmers who have become landowners, what is the success rate?

Estrella: Success? You cannot quantify the benefits derived from this program. You cannot quantify the happiness of a farmer when he's given a piece of land, which he never enjoyed in his life. Niether did his forefather, forebear, enjoy owning this land. He was virtually a slave all this life. Now you give him a piece of land, there's nobody to tell him to do this and that, nobody breathing on his neck. You cannot quantify this.

Veritas: Some farmers were complaining that the amount of the harvest was correct but that the valuation was too much, higher than it was supposed to be.

Estrella: There are, sometimes, also discrepancies. There are a few of my men who are conniving with the landowners to the detriment of the tenants. Well, there are isolated cases, but that is not serious.

Veritas: Is this a widespread activity?

Estrella: No! This is not widespread. These are isolated cases. It does not disturb us. When there is a complaint, we immediately try to find out what is the truth. It's not a problem.

Veritas: I see. However, there was a report that only 30 percent of the amortizations due had been paid as of 1982. Is that true?

Estrella: Well, that is because the Land Bank has not established collection agencies in many places. There are only a few branches, that's why they're establishing more branches. Because the Land Bank is supposed to be the one to collect. E wala, ilan-ilan lang ang branches, e paano?

Veritas: The government must be losing a lot of money this way.

Estrella: No, they're not losing money. This is a socialized program. The government can afford to lose here and there, instead of facing social unrest. Now, if you do not do this, chances are that there'll be turmoil, and then you have to enlarge the military. And it calls for a bigger outlay, hindi ba? Appropriations for the military, a bigger military, to quell revolt. So, here, it is better. Hindi bale kung mag-abono ang gobyerno, but this is a social project. Like now, there's a worldwide recession, worldwide devaluation, worldwide inflation, everything is dislocated. So this is a part of the challenge to government, how we can hurdle all these problems. E kung wala namang problema, why create an office such as this?

Veritas: But doesn't it slow down the agrarian reform program?

Estrella: To me, it is normal. When you launch a program, there are always gaps, there are deficiencies, but you look for those deficiencies and you solve them. They're not without solutions. Mayroon at mayroon. If you are determined to look for the solution, okey iyan. I am never discouraged. You know, when I have a problem, I just go to one corner and pray to the Lord for divine guidance. And just like magic, the following day, I have been led into thinking of a solution. That is my life, kaya I'm not bothered by these things.

Veritas: Going back to the new amendment in land reform, when will you be able to start implementing it?

Estrella: Well, first, this will be proclaimed by the President. Then we will start filing a bill for the implementation of such an amendment.

Veritas: How long do you think will this take?

Estrella: Well, if the session will continue, we can do something immediately. But if we stop the session, the new Batasan after the May election will probably be the one to handle it.

Veritas: Roughly 5 million hectares of land will be affected by the amendment. How many people will be able to benefit from all that?

Estrella: Well, the average is three hectares for each family. This will benefit about two million farmer-families.

Veritas: Do you have a study of how many farmers are still landless, how many landless people in the provinces there still are?

Estrella: I was just instructing my staff to get the data. We need that in the bill.

Veritas: The plebiscite wasn't really explained very well because a lot of people didn't seem to understand what was going on.

Estrella: Because of lack of time to explain this matter.

Veritas: So how come you still decided to include it in the plebiscite, since there wasn't enough time to explain all the ramifications?

Estrella: Because the President and my ministry have been trying to solve the problems of social tensions. There was a clamor for more lands all over the country so we thought of this. We wanted to do it but we couldn't because this wasn't allowed by the Constitution.

Veritas: Do you think Question No. 3 might have gotten a bigger majority if you had had time to explain it?

Estrella: Yes, we could have gotten it if we had emphasized the fact that property owners, the private property owners, are not covered. We are talking of alienable and disposable lands, public lands.

Veritas: Exactly what do we mean when we talk of alienable and disposable public lands? What particular areas?

Estrella: Well, these are areas that can be planted, medro patag iyan. They are not hinterlands. They are not reservations for a certain purpose. They are not public plazas. They are alienable, disposable, owned by the government.

Veritas: Where are they located?

Estrella: Mostly at the foot of the mountains. We have put up resettlement projects out of public lands; alienable, disposable. Only 100,000 hectares. But these properties are matarik, mayroon pang kahoy at saka it's not suitable for agriculture. We have resettled about 100,000 families. We have 44 of these throughout the country.

Veritas: You say that one million farmer-families have already gotten their land.

Estrella: Mayroon pa 'yung, kwan, that's apart from those we have resettled.

Veritas: You mentioned that there were 1.5 million hectares. I understand the ratio is supposed to be at least three hectares to a family if it's irrigated; and then if it's non-irrigated, it's five hectares. How did that happen? One million to 1.5 million?

Estrella: No, we were not able to follow that. You know why? We give the farmer what is actually tilled by him. Some are tilling one hectare, some one and a half, some two, some three. So the average is 1.8. If there is enough land you can follow that, but there is not. So we allow what he is actually tilling.

Veritas: In 1982, you said that you didn't want to just give land titles because "you are not teaching them to assume responsibilities and obligations." Do you still have reservations about it now that it has been ratified? I'm sure it's much easier for you, but what reservations did you have then and do you still have them today?

Estrella: Alam mo, there is a tendency on the part of farmers, when they're indebted to the government, to say "Hindi bale, gobyerno naman iyan e." A tendency to relax their sense of responsibility. So we conduct a farmers seminar to knock into their heads a sense of responsibility. Well, it takes a little time. Hindi mo mabibigla iyan e. You know why? We have been a colony of Spain and America for so long. We have been too dependent on foreign powers. We are still suffering from a hangover of being...of having a colonial mentality. Iyan. We have to shed that off.

Veritas: How will the granting of lands affect other farmers who previously took over their own little piece of land? How will the other farmers feel about this? Because they have amortizations, others will not.

Estrella: No, public lands are not developed lands. They still have to be developed, as against the developed lands. That's no comparison: A finished product against a raw material. (Laughs)

Veritas: Also, don't you think that somehow the granting of lands might generate a little graft among your people?

Estrella: No. While enacting a law, you provide safeguards, deadlines and safeguards.

Veritas: What happens when you finally run out of land? I mean, the population keeps growing.

Estrella: No, you know, we're solving the problem of today. Let the people of the next generation solve the problem of tomorrow. E, wala iyan, hindi kwan iyan, kanya-kanyang generation iyan.

CSO: 4200/558

VISAYAN HERALD REPORTS ECONOMIST'S REMARKS AGAINST VIRATA

Cebu City VISAYAN HERALD in English 9 Feb 84 pp 1, 12

[Article: "He Cannot Be Fired"]

[Text] Manila, Prime Minister Cesar Virata, although the No. 1 technocrat who has done irreparable economic damage to the country, cannot be fired by President Marcos.

This is the opinion of economist Francisco C. Wenceslao who says that Virata's retention has been made a condition for new loans by the International Monetary Fund (IMF) and a group of U.S. bankers, who represent the biggest exposure for the Philippines' foreign debt.

The foreign debt of the country cannot be determined for now. But the latest figure to come up with is $30 billion U.S.

Added Wenceslao: "the (Philippine) economy has been in the grip of the IMF's 'conditionality' which may have been sensible when applied to some countries but makes little sense when applied to the Philippines.

He said that Virata and his fellow technocrats have been the principal architects of Philippine economic policy for the last 14 of the 18 years Mr Marcos has been in power.

The FORTUNE Magazine which also carried Wenceslao's piece added that Mr Marcos cannot escape responsibility for the way the technocrats have messed up the economy. MGV

CSO: 4200/558

GOVERNMENT URGED TO PROBE NPC 'IRREGULARITIES' IN MINDANAO

Manila PHILIPPINES DAILY EXPRESS in English 10 Mar 84 p 8

[Article by George T. Nervez]

[Text] The government was urged recently to immediately look into alleged massive irregularities and losses incurred in the implementation of multi-billion peso projects of the National Power Corp (Napocor) in Lanao and other Mindanao provinces.

The alleged irregularities involved civil and related works worth about P4.2 billion in the Agus River Projects of the NPC in Lanao.

The NPC projects have a combined cost of $203.01 million (about P2.84 billion) in foreign currency denominated funding from multilateral institutions and counterpart funds amounting to P1.392 billion.

The irregularities were reported to Prime Minister Cesar Virata by Mohamad Ali Dimaporo, who reviewed the projects for the defunct Executive Committee.

"In practically all of the NPC projects in Mindanao, unnecessary expensive and unwarranted delays were incurred owing principally to the negligence and incompetence of NPC officials and contractors," Dimaporo said in a report to Virata.

The delays, he said, resulted into unwanted expenses and losses to the government in the form of:

--Cost overruns running to multi-million pesos.

--Huge additional interests and financial charges for every day of delay.

--Unearned income from operations.

--Hindrances to other developmental projects of the government and the private sector in the area.

Dimpaoro pointed out that in the case of Agus I project worth P1.023 billion, "inefficiency and incompetence" of the contractor and NPC's engineers caused a delay of almost two years.

Dimaporo said the contractor for the civil works of Agus I is Phesco Inc., with Ramon Ravanzo, former NPC general manager, and the Engineering and Development Corp of the Phils (EDCOP) as consultants. EDCOP is partly owned by former senior NPC officials, he added.

The cost overruns, Dimaporo said, were incurred because of wrong engineering methods and the use of unnecessary sub-contractor, like ICC Inc., whose president is a member of the NPC board.

CSO: 4200/611

SEC TO MODIFY FINANCING RULES

Manila PHILIPPINES DAILY EXPRESS in English 10 Mar 84 p 8

[Text] Financing companies may soon be prohibited by the Securities and Exchange Commission (SEC) from dealing in commercial papers (CPs) and certificates of time deposits (CTDs).

The prohibition is embodied in a modified set of rules governing the financing industry being drafted by the SEC on orders of Chairman Manuel Abello.

Official sources said the draft of the modified rules also aimes to require financing companies to devote 50 percent of their resources to "financing" activities which include discounting, factoring and leasing; and the balance to direct lending.

In an order directing the SEC technical panel to draft the modified rules, Abello said the modifications are designed "to protect the investing public in particular and the financing industry in general, against anomalies and fraudulent schemes" being perpetrated by some quarters in the industry.

Under the modified rules, the SEC will be required to observe strict measures in considering applications by existing financing companies for the renewal of their certificates of authority.

