

EYEWITNESS
DYING FOR GOLD

ASIAWEEK

AUGUST 16, 1987

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GIVING IN

SRI LANKAN TAMILS LAY DOWN THEIR ARMS



*Liberation Tigers
Guerilla Leader
Velupillai Prabhakaran*



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SURRENDER OF ARMS 8

One week after India and Sri Lanka signed an accord aimed at ending the island's seven-year separatist struggle, Tamil guerillas began handing in their arms. But the rebels say their fight for a Tamil homeland is not over.



TERROR IN MANILA 12

The assassination of a cabinet minister was the boldest attack yet in the Philippines' dirty war between right and left. While the government stepped up security, there was a storm over its failure to stem growing lawlessness.

BUSINESS



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The Philippines' external debt is top priority for the new Congress. There's talk of repudiation. All eyes are on Central Bank governor Jose Fernandez — who has made some unpopular decisions.

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While producers like oil expensive and consumers prefer it cheap, both hanker for price stability. Asians in both camps are watching the spot market. Tension in the Gulf is making it skittish.

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More and more Japanese executives are being posted abroad. It can be a lonely life for bachelors. To ease the burden, professional match-makers are helping expatriates find brides back home.

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Thailand's coalition government is split over a copyright bill that would extend protection chiefly to the United States. The amendment's opponents accuse Washington of pressuring Bangkok.

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Tensions flared in West Asia last week after hundreds of pilgrims in the Islamic holy city of Mecca died during a riot allegedly sparked by Iranians. Meanwhile, more U.S. warships escorting tankers steamed towards the Gulf.

Mountains of Gold 24

Death stalks the ramshackle mining towns of Davao del Norte province. Yet for poor Filipinos, the threats of cave-ins, bandits and mercury poisoning pale before dreams of riches. EYEWITNESS looks at the Mindanao gold rush.

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A Malaysian university has ruled that certain courses previously offered in Chinese and other minority languages will now be taught only in Malay. The controversy has intensified the multiracial country's language debate.

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COVER
 Subha News Photo Service
 Andy Hernandez

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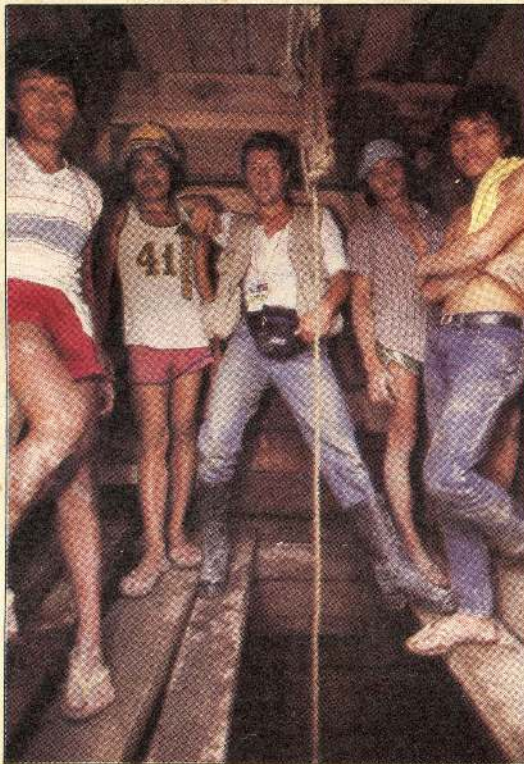


The Grief of All That Glitters

The men in the picture inset below all look brawny, but appearances are deceptive. "I'm undoubtedly the strongest there," says Photojournalist Alain Evrard, the man in the middle, and he is not boasting. "The others are all suffering from chronic gastric and respiratory problems because they spend so long down mineshafts searching for gold." Evrard was visiting gold-rush districts of Davao del Norte, a province in the southern Philippine island of Mindanao, to take pictures for this week's EYEWITNESS. The Belgian-born, Hongkong-based photographer made a precarious 25-metre rope descent to one shaft floor. "The rope is thin and slippery with mud," he reports. "The deeper you go, the hotter and more humid the atmosphere gets." Cigarette smoke and candle fumes trapped below make breathing difficult, and cave-ins are a constant threat. Above ground, meanwhile, danger lurks in the camptown's gangster-style way of life. "It's sad to see young men like that suffer to make a pittance," says Evrard.

In Hongkong, Staff Writer Peter Comparelli used information from Davao-based reporter Aurelio Peña and other sources to write the EYEWITNESS captions. A Canadian from Vancouver, Comparelli was struck by the similarity of some of Evrard's pictures to those he had seen of the famous 1898 gold-rush in the Klondike wilderness of Canada's northwest. But he found one aspect particularly worrying. "What concerns me is the way people dump the mercury used for processing the gold," he says. The metal seeps into water supplies, and, though authorities seem to have been slow to notice, already samples from the Davao Gulf reportedly have tested at unacceptably toxic levels.

As Comparelli laboured on EYEWITNESS, Correspondent Murakami Mutsuko was rounding off three weeks' research with an in-depth file for BUSINESS & FINANCE on today's global shopping spree by Japanese investors, suddenly with money to burn overseas thanks to the yen's rise. Acquisitions covered in her report, set to appear soon, include the famed Van Gogh painting *Sunflowers* bought for \$40 million, prize buildings in the U.S., industrial projects in Southeast Asia, a golf course in Scotland and the yacht *Australia III*, a past contender for the America's Cup.



Aurelio A. Pena/Globe Press Agency

Evrard and Davao miners at shafthead

Brains of the Organisation

I read "Japan's Organ Transplant Debate" [VIEWPOINTS, July 5] with great interest. The key ethical issue in this debate, which rages not only in Japan but in many other parts of the world, is a definition of death — traditionally diagnosed by the irreversible cessation of respiration and heartbeat.

The concept of equating brain death with physical death arose, legitimately, because the brain as the "master organ" is the control centre of the heart and other parts of the body. So if the brain dies all other regions of the body ultimately will die even if they show activity for some time; there is no chance of reviving these organs without first reviving the brain. At the present stage of our scientific knowledge, brain-death reversal isn't possible.

But there's no simple test on which to base a diagnosis of brain death. A living brain carries out its multifarious functions in different regions like the cortical, sub-cortical and stem, each with a characteristic brainwave pattern that can be recorded by electroencephalographic (EEG) machines. The code of practice drawn up in 1976 by the conference of Medical Royal Colleges in the United Kingdom says that "terminal functional death of the brain stem region constitutes brain death and once this has occurred further artificial support is fruitless and should be withdrawn."

The stem region controls many of our unconscious activities — heartbeat, breathing and so on. From the standpoint of medical ethics, an acceptable organ donor would be brain-stem dead.

PROF. J.J. GHOSH
President, Indian Brain
Research Association
Calcutta, India

The Mood Downriver

"Bangladeshi criticism of Indian actions in Sri Lanka is the most cynical piece of diplomatic nonsense of the century" says P. Krishnakumar of Singapore [LETTERS, June 28]. "How ungrateful and forgetful can one be?" he asks. How very haughty and imperialistic. I know for sure why India intervened so eagerly in '71: she was worried that if the independence struggle went on too long, more weaponry would reach rebels in Assam,

Write Letters Dept., Asiaweek, 22 Westlands Rd., Hongkong. All letters intended for publication must include the writer's name & address, though pseudonyms may be used when necessary. Letters are subject to editing as clarity and space require.



Orino - Asiaweek

Mizoram and Tripura. She intervened rather than risk seeing the entire south-eastern population become insurgents. But to what degree was that intervention helpful to Bangladesh?

Our country has been deprived of its share of Ganga water. Now India builds new barrages over other rivers: watch for desertification in our north.

A lot of people are sweating to prevent India from falling into pieces. Bangladesh is a big market for India, and some Indians want Bangladeshis to act according to directives. But Allah the merciful is more capable than Mr. Krishnakumar knows.

MUHAMMAD SHAFIQ-UL-KARIM
Dhaka, Bangladesh

What the Penans Know

"Log Jam" [EYEWITNESS, June 28] shows dramatically how the homes of communities that have evolved over millions of years into the earth's most complex ecosystems are being destroyed to meet timber needs in distant industrialised markets. Economists are now discovering that timber is just one resource among a huge variety of foods, fibres and medicines of immediate value to forest inhabitants. But the water that flows from the forest, the forest's role in atmospheric balance

and the rich potential of its plants' and animals' diverse genetic material are valuable to everyone. If just a fraction of the money poured into industrialisation on tropical forest lands were spent instead on development sensitive to ecology, environment, culture and lifestyle, the greatest good for all could be obtained. In people like Sarawak's Penans lives much of the knowledge on which we could base such development.

JEFFREY SAYER
Senior Program Adviser,
Tropical Forest Conservation
International Union for Conservation
of Nature and Natural Resources
Gland, Switzerland

Raising Cane

Re "Riches of the Rainforest" [BUSINESS, July 5]: Rattan — a palm, not a vine — is an important resource long overlooked by foresters and government agencies. No one really knows the value of the rattan exported from Indonesia since much never passes through official channels. Your figure of \$13 million for the raw commodity is low; it's probably 20-50 times that.

About 90% of rattan entering the international market comes from Indonesia. Most of that in turn is from East and Central Kalimantan. Almost all of the

top-quality cane comes from gardens cultivated in forest fallow by Dayak people.

The most commonly used species of rattan, and the ones that bring the highest prices, are *Calamus caesius* and *Calamus trachycoleus* — not *Daemonorops oblonga*. They have about the same diameter as a human finger, and split easily for plaiting.

DR. JOSEPH A. WEINSTOCK
Bandung, Indonesia

The Mindoro Situation

In "Less War — More Plots" [INTERNATIONAL AFFAIRS, July 19], you refer to communist guerillas training "on Mindoro Island." For the record, local government and military searches and records, along with affidavits from rebel returnees, tell of no such camps within the borders of our province.

BENJAMINI. ESPIRITU
Provincial Governor, Oriental Mindoro
Calapan, Philippines



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Trade in the Balance

Fleet Street calls it the Silly Season, a droll implication that Fleet Street is serious the rest of the year. Yet in the sense that silly originally meant "innocent" or "carefree," August for many fortunate people fits the bill. Chinese leaders sun themselves at Beidaihe, the U.S. Congress goes fishing, France as a whole shuts up shop — and this year, even world economic indicators have taken a holiday from the blues. Just a couple of months ago, the premier weathermen of international trade and investment were tripping over one another to ring storm warnings. Stewards of the General Agreement on Tariffs & Trade (GATT), the Bank for International Settlements, and the Paris-based Organisation for Economic Cooperation & Development — the industrial-world club — all issued bracing alerts to a near-term danger of recession. Today those fears are themselves in recession. America's growth looks better, Japan's looks less bad, and stock markets range from so-so to effervescent.

Many of the dire forecasts hanging over developing countries have abated, too. After five years of bearing up confidently with crossed fingers, the big banks are finally setting aside ampler cushions against their Third World loans — a mixed portent, perhaps, but one that in any event buys time. More important, a number of commodity prices that had been in the pits have begun to see daylight again, promising stronger earnings for the less privileged world without threatening an inflationary gusher. And though Japan and Germany still balk at kick-starting their internal-demand engines, the United States, with a slightly shrinking trade deficit, has at least stopped short of throwing all imports into the pot of a modern Boston Tea Party.

Or has it? The fact is that, notwithstanding the signs this August of a fairer economic wind, one very perilous trend is on vacation only. That is the protectionist juggernaut that has now rolled through both houses of Congress and is running up to confrontation with the White House. True, the Senate bill passed recently is not so prescriptive or punitive as the House version, which amounts to a subpoena requiring trading partners that sell more to the U.S. than they buy — nearly all trading partners, by the way — to show cause why they should not be condemned for victimising America. Guilt presumably may be found if a Taiwan or South Korea has failed to guarantee workers 20-minute coffee breaks twice a day — an exaggeration, but one in degree rather than kind — and sentencing would

dictate slashing of those foreign surpluses by 10% a year.

The Senate bill, though similarly ferocious in aspect, is less binding on the administration, and foes of the House measure are hoping it will get house-broken in the joint conference committee impanelled to reconcile the two. Still, a good chance remains that even a tamer hybrid will not have changed spots sufficiently for the White House to adopt it. President Reagan, it should be said, is far from being the only American to recoil aghast from the legislation. It has drawn institutional support mainly from labour barons together with a few eccentric captains of industry such as the messianic Mr. Lee Iacocca, czar of Chrysler Corp. and Detroit. For a while the House was boasting that the United States Chamber of Commerce had helped to frame its bill. Yet it was cooperation only insofar as a shopkeeper can be said to cooperate with the "protection" offered by his friendly local Mob.

Organised businessmen wanted none of it, in other words, but tried in vain to decontaminate it. Now Mr. Reagan is threatening a veto, which he may prove unable to sustain. What makes this dormant crisis particularly ominous, however, is the other danger — that of a veto's success. For all its vengeful features, that is, the trade package in Congress also has some important provisions

riding on it, the biggest by far being authority for the U.S. to take part in the new round of world trade negotiations sponsored by GATT.

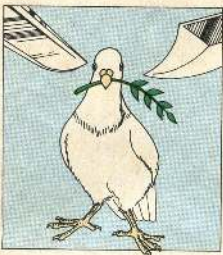
Launched in Uruguay last September, this latest round of multilateral talks is easily the broadest-front, most encouraging assault on trade restraints since GATT or indeed the world began. Among other things, its mandate includes: elimination of agricultural dumping by Western Europe and other felons; closing the countless GATT loopholes industrial nations have used to restrict such imports as Hongkong textiles; outlawing those nebulous non-tariff barriers that Japan, among others, has been infamous for; and generally levelling all the knots of tariffs and quotas that still prevail. An end to farm dumping alone would give a big leg up competitively to hard-pressed Third World exporters and help narrow the gap in growth rates between rich and poor. In return, the U.S. has been pressing for free trade in services — finance, technical consultancies and so on, many of them potential bonanzas for the American export market — and protection against piracy of copyrights and patents.



The Uruguay Round has been a high priority of the Reagan administration, which wielded a lot of clout and diplomacy to get it off the ground. France, the major holdout on farm-coddling, finally gave in, while such service-industry shelterers as India, Egypt and Brazil tentatively dropped their resistance in order to see what might be in it for them in exchange. But the consensus, amid the beggar-thy-neighbour instincts just in intermission today, remains shaky. And now the "fast-track" negotiating authority the White House sought, leaving no scope for congressional meddling with the final pact, is hostage to baldly protectionist bills. The president

might ask for the warrant again later, but confidence among GATT negotiators in the vital early going could be crippled. Plainly the White House has to mount an effort in Congress now to defuse these linked bombs. Plainly it is also a sign that many Asian exporters have developed too dangerous a dependency on the U.S. market. Relieving the pressure that a single chamber of lawmakers can bring to bear on the world can come only from more developing-nation interdependency — and ASEAN could, if it's able to break the Silly Season spell and if it had the imagination to invite SAARC envoys from South Asia, begin blazing that trail at the Manila summit this year. ■

The Peace of the Long Knives



The Norwegian Storting (Parliament) has not been conspicuously generous in the awarding of the Nobel Peace Prize to Asians. Of the four who have won it, two have strained the definition of Asianness: Mother Teresa of Calcutta, born in the Balkans, and Mr. Menachem Begin of Israel, a native of Poland. Of the

remaining two, one — the late Sato Eisaku, 1964-72 prime minister of Japan — wasn't too sure what he got it for (the Nobel committee said it was for hating nuclear weapons; Sato thought it was for getting Okinawa back from the Americans), while the other — Mr. Le Duc Tho of what was then North Vietnam — neither accepted nor particularly deserved it. If candour and courage in stopping bloodshed qualify as eligibility for the honour, though, one outstanding Asian candidate has now emerged: Mr. Junius Richard Jayewardene, president of Sri Lanka.

Mr. Jayewardene is no one's idea of a liberal flower. He is bossy, at times high-handed, always jealous of his prerogatives. While trying to control his island tightly, however, he has also managed to emancipate Sri Lanka's

economic potential, a critical first step towards achieving the balance needed for meaningful democracy. Now, moreover, Mr. Jayewardene has gone a giant step further and, in the face of savage opposition, offered the security of first-class citizenship to his country's aggrieved, abused and in part openly rebellious Tamil minority. Critics may complain that it had been the president's own rigidity that frustrated Tamil appeals for equal rights and helped trigger the four-year-old armed strife that brutalised the island. Mr. Jayewardene is among those critics. Asked last week what prevented him from offering today's peace terms four years ago, he replied: "My own lack of intelligence, lack of foresight and courage."

He can't be faulted for scarcity of the last virtue now. Extremists among his own Sinhalese Buddhist majority have erupted in frenzy at the prospect of Tamil autonomy in the northeast. The guerilla Tamil Tigers, unhappy with anything but a martial fief, would have undone the scheme, too, had not Mr. Rajiv Gandhi put India's strong arm on them. They may yet make a stab at it. Yet any plan that draws such resistance from opposing extremes must be a fair and good one. Mr. Jayewardene's best prize would not be a Nobel but a nation again made whole. ■

Spyspoofer

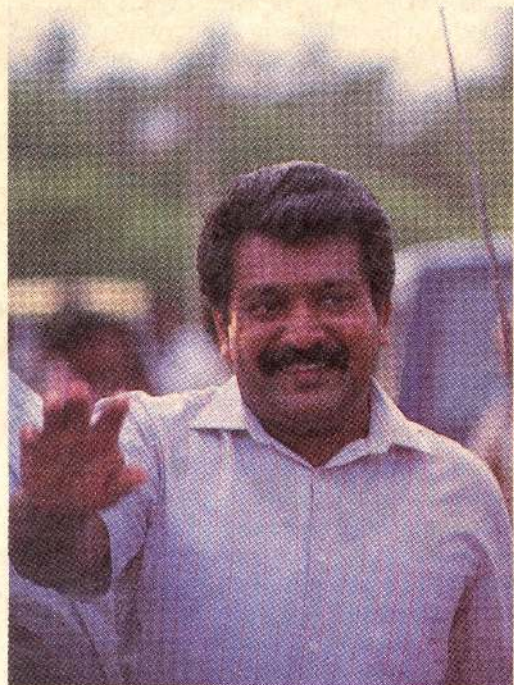


The Beatles, whose profits from tune-making put them in the wealth rank of a small country, are "outraged" that a John Lennon song is being used to flog running shoes on American TV. A lawyer for Lennon's surviving ex-mates said their music wasn't meant to be commercial, and to prove it they are suing the shoe

company for \$15 million. This is possibly the famous British dry humour, but it still has a long way to run to catch up with *Spycatcher*. This state-sponsored spoof must rate as the most beguiling diversion that Her Majesty's Government has yet to offer admirers of British whimsy between elections. Though Mr. Peter Wright's exposé of MI5 pranks

may now be read anywhere, including Yalta beaches where KGB chiefs drowse, Mrs. Thatcher has offered livelier fare by insisting that Britain's free press may not reveal a word. Prosecutors have performed with admirable deadpan, and though Law Lords now wear their wigs upside down on page 1, their faces have remained straight.

But this capital joke last week captured a wider audience by going out of town. The long arm of Downing Street reached out to spoke the press gears in Hongkong and then — it's too good — New Zealand. The only question remaining is why Mrs. Thatcher is promoting the sale of *Spycatcher* so energetically. There must be one line in the book London wants Moscow to believe. Readers are invited to suggest which line. The prize will be a colour photo of Harold Wilson, suitable for framing. ■



Photos: Dominic Sansoni

Tiger leader Prabhakaran in Jaffna last week; Tamils awaiting their hero: "The struggle will continue"

SRI LANKA

A Reluctant Surrender

At 4:11 p.m. on Aug. 5, Thileepan Yogi gently laid down his Smith & Wesson automatic pistol on a white cloth-covered table in a symbolic gesture of surrender. As some 200 journalists jostled each other for a clearer view, Sri Lanka's Defence Secretary Gen. Don Sepala Atiygalle placed his right hand on the weapon to signify acceptance. Declared the soldier: "Today is a historic day for the future of Sri Lanka. This act of surrendering of all arms signifies an end to the bloodshed and violence that has affected the entire fabric of our democratic society. We sincerely hope that from now on, all of us Sri Lankans will live in peace and harmony in this our own, our native land."

Yogi, leader of the political wing of the Liberation Tigers of Tamil Eelam, the largest militant group fighting for a separate Tamil homeland in Sri Lanka, sat stonefaced throughout the short speech. He had taken part in the ceremonial surrender at Palalai Air Force base in Sri Lanka's northern Jaffna district only because his leader, Velupillai Prabhakaran, had asked him to be his envoy. At first, Yogi ignored Atiygalle's proffered hand, but then shook it coldly at the insistence of

Lt.-Gen. Harkirat Singh, commander of India's peacekeeping forces currently stationed in Sri Lanka. Soon after the 10-min. ceremony, he and his comrades left.

Earlier, six trucks driven by Tiger fighters had delivered to the camp 147 weapons and ammunition, including sub-machine and anti-aircraft guns. More arms were expected to roll in to at least sixteen designated collection points in the north and east, most of which will be manned by Indian troops.

The laying down of arms by the LTTE was a crucial part of an agreement signed July 29 between New Delhi and Colombo to end Sri Lanka's seven-year ethnic conflict. The accord called for Tamil separatists to surrender their weapons, government troops to return to barracks and India's forces to be flown in to ensure a ceasefire. Clearly unhappy at the pact, Tiger boss Prabhakaran had refused to attend the ceremonial surrender himself.

The first hitch had come when Tigers

in Jaffna refused to give up their arms without an order from Prabhakaran, who was then in New Delhi. The Tiger leader and his family were promptly flown home on an Indian Air Force plane. On landing at Palalai, they were bundled inside an Indian-made tank and driven straight to Telippillai, some 16 km from Jaffna city. There, they were transferred into a waiting LTTE vehicle. Their Indian Army escort was handed a receipt which read, "Valuable cargo received in good order."

In Jaffna, Prabhakaran reluctantly gave the go-ahead for surrender because, he said, a refusal would have meant direct confrontation with Indian troops. "The accord is trying to bring an end to our armed struggle. We don't want to stop, but unfortunately we have been forced to do it," he told a massive

crowd of cheering Tamils who gathered last Tuesday on the grounds of a temple in Telippillai. Prabhakaran said he had told Indian Prime Minister Rajiv Gandhi that



Dominic Sansoni

Tiger insignia

there were "several shortcomings" in the accord and the Tigers would not accept it. But the Indian leader had given him certain assurances, he continued, "and since I have confidence in the Indian government and Mr. Gandhi, we are going to hand over our arms."