CSO: 4200/611

HASTY PLANNING OF SARILING SIKAP CRITICIZED

Manila PHILIPPINES DAILY EXPRESS in English 9 Mar 84 pp 4, 5

[News Analysis by Filosofo Tasio in the "Media Monitor" column: "Sariling Sikap: Hastily Planned"]

[Text] More than a month has passed since the launching of the Sariling Sikap movement which was envisioned to provide opportunities for livelihood and additional economic benefits. With the Bolinao experience serving as a model for the People's Forest project component of this program, it may be safe to assume that many people in the countryside are already looking forward to establishing similar undertakings in their respective areas. There is no doubt that hopes have been raised.

It is precisely for this reason that the main proponents and administrators of this program should not be lulled into believing that they have come up with a well-planned and well-designed program. On the other hand, considering the scale and diversity of the area of application, a continuing study and monitoring effort is in order to iron out and plug unforeseen kinks and obstacles.

Even before the actual launching, we remember one columnist urging program designers to review the basic foundations of the program. Beyond the impressive figures presented in the program plan, this columnist was asking, among other things, the exact locations of the cited hectarage of public lands proposed to be used, and whether soil conditions in these areas have been properly evaluated.

We don't know if these questions have been answered to his satisfaction, or if these were really necessary in the first place. Because of the critical nature of the operation, it was too far-fetched then to believe that the program's initiators and designers could have glossed over such simple and basic considerations.

However, a news item that appeared this week in one morning paper has raised the possibility that proponents may have indeed rushed the planning and design of the project.

If we may quote the lead paragraph of the story, it went this way: "Local forestry experts believe the choice of ipil-ipil for the government's People's Forest project, the main component of the Sariling Sikap program, is a big mistake."

With unnamed sources who are obviously foresters, the story went on to stress that since ipil-ipil thrives on alkaline soil, these species would not fare well in logged-over areas where the soil is usually acidic.

It was further revealed that the head of the Bureau of Forest Development "is now preparing to recommend the planting of two fast growing acacia varieties--mangium and auriculiformis--instead of ipil-ipil.

Quoting the same sources, the story noted that aside from being better suited to the soil condition in logged-over areas, these acacia varieties could also match ipil-ipil's market value as raw material for fertilizer, livestock feed and wood for fuel.

Since these information came from "local forestry experts," it is really beyond us why the same should crop up only now. And since we are not about to believe that the information was intentionally withheld, could it be possible then that the people who planned and designed the People's Forest project component of Sariling Sikap failed to consult with other experts and agencies of the government like the Bureaus of Lands, Soils, and of Forest Development?

And what about other entities in the private sector like the Manila Seedling Bank?

Even before the Bolinao Dendrothermal Project might have left the drawing boards, the MSB Foundation is already well ahead in establishing forest plantations of ipil-ipil, narra and other hardwoods. The Manila Seedling Bank people were responsible for planting and managing the La Mesa watershed for the MWSS. Having established similar plantations in Marikina, Bataan and other areas, they have already encountered and managed to resolve many planting problems and obstacles. The BFD itself has contracted the Foundation's services for some projects.

Considering their experience, it would be very unfortunate indeed if these "field veterans" were not asked to share in the critical effort that is the People's Forest project.

Of course, it is not too late yet to involve them in the undertaking. The lessons they have gone through all these years in the plantation business could very well guide this major component of Sariling Sikap and spell its success nationwide.

CSO: 3200/611

DOLLAR'S BLACKMARKET RATE DECLINES

Manila PHILIPPINES DAILY EXPRESS in English 9 Mar 84 p 5

[Text] The peso-dollar exchange rate in the blackmarket has taken a sharp dive, from a record high of P28-$1 in December last year to P16-$1 last week.

Central Bank officials attributed the fall to intensified efforts of the government aimed at curbing illegal trading of foreign exchange in the blackmarket.

The officials said that the smaller difference now between the official rate (pegged at P14-$1) and the blackmarket rate has already lured a number of Filipinos to sell their dollars to the local banks.

They said various administrative and monetary policies instituted by the government and implemented by the Central Bank and the Ministry of Trade and Industry had provided an additional $1 billion to the country's international reserves by December 1983.

The bulk of the amount came from dollar remittances by nearly half a million Filipino overseas workers, they said.

The government drive against dollar blackmarketeers went into high gear when the CB clamped down on foreign exchange dealers suspected of engaging in illegal trading of dollars early this year.

The drive resulted in the cancellation of the licenses of 114 non-bank dealers mostly small gift shops of Ermita's tourist belt.

By limiting the number of buyers in the blackmarket, Filipinos holding dollars were forced to exchange their money through the authorized banks.

The creation of the presidential Anti-Dollar Salting Task Force significantly contributed to the decline in blackmarket operations.

The task force, headed by Trade and Industry Minister Roberto Ongpin, has shown earnestness in going after firms salting dollar earnings abroad through undervaluation of their exports.

At present, the group is investigating a number of private garment exporters suspected of not remitting all of their dollar earnings to the country.

The CB, on the other hand, started its campaign against the blackmarket when it introduced in early 1983 the Dollar Raffle program, a scheme designed to lure in the dollar earnings of nearly half a million Filipino overseas workers.

Starting January this year, the CB modified the raffle program by doing away with the monthly draws. Instead, winning has been made instant through a coupon given for every $100 exchanged with the banks which contain hidden cash prizes of up to P100,000. (Domestic Information Service).

CSO: 4200/611

CEBU DAILY REPORTS SUGAR PLANTERS' GRIEVANCES

Cebu City VISAYAN HERALD in English 7 Feb 84 pp 1, 4

[Text] Bacolod, (AP)--More than 5,000 people, mostly sugar plantation owners and their workers rallied Saturday to protest government monopoly of the Philippine Sugar Industry.

As speakers at a city park deplored the state of one of the country's key export industries, protesters waved placards denouncing the Philippine Sugar Commission (PHILSUCOM) and the National Sugar Trading Corp. (NASUTRA).

"Give us the chance to survive. Return the sugar to us," read one sign, appealing for a return of sugar marketing to free enterprise. The sugar agencies were formed when president Ferdinand E. Marcos ruled by Martial Law, which was lifted in 1981.

Glicerio Javellana, a sugar planter, accused the government agencies of cheating sugar planters of eight billion pesos (570 million U.S. dollars at the current exchange rate) over the past five years.

'For about four to five years, have been complaining about shortchanging by PHILSUCOM - NASUTRA but nothing has been done and no answers have been made," said Javellana.

Javellana is defendant in a 2 million U.S. dollar libel suit filed last month by Roberto S. Benedicto, who oversees the sugar industry and is a close Marcos associate.

Benedicto who owns three Manila television stations, a newspaper and other businesses, denies Javellana's accusations of illegal or immoral acts on the part of the sugar agencies.

One speaker estimated 58 million Filipinos, more than 10 percent of the population, depend on sugar for a living.

Bacolod is on Negros Island which includes vast sugar plantations where thousands of poor people work.

The rally, billed as "economic, not political," ended peacefully after three hours.

The protesters marched earlier from three different points in the city and passed through the commercial district, with some workers carrying sugarcane plants and chanting in the local dialect, "down with NASUTRA."

Uortensia Starke, president of the new alliance of sugar workers which organized the rally, said the Philippines has lost its American sugar market because PHILSUCOM was enticed by the larger higher-priced world market where prices have since dropped way below those paid in the United States.

CSO: 4200/558

PLIGHT OF FASTING DETAINEES REPORTED

Manila ANG PAHAYAGANG MALAYA in English 3-5 Feb 84 p 3

[Text] Eleven political detainees who have been fasting for two months now in Camp Nakar, Lucena City yesterday denounced the military for continuing to harass them despite their weakened condition.

It was gathered that only Vicente Ladlad was presented before the Quezon Regional Trial Court Wednesday reportedly to prevent the other detainees from being exposed to the public amid mounting sympathy for their plight.

Worse, top military officers are allegedly making the detainees' situation inside their cells more miserable by allegedly imposing stricter measures after the fast started.

During Wednesday's hearing, however, the defense lawyers scored an initial victory over the military's subversion charges as Judge Ricardo Rosales agreed to transfer the hearings to Lucena City instead of Calauag, which is about two hours from the camp.

The judge's decision was prompted by a motion filed by lawyers Joker Arroyo and Felicitas Aquino together with their petitions for bail on murder charges against Ladlad and subversion against all accused detainees.

Judge Rosales said the resumption of the hearing will be scheduled once the Supreme Court rules on his (Rosales') decision allowing the transfer of the hearings.

When interviewed, the detainees said they were not allowed to join Ladlad after the military expressed fears that they might dramatize their plight by collapsing before the crowd of sympathizers who staged an overnight vigil in Lucena City before proceeding to the court.

It was gathered that the detainees' relatives were being asked to wait for more than two hours.

Ladlad and Geminiano Gualberto continued to remain under solitary confinement.

Six detainees--Gualberto Victorino Ujano and his wife, Ma. Salome Crisostomo, Isabelita Sombillo and Leticia Segui--have further reduced their intake to just plain water last month.

Beo Crisotomo, younger brother of Salome Crisotomo-Ujano, said the military officers and their men are even insulting them, for fasting.

The detainees' relatives quoted Gen. Andres Ramos, PC Region 5 commander, as saying: "Hindi kami yuyuko sa pakanang komunista. Huwang na kayong makialam; kung ano ang mangyari sasagutin ko." (We will not be won over by a communist plot. Don't interfere; I will be responsible for anything that will happen to them.)

The detainees' arresting officer, Col. Antonio Asiera, also reportedly told detainees: "Buti nga binuhay pa namin kayo!" (You're lucky we spared your life.)

CSO: 4200/558

NAVY SEIZES SUSPECTED NPA FUND RAISING GOODS

Manila PHILIPPINES DAILY EXPRESS in English 11 Mar 84 pp 1, 6

[Article by P. Pelayo and Y. Malicse]

[Text] The Philippine Navy intercepted yesterday some P1 million worth of cigarets and other highly taxable items believed to be owned by the New People's Army for fund raising.

Rear Adm Simeon Alejandro, navy flag officer-in-command, said the goods were on board a fishing boat when intercepted near the coast of Mindoro yesterday morning by BRP Rizal under Commander Rufino Quiapo.

The crew members of the boat, it was learned, erased the fishing vessel's name upon seeing the navy patrol ship coming, giving rise to suspicions that the boat is part of the Bagong Navy ng Bayan, the maritime arm of the New People's Army.