However, a separate homeland remains their goal. "The mode of our struggle has changed," said Prabhakaran at the rally. "But we will be fighting for a Tamil [homeland] with the support of the people. The accord is not a lasting solution." At the same spot minutes earlier, his close lieutenant, Sivasubramaniam Kanagaratnam, alias Capt. Raheem, had told Asiaweek: "Circumstances have forced us to lay down our arms. But remember that we haven't signed any pact, either with the Indians or the Sri Lankan government. The war has ended, but the struggle will continue."

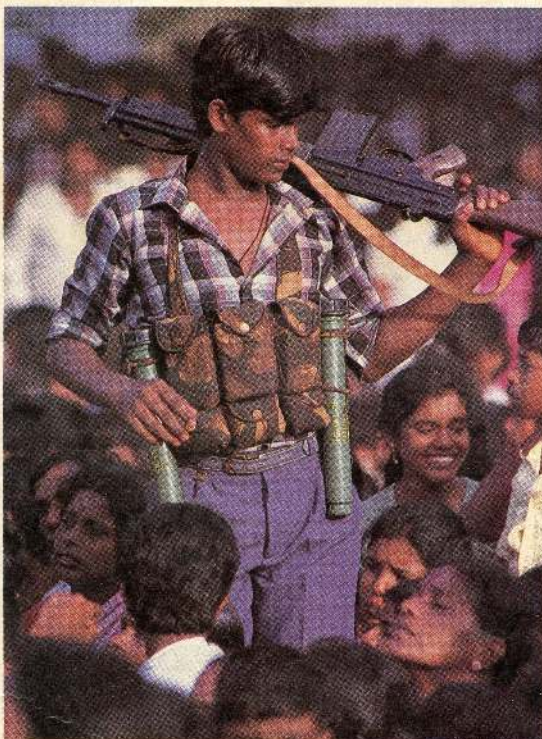
While he talked, Raheem checked security arrangements. Heavily armed Tigers ringed the dais, and as an added precaution, the stage was encircled by barbed wire. Several checkpoints were set up to prevent rival militant groups from bringing weapons to the meeting. The Tigers have reason to be cautious. In fratricidal fighting over the years, they have killed at least 1,700 militants from rival groups. Fearing these groups will seek revenge, the Tigers have no intention of giving up all their weapons. One young fighter said they may "hold on to at least 50% of them." A defence ministry source said Colombo would grant licences to those who want to keep their arms for personal security.

Tamil separatists say their militancy is the historical result of Sinhalese chauvinism. Over the years, a series of government policies have discriminated against the country's minority Tamils in favour of the dominant Sinhalese in matters of language, education and employment. The Indo-Sri Lankan accord seeks to remove some of that discrimination and to give the Tamils more autonomy.

Under the agreement, Tamil-dominated Northern Province will be merged with the Eastern Province to form one administrative unit with one governor, one chief minister and one board of ministers. Similar provincial administrations will be set up in Sri Lanka's seven other provinces. The governor, a presidential appointee, will select a chief minister from elected members to a provincial council. The chief minister in turn will choose a board of ministers to assist him. Power will be further devolved through local government units to ensure representation of all ethnic groups and communities.

However, the governor will be responsible for implementing laws enacted by provincial councils, and will have veto power.

Certain functions have been exclusively retained by the central government. These include formulation and implementation of national policies relating to agriculture, industrial development, education and cultural activities; defence, internal security and law-&-order; and foreign affairs and justice. "Substantial powers" on cultural affairs and education are to be granted to provinces. Proposals being considered will give the councils the authority to establish and manage private universities. A non-discriminatory national education policy is also being formulated.



Dominic Sansoni

Tamil fighter: Fears of retribution

As to law-&-order, all ranks below assistant superintendent of police in provincial divisions will be recruited through commissions set up in each province.

The proposed legislation, to be placed before Parliament by the end of this month, will also create a separate authority to administer and develop the port of Trincomalee and its surrounding region in Eastern Province. The area will be outside the authority of any provincial or local government body. A "letter of understanding" annexed to the new accord permits joint Indo-Sri Lankan development of an oil tank depot at Trincomalee. Says Gamini Dissanayake, Sri Lanka's Land Minister: "Trincomalee is no longer vital to the interests of the superpowers in the Indian Ocean region . . . so

why shouldn't we allow the Indians to develop it?"

One Sinhala fear is that Sri Lanka's one million "Indian" Tamils — descendants of workers whom the British imported from southern India in the last century — could dominate the Central Province's council. But Savumyamoorthy Thondaman, leader of the Ceylon Workers' Congress, a trade union representing the 700,000-strong Indian labourer community, dismisses the worry as "all imagination." Says he: "Elections would be under the proportional representation system. We might have a heavy concentration in the Nuwara Eliya district in the Central Province. But what about the predominantly Sinhalese Kandy and Matale districts?"

Thondaman welcomed the peace accord. Nagulendran Ramaswamy, a retired government official whose soldier son was killed in 1984 and who is still waiting to hear from another son who joined the Tamil extremists, was equally joyful. But he did not think the peace would last. "People here are not going to give up the cause for which they suffered," he warned. "I would only think of this as a temporary respite, a breathing space for the Tamil people and possibly an avenue to achieve freedom without resorting to violence."

The mood of the ordinary Tamil in battle-scarred Jaffna, however, was optimistic. The bustle of daily life had returned to the roads, and families had begun repairing homes damaged in the civil strife. Standing at the door of his house, Sivasami, a small trader, declared simply: "We are happy that peace has returned. My friends are coming back to their homes in Jaffna." Exulted Rev. Nagulendran, a young Baptist priest: "Peace at last. Now I can hold my Sunday services without looking up at the church roof every time I hear a sound."

For Colombo, peace meant an opportunity to rebuild a ravaged economy.

"The financial aspect of ending the war would be tremendous," Finance Minister Ronnie de Mel told Asiaweek. "The billions spent on defence can now be used to improve the quality of life for Sri Lankans." De Mel has urged a gradual reduction of defence expenditure over the next three years. The Sri Lankan government has also asked the World Bank for a soft loan of \$200m. for reconstructing the war-damaged north and east. Colombo is also expecting a boom in tourism now that the fighting is over. As de Mel succinctly put it, "Some of us have reservations about the terms of the accord. But the prospects of peace nullifies these reservations." ■

PROFILES

'A Man of Surprises'

Plump and pleasant-faced, Velupillai Prabhakaran hardly seems cast in the same mould as Che Guevara, the charismatic Argentine-born revolutionary on whom he patterned himself. Out of his customary army fatigues, Prabhakaran, 33, looks like a minor politician. In fact, he is a tough, skilled guerilla tactician who honed the Liberation Tigers of Tamil Eelam (LTTE) into the most powerful of the forces fighting for a separate Tamil state in Sri Lanka. When his guerillas began turning in their arms to Indian peacekeeping troops last week, it was only because Prabhakaran had ordered it.

Born a member of the low Karaya fishing caste in Valveddithurai village in northern Jaffna, Prabhakaran learned early about discrimination. He could not enter the same temple grounds or drink from the same well as the village upper-caste Brahmins. Valveddithurai was then a haven for smugglers, and the young Prabhakaran — or *Thambi* (Little Brother), as he was also called — learned to fear the baton-wielding policemen from the Sinhalese-dominated south who were sent to Jaffna to suppress smuggling. Reports of harassment and torture of local Tamils were frequent.

Influenced by Tamil poet Ponnadurai Sivakumar and Marxist activist Tissa Weerasingham, two personalities from the early Tamil militant movement, Prabhakaran joined the Tamil Youth Front in 1973. The same year, his name appeared on police dossiers. Fearing capture, he fled to Madras, capital of India's southern Tamil Nadu state. He was then just nineteen.

In Tamil Nadu, Prabhakaran received military training in a program thought to have been funded by India's intelligence agency. On returning to Jaffna in 1975, he joined the Tamil New Tigers (TNT), and within a year had established himself as head of the 100-member militant band. "From the beginning Prabhakaran was ambitious and power-hungry. He hated taking orders from others and this was matched by the charisma of a natural leader," says a Sri Lankan military intelligence expert.

In the early morning of July 27, 1975, Jaffna's mayor, Alfred Duriappa, was about to get out of his car to enter a Hindu temple when three young men walked up and shot him dead with .38 police pistols. One of the hit men was Prabhakaran. The assassination not only marked the beginning of the Tamil separatist movement, it established Prabhakaran as the movement's dominant leader. Personality clashes with deputy Uma Maheswaran, however, finally led to the TNT disbanding in 1980. Prabhakaran then joined the Tamil Eelam Liberation Organisation, another militant Tamil group headed by Thangadurai. When the TELO leader was captured by security forces, Prabhakaran jockeyed for top spot, but

was out-manoeuvred by "Tall Sri" Sabaratnam. Prabhakaran soon quit TELO to organise the Liberation Tigers.

"Prabhakaran was a strict disciplinarian. Training of our cadres was highly regimented and they were banned from what he considered vices — smoking, drinking and the like," recalls his lieutenant, Sivasubramaniam Kanagaratnam, alias Capt. Raheem. Adds a Colombo-based military officer: "Anybody who stepped out of line of this tough disciplinary code was killed and their families destroyed." However, Prabhakaran in 1984 flouted his own strictures against sex and marriage when he wed Madhi Vadavi, an undergraduate from Jaffna University.

In 1982, the Tiger chief was ambushed in a Madras bazaar by erstwhile comrade Maheswaran, who had formed his own guerilla band. In the ensuing shoot-out both were injured, and later arrested by south Indian police. But Tamil Nadu Chief Minister M.G. Ramachandran, who acted as the militants' benefactor, had them released on bail. Singled out for favour was Prabhakaran, who often used Tamil Nadu as a sanctuary. The relationship cooled somewhat when the chief minister, at New Delhi's prompting, ordered state police last November to disarm all guerillas, including Prabhakaran.

After Sri Lanka's ethnic riots of July 1983, thousands of Tamils living in southern Sri Lanka fled to India and to the comparative safety of Tamil-dominated Jaffna peninsula, a militant stronghold. The LTTE launched an intensive recruitment drive and by the end of 1984, its cadres had swollen to more than 10,000. To fulfil his singleminded quest for power, Prabhakaran ordered a vicious campaign against rival guerilla groups. The Tigers killed at least 1,700 militants, including TELO's Sabaratnam. The usual form of execution was to tie the victim to a lamp post and shoot him or her at point-blank range. "One of Prabhakaran's main problems now will be to protect

himself and his comrades from the wrath and vengeance of the survivors of these groups," a military observer told Asiaweek.

Prabhakaran himself is a master in the art of survival. He successfully escaped capture and death when, during the Sri Lankan Army's May offensive in Jaffna, he was marked for assassination. Now that the fighting seems over, however, he may require a different kind of skill. "He has proved himself to be a shrewd and capable leader," notes Dr. Neelan Tiruchelvam, a moderate Tamil intellectual, "but his political ideology remains hazy and without direction." The Tiger boss has bluntly refused a political role as chief minister of an amalgamated Northern and Eastern province, and even his closest comrades do not know what his next move will be. But, as his close lieutenant, Raheem, points out, "Prabhakaran is a man of surprises."



Prabhakaran (r.): Now, a different kind of skill

LTTE/Asiaweek Pictures

WEST ASIA

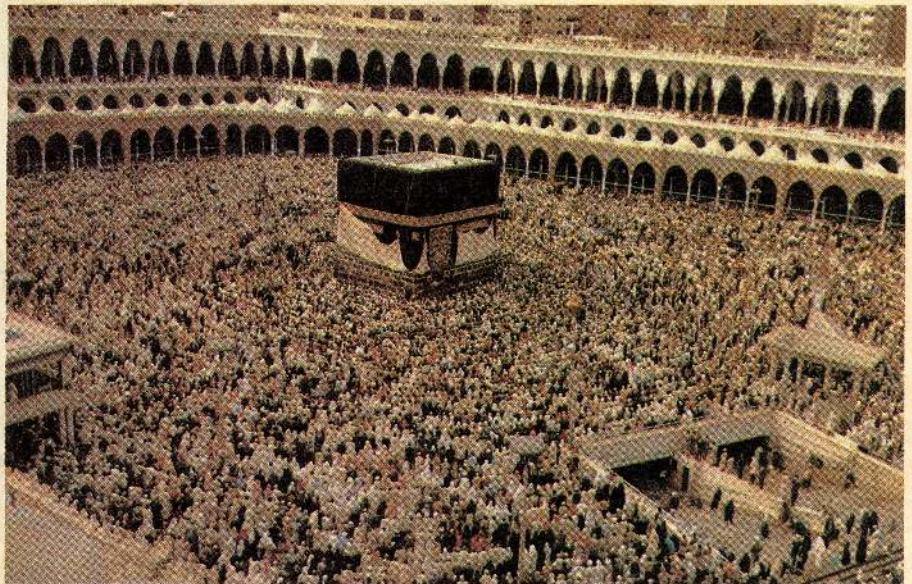
An Act of Outrage

As he stepped out of Mecca's Grand Mosque at about 4 p.m. on July 31 after saying his prayers, Saleh al-Sabah was confronted with an ominous sight. On the road in front of the mosque were marching several thousand Iranians, many of them women, brandishing portraits of their leader, Ayatollah Ruhollah Khomeini. The crowd chanted slogans against the Saudi Arabian government for siding with Iraq in its war with Iran. "There was a public announcement warning the Iranians to stop the demonstration," recalls Saleh, 44, an American citizen of Syrian origin on his eighth *Haj*, the annual mass pilgrimage by Muslims worldwide to Islam's holiest city. "Around the same time, the police moved in. The Iranians were pushing the police and some of them tried to snatch their weapons." Other worshippers say they saw the Iranians attack the officers with knives and broken bottles.

What exactly happened next remains unclear. According to some eyewitnesses, the demonstrators set alight cars, motorbikes and bicycles. The police responded with tear gas and water cannon. Saudi authorities say a stampede ensued that crushed some 400 people to death, about two-thirds of whom were Iranians, and injured another 600. Tehran says its people were machine-gunned in a pre-meditated massacre by Saudi security forces and that more Iranians died than the Saudis have admitted. (Apparently, no pilgrims from Southeast Asia were killed.) Riyadh denied, however, that its police had shot at the throng. In the confusion that followed, many pilgrims, it seems, could not tell for certain if bullets had been fired.

Whatever the truth, Iran's fiery religious leaders charged the U.S., a Saudi ally, of masterminding the "conspiracy" and vowed to exact retribution. Washington denied any role. Four days later, Iran began military manoeuvres in the Persian Gulf codenamed "Martyrdom." Foreign ships, often targets in the seven-year Iran-Iraq conflict, were warned to stay out of Iranian waters. Tension rose further when another U.S. naval convoy prepared to escort oil tankers owned by Kuwait, which supports Baghdad and has close ties with Washington, into the sensitive Gulf waters.

Reaction to the Mecca carnage around the Islamic world was one of shock and outrage, particularly since the incident occurred during the Haj, a time when Muslims are expected to bury their differences. Most Arab governments strongly condemned Tehran for sparking the riot. A Foreign Office spokesman in Islamabad observed quietly, but pointedly, that



Haj faithful throng Mecca: Most Arab governments condemned Tehran

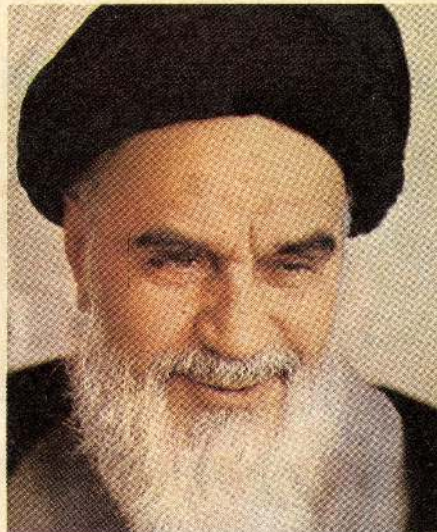
demonstrations should not be held in Mecca. In many Pakistani cities, Iranian flags were burned.

In the past several years, Iranians have made up the largest single block of Haj pilgrims, numbering nearly 200,000 each year out of a total average of two million. Since 1980, they have staged marches in Mecca during the Haj. Iranians belong to Islam's second-largest denomination, Shi'ism. Unlike the majority Sunnis, who include among them most Muslim Arabs, Shi'ites follow a religious clergy. In Iran's case, these are the mullahs and ayatollahs, of whom Khomeini is head. Over the centuries, moreover, Sunnis and Shi'ites have often been at war. Some West Asian experts interpret the conflict between Iran and Iraq, which is Sunni-run, in the

context of this long-running religious rivalry.

Not long after the Mecca incident, enraged crowds in Tehran attacked embassies belonging to Saudi Arabia, Kuwait, Iraq and France. Later, a crowd estimated to number one million congregated in the Iranian capital to hear Parliament Speaker Ali Akbar Hashemi Rafsanjani call for the "uprooting of the Saudi rulers." Iran's Shi'ite allies in Lebanon were quick to join in the chorus. Three Saudi missions in the country, all abandoned, were bombed. The Saudi embassy in Manila received a bomb threat, but police turned up no explosives.

Iran also threatened to send suicide bombers in "fast boats" against American naval escorts in the Gulf. But the first convoy saw the Kuwaiti tanker "Gas Prince" safely emerge from the 990-km waterway en route to Japan with a cargo of liquefied natural gas. At mid-week, a French flotilla was steaming towards the Gulf.



Khomeini: Vowing retribution

Meanwhile, the war of nerves — and wills — continued on land as well. In keeping with the conflict's litany of claims and counter-claims, Tehran last week said it killed or wounded 4,000 Iraqi troops in its latest offensive in retaliation for the Mecca deaths. This followed an Aug. 1 offensive that killed, Tehran asserted, nearly 11,000 Iraqis. Baghdad maintained, in turn, that the central front was quiet. Iraq has accepted a ceasefire called for last month by the U.N. Security Council. But Iran says American intervention in the Gulf has nullified the resolution. Last week, the 15-member U.N. body began discussions on possible sanctions for non-compliance with the ceasefire.



Asiaweek Pictures

The day after Ferrer's assassination, President Aquino (in black) stands beside his widow Eriberta at religious service

PHILIPPINES

A Terror Strike at the Top

Jaime Ferrer had just attended Sunday evening mass at St. Andrew's Church across from his home in Parañaque, a comfortable suburb of Manila. As he settled into his car, three men brandishing pistols sprang from behind and peppered the metallic green Toyota sedan with bullets. Laughing, the attackers confidently ambled away from the scene, although one appeared to have been accidentally wounded. Joined by one or two lookouts, they commandeered a jeepney at a nearby intersection and roared off into the darkness. The Toyota's driver, Zosimo Calderon, 52, died on the spot. Ferrer was rushed to San Juan de Dios Hospital on Manila's Roxas Boulevard. Bleeding from nine bullet wounds, he was dead on arrival.

The assassination of Ferrer, 70, President Corazon Aquino's zealously anti-communist local government secretary, was the boldest attack yet in the dirty war between right and left in the Philippines. Although the identity of the killers remained a mystery, the ante seemed to have gone

up in a game where urban terror is an increasingly common tactic. Police and local officials have been gunned down in a spate of killings in major cities in recent months.



Rey Enverga

The secretary: A big loss

Key leftists have also been attacked. Ferrer, however, was the first cabinet minister in Philippine history to die this way. The murder, worried Aurelio Periquet, president of the Philippine Chamber of Commerce and Industry, "could raise questions about political stability. Investors would have second thoughts." Industrialist Raul Concepcion feared that "killings could expand to broader areas, including the business community."

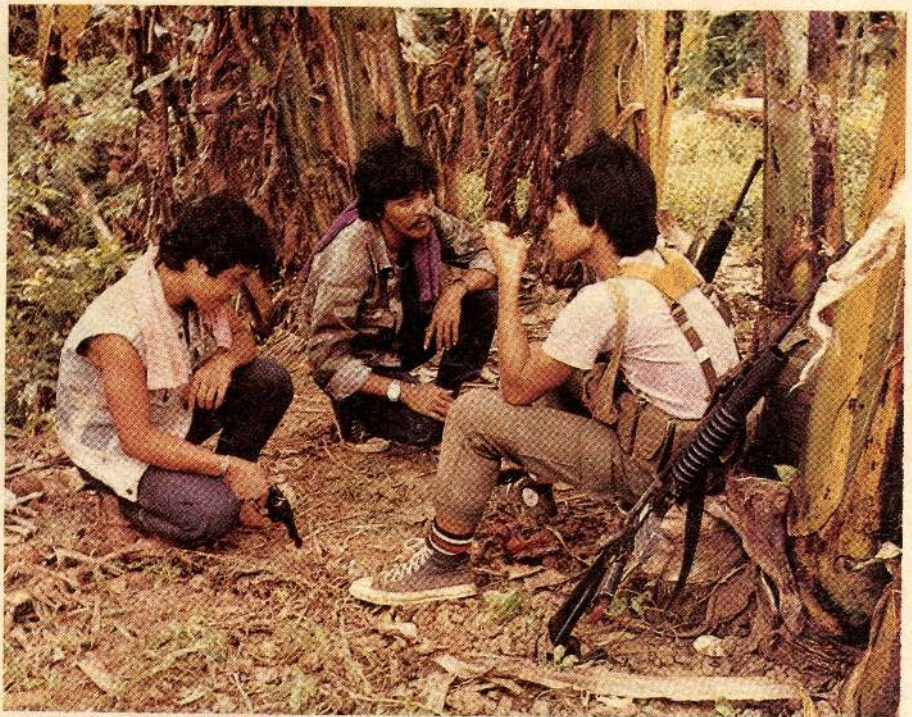
Authorities tightened security for the president, her cabinet and key government officials. Night checkpoints sprang up across Metro-Manila, and the drive to collect loose firearms intensified. But armed forces vice-chief Lt.-Gen. Renato de Villa, also national police commander, pointed to the city's huge population and his own limited manpower and equipment. "The situation in Metro-Manila is such that it is really a difficult area to control," he said. Moreover, he added, assassination "can happen to anyone, especially our public officials who are not so keen about providing security for themselves." When

Ferrer was attacked, there were almost no policemen in the area, a busy town centre. He did not employ bodyguards.