As of press time, navy officials were still determining the fishing boat's links with the insurgents.

The 14 crewmen of the boat, including the captain, are now detained at the navy headquarters on Roxas blvd pending investigation. Their names were not disclosed.

The detained crew members of the boat, however, gave their names to the Express as Ruben Duarter, 49; Ely Zaragosa, 29; Romy Barbosa, 17; Willie Manalo, 26; Bert Robles, 27; Benjamin Ramirez, 20; Avelino Perez, 26; Boyet Buensuceso, 27; Eddie Bautista, 26; Eddie Sambacay, 26; Danilo dela Cruz, 36; Vic Reyes, 36; Mar del Mar, 26, and Nicolas Hernandez, 43.

Hernandez and Reyes also identified their boss as a certain "Bobby Ty," who they claimed rented the fishing boat from a woman whose identity they refused to reveal.

Confiscated from the boat were more than 200 cases of "Champion" blue seal cigarets and other goods. Origin of the goods was not disclosed.

Earlier, Brig Gen Dionisio Tan-gatue, PC Southern Mindanao commander, revealed the existence of the Bagong Navy ng Bayan (Banaba). The Banaba, Tan-gatue said, is used by insurgents to move men and materials as well as smuggle goods into the country.

Alejandro ordered Capt Emerson Tangan, Metro Manila Naval Force commander, to intensify his unit's campaign against smugglers, illegal fishers and other violators of maritime laws.

Tangan reported to Alejandro that the patrol ship BRP Rizal spotted the unnamed fishing boat off the coast of Mindoro. The patrol ship stalked the fishing boat when the navymen saw the fishing boat's crew covering the vessel's name with a coat of paint.

CSO: 4200/611

ARMY COLONEL RELIEVED FOR ALLEGED ATROCITIES

Manila BULLETIN TODAY in English 10 Mar 84 p 5

[Article by Cerge Remonde]

[Text]

CAMP LAPU-LAPU, Cebu City — An Army battalion commander was ordered relieved for alleged military atrocities committed by his men in Iligan City.

Brig. Gen. Benjamin M. Divinagracia, commanding general of the 3rd Infantry division based here, relieved Lt. Col. Celedonio L. Ancheta of the 6th Infantry battalion based in Marawi City.

Reports said there are at least three cases of military abuse involving officers and men of the 6th Infantry battalion.

1st Lt. Pundaracan S. Ibrahim, headquarters service company commander of the battalion, and his men were linked to the fatal shooting of Pat. Ismael Casan of the Baloi police force last Feb. 29.

Pfc. Carlito G. Pascual allegedly shot and wounded one Gallo R. Montecillo in the company of Sgt. Esperidion Densing and Pvt. Juan de la Cruz, also in Iligan City.

Cpl. Wilfredo Sapalaran and Pfc. Danilo Bermudo allegedly harassed Trinidad Lubguban, a storeowner, by throwing away the goods she was selling into a creek.

In the same incident, Sapalaran and Bermudo reportedly divested a certain Ricardo Actub of ₱200.

Divinagracia held Ancheta responsible for the conduct of members of his command which, Divinagracia said, was unbecoming of soldiers.

Divinagracia named Lt. Col. Domingo C. Decio new commander of the 6th Infantry battalion. He ordered Decio to conduct an investigation of all the complaints against members of the unit.
(Cerge Remonde)

CSO: 4200/611

AFP SUSPECT IN SULU-BASED MARIJUANA SYNDICATE

Manila BULLETIN TODAY in English 9 Mar 84 p 8

[Text] Zamboanga City, Mar 8--A dossier on military men who are suspected as involved or are giving protection to a Sulu-based marijuana syndicate is being readied by military intelligence operatives.

Brig General Edgardo A Alfabeto, 9th PC-INP regional commander, said a thorough investigation has been ordered to determine the extent of the involvement in the syndicate of some military personnel in line with the continuing policy of the Armed Forces of the Philippines to rid the military service of misfits.

Alfabeto said this step has been taken in the wake of a report of the 9th regional Narcotics Command that some military men and PC-INP members are either acting as couriers, giving protection to the syndicate, or are themselves directly involved in the illicit trafficking of marijuana in Region 9 (Western Mindanao).

"The dossier will enable the military command to evaluate the evidence and determine their involvement so that appropriate action could be taken against them and thereby protect the integrity and reputation of other honest military men," he said.

All military commanders in Region 9 vowed to take drastic action against any officer or member under their command who is involved in the syndicate, he added. (VA)

CSO: 4200/611

TRADE MINISTER ONGPIN ON 3 PERCENT EMPLOYMENT RISE

Manila PHILIPPINES DAILY EXPRESS in English 14 Mar 84 pp 1, 6

[[Text] Trade and Industry Minister Roberto Ongpin said yesterday that there is a three percent increase in employment throughout the country.

In a report to President Marcos Ongpin said that a survey conducted in 900 companies last January showed that these had 296,784 workers, an increase of 8,091, which is some 3 percent above the January 1983 level.

The 900 companies surveyed belong to 21 of the country's most important industries.

The electronics industry that produces computer microchips, the demand for which is on the rise again, hired more people in January.

Twenty-seven companies producing electronic goods reported that they hired 8,092 more workers in January, boosting their employment roll to a total of 38,700. The increase, the biggest among the 21 industries polled, was 19 percent.

The garments industry reported the second best improved employment situation. Some 85 companies surveyed said they had 54,736 workers as of January, 19 percent more than the level in the previous year of 56,108.

The increased hirings in the two industries reflected the improving situation for export of these manufactured goods. It is expected that as the economy of the United States improves, other export products would exhibit improved foreign exchange earnings.

Five other vital industries showed increasing employment. These are pulp and paper, furniture, footwear and leather products, and construction materials.

Nine pulp and paper companies said they had 5,947 employes as of the survey month, 11 percent higher than the 5,379 working as of the year before.

Seventeen furnitute companies said they hired almost a thousand more--from 19,563 in January 1983 to 20,723 in the comparable month this year--an increase of 5 percent.

Thirteen construction material producers said they hired 4 percent more workers--from 5,363 to 5,577--by the end of January.

A continuing slump in at least six industries continued to prevent companies from rehiring previously laid-off employes.

Hardest hit were the engineering and metalworking industry. Five companies reported that 22 percent of their workforce--from 6,530 to 5,116--were laid off during the year.

In the second worse situation were manufacturers of consumer durable goods. Seven companies in this industry reported that 21 percent of their employes--from 5,050 to 3,984--were no longer in their payrolls as of January.

Four iron and steel companies reported that a full fourth of their hard hats--from 5,556 to 4,428--were out of their employment lists last January.

CSO: 4200/612

BRIEFS

VERITAS PARODIES 'SARILING SIKAP'--The new program of the Ministry of Human Settlements, after Love and BLISS is KISS, the Kilusang Sariling Sikap, which will be funded to the tune of ONE BILLION PESOS. The tree farms program will benefit 73,000 tree farmers and will produce ipil-ipil seeds, guayabano and guavas. Ipil-ipil seeds when mixed beyond 10 per cent proportion in animal feeds can cause sterilization--and you can't use it for birth control either, because it causes baldness. Imagine a nation of bald, sterile men, sitting in front of an ipil-ipil fired wood stove, boiling guava leaves and drinking guayabano juice. Far out, man. There is no truth to the rumor that KISS stands for: Keep it Silly, Stupid! [Text] [Quezon City VERITAS in English 19-25 Feb 84 p 5]

VERITAS ON CABINET RESHUFFLE--According to some Malacanang political analysts, at least seven Cabinet Ministers and Palace functionaries are going to be "left to fend for themselves" (i.e. win or lose, they are on their own). It is under a new doctrine called Reshuffle by Election. These are especially true of people in whose districts the Opposition candidate has long standing ties with either the President or one of his trusted men, and who could then be classified under "loyal Opposition." Imagine what effect it would have on international critics if a Cabinet Minister--or several of them--lost to an Opposition candidate. [Text] [Quezon City VERITAS in English 19-25 Feb 84 p 5]

CSO: 4200/558

BRIEFS

COUNTRY TO BUILD OWN JET--Known worldwide to have a competent aerospace industry, Singapore may now venture into the business of building jet fighters. Singapore Aircraft Industries (SAI) are presently studying some six aircraft but the choice seems to have centred around two--the Italian Siai Marchetti S 211 and the Spanish CASA C-101. CASA has already penetrated Indonesia where it has formed a joint venture with NURTANIO the Indonesian aircraft manufacturer. Both Siai Marchetti and CASA are negotiating with the Government. The A-4 Skyhawk was a serious consideration at one stage but the great numbers of this aircraft produced guaranteed that a surplus of mothballed Skyhawks was readily available. Singapore was described as one of Siai Marchetti's best customers. The RSAF uses the Siai Marchetti SF 260 basic trainer which can also be converted for a COIN role. Of the two CASA probably has more experience in joint venture undertaking as they are NURTANIO's partner in Indonesia. NURTANIO can be described as an Indonesian success story and reports indicate that the company produces well-constructed helicopters and aircraft. Indonesia has yet to venture into the realm of jet aircraft production. [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Jan 84 p 10]

CSO: 4200/618

OFFICIAL INTERVIEWED ON SOUTHERN PROBLEMS

Bangkok THE NATION REVIEW in English 15 Feb 84 p 4

[Article by Thepchai Yong and Pongsak Srisod in "The South in Depth" Series]

[Text]

Q: How is the general situation of southernmost provinces at present?

A: The security situation has improved significantly. People feel more secure and have developed better understanding with authorities. Moreover, insurgency activities have also declined. If the situation develops along the positive trend, then security in the areas will be established on the permanent basis. The main reason for the improvement is the attention and united efforts of all government sectors. You know, they work with team spirit and besides, the people are also cooperative, much more so than ever.

The prospect of economic situation in this part of the country is also relatively promising because the price of rubber is satifactorily high while the illegal practices of closing down rubber plantations to extort what we call "protection money" have also decreased.

We have a problem of unemployment, but it is not serious. Our statistics show that the unemployed population is in the region of 10,000-15,000. It is not serious because it is partly seasonal unemployment.

Q: What are the measures to solve the unemployment problem?

A: Well, we try to promote the development of chain industries in the implementation of our economic projects. There are areas where related industries could be built up. For instance, we should make use of our rubber and fruits. Adding value to our raw product and developing an agro-based industry. Chain industries will provide more jobs to the population.

Another asset is that we could earn a lot from exporting our goods, ready-made clothes, handicrafts and leather products, and fruits, for example, through the southern border at Sadao District in Songkhla. Another major source of revenue, which is rather abstract and intangible, is tourism. Tourists from other parts of the country and foreign countries come here and spend a lot of money. I believe this year will be a good start of economic prosperity and peace.

Yet, we have to speed up the implementation of major projects, including the project to construct a sea port in Songkhla, the set-up of the southern industrial estate, the construction of a sea port in Narathiwat, and the conservation of tourism resources. This must go with security.

Q: How is the insurgency situation?

A: Let me say that there are now only quite a few groups of insurgency and each group is in disarray. The rank and file of each group has been dispersed, operating in small

groups of about 10 elements at the most. There are no more concentrations of insurgents, no more permanent strongholds and so, they could not concentrate their forces to mount a large-scale operation as ever.

There is nothing to worry about. The present trend is that more and more insurgents will surrender to the government, and only the hard-core leaders would continue their struggle. These hard-core leaders still want to remain outlawed: they gain from foreign assistance or protection money extorted from some rich people. We predict the trend because the population has increasingly turned their back on the insurgency movements. There are now also no grounds for the outlawed struggle and their hopes to win over the government have been dashed. An important factor is the government policy to welcome defectors and treat them like patriots.

Q: What do you think are the serious problems of the South now?

A: The major problem is security which, as I told you, has improved a lot. Insurgent activities are also not as serious as ever and the improvement of the standard of living of the people is not quite problematic.

I think the areas where we should put extra efforts is the enhancement of educational standard both in the normal and vocational fields and fundamental development, including the construction of roads and the development of water sources for people to consume. These are important to enhance the standard of living of the people in the long run.

Q: Your Southernmost Provinces Administrative Centre (SPAC) has been set up to streamline efforts by various government agencies to solve problems in the South. Have you come across any problem in coordinating with the agencies?

A: In the field, we have no problems because we have established good personal relations and can talk out problems any time. But we still have problems in our efforts to synchronize the implementation of various projects as a result of the budgetary system. We think that Bangkok should further decentralize the administration in this regard. Since I took over as director of SPAC, we have proposed a number of measures to correct the weak point. But it takes time as the SPAC was set up just about three years ago and we need time to analyse problems. We are also short of academicians to help us sort out problems and what we need the most is sufficient budgetary allocation to finance our educational and fundamental development projects. We have proposed solutions and the National Security Council (NSC) is considering our request for the budgetary allocation. I think the deliberation will be finalized by the end of this month.

Q: How is the present stage of Thai-Malaysian cooperation? Have you come across any problems?

A: We don't have problems at the working level because field authorities of the two countries can hold talks if and when a problem arises.

I can say that the relations of the two countries and of the two peoples are good enough.

The SPAC also coordinates with the Malaysian security units and they have been very cooperative.

Q: How about the implementation of joint projects?

A: On our part, we have started carrying out the projects in accordance with the blueprint.

Q: Can you confirm reports that the Communist Party of Malaya (CPM) has stolen children whose ages are between eight and 15 and trained them militarily?

A: Some people have reported to us that their children have disappeared and they suspected that the kids were stolen by CPM. We are investigating the reports and if it is true, it would be very interesting to us.

Q: How many people are there who have reported such cases?

A: There has been so far only one case. But the cause of the disappearance is just conjecture. However, we have just received another report that a child who lived in a community has been missing for many days. But this child later re-

tuned home and we could not conclude whether he was persuaded by Muslim separatists or CPM's elements to undergo a military course. You know, sometimes children disappeared for a couple of days and later returned home.

Q: How about the long-standing problem of dual nationality?

A: The Interior Ministry has assigned me to chair a committee to solve the problem. We have reached an agreement with the Malaysian side to conduct joint survey of the number of these people. We are under the Thai-Malaysian Regional Border Committee. At this stage, we are in the process of collecting data and we will later consult with each other over ways and means of tackling the problems after we have acquired sufficient information.

In principle, we will concentrate on the category of people who have acted against national security. We will first take actions against this group.

Q: When do you think the problem could be fundamentally solved?

A: It's not an easy problem. I have assigned the governors of the three provinces which border Malaysia, Yala, Songkhla and Satun, to urgently collect information about the issue. In Satun, many people who hold dual nationality have voluntarily opted for only the Thai citizenship. Most of them held dual nationality because they have crossed into Malaysia to work.

Q: Do you have a figure of these people?

A: Some people have estimated the number at about 20,000 but I cannot confirm that.

Q: Have you assessed the impact of the imposition of 500-baht travel tax on Thai people who frequently crossed the southern border for work in Malaysia? Do you think that the imposition has prompted many people to seek the Malaysian nationality?

A: It is possible that some people might choose the Malaysian nationality to avoid the new regulation. Our immigration officials are looking into the matter and the SPAC is assessing the extent of the impact.

But you know, local people have not been affected because normally we issue them border passes and only the people from elsewhere are required to pay the travel tax as they hold passports.

Q: How about the smuggling of ore out of the country? The government has launched the "Andaman Plan" to crack down on the smuggling. What is the result of the campaign?

A: It is encouraging that Commissioner of the Fourth Provincial Police Bureau Pol Maj Gen Sameur Damapong detailed a group of about 40-60 highly competent police troops to participate in the campaign. The operation is very successful and I believe the smuggling has declined to a substantial extent.

However, we still face a legal obstacle. The law stipulates that mineral ores could be kept on the seas, and so the only way to crack down on the smuggling is to prevent smugglers from taking ores from the shores. We are in short of equipment and vehicles to chase smugglers off shores, but we have tried our utmost. I can assure you that the situation has improved a lot and that our authorities pay special attention to the problem. Our authorities have no colluded with the smugglers as before. They do not collaborate with smugglers. Nor are they negligent.

Q: From which province do smugglers operate?

A: From Phang-nga to the Andaman Sea.

Q: Let me go back to the allegation that government officials in the South have created problems leading to the wide gap of understanding with the people. From your experience of working with field officials, do you think the problem still exists?

A: The situation in this regard is now unlike that in the past. Government officials have stepped up their understanding in the problems in the South. The improvement results from closer supervision by their superiors. The SPAC has organized regular seminars to educate the officials. We also have religious courses for the government officials, contributing to better understanding between religious leaders and the officials.

CSO: 4200/557

CPM MAY LURE CHILDREN FOR MILITARY TRAINING

Bangkok THE NATION REVIEW in English 16 Feb 84 p 6

[Article by Thepchai Yong and Pongsak Srisod in "The South in Depth" Series]

[Text] PATTANI – The state-run Home for Children here has provided shelters to more than 10 children from a self-help settlement in Yala at the request of their parents who fear that the Communist Party of Malaya (CPM) would lure their children to join its armed struggle.

Director of the Public Welfare Department's Home for Children, Somporn Ampavasiri, told *The Nation* that the self-help settlement in Tambon Kuelong, Bannangsatar District of Yala was also seeking permission to send another 20 children to the "welfare center."

Four of them would arrive at the Home for Children soon, he added.

The self-help settlement reported cases where its children were allegedly kidnapped or lured by elements of the CPM for military training about a year ago, according to the director.

He claimed that some of the children from the settlement had undergone training at jungle hideouts of the banned party while others had been sent here as a result of their parents' apprehension over the possible abduction of the children.

An official of the Civilian-Police-Military Unit 43 (CPM-43) said that the agency which is responsible for security maintenance in southernmost provinces had detailed rangers to provide protection to the self-help settlement.

"Our units of rangers were sent to the settlement late December, last year and from reports filed by them, CPM elements have stopped harassing the population at the settlement," he said.

He said the CPM started to employ children and women to get food and medicine supply for their jungle bases as a result of the military pressure imposed by the authorities. The military pressure has been detained to prevent the logistic supply from reaching its jungle hideouts.

The self-help settlement at Waeng District in Narathiwat also reported similar cases to the authorities. The figure of children admitted into the Pattani-based Home of Children thus represents only part of the problem.

Some parents of the two settlements also chose to send their children to stay with their relatives in areas which have not been threatened by the prospect.

The two settlements accommodate several hundreds of families each. The settlement in Bannangsatar alone covers the three villages of Pakdi, Santi and Chalongchai in the neighbourhood of Bang Lang Dam. The population at each of the three villages amounts to about 150 families.

Paisa Ma-elae, a 10-year-old girl who is among the children sent to the Home for Children from the Yala-based settlement, related that she was seduced to visit a CPM's stronghold situated on a mountain near the settlement and detained there for about two months.

She said that she was playing with seven other children on the edge of a forest near Kuelong Village one day in early 1983 when an armed Chinese, clad in a military uniform-like clothes approached them in a friendly manner and distributed them with candies.

The man told the children that there were film and television shows on the mountain in seducing them to accompany him to what turned out to be a crowded jungle camp. She said that she saw many adults in green uniforms as well as women and children at the camp.

After having watched television, Paisa and her friends expressed their desire to return home, but the man told them to stay on saying that the people there would take care of them and let their parents know that the children were living on the mountain.

None of the children was allowed to return home and some of them broke into tears as a result, according to the girl.

After two months of persistant call for permission to return home, the girl was sent out of the forest to be reunited with her parents, she told *The Nation*.

However, she said she did not know whether the other children had been allowed to return home.

Paisa said that there were schools in the compound of the camp which taught English and Chinese languages.

She noted many children, whose ages range from six to 15, from Surat Thani enrolled at the schools.

The children were given good care and the people who looked after the children appeared very kind-hearted, she said.

Paisa is a daughter of Mr Wae Samaae and Mrs Saina Maelae, a Muslim family which moved from Rae Koh Village in Narathiwat to the self-help settlement in late 1982. She was sent to the Home for Children along with her younger brother immediately after her reunion with the parents early last year.

Ang Karb Praduschon is a 12-year-old girl who has also encountered CPM elements.

She said that when her family moved into the settlement at Chalongchai Village about five months ago, she was told by her parents that CPM operatives frequently made their appearance in the neighbourhood of the settlement.

She came across a group of CPM people while on her way home from school one day. Not only was she intimidated, but she was also surprised that the CPM elements told her not to be afraid of them and gave her some biscuits.

The girl said that CPM elements frequently descended from their jungle hideouts and each time, they would distribute paddy, biscuits, canned and dried food to villagers at the settlement.

"They usually come down from the mountain about four or five times a month. Sometimes, they come in a big group numbering about 30-40 people" she said.