Whoever was responsible for the murder seemed experienced. The perpetrators, observed de Villa, "were somehow used to it." Police picked up two suspects for questioning: Gerry Justo, 21, initially alleged to be one of the gunmen, and Amelil Malaquiok, a surrendered ex-commander in the Muslim separatist Moro National Liberation Front and a nephew of Mindanao warlord Ali Dimaporo, who backs deposed president Ferdinand Marcos. But Paranaque police chief Jose Balbas admitted "we have no solid evidence yet." The pair were released a day later.

Indeed, although Aquino ordered Ferrer's killers arrested at all costs, the ambush seemed to highlight once again the authorities' difficulties in combatting growing lawlessness. Police and the military have come up blank in probing several notorious crimes. Among them: last year's killing of leftist labour leader Rolando Olalia, the kidnapping of Japanese businessman Wakaoji Nobuyuki, and the March bombing of the Philippine Military Academy grandstand in northern Baguio City.

In recent weeks there has been a series of killings of policemen and soldiers by the so-called "sparrow" assassination units of the communist New People's Army (NPA). At least 20 Metro-Manila police officers have been shot dead since January. In the central city of Cebu, 23 police and paramilitary officers have died, including six men in three separate attacks last Tuesday, Aug. 4. At the same time, criminal elements have launched almost daily bank robberies in the capital. Last week the House of Representatives demanded the resignation of top police and military officials if they failed to solve the Ferrer murder. House Speaker Ramon Mitra wanted them to quit immediately. "The situation is bad," he said. "They [rebels and criminals] are becoming too brazen, too open, too confident. They get away with anything." Added former defence minister Juan Ponce Enrile, now leader of the mainstream opposition: "That a member of cabinet can be killed in the centre of society is enough evidence that something is wrong." Armed Forces Chief Fidel Ramos bristled at the criticism. "Part of the basic doctrine that we believe in in the military is the doctrine of command responsibility," he told a news conference. That sounded like he was shifting blame to the com-



Jun Aniceta

NPA guerillas in Quezon Province, eastern Luzon: Losing grassroots support?

mander-in-chief — Aquino.

The assassination was readily pinned on the communists, although police and military authorities were not discounting other possibilities. Months ago the NPA reportedly warned that Ferrer might be liquidated if he persisted in organising anti-communist vigilante groups. He had been highly successful in setting up such groups, supposedly unarmed but often well-supplied with weapons. In Davao City in Mindanao, the military-supervised *Alsa Masa* vigilantes are credited with driving out the NPA and ending rampant murders. But officials say top rebel assassins from Davao then moved to Metro-Manila, which the NPA declared an "open city" where all guerilla units may operate. At the time of his death, Ferrer was planning to spread vigilantes nationwide, including the capital region.

Melvyn Calderon — Asiaweek
Ramos: "Responsibility"

For the extreme right, on the other hand, the secretary's assassination could help sow confusion and instability in the Aquino government while portraying communists as the villain. Ferrer certainly was a big loss for the president's team. His experience was especially suited to combatting the insurgency. He fought in World War II as a colonel. When President Ramon Magsaysay was battling the

first major communist rebellion in the 1950s, Ferrer was undersecretary for agriculture & natural resources, a crucial official in defeating the agrarian-based insurgency. Given the local government portfolio in a cabinet revamp late last year, he replaced provincial, city and town officials thought to be performing below par. The move defused tensions with local folk and the military, who had accused some officials of coddling rebels. But Ferrer inevitably made enemies in the process.

No matter who killed Ferrer, authorities agree that communist insurgents have become much more active in the city. "They have apparently shifted to urban terrorism," observes Ramos. Agrees Health Secretary Alfredo Bengzon, President Aquino's commissioner for peace-talks with all guerilla groups: "We did not have urban terrorism a year ago. That's a new element." He notes that there is "less activity" in the countryside, but cautions, "it doesn't mean the situation is any less serious."

Executive Secretary Joker Arroyo sees urban terrorism as a sign of waning grassroots support for the NPA. Explains he: "The mere fact that they are shifting to urban terrorism, which is contrary to textbook Maoism, is an indication they are losing their cool." Rebel attacks in Metro-Manila and environs, agrees Defence Secretary Rafael Ileto, "could be a desperate move following the failure of the Communist Party to implement its expansion program. In frustration and to make

their presence felt, the communists have to shift guerilla activities from the countryside, where they are suffering setbacks, to urban centres."

Ileto's predecessor does not think communist insurgents are losing strength. "They have achieved stalemate in some parts of the country," argues Enrile, who was defence minister for most of the NPA's two decades of existence. In certain areas, he points out, "police could not penetrate any longer." Although Ramos cites statistics showing communist attacks have abated slightly, Speaker Mitra, Aquino's former chief negotiator with the communists, is not impressed. "The military does not have the will to win," he maintains. The military's biggest failure, he says, is its inability to stop rebel "tax" collection. "Its highly successful tax drive has strengthened the NPA," says Mitra. "They have plenty of money."

Enrile believes the army is hampered battling rebels because those in government "don't want to order the military to run after these people and give [the army] full support." The government and the armed forces, he says, "have not really put their act together." Retired Maj.-Gen. Jose Magno, Aquino's military adviser, confirms that "professional soldiers feel we are holding back on the leash." But he argues: "This isn't all-out war. You have



Andy Hernandez

Young Alsa Masa supporters: Success

to balance your approach. It's not just kill and kill." That ambivalent strategy, Magno concedes, "is a little hard on commanders [who] have to exercise discretion."

Sen. Raul Manglapus, chairman of the Senate's National Defence Committee, sees no end to the killings. Says he: "We can expect more attempts to destabilise

from the extreme left and the extreme right." But, he is quick to add, "we should not panic, though obviously we should deeply look into our problems of internal security." Manglapus's committee convened on Aug. 5 to assess the situation. He recommends "legislation to correct some security defects." One proposal is a cabinet-level Department of Public Safety to absorb the Philippine Constabulary and the Integrated National Police. The 1987 Constitution requires that the PC-INP be separated from the armed forces.

Mitra promises to increase the armed forces budget, but he also wants to see the military restructured and reduced in size. Savings would be channelled to those who remain. That way, he explains, "soldiers will be better paid, better trained, and better equipped."

To Manglapus, the latest violence, though distressing, is an unfortunate part of the nation's transition from authoritarian rule. "The Philippines is the sixteenth country in the world to return to democracy," he says. Such shifts, he observes, commonly involve periods of attempts to grab power by extremists on the left and right. Perhaps so, but that was little comfort last week to the relatives of Ferrer and other Filipinos caught in the crossfire. ■

CAMPAIGNS

Intimidating the Media

When employees of Manila's recently-closed financial newspaper, *Business Day*, went on strike in March, staunchly capitalist publisher-editor Raul Locsin was aghast to find out six of his staffers were leftists. Two were close associates of Communist Party founder Jose Maria Sison. One reporter turned out to be a rebel commander in the north. "They [leftists] were all over," recalls the publisher's wife, ex-managing editor Leticia Locsin.

With former top journalists among its leaders, the communists are putting a premium on getting a good press. And to get it, charges the military, the left is infiltrating and intimidating media. One effect: some news photographers don't dare take pictures favourable to the armed forces, fearing retaliation by the left. Those who do won't allow their credit lines to be used. Security officials contend that there is now more positive coverage of insurgents. "They get a lot of mileage in urban newspapers," says armed forces spokesman Col. Honesto Isleta. Adds he: "Photographers don't want to join our troops on patrol because anything [about rebels] is Robin Hoodish, romantic." Indeed, feature films about ex-insurgents are Manila's newest box-office hits (see CINEMA, p. 23).

But the military, too, is getting tough with photographers who accompany the rebels. Romeo Mariano, a part-time photographer for the French news agency Agence France-Presse, is to be charged with rebellion and sedition after he took pictures of policemen lying on the ground during a June NPA raid at a town hall in central Luzon. The photos were splashed across the front pages of Manila dailies and appeared in *Asiaweek* (July 19). Mariano protests: "I was just invited. I didn't know they were going to stage a raid." TV reporter Jun Bautista argues that access to insurgent leaders and lairs "doesn't make [journalists] leftist."

National Press Club president Arturo Borjal believes that "leftist penetration affects only a minority of the press." He challenges security authorities to come up with "solid evidence." Otherwise, he warns, "this could be an attempt to pressure the press to be overly cautious and toe the military line." According to Col. Isleta, "we have some details of leftist infiltration, but obtained during the Marcos-Ver time."

In fact, Borjal believes that "the military is winning the propaganda war." Advances are "hard to quantify," he says, but "communist losses in the last elections are partly the result of government success in the propaganda war, not only among the populace but also within the corridors of power." Given the power of the press, it is perhaps not surprising that the battle for its eyes and ears is getting rougher.



Rey Enverga

Reporting the Ferrer assassination last week

DIPLOMACY

Knocking on Vietnam's Door

In recent weeks, Vietnam has been the centre of a diplomatic flurry. In mid-July, Hanoi and Washington decided to rekindle a program, stalled for eighteen months and which four earlier rounds of talks had failed to revive, enabling qualified Vietnamese to migrate to the U.S. Not long afterwards, the foreign ministers of Indonesia and Vietnam reached an "understanding" over a so-called "cocktail party" proposal by Jakarta to bring together the various Cambodian factions to discuss the Vietnamese occupation of their country. The diplomatic offensive maintained its momentum last week when Vietnamese and American officials agreed to resume negotiations on American servicemen missing in action (MIAs) during the U.S.-Vietnam war.

The accord followed three days of talks in Hanoi between Vietnamese Foreign Minister Nguyen Co Thach and Gen. John Vessey, special envoy of President Ronald Reagan. For the first time, Washington agreed to discuss Vietnam's "humanitarian" needs, an apparent quid pro quo for Hanoi's consent in restarting MIA talks. "Specific measures were agreed upon to accelerate progress towards accounting for Americans missing in Vietnam and to address certain urgent humanitarian concerns of Vietnam," said a joint statement issued after Thach and Vessey conferred. The statement added that two sessions on these subjects would be held "in the near future."

As Vietnamese Vice-Foreign Minister Nguyen Dy Nien explained it to reporters, the humanitarian issues relate to Vietnamese orphans, amputees and victims of chemical defoliants used during the U.S.-Vietnam conflict. But Nien ruled out any Vietnamese demand for "reparations of war." Indeed, the joint statement said that both sides had agreed that "[humanitarian] issues should not be linked . . . to normalisation [of relations] or to economic aid." Vessey, who kept in close touch with Washington throughout his stay in Hanoi, also delivered a letter from Reagan to his Vietnamese counterpart, Vo Chi Cong.

Both before and after his visit to Hanoi, Vessey met with Thai government officials in Bangkok. He told them that the U.S., in keeping with its avowed policy of "isolating" Vietnam for its presence in Cambodia, would not make any political or economic concessions to Hanoi. But not everybody felt reassured. Said an editorial in Bangkok's *The Nation* newspaper: "The [U.S.-Vietnam] war was over when the Paris peace accords were signed

in January 1973. What could be Vietnam's urgent humanitarian concerns after 14 years? . . . Perhaps it is time [for Thailand] to realise that there is a subtle change in American policy towards Vietnam."

Indeed, Prapas Limpabandhu, Thailand's deputy foreign minister, expressed concern to Vessey that Vietnam might use his talks in Hanoi as propaganda to weaken ASEAN's position on the Cambodian conflict. ASEAN supports the tripartite resistance alliance in its battle against Heng Samrin's Hanoi-installed régime in Phnom Penh. According to an Agence France Presse report from Hanoi, the Americans have already proposed supplying artificial limbs to the Vietnamese through non-government organisations. Moreover, reports the news agency, the Vietnamese raised the possibil-

negotiate with the [resistance], but this is only a trick aimed at leading the world into recognising their puppet régime in Phnom Penh." While that may well be Hanoi's strategy, some Cambodia watchers also reckon the KR does not want to turn up at informal talks involving all Cambodian factions, because in such a set-up it might lose some of its currently considerable influence.

During Mochtar's Vietnam visit, agreement was also reached to resume a bilateral forum involving Jakarta and Hanoi. Asiaweek understands that the two sides discussed splitting up the working group into two sub-groups, one to deal with Cambodia, the other to tackle overall security in the region. Apparently, Mochtar also raised the issue of broadening the working group to include other



Vessey and Thach confer: "A subtle change in American policy"

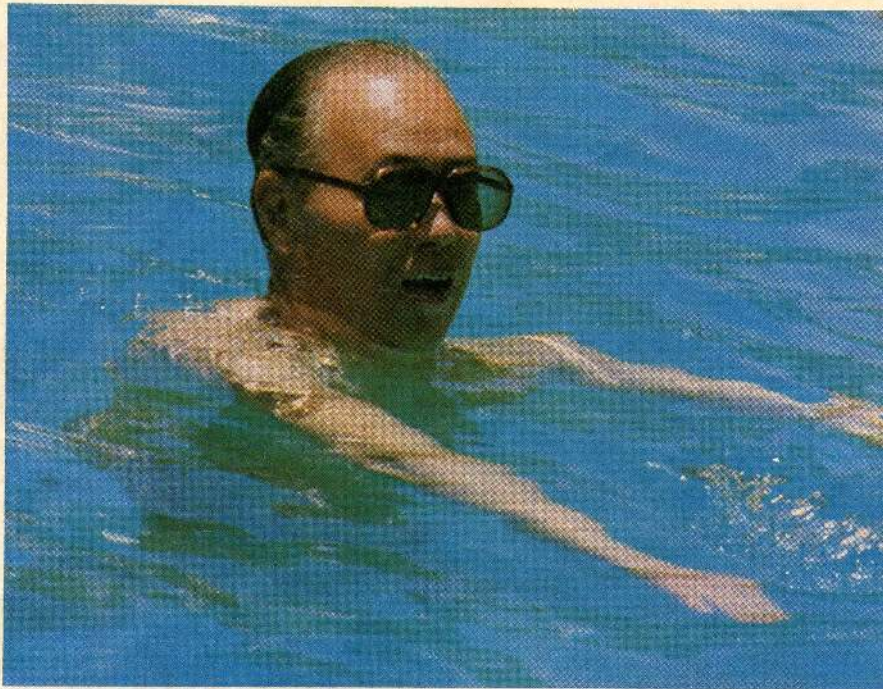
Gilles Campion — AFP

ity of unofficial U.S. assistance to allow Hanoi to obtain loans from international lending institutions, money Vietnam badly needs to revive its stagnant economy. One Western diplomat in Bangkok feels that Hanoi has scored a "small psychological victory" in getting the U.S. to recognise its humanitarian problems. "So far," he says, "public opinion has been concentrated on the harmful effects of the war on Americans."

Meanwhile, the communist Khmer Rouge, backed by Peking and militarily the strongest of the three Cambodian resistance groups, indirectly rejected the cocktail party idea that Indonesian Foreign Minister Mochtar Kusumaatmadja has sold Hanoi (Asiaweek, Aug. 9). Said a KR radio broadcast: "Hanoi wants to make believe that it will order Heng Samrin to

ASEAN countries; Vietnam, Asiaweek understands, was receptive to the idea provided Laos also be brought in.

Does Vietnam's willingness to participate in the recent spate of diplomatic activity add up to a new moderation in Hanoi's foreign policy? "It is possible that Vietnam is trying to look more flexible before the U.N. General Assembly [next month]," says a Western diplomat in Bangkok. "It is always a good time to spruce up one's image and to seem more open." But some feel Hanoi, whose No. 1 worry now is the country's economy, may indeed be serious about doing something about Cambodia and ending its international isolation. Says Mochtar: "If they said they want a solution to the Cambodian problem, I think they mean it." ■



New China News

Zhao Ziyang in the swim: Almost certain to be confirmed as party chief

CHINA

Round One to Reformers

Every summer, China's leaders repair to the northern seaside resort of Beidaihe to escape the scorching heat of Peking. There they also engage in political intrigue and horsetrading. Seldom, however, have the stakes been as high as this year. In the coming weeks, final preparations will be made for the opening of the Chinese Communist Party's 13th National Congress in October. According to insiders, the outcome of the wrangling over policy and personnel changes will not be clear until the very end because no single CCP faction has clear-cut dominance. Early reports from Beidaihe, however, give the first round to reformist forces. Their leader, Zhao Ziyang, will almost certainly be confirmed as general secretary of the party. In other matters of personnel, the CCP's pragmatic wing also appears to have seized the initiative.

Significantly, top leader Deng Xiaoping seems to have won what many have called his "last battle" — to step down from the Politburo and force the old guard to follow his lead. Barring eleventh-hour surprises, most analysts expect Deng to bring off what he has wanted since 1984: the resignations of economic czar Chen Yun, 82; President Li Xiannian, also 82; and National People's Congress chairman Peng Zhen, 85. "The departure of Peng, who heads the anti-reformist Shanxi [Province] cabal, should prove especially

sweet," said a diplomat in Peking. "Deng recently scolded the clique by name, and had fingered Peng for not 'setting an example of early retirement'."

Deng himself will likely keep "the job that matters" — the chairmanship of the Central Military Commission. According to Asiaweek's sources, a change in the party charter — a key item on the Beidaihe agenda — will stipulate that the CMC supremo need not be a Politburo member. The revision will also create "honorary postings" for the retirees. The position of party chairman, abolished in 1982, reportedly will be restored, as will three vice-chairmanships. Under this scenario, Deng will become titular head of the CCP, and his deputies will be Chen Yun, Peng Zhen and another senior cadre. Li Xiannian will likely retain his post as head of state, at



Photos: Tang Likui Xinhua

Yao Yilin; Xi Zhongxun: Surprises?

least until next year. More vice-presidencies may be created to provide prestige jobs for elderly leaders.

If Deng and Zhao have their way, Xi Zhongxun, 74, may replace Peng Zhen as NPC chairman. As a member of the "Shanxi faction," the Politburo veteran is acceptable to the conservatives. He has, however, also professed sympathy for reform. Significant, too, is the partial rehabilitation of Hu Yaobang. On July 31, the ousted party chief put in a much-noted appearance at a ceremony marking the 60th birthday of the army. Hu, 72, is tipped to become chairman of the Chinese People's Political Consultative Conference, replacing the elderly Deng Yingchao; he may also be made a vice-chairman of the party.

Most important, of course, is the make-up of the all-powerful standing committee of the Politburo. According to Asiaweek's sources, the possibilities have been streamlined into two scenarios, both of them favourable to the party's more liberal leaders. Under the first, the standing committee will simply comprise the five-man "transitional cabinet" that in recent months has been running the country on a day-to-day basis (see Asiaweek, June 28). Its members: Zhao Ziyang, Vice-Premier Wan Li, Politburo member Hu Qili, military stalwart Yang Shangkun and party elder Bo Yibo.

The second proposal envisages a seven-strong standing committee. The two additional inclusions would be Politburo members Li Peng and Qiao Shi. Among the seven, only Bo Yibo is rated an all-out conservative. He is expected to make the standing committee as newly promoted head of the party's Central Advisory Commission, replacing Deng Xiaoping. Li Peng, Yang Shangkun and Qiao Shi are generally considered "neutralist" because they have backed both reformist and conservative planks.

"If the five-man version is adopted, Zhao & Co. will hold a 3½ to 1½ edge over the conservatives," a well-placed political source told Asiaweek. "The seven-man scenario will probably mean a 4½ to 2½ advantage for the reformists." According to the source, the pragmatists may score even bigger gains in the party Secretariat. Zhao Ziyang, he says, has a "more than credible" chance of placing four unimpeachable reformers in the strategic body. They are Li Ruihuan, mayor of Tianjin; Bao Tong, Zhao's secretary since 1980; Chen Junsheng, secretary-general of the State Council; and Wen Jiabao, head of the general office of the CCP Central Committee.

At the same time, Zhao Ziyang seems to have foiled the conservatives' bid to promote the so-called Gang of Princelings — the sons & daughters of high cadres.

Early in July, Asiaweek has learned, Bo Yibo wrote a memo to Deng Xiaoping saying it would not infringe the principle of "rejuvenation of leadership" to elevate the young and well-educated sons of the Long March generation. Deng passed the note to Zhao, who gave Bo an indirect reprimand. "It seems obvious that my sons lack qualifications [for top jobs]," Zhao reportedly said. "But are you sure that yours, or the offspring of Comrade Chen Yun, can make the grade? Besides pedigree and university degrees, candidates [for promotion] must above all have *zhengji* [concrete achievements]." Partly because of the reformers' manoeuvres, Bo Xicheng and Chen Yuan — the sons of Bo and Chen — failed to be elected as delegates to the 13th Party Congress.

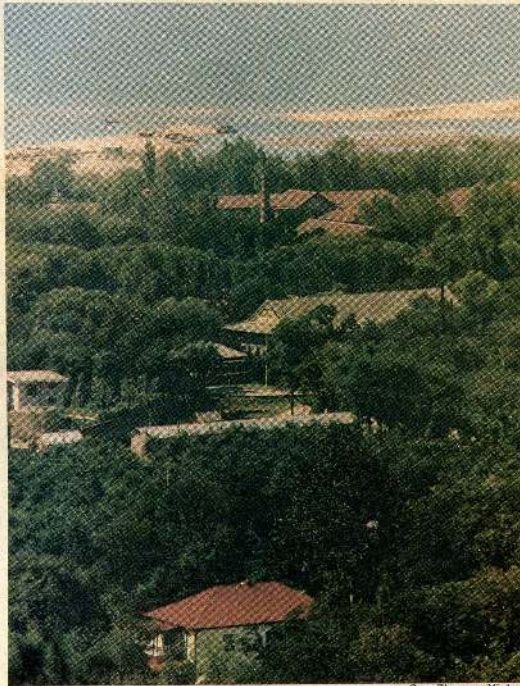
The reformers have also notched victories on the key front of propaganda and ideology. Supercommissar Deng Liqun, Asiaweek understands, has effectively been shunted aside by Zhao. According to a cultural cadre in Peking, the party organ that oversaw ideological and cultural matters in recent years had been the "Leading Group on Ideology and Thought" (LGIT), headed by Hu Qili and other relatively liberal officials. Since January, it had been superseded by Deng Liqun's "Leading Group to Oppose Bourgeois Liberalisation." About May, said the cadre, "a new LGIT, headed again by Hu Qili, was licked into shape." It has again replaced Deng's group. Other members of the reconstituted LGIT include CCP propaganda chief Wang Renzhi, Chen Junsheng, Bao Tong and Wen Jiabao. Of the five, only Wang, a Deng Liqun appointee, is considered left-leaning.