The CPM people were often accompanied by their doctors who would provide free medical care to sick villagers, according to the girl.

Most of the CPM visitors are ethnic Chinese and speak Thai, the girl added.

She said that about two months after her family moved into the settlement, her elder brother took to the hills to join the CPM's stronghold. Her 19-year-old brother is still alive and staying with his CPM colleagues.

The group of CPM operatives had persuaded her to join them, but she had turned down the offer at the order of her father. The CPM elements later offered to buy her for 600 baht but her father said that he was capable of looking after his daughter. The insurgents later came up with another offer, increasing the price to 1,000 baht, again they were rejected.

CSO: 4200/557

PROBLEMS OF BURMESE ILLEGALS IN RANONG

Bangkok THE NATION REVIEW in English 21 Feb 84 p 5

[Article by Thepchai Yong and Pongsak Srisod in "The South in Depth" Series]

[Text] RANONG – Illegal Burmese immigrants still pose the biggest problem to authorities here who have been trying desperately for years to stem their flow into this southern mineral-rich province.

About 200 Burmese held as illegal immigrants are new jamming the jails of various police stations here. "There is now an urgent need to expand the places for their detention," said Provincial Police Chief Pol Col Pricha Saengwan.

Since Gen Ne Win came into power and turned Burma into a socialist state, tens of thousands of Burmese have left their impoverished country and flocked into Ranong.

The only thing these Burmese took with them was their cheap labour and they became workers at mines, construction sites, charcoal factories, rubber plantations and on board fishing trawlers.

Pol Col Pricha told *The Nation* that 739 Burmese illegal immigrants were rounded up in Ranong last year. Many were caught while working. He said they were all sent to court and fined 1,000 baht each.

"However, most did not have the money to pay the fines," he said. They ended up in jail and spent 50 days there equivalent to the fines before they were deported.

Many of the Burmese also escaped to neighbouring provinces, such as Phang-nga, Chumphon and Surat Thani. Last week, five Burmese were caught in Phuket and sent here for deportation.

It is not easy to stop the Burmese from entering Ranong which shares a common border with Burma for 100 kilometres along Kraburi River. The southern province also has another 69 kilometres in common sea boundary with Burma.

Chief of Ranong Immigration Office Pol Maj Pichai Rodchua said a total of 730 Burmese were deported last year and there was no guarantee that some of them would not slip back.

He said there are three official border check-points in Ranong through which Thai and Burmese people can cross to the other country for short trips. One of the border check-points is in Muang District while the other two are at Namchued and Pitonpali of Kraburi District.

There is an agreement between Thai and Burmese authorities for people on both sides of the border to go to the other country to either visit their relatives or buy goods between 6 am and 4 pm.

Pol Maj Pichai said the Burmese who want to enter Ranong have to apply for border-passes which entitle them to stay for 24 hours. He said Burmese crewmen working on fishing trawlers are allowed to stay for seven days in the province within a radius of 16 kilometres.

It is very common to see Burmese walking in groups in downtown of Muang District and shopping for basic commodities. "It's difficult to tell whether they are

Thais or Burmese until they speak," said an immigration official.

The provincial police chief said that many of the illegal Burmese immigrants had been involved in criminal activities. He said 98 of them were arrested last year in connection with murders and robberies and other petty crime.

Most of the illegal Burmese immigrants usually find jobs readily waiting for them in Ranong and some other nearby provinces.

Ranong has been experiencing shortages of local labour for many reasons. One of the reasons is that Ranong has the smallest population in the country. While Ranong has an area of 3,426 square kilometres with rich natural resources, its population is only about 90,000.

Phuket, which is one of Thailand's smallest provinces with an area of only 538 square kilometres, has a population of close to 140,000.

Mining, forestry, charcoal-burning and fishing are the most important industries of Ranong but they do not always appeal to the local people who prefer to make their living on independent and less tiring jobs.

There were attempts by local authorities to bring in labour from other parts of the country, especially the northeast, to cope with the the labour shortage.

The northeastern workers, however, proved to be uncapable of bearing the hard jobs and of adjusting themselves to the weather here. They soon began to leave the province, creating another round of labour shortage.

The Burmese were quick to come in and fill the vacuum. "The Burmese offer cheaper labour and are ready to take on any kind of work no matter of its nature," said a local provincial official.

He said that the Burmese labour is about 30 per cent cheaper than that of the Thais and the Burmese hardly show any dissidence even when they are mistreated.

Many of the over 600 fishing trawlers of various types here are manned by Burmese crewmen who are sometimes helpful when the vessels are caught violating Burmese territorial waters. Many are said to be employed in illegal log-cutting inside Burma.

A provincial labour official admitted that it is difficult to deal effectively with these illegal Burmese immigrants who usually work in mines and charcoal factories in remote areas.

"Besides, the Thai employers are happy to have the Burmese because of their cheap labour," said another immigration official.

However, there are only few Burmese women who come here looking for jobs. They are mostly wives accompanying their husbands.

While business entrepreneur extend their welcoming hands to the Burmese, the local people here may not at all find them welcomed guests.

In 1974-75, people here, led by an MP, took to the streets to demand and expulsion of all the Burmese who they said had taken away their jobs.

They also claimed that the Burmese had pushed up their cost of living.

In 1976, the government bowed to the pressure and adopted a resolution calling for the expulsion of the Burmese. But the local business entrepreneurs here, who felt they were going to be hurt by the new stringent measure, successfully asked for a one-year reprieve for the Burmese.

However, despite a repeated appeal from the business entrepreneurs, the government in 1978-79, ordered a massive crackdown on the Burmese. Thousands of illegal Burmese immigrants were rounded up and deported while the government joined hands with private job placement agencies in a campaign to bring in Thai labour replacements from the north and northeast.

The situation improved to a certain extent, but there were still complaints from many of the business entrepreneurs that the northern and northeastern people could not cope with hard work.

"There was also a problem with the northeasterners who tended to leave their jobs here in groups once they became unhappy," a labour official here recalled.

However, he noted that more Thais had replaced Burmese in many of the industries here, particular in the mining sector.

There are no official figures on just how many Burmese are being illegally employed in Ranong and nearby provinces. But it is believed that the majority of the Burmese are working at construction sites in Muang District.

And since the Burmese resemble the Thais in their appearance, labour and immigration officials have difficulty in identifying them unless they receive cooperation from their employers.

Local authorities here said the problem of illegal Burmese needs greater attention from the government if it is to be effectively solved.

They said the immigration law should be amended so that employers are liable to imprisonment if they are found employing illegal immigrants while local police forces should be provided with more personnel and vehicles to track down the Burmese.

"The government should also impose temporary immigration quota for the Burmese," an official suggested.

He said the government should also hold official talks with Rangoon so that the Burmese authorities will impose measures to prevent their people from fleeing to Thailand.

"The Interior Ministry should at the same time provide the province with labour replacements on a more permanent basis," he said.

But the authorities admitted that as long as the Burmese people still face the economic distress under the socialist system, they are likely to continue the risk to gamble for a better life here despite attempts to stop them.

CSO: 4200/557

CONDITIONS OF KAREN REFUGEES NOTED

Bangkok BANGKOK POST in English 9 Mar 84 pp 1, 3

[Article by Pichai Chuensuksawadi and Subin Khuenkaew]

[Text]

THE prospect of yet another refugee problem for Thailand has emerged as a result of fierce border fighting between Burmese troops and Karen rebels.

The problem seems likely to escalate as battles look certain to continue along the northwestern border.

Thousands of refugees are already camped on Thai soil after the seizure and occupation of one Karen camp, the destruction of another and a third camp presently under siege.

Also affected are thousands of Thai villagers forced to flee their homes to the safety of makeshift, thatched shacks far away from the firing line.

Exact figures of Karen refugees are difficult to ascertain but according to Karen National Union Defence Secretary Col Gladstone, the figure is about 6,000.

He told the *Bangkok Post* these refugees fled across the border from the Karen bases of Mae Taw Wah, Klerdey, and Maw Po Kay.

The Karen Christian Relief Committee is more specific, saying there are about 6,400 registered in five camps.

According to the committee, there are about 1,365 refugees in the Mae Paw camp near Mae Taw Wah, 1,565 in Mae Salit, 1,200 in Mae Po, 1,200 from Maw Po Kay and another 1,000 from Mae Lah.

But both Karen and provincial officials agree there are many more refugees not in defined camps in Tha Song Yang District of Tak Province.

The immediate problem appears to be food and medical care for the refugees. The Karen committee has sent circulars to charitable Christian organisations asking for rice, salt, chillis, dried fish, crockery, cooking utensils, medicines and shelter materials.

Claiming there are about 10,000 who have sought refuge in Thailand, the committee says about 2,000 sacks of rice are needed each month.

Col Gladstone said the refugees would pose no burden on Thailand as the fighters' families were "being taken care of".

Aye Kyaw, 61, the chief of the Karen refugee camp of Mae Paw in Ban Tha Song Yang said, however, that a food and medical supply shortage exists.

"All the people in this camp have to eat is rice and salt," he claimed. He said that since the 270 families have moved across the Moei River they have received about 150 sacks of rice from World Vision.

Twice a week, nurses and doctors from Mae Sot Hospital arrive to treat refugees with malaria and other ailments.

For police, district and provincial officials, the immediate problem lies in another area — security.

Tha Song Yang District Officer Ronaphop Chuisiri said: "Families of Karen soldiers should not be a problem because they will be cared for. What I am worried about are the civilians, particularly the poor ones, who refuse to join the camps."

He said these civilians, particularly men, are reluctant to join the camps for fear of being recruited to join the fighting. Mr Ronaphop said these families were scattered and moving about, making it difficult to monitor their activities.

District police fear that with so many displaced Karens, thefts and robberies would soar. Already there has been one instance of robbery by Karen refugees since the Maw Po Kay offensive started, claimed one Tha Song Yang District police officer.

Thai villagers, who are more concerned about the hardship of moving from their homes as a result of the fighting, have mixed views about the refugees.

One villager of Ban Mae Tarn, opposite the besieged camp of Maw Po Kay, said: "I can't say whether I prefer to have the Burmese or Karens near our border.

"In the past five years the Karens have killed at least 10 Thai villagers," he said on the condition he was not identified.

No arrests have been made, and the problem was beyond the control of the provincial authorities, he added.

Niphon Phutakhom, 59, a resident of Ban Mae Tarn for 30 years, says the robbery problem rested with soldiers, not the civilians.

But the most important question to have emerged is whether the refugees will stay in Thailand permanently. According to Aye Kyaw, all the refugees want to go home soon, but Mr Niphon claimed some said they were here for good.

It is difficult to say if the Karen refugees want to stay or not. At Aye Kyaw's camp, about 270 families have settled along a creek with one or two families living in thatched and stilted homes.

A school for about 90 children is already operating and it serves as a church for the mainly Baptist and Seventh Day Adventist Karens.

In addition, Thais have already moved in, selling food, vegetables, drinks and clothes.

Ultimately, the Government will confront the issue. National Security Council secretary-general Sqn Ldr Prasong Soonsiri was understood to have implied he does not want another Aranyaprathet or Khao-I-Dang in the North.

Mr Ronaphop said the Third Army Region may be adopting a policy of gathering the refugees into two major camps with the intention of pushing them back across the border.

Further evidence indicating this trend is that the International Committee of the Red Cross has not been asked by the Government to help.

If the ICRC has not been approached, it can be assumed that neither has the United Nations High Commissioner for Refugees, one source said.

But even if the Government did ask for assistance, it does not mean aid would be easily forthcoming because the UNHCR was thought to have committed most of its funds for Kampuchean refugees.

CSO: 4200/623

VIET SOLDIER SHAKES HANDS WITH BPP

Bangkok BANGKOK POST in English 22 Feb 84 p 3

[Photo caption] A Vietnamese soldier (right) shakes hands with a Thai Border Patrol Police officer at Klong Prom Hot opposite Wat Kok Sabaeng, Tambon Ta Kham of Aranyaprathet. The friendly encounter took place during the middle of this month when the Vietnamese soldier appeared at the spot along with his friend to ask for cigarettes and to chat with Thai villagers.

CSO: 4200/557

PROSPECTS FOR ASEAN SODA ASH PROJECT

Bangkok BANGKOK POST in English 19 Feb 84 p 7

[Article by Junissa Hancock: "Is the ASEAN Soda Ash Project Really Off?"]

[Text] HAS the ASEAN rock salt and soda ash project really been suspended or is it merely going through yet another of those periods of confusion which have beset this project ever since it was first proposed back in 1976?

The answer — and this is despite the announcement made by Industry Minister Ob Vasuratna suspending this project — would appear to be that Thailand's ASEAN project is still very much alive though it is going through a low period.

Why this should be so is because the ASEAN rock salt and soda ash project, as its name implies, is not a Thai project as such, but an ASEAN project — a project which came into being as a result of an agreement between the governments of Thailand, Malaysia, Singapore, the Philippines and Indonesia. And, since it is a government project, no minister — irrespective of whether or not he has been assigned the responsibility for implementing the project — has the authority to scrap or suspend it.

This is a decision that can be made only by the Thai Government, and it is a decision that will become effective only after the other ASEAN governments concur. Agreement by other governments is usually automatic as was demonstrated a few years ago when Singapore decided to opt out of its ASEAN diesel engine project.

So far however, the Thai Government has refrained from making any official statement regarding the status of the ASEAN rock salt and soda ash project — and so far, there has been no reaction whatsoever from the other ASEAN countries, indicating that where they are concerned, the project is still as much alive as it has ever been.

In fact, the other ASEAN countries preserved a similar diplomatic silence late in 1980 when, following the intense lobbying against the siting of the project at Laem Chabang, the then Deputy Prime Minister Boonchu Rojanastien announced out of the blue that this project was "off". A wise move on their part as it turned out, for Prime Minister Prem Tinsulanonda gave the official word a week or so later that the project was still going ahead.

This is not to say though that the project will definitely not be suspended this time. As things stand at the moment, the unofficial concensus among a number of economic ministers is that if the problems surrounding this project appear to be too serious, then the recommendation should be made to the Government to suspend the project.

Problems

And among the problems facing the project, there are three major ones — two of which could be said to be solved at the political level while the third is more in the nature of a technical problem.

Of the problems which could be classified as "political" in that a government decision to do something could remove the problem, the most important is that the Thai private

sector — confused and cautious as a result of the yo-yoing fortunes of the project — was not able to come up with the funds required under the shareholding proportion set out in the Rock Salt and Soda Ash Holding Company. This is the Thai company set up to hold shares in the ASEAN soda ash company.

Under the agreement, the Government was to hold 34% of the shares while the private sector — composed mainly of users of soda ash and distributors of ammonium chloride — was to hold the remaining 66%.

The Thai private sector held to it that it was having difficulties in raising the 870 million baht required because of the uncertainties surrounding the site of the project, the uncertainties over the Government's plans to proceed with the project and the low internal rate of return.

It asked that the size of the government shareholding be increased, but this was rejected in favour of approaching foreign companies to participate in the project. Some Japanese companies expressed interest, but they too called for the Government to increase its shareholding before they would commit themselves.

This call was rejected by the Government, for the Finance Ministry took the stand that the funds allocated for this project did not allow for the possibility of the Government increasing its equity participation.

Another political problem, which has yet to be resolved, centres around the question of what to do with the ammonium chloride which is a co-product of the production of soda ash. This is an important source of nitrogenous fertiliser, but since it has limited marketability, the question was could the National Fertiliser Company — the public-private sector company set up to implement a fertiliser complex after the Scandinavian offer was rejected — take the 400,000 tons produced annually?

The National Fertiliser Company was unenthusiastic, and this raised the spectre of the soda ash project and the fertiliser project competing with each other in the future. Weighing in against the soda ash project too was the Board of Investment's decision to award promotional privileges to the National Fertiliser Company, for this move would make the ammonium chloride produced by the soda ash project less competitive.

The third major problem which beset the soda ash project over the last few months concerned the rock salt mine which is to be an integral part of the ASEAN rock salt and soda ash project.

A technical problem, this will probably prove to be the most serious of all the problems since it concerns the economic viability of the rock salt mine. To be viable, the mine has to have an annual production of 1.8 million metric tons, but since the soda ash plant itself requires only 600,000 tons of rock salt a year, it became a question of how to dispose the surplus amount.

Japan is a major market for rock salt which is used in the production of caustic soda and chlorine and in the soda ash industry, but when they were approached, the Japanese reacted coldly to offers to sell them the Thai rock salt.

This is because it can obtain this raw material from Australia and Mexico at far more competitive prices than it can from Thailand.

And the Thai rock salt is more expensive, for it needs to be purified of its high sulphate and calcium content first before it can be sold — a costly exercise.

This problem however, is not insurmountable, for it was proposed that one way out of this impasse would be by trying to reduce investment costs through combining the rock salt project with the experimental potash mine being developed by the Department of Mineral Resources.

Kali and Salz AG of Germany — the consultant company to the DMR's potash project — was commissioned to study whether it would be economically viable to combine the two projects. Their report was that while the rate of return would be low — between 3.05% to 5.42% — it would nevertheless be a viable project. However, there were other technical problems involving the potash project itself, so that while the picture wasn't completely bleak, it nevertheless wasn't rosy either.

Thailand's ASEAN rock salt and soda ash project, however, is no stranger to setbacks, for it has been faced with uncertainties and problems ever since the idea was first promoted in Bali in 1976 — and despite the Industry Minister's assertion that the project's slow progress was the result of the lack of wholehearted support by the other ASEAN countries, the problem appears to lie more within this country itself.

It is true that all the ASEAN projects — Thailand's rock salt and soda ash, Indonesia and Malaysia's urea fertiliser, the Philippines' phospate and Singapore's diesel engine — suffered a slight setback when Singapore, upset over the fact that other countries were producing diesel engines too, opted out of its ASEAN project.

Not just that, but it decided that contrary to the original agreement which had the host country holding 60% of the equity in the project while the other ASEAN countries held 10% each, it would hold only a nominal 1% share in the other projects — a move which indicated that Singapore had no real interest in these ASEAN projects but was prepared to hold a nominal share in a show of ASEAN "solidarity."

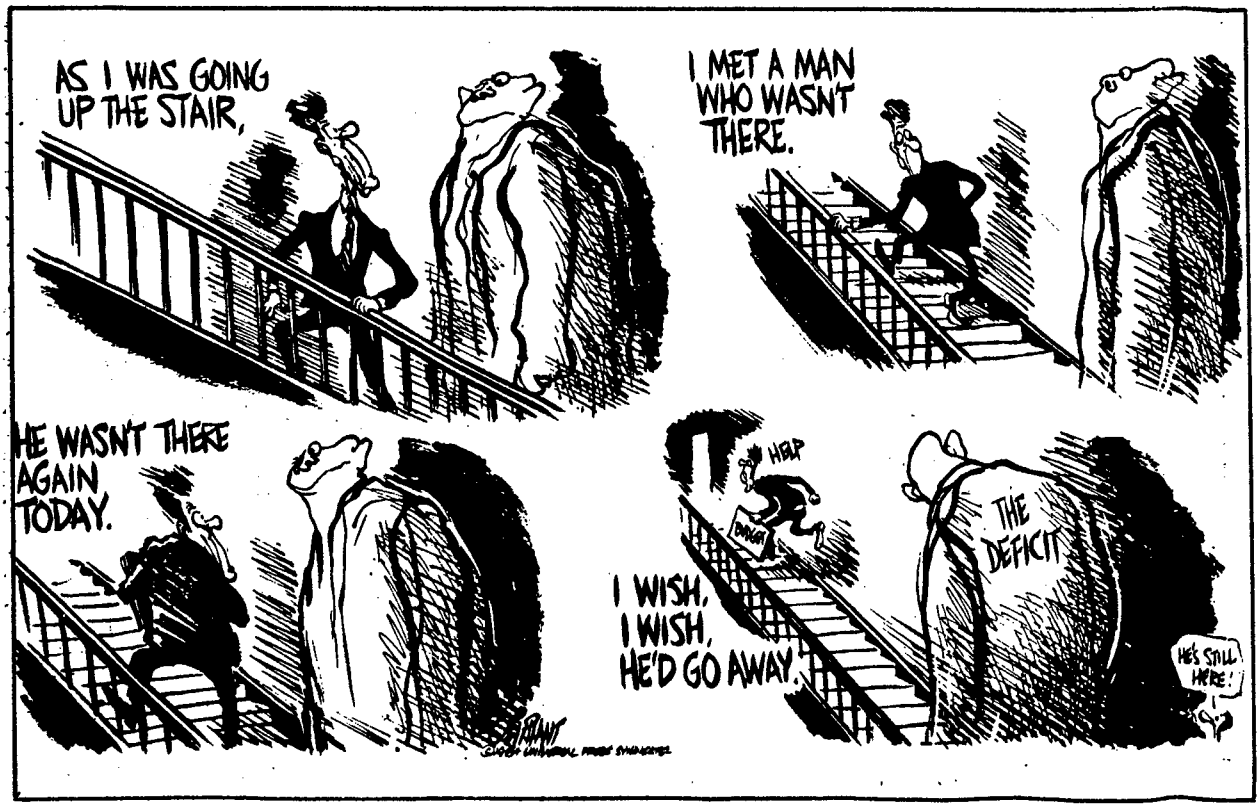
Blow

Indonesia too dealt quite a blow to Thailand's rock salt and soda ash project when it announced, late in 1981, that it was going to set up a plant to produce 200,000 tons of soda ash a year. Though it stated that this would in no way, compete with the Thai project and that it would still purchase 60,000 tons of soda ash a year from this country according to its agreement, and though the Thai side put a brave face on the matter, there was a feeling of despondency over what looked like yet another defection from the original concept of cooperation and unity for the ASEAN projects.