Even Hu Qiaomu, the Politburo's reigning Maoist ideologue, has apparently trimmed his sails. Early last month, Asiaweek has learned, Hu toed the Zhao Ziyang line when he held a meeting with Wang Renzhi, Radio & Television Minister Ai Zhisheng, Culture Minister Wang Meng, party secretary Wu Zuqiang of the China Federation of Literary & Art Circles (CFLAC), and other senior cultural officials. It was a shame, Hu told them, that many accomplished writers and artists had stopped producing new works out of fear. "They have misunderstood our policy concerning bourgeois liberalisation," said Hu. "But the trouble is now over. You can tell everybody that no more party members will be expelled. There won't be any wielding of the big stick [against controversial works]."

China's liberal intellectuals have further cause to celebrate. According to Asiaweek's sources, Deng Liqun's "plot" to purge the leaders of CFLAC and its con-

stituent bodies has come to nought. Ma Feng, Wei Wei and other leftists hand-picked by the supercommissar as new cultural chieftains have returned to their old posts. Of equal significance is the recent sacking of Xiong Fu, hardlining chief editor of *Red Flag*, the CCP's theoretical journal. In addition, several lieutenants of Deng Liqun's also failed in their bids to become delegates to the 13th Congress. Besides Xiong Fu, they include Du Daozheng, head of the General Office for News & Publications; Xu Weicheng, deputy party secretary of Peking Municipality; and, reportedly, even Wang Renzhi.

The conservatives may be down, but few are counting them out. "They have deep roots in the polity," said an Asian



Villas at Beidaihe: A tradition of compromise

diplomat. "Judging by past skirmishes at Beidaihe, their strategy seems to be to give ground at the start in anticipation of a killer counterpunch at the end."

Indeed, it would run counter to Beidaihe's tradition of compromise if the conservatives did not get something substantial in return for acquiescing in the changes demanded by reformers. According to analysts, the future prime minister may yet come from the camp of Chen Yun or Peng Zhen. Zhao Ziyang has lobbied hard for the relatively liberal Wan Li to succeed him as premier, but the senior vice-premier is considered too close to Zhao. It is, say insiders, an unwritten rule of Chinese politics that the heads of party and government not be members of the same faction.

The conservatives' current favourite as premier, say Asiaweek's sources, is Yao

Yilin, a veteran planner and long-time disciple of Chen Yun's. Should he get the nod, Yao would join the Politburo standing committee instead of Wan Li.

Nor have the hardliners stood still on the matter of personnel. Despite his unpopularity among the intelligentsia, Deng Liqun is tipped to enter the Politburo. Moreover, the conservatives are thought to stand a better-than-even chance of winning their case for a seven-member standing committee, whose composition would be less weighted in the reformers' favour. Further, the commissars have used their influence to prevent a number of prominent liberal intellectuals from becoming delegates to the 13th Congress. Excluded are Wang Meng, Wu Zuqiang and Zhang Ying, a reformist member of the CFLAC secretariat.

The ideologues have continued their "inquisition" of "rightist" intellectuals. Hu Qiaomu, for one, has been pursuing his vendetta against the editors of the overseas edition of the *People's Daily*. Recently, he attacked the paper for running articles by freethinking social scientists Su Shaozhi, Yan Jiaqi and Liu Zaifu. Although the pieces appeared under pen names, their publication nonetheless contravened Hu's injunction that the trio's works be banned.

As a gauge of how reformist and conservative forces will fare in coming rounds at Beidaihe, observers point to the continuing debate over the most controversial item on the agenda: political reform. Asiaweek understands that before leaving for the seaside retreat, Deng Xiaoping delivered a short talk on the separation of the functions of party and government, one of the major platforms for political change.

"His boldest suggestion is that in regional-level non-party-&-government units such as factories and farms, full-time party workers be abolished," said a well-placed source. "It means that party work in these units would be handled only by professional managers during their after-work hours. Such work includes the recruitment of CCP members as well as efforts to ensure the enterprises' overall socialist direction. The role of the party will be substantially curtailed."

Deng's speech has become a "discussion document" that is making the rounds of CCP organisations nationwide. According to Asiaweek's sources, it has run into strong opposition from career party functionaries, especially those in their thirties and forties. "Where can these people go?" asked a senior CCP member in Shanghai. "They are not old enough to retire, and not young enough to train for other professions. It's quite possible that the party bureaucrats will join forces with the ideologues to block the reformist advance." ■



Ethnic Chinese and Indian students at University of Malaya: "We feel this is a basic constitutional right"

Photos: Chan Looi Tat — Asiaweek

MALAYSIA

A Question of Language

In multiracial Malaysia*, language can be a complex, sensitive subject. While Malay, or Bahasa Malaysia, is the national tongue, the Constitution upholds the right to learn, teach or use any vernacular. But many ethnic Chinese and Indians have long felt that their languages have not been paid sufficient attention by local educational institutions. Now, a controversial university decree has intensified the country's language debate.

In June, the University of Malaya's senate endorsed a motion by the Faculty of Arts and Social Sciences that its Departments of English, Chinese and Indian Studies offer electives (optional courses) only in Malay to students not majoring in these fields of academic study. The ruling, which has already been put into effect, applies only to first-year students for the moment, allowing second- and third-year students to complete their electives in the vernacular languages. Previously, the electives — mainly literature and philosophy courses — could also be taught in English, Mandarin or Tamil.

The new policy has polarised the faculty. Ang Tian Se, head of the Chinese Studies Department, and R. Rajoo, acting head of Indian Studies, handed in their resignations. Faculty personnel say the ruling was first proposed in March by young ethnic Malay lecturers among their staff.

"Although there were only five or six of them among the 180 faculty members, they soon gathered momentum," says one academic. "Staff meetings became so emotional, with these people [accusing us] of being traitors to the country, that [some of us] began to stay away." Finally, a vote was taken at one faculty meeting. Some professors claim they were not notified that the item was to be on the agenda. "A number of people in my department were on leave at that time," says Tan Chee Beng, who has temporarily replaced Ang. In the event, the motion was passed 35-15, with five abstentions. Many walked out before the ballot. Says one of them: "We felt this was not a policy [to be voted on] but a basic

constitutional right."

Why was the ruling made? "There is a new call to make Bahasa Malaysia the language of knowledge for educated people, to have articles and scholarly works in Bahasa," says an ethnic Malay professor. He adds: "Malays are suspicious that Chinese and Indians are trying to get around Bahasa Malaysia as the main language of the country. But they are not going to make Bahasa Malaysia the vehicle this way. People respond more to friendliness and persuasion, not muscle. This is a sad attack on small departments."

Tan Chee Beng voiced another concern. "We're worried that this could be only the beginning," says he, pointing out that UM is the only university in the country offering subjects in the vernacular to those students who took Mandarin or Tamil in high school and want to pursue the language further. (Permission to found a Chinese-medium university was denied by the courts in 1982.) Members of the English Studies Department do not seem to feel as threatened because English is the country's de facto second language and the government has of late been trying to boost the local standard of English.

For his part, UM Vice-Chancellor Abdul Aziz believes the issue has been needlessly sensationalised. "We are not being autocratic, or pulling a fast one," he says. "[This] tidies up our arrangements for medium of instruction."

Each department offers two types of courses. "A" stream courses are those taught in the vernacular, mainly advanced grammar, literature



Chan Looi Tat — Asiaweek

Aziz: "We are not being autocratic"

*Slightly less than half of the 16 million population is ethnic Malay, a third is Chinese and about 9% Indian.

and philosophy. "B" stream is taught in Malay and consists of general courses in Chinese and Indian history and sociology as well as some literature. The policy change means that Mandarin and Tamil-speaking students in other departments who previously could take "A" courses now find this option closed to them.

But the demand for electives in Mandarin or Tamil has never been high. Indeed, only a handful of students will be affected by the university's decision. As for a student's constitutional right to use languages other than Malay, Aziz declares: "They have no rights. All our students sign an oath during orientation week stating that they will abide by the decisions of the senate and faculty. If they're really serious about it, they should major in it."

Ethnic Chinese and Indian politicians of all stripes have challenged the university's decision. "This is an erosion of the constitutional position of the Chinese and Indian languages," asserts Lim Kit Siang, boss of the opposition Democratic Action Party. "Its repercussions are felt not only on campus but beyond. The next step will be pressures to justify the presence of these departments." Similar protests have been made by the Malaysian Chinese Association and the Malaysian Indian Congress, the No. 2 and No. 3 parties in the country's coalition government, which is dominated by the United Malays National Organisation. But Aziz dismisses these objections as mere political posturing. "Everyone wants to be a knight in shining armour and this is a gold-plated issue," he says. "The Ministry of Education has taken a very calm line by saying this is a university affair."

Indeed, Education Minister Anwar Ibrahim, a strong proponent of Malay, has broader matters on his mind. He recently announced that the 1961 Education Act is to be reviewed by next year. The overall aim of the review: to step up the standard and usage of Malay, which is the main medium of instruction in government schools and universities. Private pre-school and tertiary institutions may also be brought under the control of the ministry.

Ethnic Chinese and Indian leaders believe the review would be a good opportunity to scrap or modify some clauses in the act. Heading their "drop" list: a section that empowers the government to convert vernacular primary schools to national schools at will. The MCA's youth wing has also proposed changes in various other clauses, including those giving the minister the discretion to cancel a school's registration or dissolve a school board. Says MCA secretary-general Ng Cheng Kiat about the proposed review: "The Chinese community must be on the alert to face any challenge." ■

TOURS

Stepping Out

Until recently, the building of international bridges had not rated high on Malaysia's agenda. Largely responsible for its low priority was a host of pressing domestic matters taking up much of Prime Minister Mahathir Mohamad's time. Amid campaigning for last year's general elections, the PM was putting out political fires in the East Malaysian states of Sabah and Sarawak. He then faced an unprecedented challenge within his own party, the United Malays National Organisation, only just retaining its leadership during the bitter party polls in April.



Mahathir: "We should be heard"

But since then, Mahathir, 61, has had somewhat of a breather at home and has managed to step out. Recently, he presided over the International Conference on Drug Abuse and Illicit Trafficking in Vienna. And last week, he and a 38-member entourage completed a fortnight-long tour of Britain, Hungary and the Soviet Union. "Foreign policy had been one weak area in Mahathir's administration," says Murugasu Pathmanaban, a University of Malaya academic, "but he is plugging that gap now by courting investments from the West and increased trade with the Soviet bloc."

The stop in Britain, a major trading partner, was Mahathir's first official visit to the country. When he came to power in 1981, he quickly made it clear that London was not one of his favourite destinations. He launched a "Buy British Last" policy,

whereby government departments were instructed to purchase British goods only if absolutely necessary and if similar products were unavailable elsewhere. This occurred after the London Stock Exchange changed its rules in response to a Malaysian dawn raid on Guthrie, a listed conglomerate with plantation assets in Malaysia. Instead, Mahathir encouraged Malaysians to "look East" towards Japan, South Korea and Taiwan, urging them to take up the work ethics of these countries.

But bilateral relations between Malaysia and Britain have been slowly improving since. Mahathir made an informal visit to London in 1983 and two years later Margaret Thatcher turned up in Kuala Lumpur. The distance between the two countries seems to have narrowed further with Mahathir's latest call. Once he got to Britain, he wasted little time wooing investors. "Lurid stories have been told about Japanese and Koreans having exclusive rights to contracts for projects and supplies to Malaysia," he said at an investment seminar in London. He assured British businessmen that Malaysia did not practise discrimination and would welcome their investments. "We buried the 'Buy British Last' policy long ago," declared the prime minister.

Malaysian officials believe they made some progress in mending fences with Britain. Mahathir himself said he got the impression British businessmen "[desired] a closer relationship with Malaysia." Indeed, some deals appeared to be on the cards. A British firm said it would buy 48,000 of Malaysia's Proton Saga cars, while the Malaysians inspected an advanced turbojet made by British Aerospace for possible use on their domestic routes. Still, many old disputes remain unresolved, among them Malaysia's yawning trade deficit with Britain and the long-standing request for more weekly flights for national carrier Malaysian Airlines System.

Mahathir spent the most time in the Soviet Union. In Moscow, he met Soviet boss Mikhail Gorbachev, the first ASEAN leader to do so. They discussed the occupation of Cambodia by Vietnam, a top Moscow ally, and the Soviet presence in Afghanistan. Mahathir called for withdrawal of troops in both cases. The balance of trade, heavily in Malaysia's favour, was broached in meetings with other officials. Possible imports to narrow the gap: low-priced Soviet helicopters. In a way, Mahathir outlined the overall purpose of his three-nation tour when he stopped over in Hungary. "Although we are small countries, we insist that our voices should be heard," he said in Budapest. "We do not believe that giants own this earth and that others have no role to play." ■



Asiaweek Pictures

Filling out a Porkas coupon in Jakarta: A dream of striking it rich

INDONESIA

Going Crazy Over a Sports Lottery

During the 20-year rule of President Suharto, the Indonesian government has rarely admitted to having made a mistake. But judging from recent statements by people close to the top, a turn-about may be in the works. The centre of attention: the state-sponsored Porkas football lottery. Launched in 1985 as a means of financing national sports development, the controversial scheme was considered a bad bet by many from the outset. Now its future hinges on findings from a government investigation.

Despite Jakarta's tight rein on the local press, Indonesia's leading media have published numerous stories on the negative impact the lottery has had, particularly on the poor. Entire villages in many parts of the country have gone Porkas crazy, reported the weekly news magazine *Tempo*. The popular daily *Kompas* revealed that many people became so addicted to the lottery that they withdrew their meagre savings to buy the coupons. One man went so far as to sell his house; others declared bankruptcy. Newspapers were full of horror accounts: men beating their wives or children; children stealing money from their parents; children spending hard-earned money allocated for school fees — all for Porkas. Careful not to criticise the money-making scheme — Suharto had approved it — the press got its message across in the end simply by reporting the facts.

At a hearing in early July with Social

Affairs Minister Nani Sudarsono, who was put in charge of the lottery, members of Parliament for the first time spoke out publicly against Porkas. A committee investigating the scheme in various regions found that coupons had been sold in rural areas, contrary to government assurances that sales would be restricted to adults in large cities. On July 14, Suharto formed a 12-person inter-departmental team to investigate fifteen of 27 provinces for "negative excesses." Announcing the team, Sudarsono told reporters: "Porkas will be reviewed [to see] if it has really created effects detrimental to the public. The team will gather reaction and comments from people." Since then, influential Indonesian Armed Forces Commander Gen. Benny Murdani, Parliament Speaker Amir Machmud and Chairman of the Supreme Advisory Council Maradean Panggabean have said they would support banning the lottery if it is found to have detrimental effects.

With presidential elections scheduled next March, the government's retreat from the issue is timely. Although Suharto is set to be re-elected for another five years — as in the past, he is likely to run unopposed — media coverage of the lottery's impact could mar his image at home. "Scrapping Porkas, on the other hand, would be a plus for him and would go down well with the press," commented one Western diplomat.

Not surprisingly, religious leaders had opposed the scheme even before it was of-

ficially launched. Some dubbed it a form of gambling. Nearly 90% of Indonesia's 168 million people are Muslims. However, the Indonesian Ulama Council (MUI), an umbrella organisation for Muslim groups, has not put out an injunction forbidding its followers from buying lottery tickets. "We have an agreement with the president not to discuss the issue," MUI chairman Hasan Basri was quoted as saying in *Tempo*. Had an injunction been issued, it would likely have been heeded by many people, especially those living in rural areas.

The real test for the lottery will come in September, when Indonesia hosts the Southeast Asian (SEA) Games. Since the lottery was started two years ago, every branch of sports has received Porkas money to train and prepare athletes specifically for the games. In 1986, the fund totalled nearly \$8 million; this year, it is expected to net \$9 million. If Indonesia fails to outperform its smaller Asian neighbours on its own turf, it would be a blow to both Sudarsono and Youth and Sports Minister Abdul Gafur. Condemnations from the anti-Porkas crowd would likely be fierce.

Two years ago, Indonesia lost its status as the leading sporting nation of the region to Thailand in the SEA Games in Bangkok. Last year, it was defeated by China in badminton's prestigious Thomas Cup competition. In July, its shuttlers failed to win the singles titles of the Indonesian Open badminton tournament. Commented a sports writer afterwards: "The Porkas money has not the blessing of God." No complaints were heard, however, when Porkas last year sponsored a live telecast of the World Cup football finals in Mexico.

If the government abolishes the lottery, it must find another way to raise revenue for sports. Some have suggested casinos be reopened, since, like the lottery, they offer games of chance. The difference, according to the former speaker of East Java's legislative council, Blegoh Sumarto, is that casinos would be re-

stricted to a few wealthy individuals. Jakarta casinos ran thriving businesses until all forms of gambling were banned in 1982, a year before Suharto's re-election.

While the evaluation team conducts its investigation, people continue to crowd around Porkas counters, buying coupons and debating the likely results of fourteen fictitious football matches, which are decided each Sunday night by a jury. They share a common dream: to purchase a ticket worth nineteen cents, and, with a bit of luck, to strike it rich. ■



NANO, Indonesia

Sudarsono: Bad bet

JAPAN

The Mating Game

As Japanese businesses continue to expand abroad, more and more executives are being dispatched overseas. The country's total number of expatriate businessmen now stands at about 164,000 (including accompanying wives and children). While adjusting to a new culture can be a trying experience for anyone, being posted abroad creates a special problem for single men: How do you meet a nice Japanese girl in Bangkok, Taipei, or Jakarta? Answer: matchmaking services. For a fee, these firms not only send members pictures of and background on potential wives, they will also arrange a traditional *omiai* — a formal first meeting with

tween for members and potential mates. If both parties approve of each other, an *omiai* is arranged when the bachelor returns to Japan on business or holiday. The \$2,000 membership fee is often subsidised by companies that feel it is their duty to help overseas single employees find wives. The size of the market is difficult to estimate, but Tanaka says if his firm can sign up "just two or three thousand out of the tens of thousands of men overseas, it will be a big success."

According to those in the industry, men working abroad are popular among Japanese women as long as they are with established corporations and are scheduled to return to Japan in a few years. Women prefer bachelors who are tall, well-educated, earn a big salary and who are not the eldest son, who traditionally is



Michael Wong — Asiaweek

Japanese expatriates in Hongkong: For the single among them, brides by mail

a potential marriage partner.

Professional matchmaking has become a \$130-million-a-year business in Japan. The Sense-Up Ladies' Club (SULC) has had a service for bachelors stationed abroad for the past three years. In May it opened its first overseas office in London. Altmann Co. Ltd., which has brought together some 18,000 couples, recently set up the "Abroad Course." According to Tanaka Shigeru, a spokesman for the company, several large corporations have expressed interest in the service. "We have been aware of such market needs for the last few years," he says, "and we expect this service to be a new growth sector."

Every month, members in the program receive basic information on two Japanese women chosen for them through a computerised screening system. The selection process is supervised by a personal advisor, who also acts as a go-be-

expected to look after ageing parents. Men usually want their wives to be shorter than they are, less-educated and obedient. Other helpful attributes: proficiency in a second language, an outgoing personality, ability to cook and willingness to adjust to an alien culture.

Finding such idealised women is not always easy. "We have to be even more careful in attending to needs of these bachelors, who will be emotionally more dependent on professional matching services," says Tanaka. So far, none of the marriage services caters to the small but growing number of Japanese women being dispatched overseas; they say the demand is just not big enough yet. And none offers its services to non-Japanese, although some firms have received queries from foreign men interested in finding Japanese brides.

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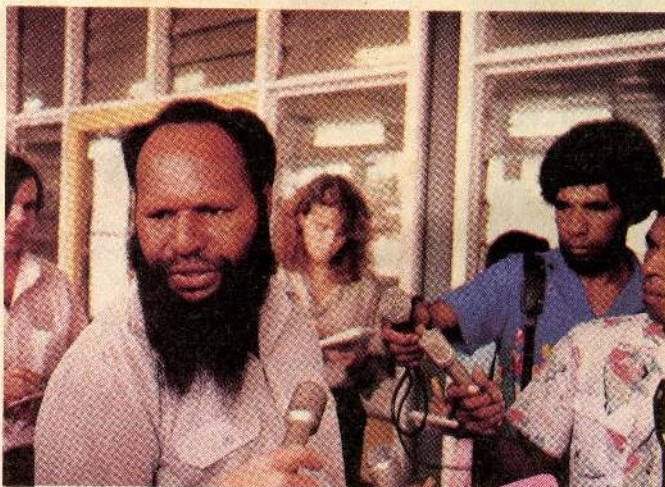
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HONOURED: Hanafiah Ahmed, 49, Diane Ying, 45, Hans Bague Jassin, 70, and Father William Timm, 64; with the annual Ramon Magsaysay awards for service to Asians; announced in Manila last week. Hanafiah, director-general of Malaysia's Pilgrimage and Fund Board, was cited for government service in helping thousands of pilgrims make the *hajj* to Mecca. Ying, editor and publisher of *Commonwealth*, a leading Taiwan business journal, was given the journalism award. Jassin was recognised for public service in founding Jakarta's Centre for Literary Documentation, the most extensive collection of Indonesian literature. Timm, an American who has been a missionary in Bangladesh for 35 years, was cited for international understanding. Winners receive a \$20,000 cash prize.

ELECTED: Roh Tae Woo, 54, as head of South Korea's ruling Democratic Justice Party (DJP); at a Central Committee meeting attended by party leaders; in Seoul Aug. 5. President Chun Doo Hwan, who resigned from the post last July, was named honorary party president. Roh, formerly party chairman, will contest elections due under the recent accord with the opposition.



John Garruchers

RE-ELECTED: Paias Wingti (above), 36, as prime minister of Papua New Guinea; by a slim majority of MPs; in Port Moresby Aug. 5. Wingti won only seventeen seats in the 109-member Parliament when the count from the June 13-July 4 election was complete. But he put together a coalition of minor parties and a number of independents to narrowly beat rival Michael Somare 54-51. However, Somare, whose Pangu Pati holds 25 seats, noted that three by-elections due soon could tip the balance again.

ACCUSED: Inam ul-Haq, retired Pakistani brigadier-general; of leading a conspiracy to obtain nuclear technology illegally in the U.S.; by a Philadelphia grand jury July 28. Inam, who lives in Lahore, allegedly conspired with Arshad Pervez, a Pakistan-born Canadian, to obtain a special steel alloy needed to make nuclear weapons. Pervez was arrested and charged in Philadelphia last month. Though Islamabad issued a warrant for Inam's arrest, officials there say he has "disappeared." The U.S. is understood to want him extradited to face charges. The Pervez controversy recently led a U.S. congressional committee to recommend freezing \$540 million worth of aid to Pakistan until January.

ACQUITTED: Veera Musikapong, 39, former Thai deputy interior minister and a leader of a dissident faction of the Democrat Party; of charges of *lèse-majesté*, or insulting the monarchy; in

Buriram provincial court Aug. 5. Veera was accused of making derogatory remarks about the royal family during the July 1986 election campaign, when he compared a prince's life with a peasant's. The prosecution had fifteen days to appeal.

INSTALLED: Col. Sitiveni Rabuka, instigator of the bloodless military coup in Fiji last May that toppled Prime Minister Timoci Bavadra; as commander-in-chief of the Royal Fiji Military Forces; at a colourful ceremony in Suva July 31. Gazetted as new commander by Governor-General Ratu Sir Penaia Ganilau soon after the May coup, Rabuka took over officially at the installation from Brig. Ratu Epeli Nailatikau, who was out of the country during the takeover and now is on "extended leave."



Rajendra Lal - Asiaweek

SUED: Ghazali Shafie, 65, former Malaysian foreign minister, and Mohamed Abdullah Ang, 41, former managing director of the now-defunct Malaysian Overseas Investment Corp. (MOIC); for allegedly defaulting on loans they guaranteed totalling \$1.8 million; in Hongkong High Court Aug. 4. Ang is serving a jail term for criminal breach of trust. Ghazali was MOIC's adviser and Ang's partner in several enterprises.

SUED: Eduardo Cojuangco (right), 51, Fabian Ver, 67, Roberto Benedicto, 68, Benjamin Romualdez, 57, Cesar Virata, 56, and Roberto Ongpin, 51, former key associates of deposed Philippine president Ferdinand Marcos; in a new series of "hidden wealth" actions against Marcos, his family and numerous others; filed by the Philippine government; in Manila last week. The latest suits brought the tally to 35 filed in recent weeks, claiming damages totalling nearly 2 trillion pesos, or \$94.5 billion, for alleged graft and illegal enrichment. Marcos and his wife Imelda are named in every suit, linked variously with 298 others. Cojuangco allegedly misused funds from the coconut levy to gain control of the United Coconut Planters Bank, San Miguel Corp. and other enterprises.



John K. Chua - Asiaweek

RECOVERING: Hussein Onn, 65, former prime minister of Malaysia; after suffering a heart attack at his home in Kuala Lumpur Aug. 4. Doctors said his progress was good.

DIED: Abu Sayeed Chowdhury, 56, former Bangladeshi president; of a heart attack; in London Aug. 2. Chowdhury played a pivotal role in the creation of Bangladesh and served as head of state from January 1972 to December 1973. He also served as chairman of the Geneva-based U.N. Human Rights Commission, with which he was involved for many years.

DIED: Benson Fong, 70, Hollywood actor and restaurateur; after a stroke; in Los Angeles Aug. 1. During World War II, Fong said, "I bicycled around from one set to another, playing a Japanese here, a Filipino there, a Chinese on still other days." Among his credits: *China*, *Thirty Seconds Over Tokyo* and *Our Man Flint*. He opened "Ah Fong's" restaurant in 1946. ■

A THOUGHT FOR THE WEEK

The mind should teach the heart to be its pupil.

Japan

TRENDS

Converting Rebels to Superstars

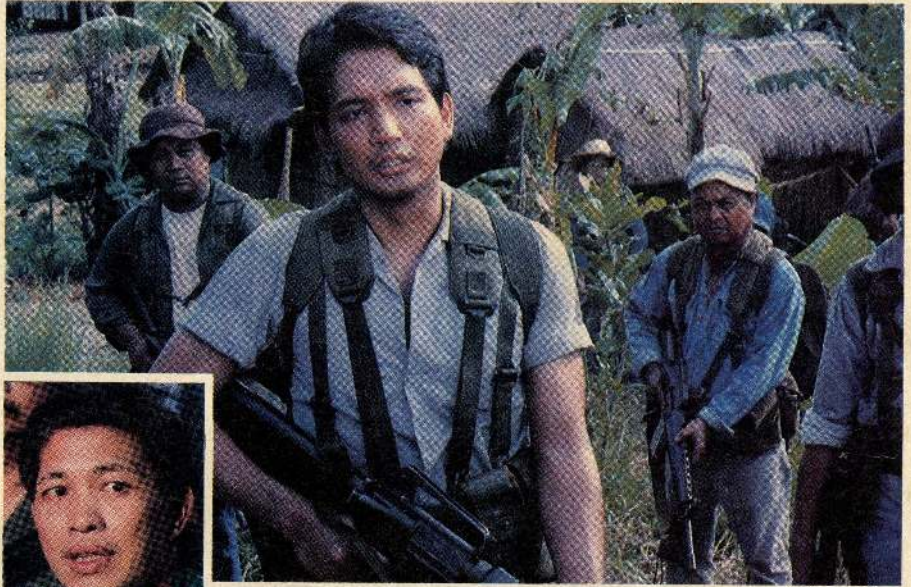
At the prestigious Philippine Military Academy (PMA) in northern Baguio City, the security officer for the day, a young lieutenant who teaches cadets political science, allows several guerillas of the communist New People's Army (NPA) into the armoury. They disarm the astounded guards and haul guns and ammunition into a waiting jeep. Before departing, the defecting officer turns to the bound soldiers. "In time," he tells them, "you will understand."

Further north, deep in the Cordillera mountains, a soft-spoken priest rebukes several troopers who refused to pay an old man for ferrying them across a river. Later, he thrashes a thug bent on bulldozing the fresh burial ground of a tribal leader. With the man's blood staining his white cassock, the priest heads for the jungle. Soon, he has made his first kill as an NPA regular.

These sensational real-life events — part of the underground exploits of PMA renegade Lt. Victor Corpus and rebel priest Conrado Balweg — are now equally dramatic scenes in two of Manila's latest box-office hits. In recent months, Philippine movie producers have signed up a host of film rights to screen the lives of prominent ex-guerillas. *Operation: Get Victor Corpus*, for example, featured action star Rudy Fernandez and played to packed cinemas in January. Currently duplicating its success is *Balweg, the Rebel Priest*, so far this year's No. 3 grosser for Viva Films. Cinesuerte, another movie-maker, is meanwhile finalising shooting schedules with NPA founder Bernabe "Dante" Buscayno. Also starring Fernandez, *Commander Dante* is slated for release in October. In short, ex-rebels are being born again as superstars.

Stardom has brought along its usual financial perks. Although fees paid to former guerillas for the film rights are closely guarded, one producer admits that they are "quite reasonable." Industry buzz puts it at between \$30,000 and \$50,000 for a film, plus, in at least one case, a share of the profits. As the ex-rebels tell it, however, trading bullets for bucks is not the only consideration. Balweg says he turned down a higher offer from one cinema company when it could not assure him control over the film.

Indeed, squabbles over scripts are about as common as NPA raids. *Corpus* writer José Lacaba complains that "only half of what I wrote was retained." Instead, he contends, to raise its commercial



Vanguard Films



Andy Hernandez

Fernandez as Corpus; inset, the real ex-renegade: Control

value the movie highlighted a fictitious liaison with a rebel nurse. On the other hand, *Balweg* glosses over the ex-priest's illicit affair with a woman guerilla. The communists have attacked the film for what it calls "misinformation."

Putting rebels on the screen is not a new phenomenon in the Philippines. But by a decree of former president Ferdinand Marcos, no film or television show could glorify communism. While that law still stands under the government of Corazon Aquino, many producers feel the more liberal media atmosphere today permits them to explore the subject in ways they could not before. "It's only now," says Viva boss Teresita Cruz, "that we can give a balanced view of conflicting ideologies."

Still, on the whole, the movies are anti-communist in tone. *Alsa Masa*, shown in April, argued that NPA atrocities justify the rise of vigilante groups. *Sparrow Unit*, to be released shortly, acts out recent headlines about NPA hit squad killings in Manila. Even the cinematic interest in *Corpus*, *Balweg* and *Buscayno* surfaced only after the trio were "rehabilitated." *Corpus* is now a lieutenant-colonel, *Balweg* has split with the NPA and *Buscayno*, who survived a recent assassination attempt in Manila, vows now to "struggle" within a legal framework.

According to Cinesuerte producer Tony Calvento, rebel films should possess "redeeming value." As both *Corpus* and

Balweg have turned their backs on the insurgency, some screen justifications were in order. Their movies begin by chronicling corruption and injustice during the Marcos régime. The protagonists then go underground to battle the establishment. But they soon discover that rebel ranks are not free of similar excesses either. Eventually, they throw in their lot with the Aquino government, portrayed none too subtly as a symbol of new hope. Most

insurgency flicks, in fact, end with guerillas succumbing to the law.

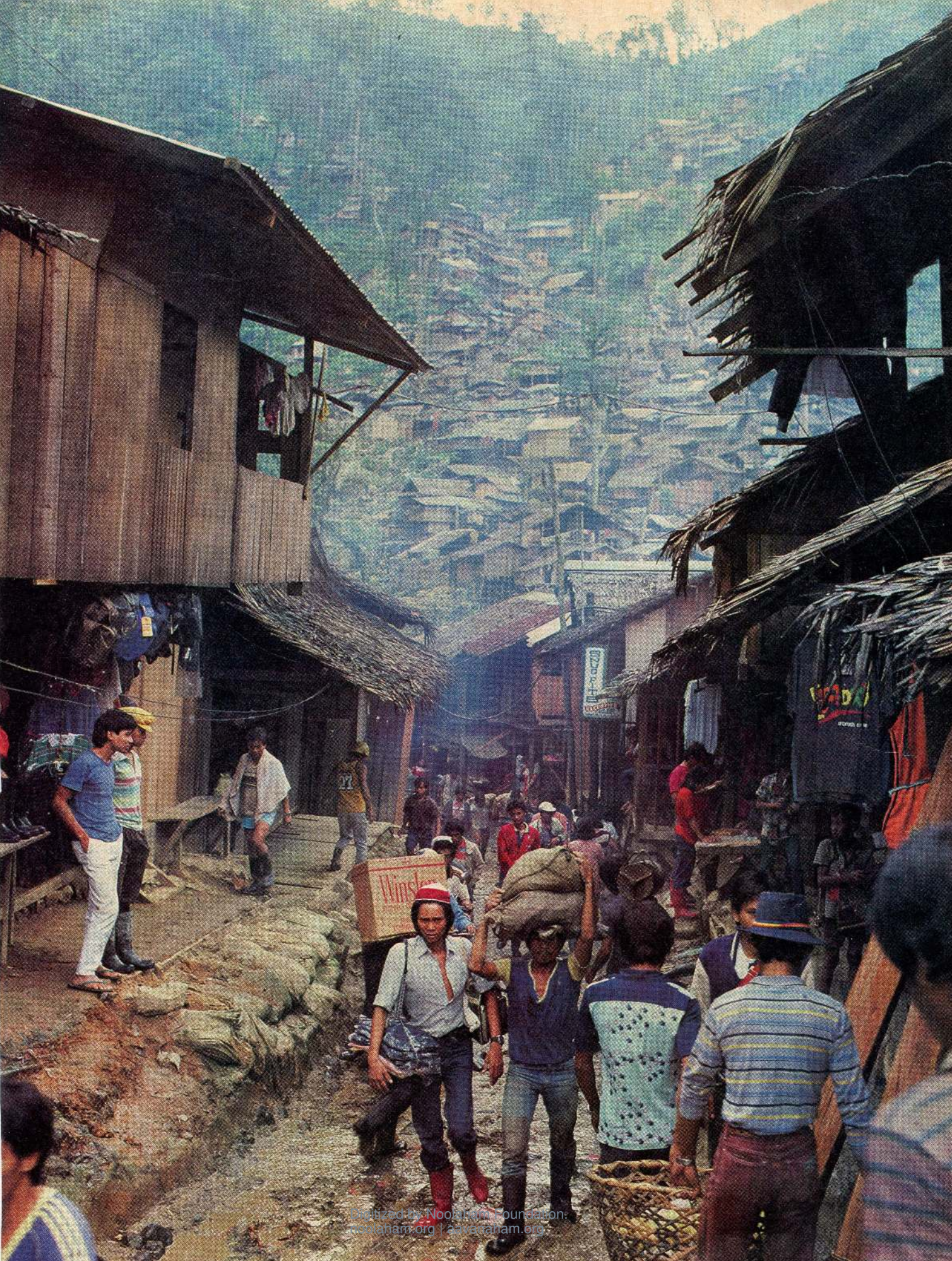


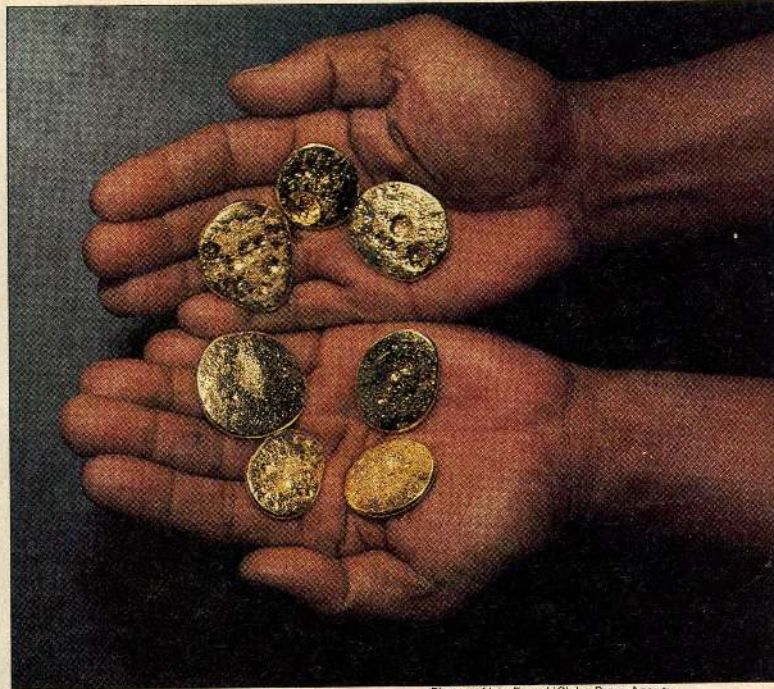
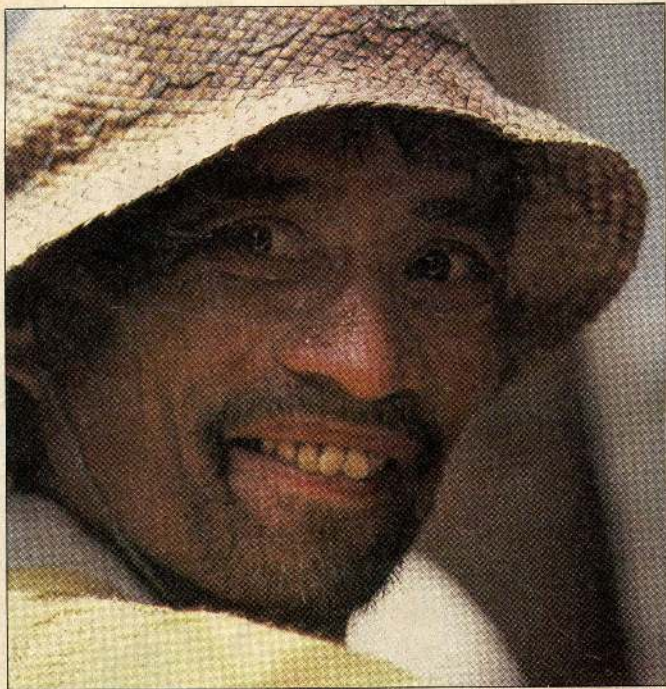
Henry Villegas

Balweg: Born again

Much of the concern about the "redeeming value" in rebel films stems from every producer's fear that after spending millions of pesos on making such a movie, it is not approved by the Movie and Television Review and Classification Board (MTRCB). "If you're making a film about the NPA," says Calvento, "it's almost stan-

dard to talk with the board and top military officials before you even gather a cast." MTRCB chairman Manuel Morato explains why he keeps watch: "The state has the right to protect itself from excesses of the movie industry as well as those who would try to topple the government." Morato says that when a film about the insurgency is up for review, he calls not only the military but any group — women, Muslims, the church — that is featured. But, he adds, "obviously, I cannot invite the NPA to review a film about them." ■





Photos: Alain Evrard/Globe Press Agency

EYEWITNESS

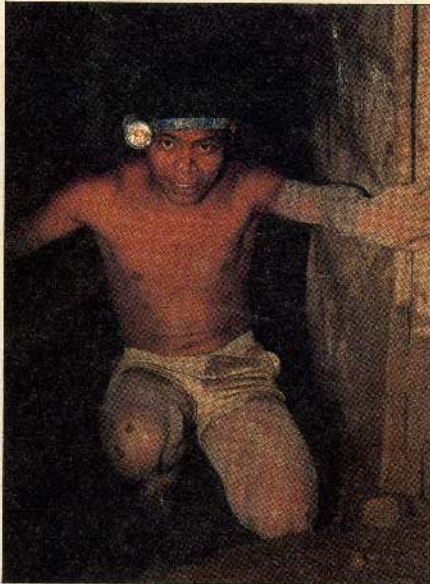
Dying for Gold

Rubber-booted Filipinos slog through the muddy streets of a shanty town called "Saudi Diwalwal." Hanging precariously on the side of 1,800-metre Mt. Diwata in Mindanao's Davao del Norte province, this squalid settlement exists for one reason only: gold. "Saudi" denotes its image, like that of West Asia, as an escape from the grinding poverty that haunts the Philippines. Diwalwal means "where tongues hang out." Would-be miners like the bright-eyed tribesman (*above*) arrive panting from the climb — and

in anticipation of riches. Mt. Diwata, Mt. Boringot to the south and others yield millions of dollars a month in gold. The bullion (*above right*) processed in provincial capital Tagum is

destined for lucrative illegal export. But the reality for most of the tens of thousands of gold-seekers is gruelling work, terrible living conditions and the constant spectre of death. The mountains are honeycombed with makeshift tunnels; lingering is the stench of corpses left to rot after cave-ins. Greed overpowers law, and many a "lucky" miner is killed by brigands or cut down in the crossfire of warring goon-squads. Or perhaps death will be slow, painful poisoning from the deadly mercury used to process the gold. ►