But, these two factors alone were not responsible for the long delay — over seven years since this project was first proposed — in the implementation of the rock salt and soda ash project.

What was responsible for the delay was the confusion and uncertainty surrounding this project within Thailand itself.

For a start, the original project to set up a soda ash plant in the Kula Rong Hai Plains in the Northeastern region of the country was expanded in 1978 to include a rock salt mine.



The ASEAN countries — and Japan which had promised to provide a significant part of the financing for the project — agreed to this and hopes were then high that this project would be in operation by 1983 with supplies of soda ash to become available in 1985.

At that time, the project was expected to cost some US$232 million with the annual producion of soda ash being set at 400,000 tons a year.

In the following year, steps were taken to implement this project. A joint venture company among the ASEAN countries was set up, and, following Singapore's decision to hold only a nominal 1% equity in each of the ASEAN projects, the shareholding was revised so that Thailand held 60%, Indonesia, the Philippines and Malaysia held 13% each and Singapore, 1%. It was agreed too that of the 60% equity held by the Thai side, the private sector would hold 66% while the Government held 34%.

Unfortunately for the future of the project, this period of relative calm — a period where the project was looked at mainly from the economic point of view — came to an end only too soon, for from the middle of 1980 onwards, the rock salt and soda ash project became highly political.

Costs

For a start, the site of the project was moved from the northeast to Laem Chabang in Chon Buri province — a decision made on the grounds that the development of a deep sea port at Laem Chabang and the benefits that would accrue from this, would outweigh the extra costs to be incurred as a result of transporting the raw materials from the Northeast to Chon Buri.

The investment involved was higher — estimated to be somewhere in the region of US$300 to 400 million — but a study carried out by the Japanese indicated that this would still make it a feasible project.

The Japanese stamp of approval led to the other ASEAN countries agreeing to the change in the site of the project, but this in fact, proved to be just the lull before the storm which was to break over the project.

It began quietly enough, with environmentalists and people in the tourist industry expressing concern that the siting of the soda ash plant at Laem Chabang would create pollution problems as well as hurt Pattaya's booming tourist industry. This concern, however, soon escalated to a full blown protest with villagers in the area, hoteliers, academics and others, protesting against this move. The Tourism Authority of Thailand, the Prime Minister's Advisory Council — they too came out strongly against the move.

And, since the move had been advocated by the then Industry Minister Maj Gen Chatichai Choonhavan of the Chart Thai Party, it rapidly became a highly political issue. The economic issues of this project were forgotten as people launched into personal, vitriolic attacks against the minister — so much so that he felt it necessary to make a public statement saying that this move had been made not because he personally owned land in the Laem Chabang area and so would have profited as had been alleged, but because the presence of a deep sea port would make the project more viable. He defended the project against the pollution charges too, but the situation had become too explosive, with economic reality being forgotten in favour of a political free for all.

Whether it was in an effort to defuse the situation or the taking of the opportunity to score off a political rival is not clear, but former Deputy Prime Minister Boonchu Rojanastien of the Social Action Party startled everyone by announcing that the project was "off" — a move which contributed to the uncertainties surrounding the project.

That the project was not "off" was not made clear until a week later when the Prime Minister stated that it was proceeding but that an alternate site for the project would be found.

It wasn't until 1981 that two alternative sites were proposed — Baan Mabchalood in Rayong province and Baan Nong Yai in Chon Buri province — and it wasn't until quite sometime later that it was felt that the Rayong site was the better one. A case of the soda ash plant being able to receive a ready supply of ammonia

from the nearby fertiliser complex planned by a Scandinavian consortium.

By this time too, the expected investment cost had shot up further — one estimate being as high as US$546 million. The internal rate of return expected on the project was only just above the 8% minimum rate set by ASEAN if the ammonia supply needed by the plant had to be imported from Indonesia and 8.9% if this supply was made available from the fertiliser complex.

As it turned out, the fertiliser complex failed to materialise and added yet more uncertainty to the soda ash project as a whole.

It was these uncertainties that have since created the current problems working against the smooth implementation of the project and which doubtlessly led to Industry Minister Ob coming out with the shock announcement that the rock salt and soda ash project is to be suspended until sometime in the future.

Whether or not this ASEAN rock salt and soda ash project will ever see daylight now depends on just one thing — the Government's will to proceed with the project. This will is not evident at the moment.

CSO: 4200/557

DROP IN TIN PRICE WORRIES MINERS

Bangkok THE NATION REVIEW in English 13 Feb 84 p 17

[Article by Thepchai Yong and Pongsak Srisod in "The South in Depth" Series]

[Text]

PHANG-NGA – An unprecedented decline in the price of tin ore as a result of the delayed announcement of new tin export quota this year has triggered off fears among local authorities here of intensified smuggling of tin here out of the country.

The authorities expressed concern over the trend as they began to talk of success in their crackdown on tin ore smugglers who are believed to have siphoned off about 40-50% of the tin ore mined by suction boats and rafts off this province.

Deputy Governor Sub Lt Narong Saengsuriyong told *The Nation* yesterday that the miners here want the government to introduce an "official price" for tin ore as soon as possible to prevent the price from sliding down any further.

At weekend the tin price dropped to only 104 baht per kg. Narong said that the price was the lowest ever and miners were worried that without any proper measures from the government it could drop even further.

He said the price was fixed by purchasing agents who had become increasingly uncertain about the level of tin export quota to be announced this year.

The purchasing agents were commissioned by the Offshore Mining Organization and the Phang-nga provincial administration to buy tin ore directly from miners operating suction vessels off Phang-nga.

The deputy governor said the miners are beginning to feel restless over the low tin price and there are fears that smuggling to tin ore to Malaysia and Singapore will intensify.

There are now between 700-1,000 suction vessels operating in area under the concessions held by the OMO and the provincial administration covering over 40,000 rai. Because of high royalties on tin ore set by the government many of the miners have been smuggling the ore to Malaysia and Singapore.

Narong said that about 50,000-60,000 picul of tin bought by the purchasing agents from the miners have piled up in their stock deposited at Thailand Smelting and Refining Co Ltd (THAISARCO) which runs the country's largest tin smelter.

"The tin ore has to be left there and smelting is not allowed until the new quota is announced," he said, adding that the company had said it could not take anymore of the stock.

The Nation visited three of the tin ore dressing plants in Tai Muang, Tapkua Pa and Takua Thung districts last week and heard complaints from miners and tin ore dressers about the low price. The Phang-nga provincial administration runs three tin ore dressing plants in Takua Pa and Tai Muang while OMO has only one dressing plant in Takua Thung.

All tin mined off Phang-nga is required to be delivered to the four ore dressing plants where they are sifted, dried and packed in bags by the purchasing agents.

OMO has closed two of its dressing plants in a new attempt to stem rampant tin ore smuggling while the provincial administration has relocated its three ore dressing plants for the same purpose.

The locations and designs of the old dressing plants enable tin dressers to hoard tin for smuggling.

Provincial police chief Police Col Sunthorn Saikhwan said yesterday that tin smuggling had been effectively put under control during the past several months through joint efforts of local authorities from the "Centre for Prevention and Suppression of Tin Ore Smuggling" which is based in Takua Pa District.

The centre is staffed with policemen and officials from the Customs Department, Mineral Resources Department and the Royal Thai Navy and is headed by Deputy Interior Permanent Secretary Anant Anantakul.

The deputy governor, who concurrently serves as a deputy director of the centre said it is believed that the centre had saved the country about 200-300 million baht worth of tin ore which would otherwise have been smuggled out of the country during the past three to four months.

"But our efforts are likely to be affected by the new problem with tin quota and its falling price," said Police Col Sunthorn who is also a member of the anti-tin ore smuggling centre.

The centre is directly under the control of the Committee for Prevention and Suppression of the Tin Ore Smuggling chaired by Deputy Prime Minister Gen Prachuab Suntrangkul.

CSO: 4200/557

BORDER FEE HURTS SOUTH ECONOMY

Bangkok THE NATION REVIEW in English 16 Feb 84 p 17

[Article by Pongsak Srisod]

[Text] BETONG, Yala – Local transport business has been plunged into some serious difficulties since the Malaysian Government has imposed a M$100 or about 1,000 baht per truck, bringing the transport activities to a near halt.

Betong Lord Mayor Visit Kongkha told *The Nation* that the Malaysian Government's new entry fee through the border checkpoint has been in force since Jan 1, this year.

"Malaysia is an important market for Thai products. The transport of goods into Malaysia on land through the border checkpoint has brought revenue of up to at least 100 million baht a year," he said.

Mayor Visit cited rubber much of which is transported across the border into Malaysia.

He said government-to-government talks should be held to relax the ruling "because the economy of Betong and nearby areas depends very much on the Malaysian market. Since Malaysia imposed the border levy on trucks, costs have shot up and the public in general has suffered as part of the chain reaction, he said.

Most trucks carrying goods across the border to Malaysia have halted their activity after the new border fee has been imposed.

"I understand that the local merchants have been negotiating with their Malaysian counterparts to share the border fee on a 50:50 basis. I don't know the outcome of the talks just yet," Mayor Visit said.

He said that the negative effects had been felt in various fields, including the transport of fruits from Thailand to Malaysia.

Mayor Visit said that urgent measures must be found to help the local merchants since land transport on land is the most economical means of transport for Thai goods across the border.