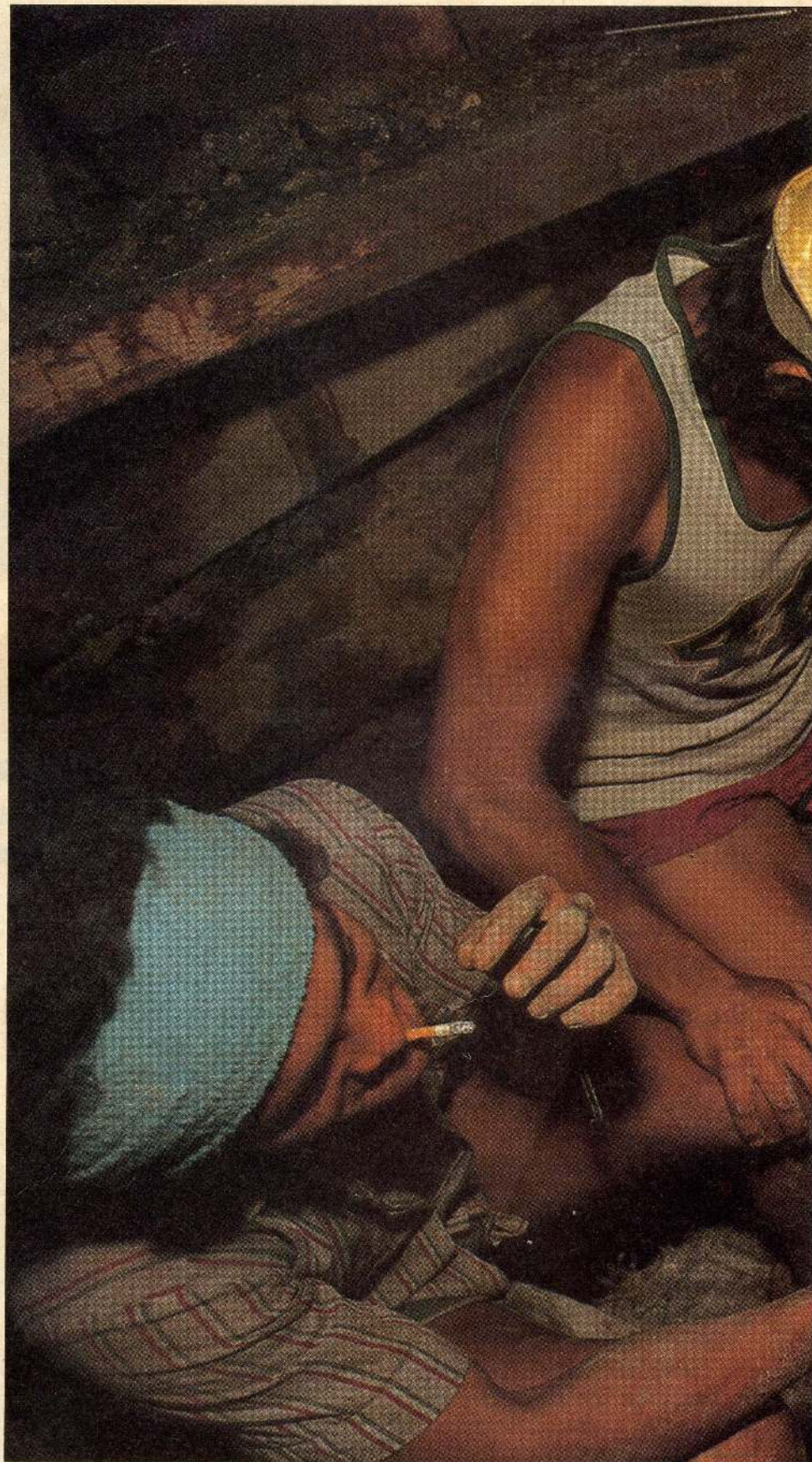


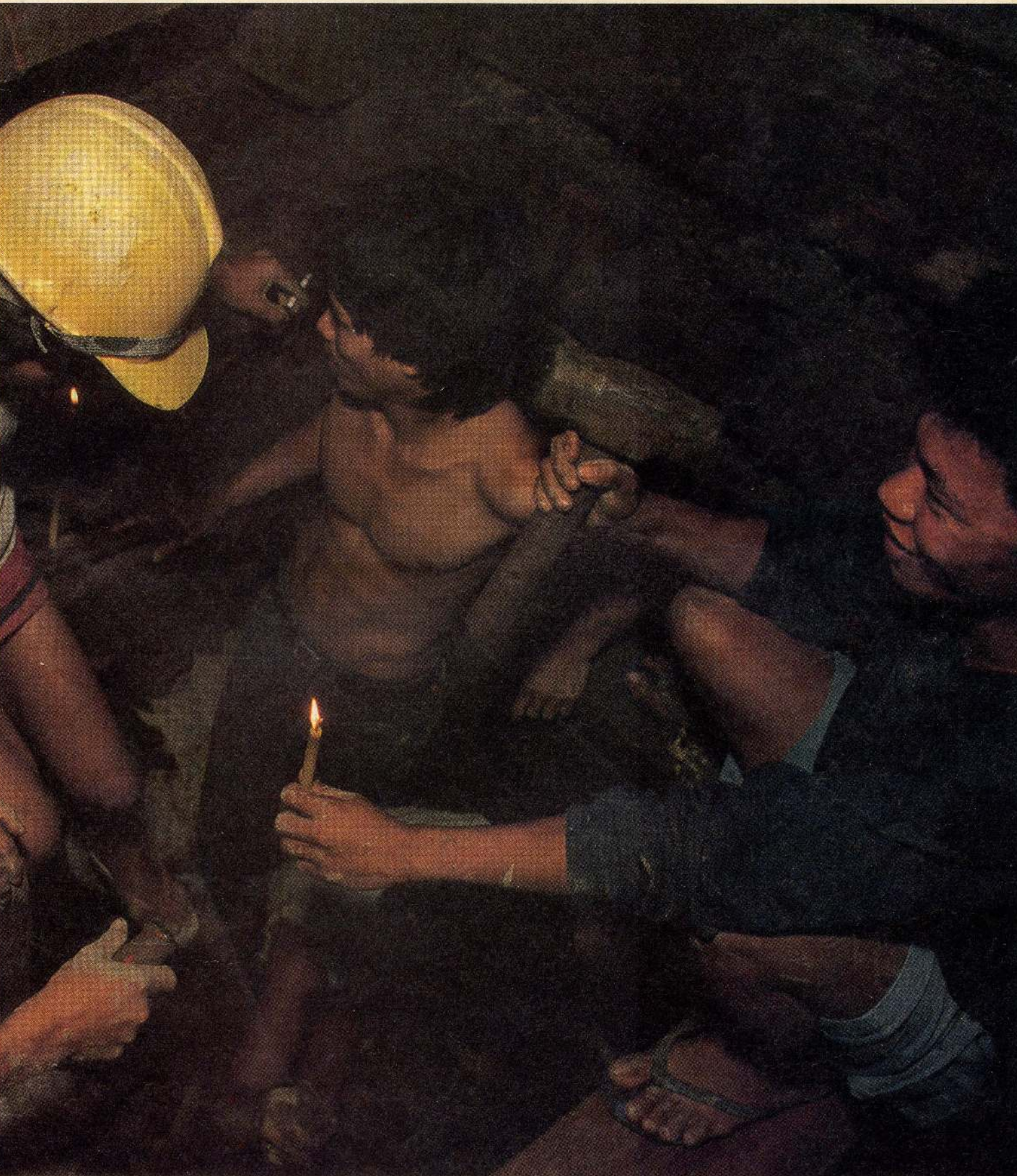


Photos: Alain Evrard/Globe Press Agency

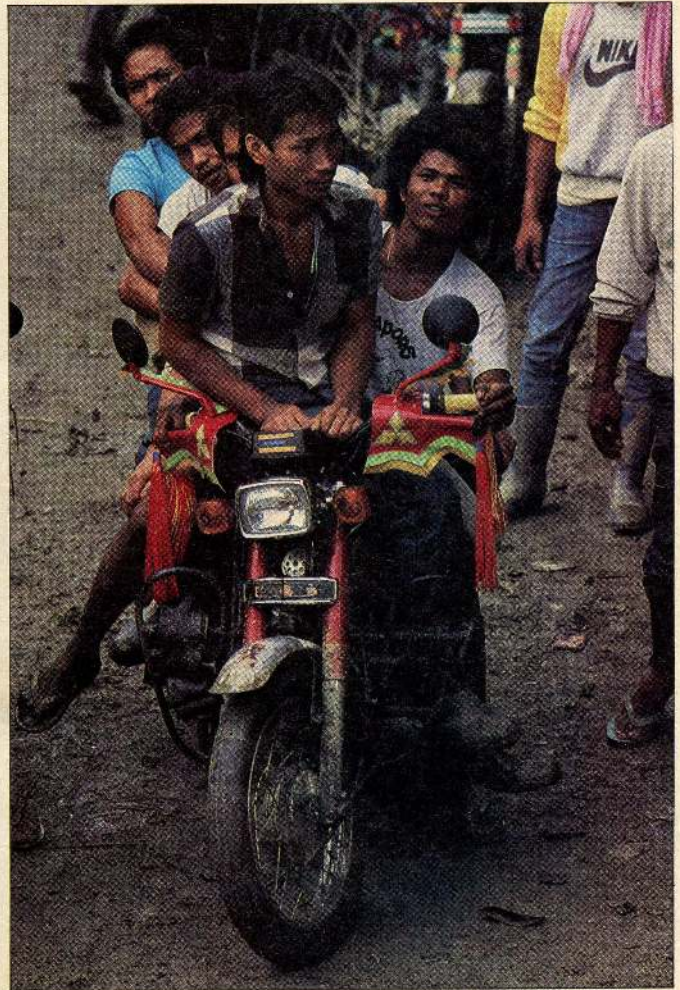
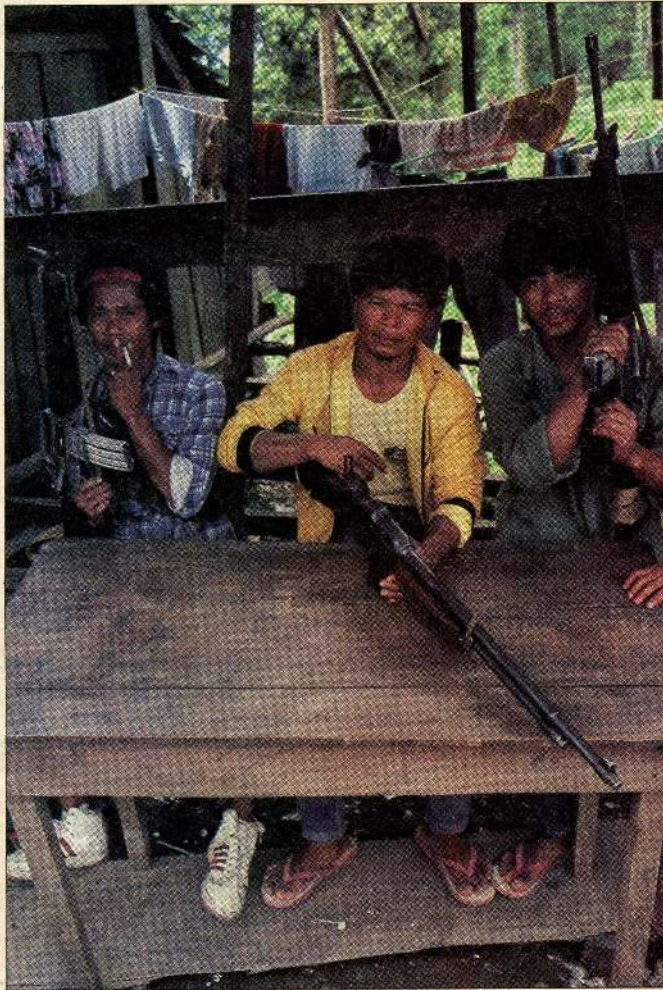
EYEWITNESS

Location: 25 metres under Diwalwal. **Temperature:** 35-40°C. **Humidity:** 100%. Still these miners puff cigarettes in the stifling subterranean air and hammer away by candlelight, ignoring the foul smell from unretrieved cave-in victims. Explains Col. Nelson Estares from his Tagum army post: "For most people, it's better to die inside a gold tunnel than to starve in the city." To Carlito Lumacang (*above*), 22, his hardship at Mt. Boringot (pop. 15,000) beats selling balloons back in Surigao del Sur. He hopes his gravel will yield, if not a fortune, at least \$150 a month to help educate his five siblings. But gold production has slumped. In the early 1980s, a miner could gather five grams a day. Now, if he's lucky: one gram, for which he might get \$10. ▶









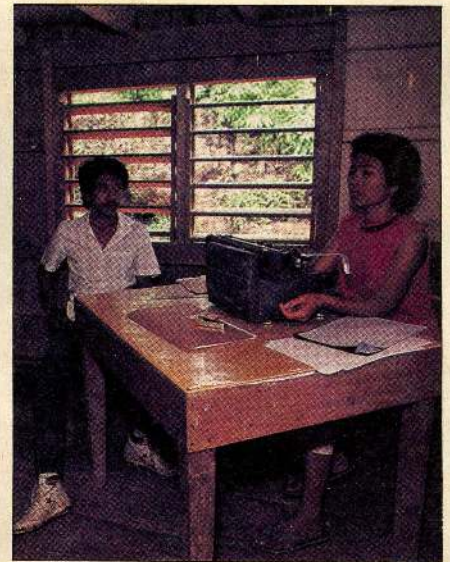
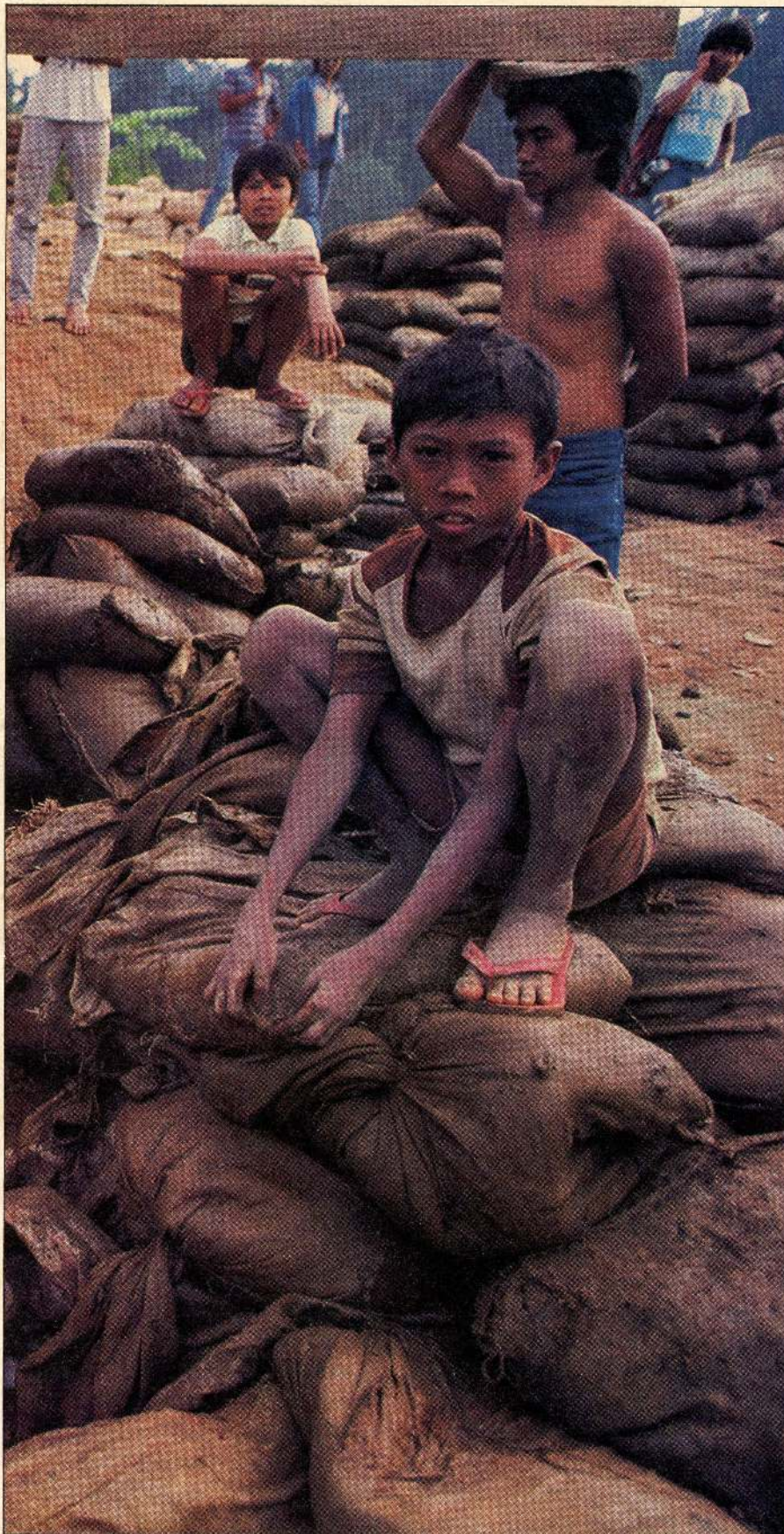
Photos: Alain Evraud/Globe Press Agency

EYEWITNESS

The rickety shacks of Saudi Diwalwal swarm up the hillside as the leftover muck of gold mining oozes back down. Reaching this outpost of avarice requires hardiness and no small amount of cash. The tortuous mountain trip passes 20 "toll gates" and checkpoints, mostly illegal. They are often manned by armed men who have some current or past military link. These ones (*above left*) are checking for weapons, but plenty of guns

get through. Catering to transportation needs are entrepreneurs like the "macho rider" (*above right*) with his four passengers who pay \$6 a trip from the base of the mountain. A cramped ride on a jeepney costs \$3.50. Some pilots have even set up a helicopter service: expensive, but it keeps the loot safe. Everything has a price in gold town. Contaminated drinking water goes for 5 cents a pail; water

for other purposes, piped through a network of long rubber hoses, costs \$15-\$50 a month. Crude toilets rent for 10 cents a time. For 50 cents, a miner can watch videos at one of Diwalwal's eighteen "movie houses." The same amount pays for a night's use of a generator-powered lightbulb, which explains why most diggers use candles. Resident, too, are hookers, manicurists and, mining a rich vein of hope, palm readers. ▶

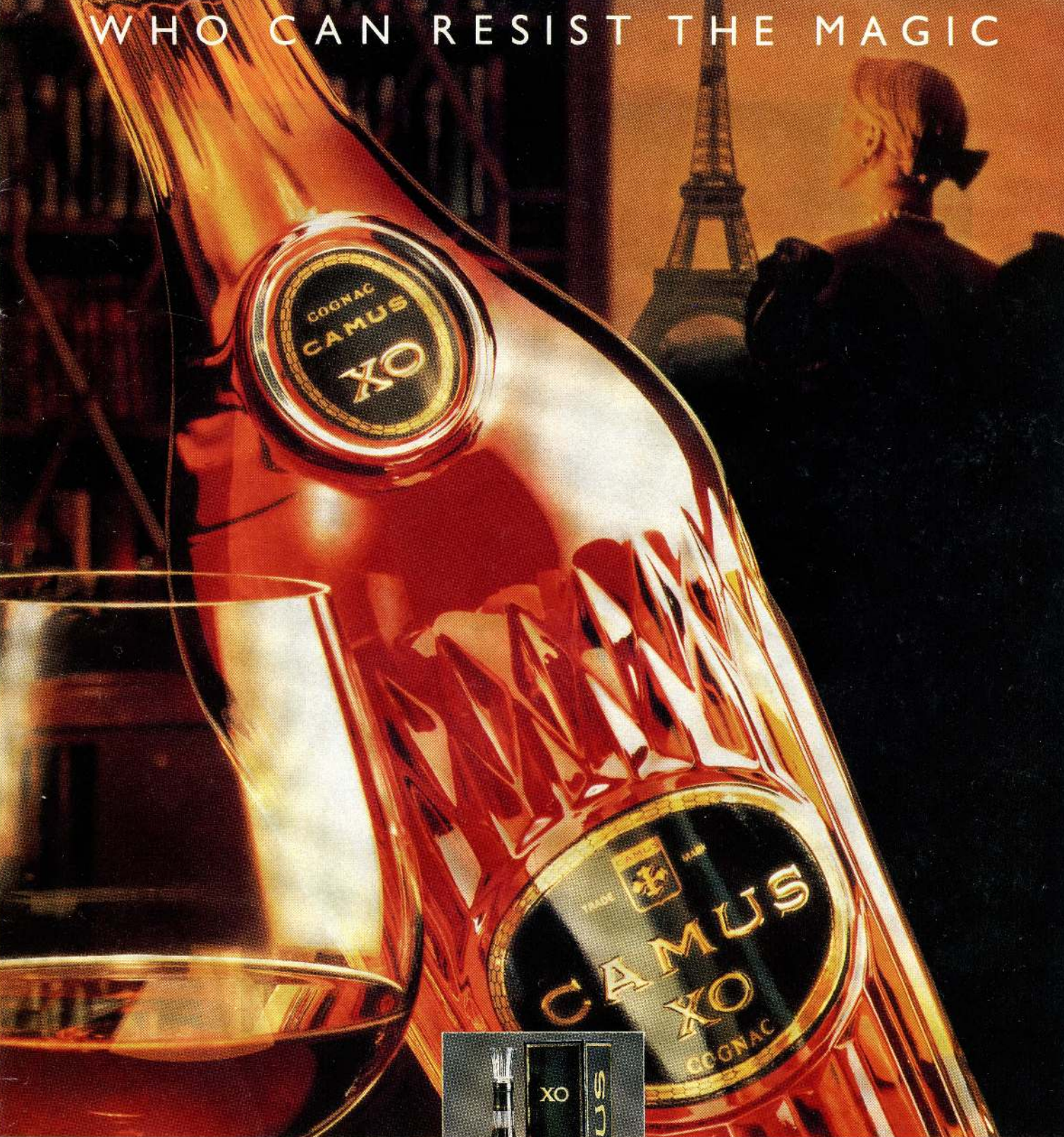


Photos: Alain Evrard/Globe Press Agency

EYEWITNESS

Young Boringot workers ready gravel for transit to Tagum, where it will be ground up and mixed with mercury to extract gold. Some miners are paid wages by tunnel "owners"; others get the proceeds of sacks of gravel, crudely processed in the settlement. Susan Boiser (*above*), who controls numerous tunnels, heads the local miners' association. Her members are technically squatters, but their sheer numbers keep the rights-holding companies at bay. Apex Mining is content to buy tons of waste which, with further processing, can yield another 2-3 kg of gold daily. Much of the middleman action belongs to armed ex-soldiers and wealthy ethnic Chinese. The Tagum gold is mostly smuggled to Hongkong, Taiwan and Singapore. ►

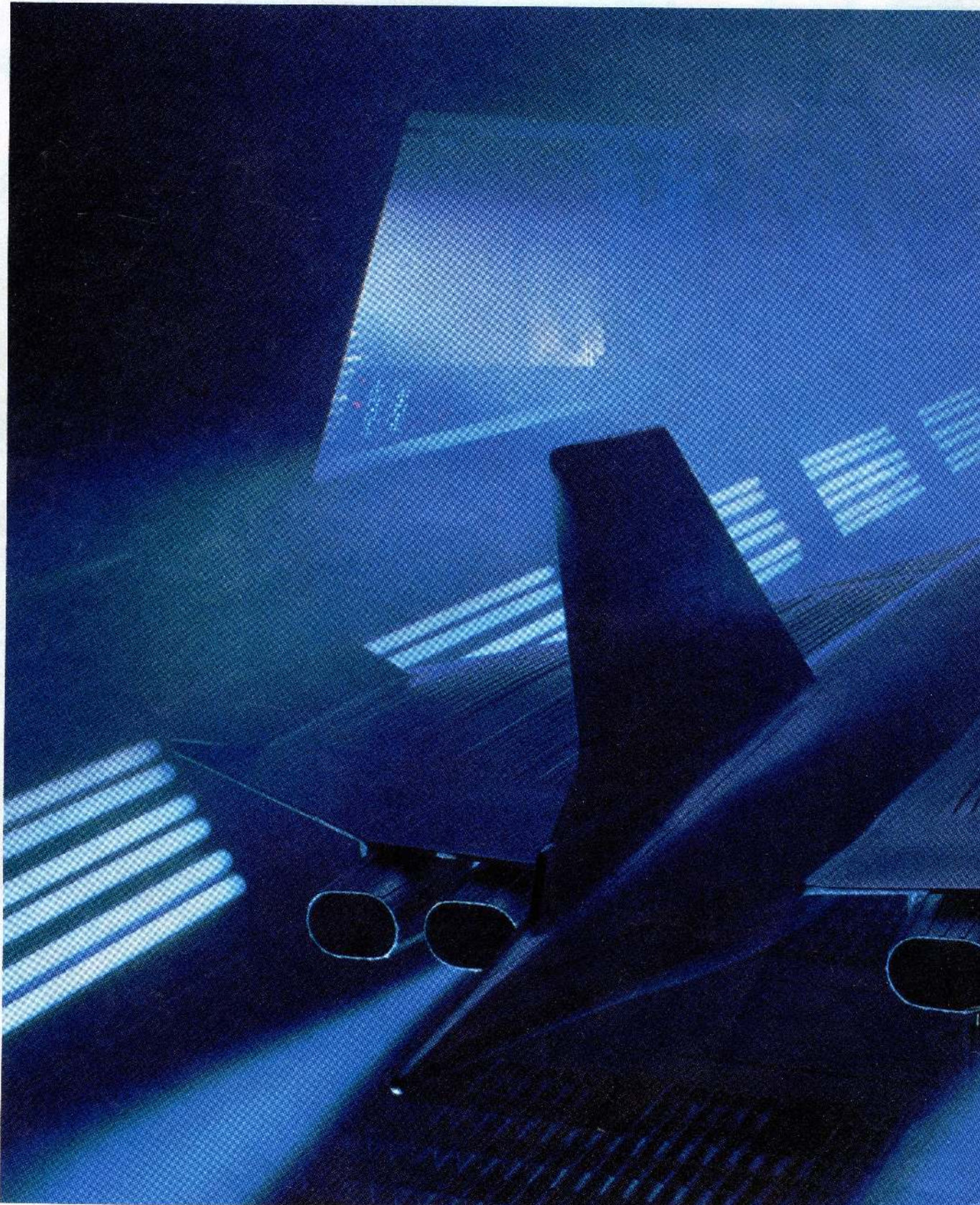
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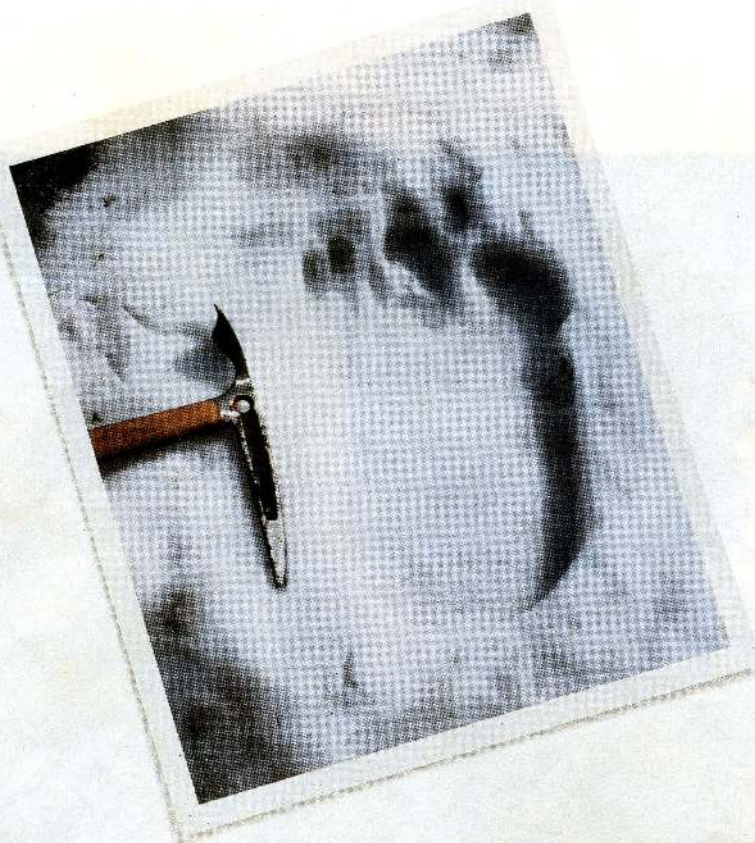
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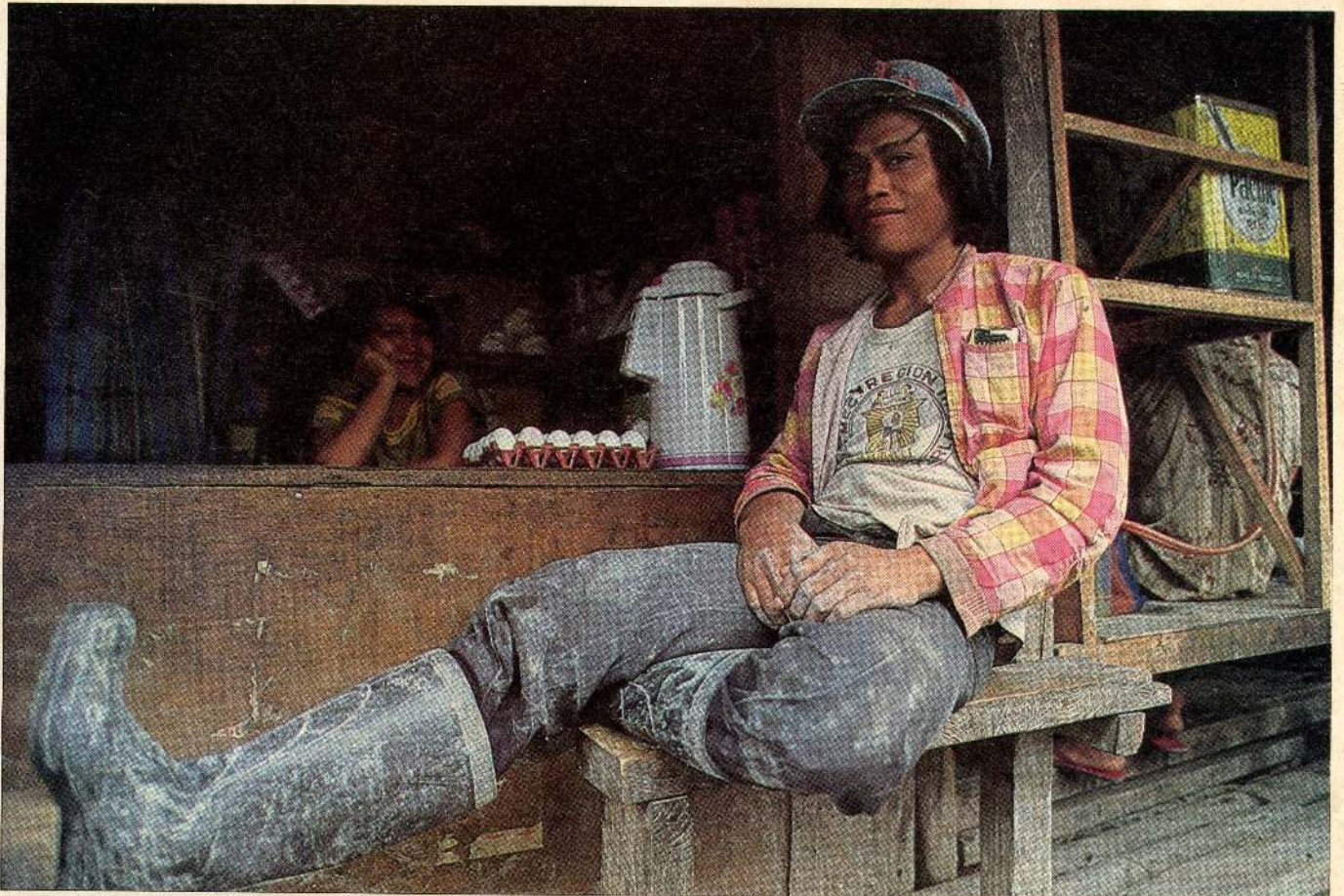


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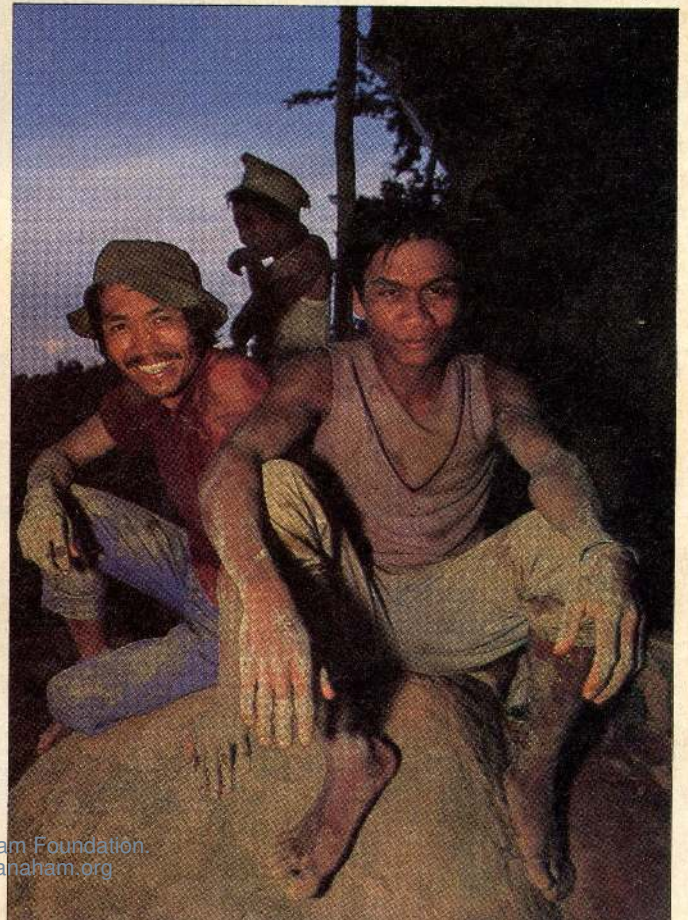
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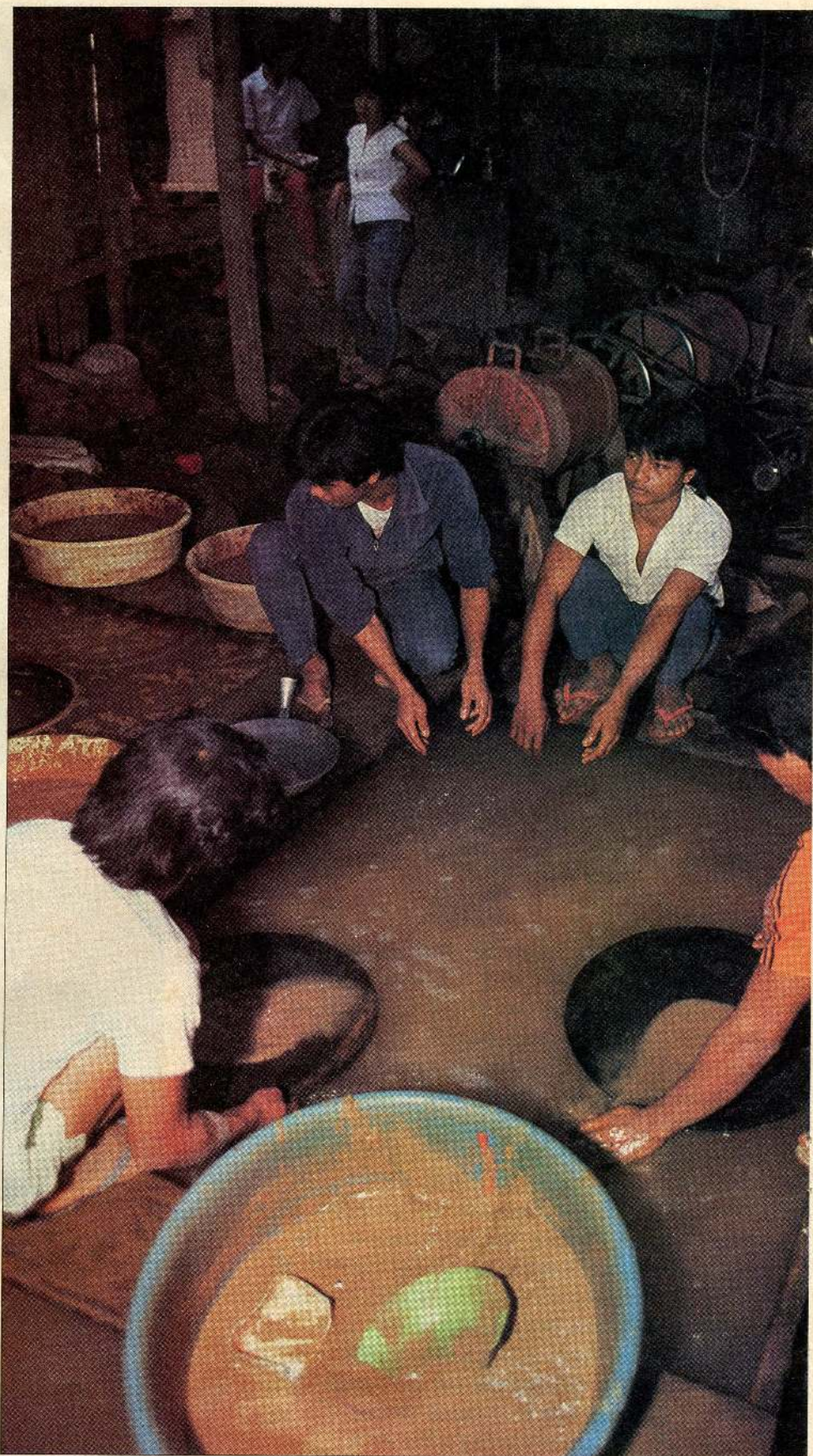
EYEWITNESS

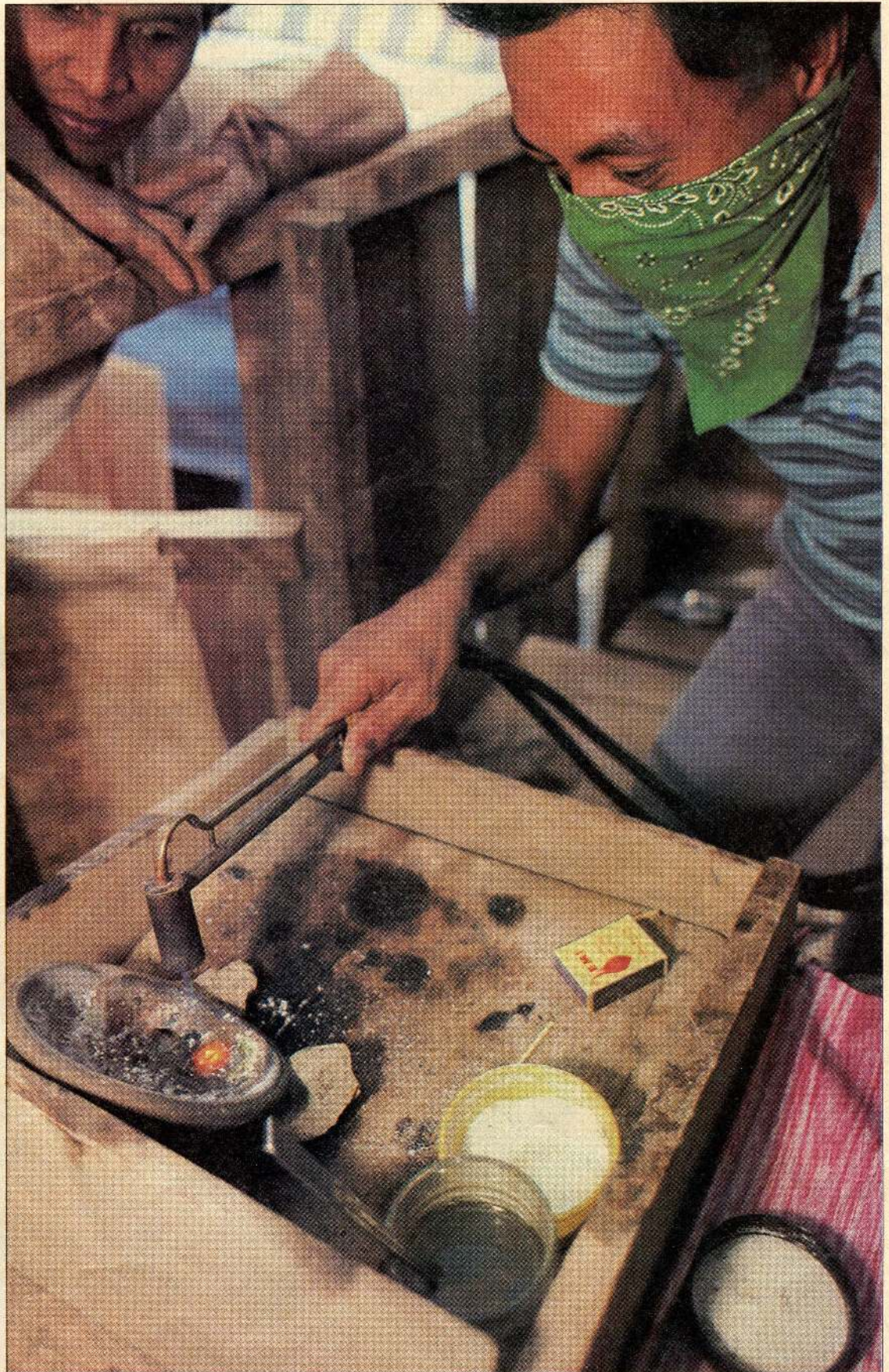
Luxuriating in fresh air, miners relax at Diwalwal (*above*) and Mt. Boringot (*right*). They may be lucky to be alive. Since the gold rush began in 1982, crude tunnels and heavy rains have caused countless cave-ins, many unreported, and landslides. Up to 600 are said to have died in a series of slides in Diwalwal in 1982. An avalanche buried some 100 in 1984. The next year at least 120 perished in slides at Mt. Diwata and nearby Mt. Diat. Last month, six Diwalwal tunnels collapsed. But jaded Diwalwal, used to disaster and murder, does not even have a cemetery for its dead. "Sometimes we just push them off the cliff," says an army officer. ▶



EYEWITNESS

In one of the area's 775 "ball mills," these men are exposed to deadly mercury. Once the ore is crushed, it is hand-mixed in a large basin with soap, water and 1 kg or more of mercury to produce gold amalgam. Later, the amalgam is torched (*far right*) to extract the gold. During this crude process, the toxic quicksilver enters the bloodstream through the skin, and the hot fumes are inhaled. The waste is dumped indiscriminately, making its way into the water supply and the food chain. Now there are fears of another Minamata, the Japanese seaside town whose inhabitants were found in the 1950s to have been poisoned by industrial mercury dumped into their bay. Thousands died or suffered delirium, brain damage and paralysis. Water samples taken at Tagum last October revealed mercury contamination at 60,000 times the Philippine standard. Tests on fish and shellfish from Davao City waters showed levels well over the World Health Organisation limit. The mercury scare was bolstered by the death in May of 3-year-old Aquim Torino in Tagum. Anti-pollution groups claim the child was poisoned by mercury fumes when his father "cooked" 2 kg of gold amalgam with a blowtorch. ►



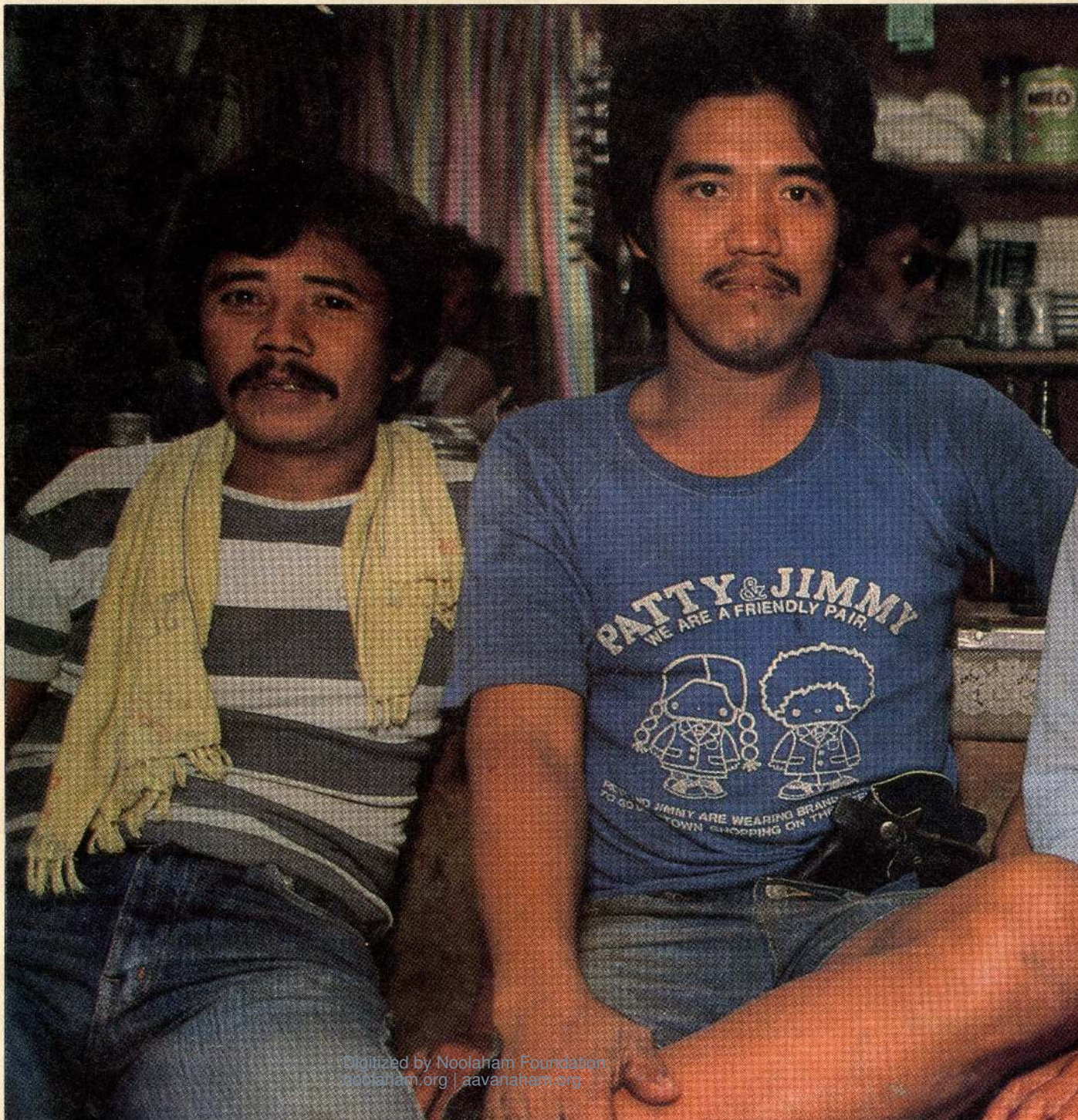


Photos: Alain Evrard/Globe Press Agency

EYEWITNESS

These gentlemen lolling on a shop bench spend their working hours affording "protection" to miners. The gun is boss of the gold towns, wielded by soldiers, deserters, goons, bandits and insurgents. At Boringot in 1984, the communist New

People's Army (NPA) and the Muslim Bangsa Moro Army agreed to a "joint gold-mining venture." The NPA soon took over, however, running tunnels and mills and wringing "taxes" from miners. In 1985 the army drove the rebels out. At that