CSO: 4200/557

KOH KONG ISLANDERS TO GET THAI CITIZENSHIP

Bangkok THE NATION REVIEW in English 21 Feb 84 p 3

[Text] A special committee yesterday resolved to grant Thai citizenship to 561 ethnic Thais who have migrated from the Kampuchean island of Koh Kong opposite Trat Province. The committee last year granted citizenship to 396 ethnic Thais from the same island.

Deputy Permanent Secretary for Interior Charoenchit na Songkhla said the Trat provincial administration proposed that the 561 immigrants were qualified for Thai citizenship.

Charoenchit, who is chairman of the Committee to Consider Granting Thai Citizenship to People from Koh Kong, said the committee would forward the matter to Interior Minister Sitthi Chirarochana and the Cabinet for final approval.

He said the Cabinet last year approved a proposal to grant Thai citizenship to 396 Thai people from Koh Kong. The matter is now in the hands of the Office of His Majesty's Principal Private Secretary and the decision would be officially announced after HM the King signs in approval.

Charoenchit also said that after the interior minister acknowledges the resolution by the committee, officials from involved agencies would conduct interviews of the 561 people in Trat to verify their biographies.

The Budget Bureau had allocated a budget of 500,000 baht for the field interviews which would involve officials from the Immigration Department, the Special Branch Division, the Local Administration Department, the Registration Division, and the National Security Council (NSC), the deputy permanent secretary for interior said.

He said that the process to grant the people Thai citizenship would take long time because the field interviews cannot be carried out until all the related agencies are ready.

There are now about 5,900 Thai people who have moved from the Kampuchean island of Koh Kong. The island formerly belonged to Thailand and Thai residents in the province were thus stranded there when Thailand lost the territory to Kampuchea. The people moved back to Thailand when the Khmer Rouge seized power. They have reported to Thai authorities that they were fisher men.

The Cabinet resolved four years ago to grant Thai citizenship to these people with the proviso that they had immigrated into Thailand before November 15, 1977.

Other requirements include Thai appearance, ability to speak Thai, Thai customs, and proof to show that they have relatives in Thailand.

Applicants for Thai citizenship would have their applications considered by the Trat provincial committee set up to handle the problem. The committee would also check their biographies. Most of the people moved into Thailand during 1975-1977.

Charoenchit said that the authorities would try to complete the process of granting the 561 Thai people Thai citizenship within this year.

CSO: 4200/557

THAI WATERS HEAVILY POLLUTED

Kuala Lumpur BUSINESS TIMES in English 30 Jan 84 p 3

[Text] BANGKOK, Jan. 29

THAILAND'S marine waters are serving as the ultimate dumping ground for human excrement, industrial wastes and agricultural runoff, severely affecting health, fishing and tourism in some areas, a United Nations study says.

Conditions are especially poor in Thailand's major rivers and the inner area of the Gulf of Thailand, according to preliminary investigations carried out by the UN Economic and Social Commission for Asia and the Pacific and a team of Thai experts.

The findings, released Friday, included the following:

■ For the past 10 years, concentrations of toxic heavy metals such as mercury and lead have been increasing in the inner gulf. Mercury levels in the urine of residents in 21 provinces near the Thai coastline show growing exposure to mercury pollution.

■ Eighty-four per cent of shellfish samples collected in 1975 from an open market in Bangkok contained bacteria that may cause food poisoning and other intestinal problems.

■ Clam and mussel production in the inner gulf has been reduced by as much as 50 per cent since 1960.

■ Pollution of the gulf has created problems of unemployment, transmigration, degradation of coastal land and tourism.

According to the study, Thailand's four major rivers daily carry almost eight tons of toxic heavy metals and some 200 tons of biochemical oxygen demand — an indicator of organic pollution.

Most heavy metal pollution results from the continuing discharge of untreated or partially treated wastewaters from numerous industries and factories, the report said.

The study calls for a survey of polluting industries and provision of treatment plants as well as the construction of sewerage systems in Bangkok and other major urban centres.

Also suggested are promotion of environmental awareness through education and the formulation of long-term national environmental policies.

CSO: 4200/557

MAJOR EXPANSION FOR SOUTH NAVAL BASE

Bangkok THE NATION REVIEW in English 14 Feb 84 pp 1, 2

[Article by Thepchai Yong and Pongsak Srisod in "The South in Depth" Series]

[Text] Phang-nga Naval Station, Phang-nga--The Royal Thai Navy is implementing a 15-year project to turn this naval station into a complete naval base to protect the country's territorial waters in the Andaman Sea.

Once completed, the naval base will have its own dockyards for repairs of ships and will be able to take vessels of all sizes.

Commander of Phang-nga Naval Station Capt Pravit Palsri told THE NATION that the base will also be manned with a battalion of marines and equipped with facilities necessary to guard the Thai waters from Ranong down to Satun.

However, he said there is no immediate threat to the country from this area but stressed that such a naval base is needed in the long run. Phang-nga Naval Station located at Baan Tab Lamu in Tambon Lamkaen of Tai Muang District, is the Navy's only naval base facing the Andaman Sea.

The naval station was set up in 1979 and is responsible for areas off the coasts of Ranong, Phang-nga, Phuket, Krabi, Trang and Satun. The station is now manned by a company of marines and is equipped with four patrol craft.

Capt Pravit said the Navy has an area of 6,000 rai to expand the base under the master plan which is being implemented in staggered phases.

The primary responsibility of the naval base is to guard against violations of territorial sovereignty by foreign vessels, offer protection to Thai fishing trawlers and cooperate with the Customs Department in cracking down on smuggling.

However, since the naval station began operations, there had been no reports of intrusions into Thai waters in the Andaman Sea by foreign vessels. But Deputy Commander of the station Group Capt Rangsan Temiyaves said some Russian fishing vessels apparently well-equipped with electronic communication system were detected near the Thai water on a few occasions.

"But none has entered our waters," he told THE NATION on board one of the station's patrol boats which was cruising off Phang-nga on one of its routine missions late last week.

Phang-nga Naval Station has recently been devoting much of its time in battling against tin smugglers who are believed to have siphoned off about 40-50 per cent of tin mined off Phang-nga.

Through the station has mobilized all of its four coastal patrol craft which are equipped with radars that can detect vessels at night, Capt Pravit admitted that the fight against tin smugglers is not an easy job.

The smuggling is carried out hundreds of modified fishing trawlers which sprawl the sea. He said some also had modern radars which can detect the movements of the naval patrol craft.

Capt Pravit himself was recently appointed to the Centre for Prevention and Suppression of Tin Smuggling based in Takuapa District here. The broad-based centre is also staffed with representatives from the Customs Department, Mineral Resources Department and the police force.

"During some of our night patrols, dozens of fishing trawlers appeared on our radar screens," said Capt Pravit. "But the problem is how to identify the ones which carried smuggled tin."

"You cannot simply stop every trawler for a search," he added.

Many of the suction rafts are now equipped with tin dressing facilities and they can simply unload the dressed tin into these fishing trawlers to be smuggled out of the country, he said.

Capt Pravit said the smugglers normally covered their smuggled tin with tons of fish or other products and the naval patrol craft have no instruments to detect what is beneath.

The routine sea patrols by the patrol craft of the station are also costly. He said each of the patrol boats consumes about 6,000 baht worth of petrol per hour.

Capt Pravit said Phang-nga Naval Station is one of the four naval stations of the Navy. The other three are in Bangkok, Sattahip and Song-khla.

He said Phang-nga Naval Station currently has no dockyard for ship repairs and it has to depend on private dockyard in Phuket to repair its vessels.

CSO: 4200/557

ASEAN ROCK SALT-SODA ASH PROJECT SUSPENDED

Kuala Lumpur BUSINESS TIMES in English 11 Feb 84 pp 1, 14

[Text] Bangkok, Feb 10--

HOST country Thailand has indefinitely suspended the multi-million dollar Asean rock salt-soda ash project because its partners, "have not shown any real intention" of helping to implement the project, Industry Minister Ob Vasuratna said.

In an unprecedented move, the Council of Economic Ministers chaired by Prime Minister Prem Tinsulanonda, decided during its weekly meeting to adopt Mr Ob's proposal that the long-delayed project be shelved.

This was disclosed yesterday by Mr Ob in an exclusive interview with the *Business Post*.

Mr Ob said, "this is not an urgent project which requires immediate attention from the Thai government."

He confirmed that the project was "not cancelled" and the feasibility study of the project would go on until the time was "ripe" to implement it. However, he said he did not know when such a time would fall due.

He said the government should rather concentrate on a similar project — the fertiliser complex — which is totally owned by Thais.

Citing the reason for his proposal to shelve this project, Mr Ob said the previous government, in giving the green light for the project, had not studied in detail the viability of the project to extract rock salt, which is a raw material for the soda ash plant.

But results of further study have indicated that the project was not economically viable for the time being, he pointed out.

Moreover, Mr Ob stated, Asean counterparts have not shown their "real intention" of helping Thailand implement this project.

The estimated cost of the project in 1982 was about US$370 million. Of the total, 70 per cent was expected to come from loans granted by Japan, while the remaining 30 per cent was to be invested by Asean shareholders.

Originally, Thailand as the host country was expected to invest about 60 per cent equity, while other Asean partnes were to invest 10 per cent each.

But Singapore later informed Thailand that it would like to have only one per cent stake in this project, hence the new equity ratio of the other three partners was raised to 13 per cent each.

"Such an action was not correct," Mr Ob said.

He also said it was still undecided where the soda ash plant should be located. Originally, the government had two choices. Ban Mab Chalood in Rayong or Ban Nong Yai in Chon Buri. Both sites are in the Eastern Seaboard area, earmarked as the site for an industrial complex.

If it was to be sited at the rock salt mine in Bamnet Narong in Chaiyaphum Province of the Northeast, it was feared that it might pollute the environment as the plant requires a large volume of water.

Another reason cited by Mr Ob was that there might be problems in the future concerning ammonium chloride, a by-product derived from production of soda ash. He said the by-product, which is used in the production of nitrogen fertiliser, might clash with the National Fertiliser Corp's project to build a national complex in Rayong to produce fertiliser.

The minister said he was not sure whether the fertiliser to be produced from the ammonium chloride could be exported if the government decided to go ahead with the soda ash project.

With these reasons taken into account, Mr Ob said the council felt it was too risky to implement the soda ash project at the moment, he added.

CSO: 4200/623

END