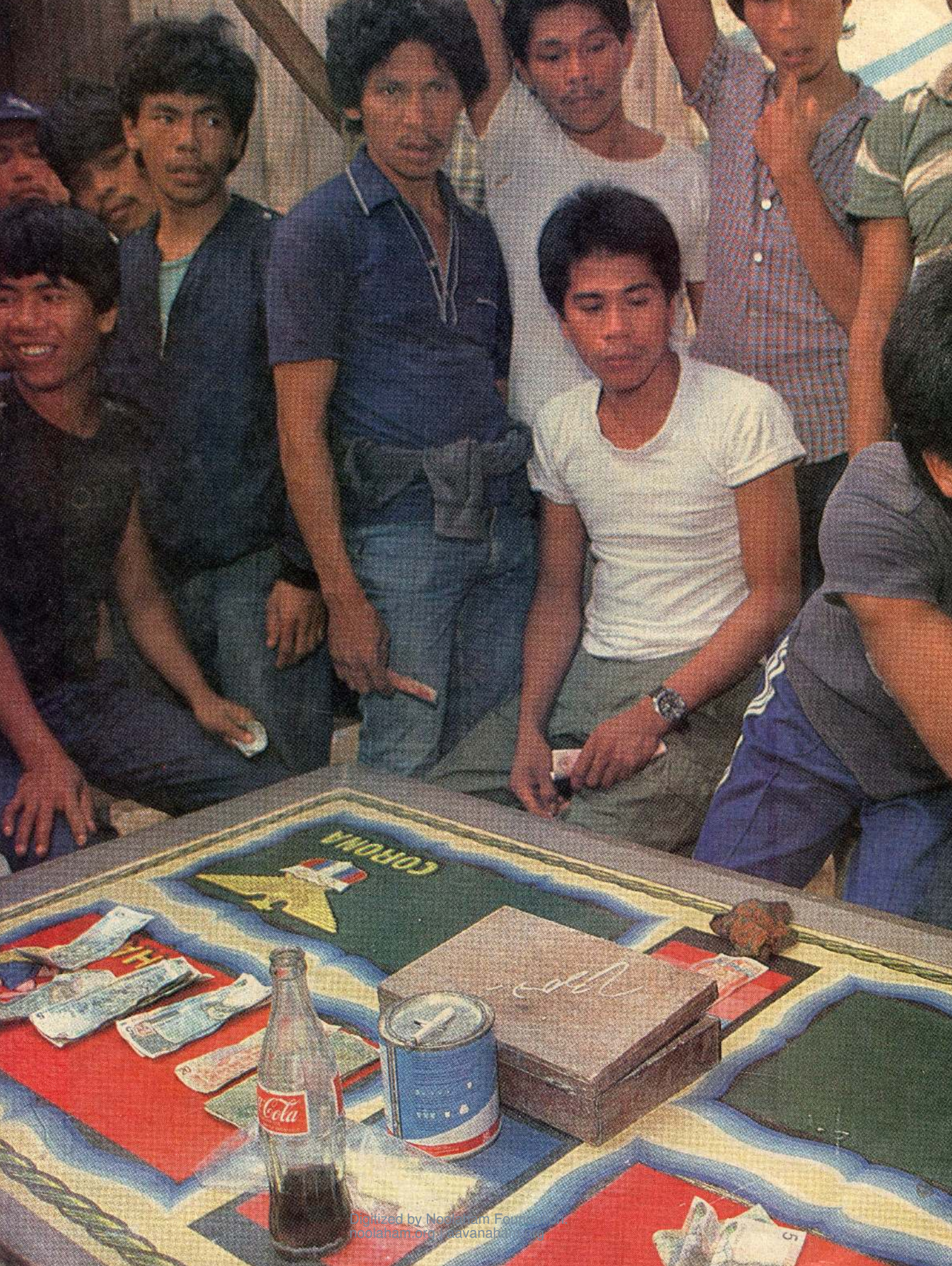


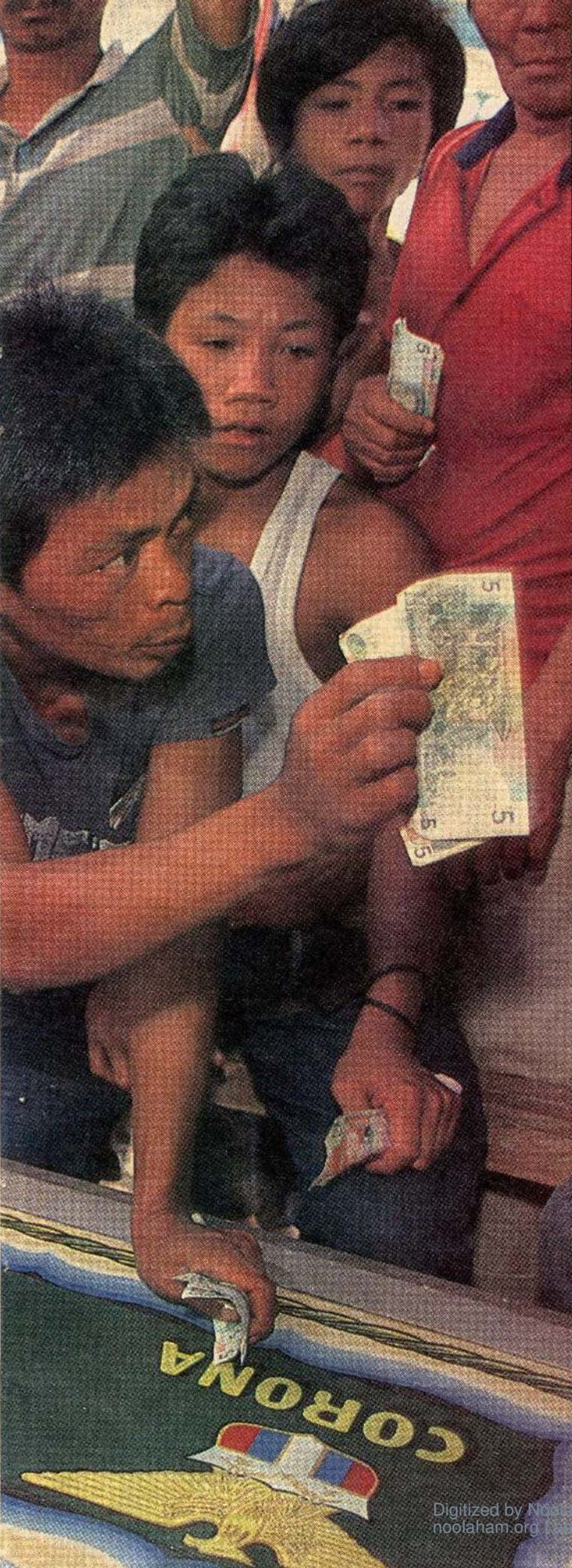
time an ex-soldier and hit-man known as "Commander Harabas" took brutal charge in Diwalwal. Harabas and his men gunned down a rival for control of vice named Elmer. In July 1985 Elmer's brother Junior led an ambush against Harabas, ending his bloody

reign. Since then, Diwalwal has been relatively peaceful, though 400 soldiers — on leave or AWOL — now work as guards or take over mines at gunpoint. In June, a saloon gunfight killed six soldiers and three bystanders. Constabulary Captain Paulino

Carillo-Mendez called it "a little argument after a round of beer." Tagum's Col. Estares says gold has halved the NPA's support because people are "making so much money from the gold rush, they've lost the will to fight the government." ►



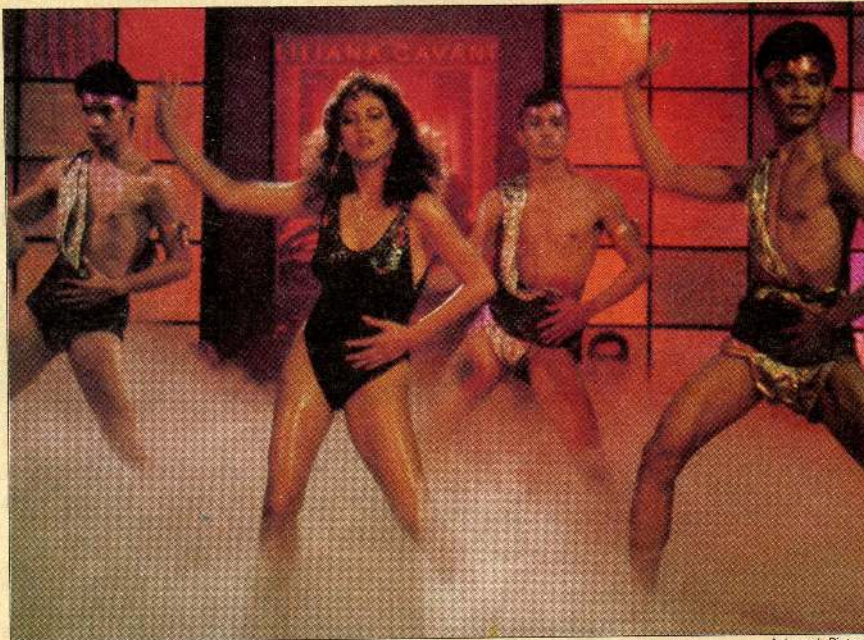




Photos: Alain Evrard/Globe Press Agency

EYEWITNESS

Eyes watch the cash at this Boringot casino, allegedly set up with soldiers' help. Vice is big business in gold rush country. A common joke runs that miners enter the tunnels crossing themselves and saying, "Diyos Ko!" (My God!); at day's end they come out of the tunnels yelling "Disco!" The Madyan Gogo Disco Bar (*above*) in Tagum reflects the spinoff commerce created by the boom. In the past year the Central Bank has bought about \$100 million worth of gold from the Davao gold rush sites, which is thought to account for only 35-40% of the real total. If Manila could bring the entire trade under control, it would give a nice shot in the arm to the country's finances. But more than that, conditions cry out for more serious government action. Between murder and mercury, the human cost is piling up like the tailings of the gold mines. ■



Asiaweek Pictures

Meriam was too hot for some to handle in *When Spring Comes*

Some like it hot — and apparently some don't. While thousands of Indonesians flocked to local cinemas to see *Ketika Musim Semi Tiba* (*When Spring Comes*), others were outraged by some of the unusually raw eroticism of its alluring star, **Meriam Bellina**. One critic described the film as "highly arousing." Another condemned it as "dominated by sex." Some Muslim leaders said it was "pornographic" and asked followers to boycott it. In spite of the controversy — or more likely because of it — the movie was well on its way to becoming this year's top box-office earner when censors yanked it from the screens last month for further cuts. The **Bobby Sandy** film depicts a love triangle among young Indonesians studying in Europe. To illustrate the decadence of Western life, Bellina, who won a prestigious Citra award for her role in *Cinta Di Balik Noda* (*Love Behind a Sin*), appears scantily clad, does provocative stripteases and engages in protracted kissing scenes. "I did it only for the art of film, and because the story demanded it," the 22-year-old Eurasian was quoted as saying. "Not for any other purposes." Amid the heat of the debate,

Bellina took off for the cooler climes of Osaka to attend the 5th Asian Popular Song Festival. The film is expected to be re-released soon, minus a few scorch-marks. ■

Beating a big bass drum to the delight of his audience, **Ozawa Seiji** looked more like a jamboree chief than a world-renowned conductor as he led his 31 players to the stage. But this was no ordinary concert. The 51-year-old director of the Boston Symphony Orchestra was wielding his baton for two performances at the Dai-ichi Seimei Hall in Tokyo for 500 school children, each accompanied by one adult. Ozawa has been bringing music to kids ever since he assisted conductor **Zubin Mehta** during concerts for youngsters in Montreal more than 20 years ago.



Miura Koichi

Seiji played kids' stuff

Once, when his own child's teacher asked him if he would give a talk to the school's students, Ozawa went one better. He arranged a small concert by members of the New Japan Philharmonic Orchestra. Before taking the stage for the recent shows, which he organized, conducted and compered himself, he explained his intent: "If kids can come

across music when they are small — when their ears are still 'flexible,' before they turn saucy — they'll be able to delight in music throughout their lives." Ozawa clearly enjoyed the concerts as much as the youngsters. "Their appreciation of orchestra music grew as they saw how the sounds were made live," he relates. "I derived great enjoyment from this, happiness that I couldn't gain from regular concerts." In September, Ozawa will lead a two week concert tour — this time for adults — through Europe in memory of **Saito Hideo**, his mentor at the Toho Gakuen School of Music in Tokyo. ■

Atilia Raja Harun had good reason to be nervous at July's Malaysian finals for the ASEAN Broadcasting Union's popular song contest. It was her first live performance — and mom wasn't by her side. The 12-year-old student is the daughter of popular singer **Salamiah Hassan**, who also hosts the TV musical program *Hiburan Malam Ini* (*Entertainment Tonight*). Atilia was "discovered" at age nine. While on a car trip with mom and her manager **Freddie Fernandez**, she sat in the back singing along with the radio. Fernandez was impressed and promptly took her on. Her first assignment: an instant-noodle commercial. Half a dozen jingles and two television appearances later, Atilia was chosen to appear in Coca-Cola's "We'll Build a Better World For You" commercial extravaganza. Now she's singing a duet on her mother's third album, *Menghitung Hari* (*Counting the Days*). "She's a smaller version of me," boasts Salamiah. She plans to bring her daughter on stage at future concerts "to give her the feeling of live performances."

Salamiah & Atilia are staying close



Chan Looi Tai — Asiaweek

But Atilia doesn't seem to think she has a stage mother. "She never pushes me to do anything," she says. "She always asks me first, and if I don't want to do it, I don't have to." How has show biz affected her life? "My friends ask me what it's like to be on TV," she says, "but they still treat me the same." ■

For a soprano who sang before three-quarters of a billion people at the wedding of Prince Charles and Lady Diana, a single concert in Hongkong might have seemed a mere bagatelle. But 44-year-old Dame Kiri Te Kanawa is a consummate operatic artist. Despite having done it hundreds of times before, the New Zealand diva still went through two strenuous, three-hour rehearsals before stepping in front of a sellout audience last week. Although she is booked solid for opera and recitals through 1991, she took time off from a holiday for the show "because somebody asked me." She still managed to get in four days of water-skiing, swimming and shopping (Chinese furniture and jewellery) with her husband and adopted son. Te Kanawa insists she's no prima donna, but noisy renovations at her hotel during her afternoon nap did provoke a little dramatic tension. After vocalising her displeasure, she changed hotels. "Tenors are difficult to work with, and sopranos run a good second," she admits. "But I'm easy — up to a point." Born to a Maori father and an Irish mother, Te Kanawa these days rarely gets to visit her homeland. "Still," she says, "everyone knows me there. And I suppose I'm a role model of sorts for the Maoris." Or anyone else: to stay in shape for her concerts, she doesn't smoke, drink or go to parties. ■

What's in a name? If you happen to be Jackie Chan, everything. Although Hongkong's kung fu action king admits to being a "terrible fashion person," he has put his name to a new line of men's casual wear, The Jackie Collection. Not surprisingly, the opening of his first boutique was the place to be July 29. Among the actor's friends who showed up: pop singers Anita Mui and Jacky Cheung, composer Michael Lai, and film stars Cherie Chung, Frankie Chan, and Rosamund Kwan, who appears in Chan's latest release, *Project A II*. The foray into fashion hasn't put a crimp in the Chan style. While guests came dressed to the nines, the host turned up in T-shirt and



Alvin Chung

If clothes make the man, then Jackie will make clothes

shorts — from his collection, of course.

"People call me up all the time asking me to put my name to some product," Chan told the *Hongkong Standard*. "They might say, how about Jackie Chan socks? If I say I've already got socks named after me, they'll say, okay, how about shoes?" Chan & com-

pany put up more than \$1 million for the project. Two more shops are scheduled to open soon and another is planned for Japan, where he is immensely popular. Not a bad start for someone who gets most of his clothes free from sponsors. "In Japan, especially, if I say I like something, I immediately get it," he says. "If I happen to mention I like wasabe, a truckload of it will arrive the next day." For fans who want to feel sartorially even closer to their idol, Chan also plans to sell some of the costumes he wore in his movies. Is the neophyte couturier worried

about the success of his line? Not at all. "You can't do anything," he says, "if you are always afraid of losing." ■

For weeks, while Filipinos awaited the reconvening of Congress after fifteen years and his colleagues were vying for the chairmanships of key committees, Senator Raul Manglapus was nipping off to rehearsals of the musical satire *Yankee Panky '98*. The 68-year-old political veteran, who was President Ramon Mag-saysay's jingle writer, is author, composer and lyricist of the show, which opened last month. Directed by Baby Barredo, it features 23 songs mocking America's intentions in the Philippines when it offered to help revolutionaries win independence from Spain just before the turn of the century. Two of the most popular characters are U.S. President William McKinley, played by Junix Inocian, and Commodore George Dewey, played by Miguel Faustman. How does winning a congressional seat compare to watching his work on stage? Insists the senator, who still plays piano and drums with an amateur jazz band: "You can't compare two completely different things. One involves the mind, the other the heart." Life and art may yet converge, however. Despite his commitment to the show, Manglapus managed to secure the chairmanship of the Senate Committee on National Defence. A key topic there: relations with those Yankees. ■



Michael Wong — Asiaweek

For Kiri, naptime was sacred



Vin J. Toledo

Wit Raul

CRACKDOWNS

Fighting a New Wave of Violence

For three months, the small gang of criminals preyed ruthlessly upon Peking. During their spree of wrongdoing, they broke into 29 homes, stabbing the residents and making off with cameras, television sets and stereo equipment worth \$8,600. Late last month their criminal careers came to an end before a solemn crowd of 18,000 at a city stadium. Together with six other felons, the gang of four was dispatched with the customary bullet in the head by the iron hand of Chinese justice.

Police say two dozen more will meet

Recently, the media played up the case of a Peking university student who stabbed his girlfriend to death after she repulsed his advances. The authorities said that the murderer, once a model student, had read too much of the "individualistic philosophies" of Friedrich Nietzsche and Jean-Paul Sartre.

More worrisome to authorities have been incidents that have taken on aspects of urban terrorism. Just before midnight on July 17, a home-made bomb rocked Peking's quiet Tiananmen Square, near the Mao Tse-tung Mausoleum. A 25-year-old unemployed man from Hubei Province was arrested on the spot. Informed sources say he was one of the hundreds who descend on the capital every day to *shangfang* ("present grievances to the authorities"). Similarly, a separate mid-

not so much in foreign cultural influences as in inequalities in China's ostensibly classless society. "In many ways, the nation is now experiencing the 'primitive capitalism' decried by Karl Marx," says a Shanghai-based economist, who describes bribery and nepotism as rife. In a circular making the rounds among senior cadres, a top leader reportedly warns: "The phenomena of bureaucratism and corruption are very serious . . . Unless this is changed, we [the Communist Party] might be thrown out by the people."

A recent article in the *Peking Daily* reflected popular frustration with government agencies. The number of grievance letters, it said, was falling because of "fear of reprisal" and "ineffectual investigation [of complaints] and lenient treatment [of offenders]." Observed a newspaper editor in the capital: "Most ministries have a *shangfang* reception centre that is packed with petitioners . . . [many] have spent their last penny on train tickets and can't afford to live in a hotel. From the look of despair in their eyes, you know that their cases are not very hopeful."

"When Maoism held sway, things were relatively simple," says one Western diplomat. "Mao's stress on the virtues of 'eating bitterness' helped the proletariat forget their deprivations." Since 1979, the reforms undertaken by supreme leader Deng Xiaoping have underscored material incentives. Some observers, however, say equality of opportunity to benefit from the new policies is still lacking, sometimes leading to discontent.

In the summer of 1983, Deng launched a harsh crackdown against serious crimes. It led to the execution of some 10,000 people — and a relatively stable crime rate nationwide. Last year the courts heard 298,000 criminal cases and handed down 320,000 sentences. The recent spurt of violent crimes, however, has alarmed many experts. Zhang Siqing, deputy head of the Supreme People's Procuratorate, last month said the state must respond by "meting out timely, heavy blows."

One week after the Tiananmen Square bombing, a pre-dawn raid in Peking's Shawo district provided a rare glimpse into the scale of the city's underworld. More than 5,000 people were found without local residence papers, more than the total number of lawful inhabitants in the district. According to the police, "many of them were engaged in such activities as profiteering, racketeering, kidnapping, counterfeiting and theft." In all, about 300 suspects were rounded up. Similar crackdowns, assisted by the military, are to be launched in other cities this month. Another round of large-scale executions may follow. ■



Milton C. Toby

Prisoners on parade: "Bourgeois liberalisation," or a lack of equality?

the same fate in Peking before the summer is out. The capital, like the rest of the country, has of late been gripped by a wave of violent crime. Once widely regarded as the paragon of law and order, Peking has become a city where bus and taxi drivers are wary of "suspicious-looking" passengers late at night. Observed the *Peking Daily* in a recent commentary: "Some [criminals] openly barge into banks and homes, purloin things and madly mutilate their victims; some kill innocent people in broad daylight in the busy streets; some rape women and young girls."

Crime is said to be even worse in other areas of China. Many officials have been quick to blame the deterioration in law and order on "bourgeois liberalisation."

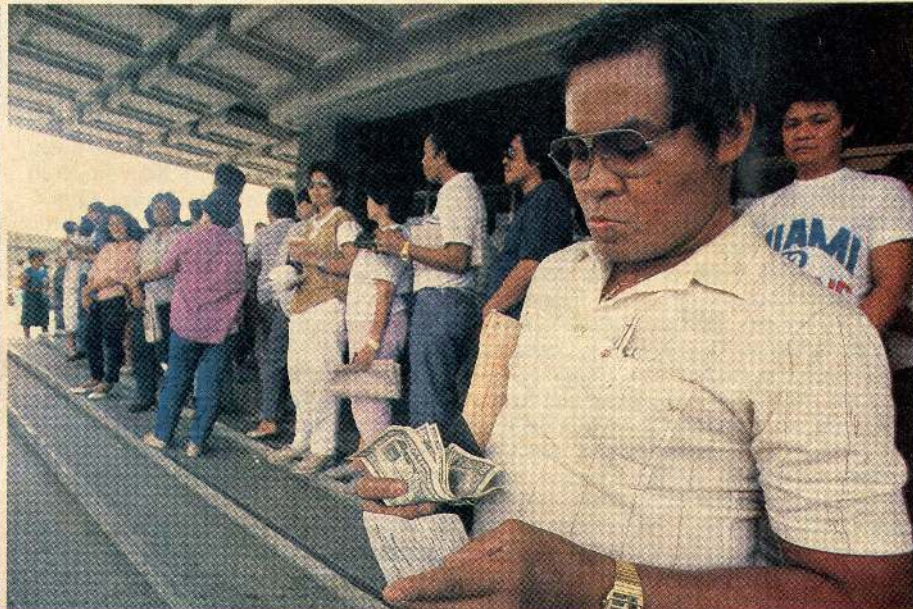
July blast — this time outside the headquarters of the Ministry of Public Security — was blamed on another such petitioner.

No one was hurt and little damage was done in the July Peking bombings. In April, however, the national media reported that a 21-year-old youth "given to bourgeois-liberal tastes" had blown up a train in Heilongjiang Province in the north, killing twelve passengers and injuring 45. In another unpublicised incident, a bomb in early June left 30 dead and more than 100 injured on a train going from Qiqihar to Harbin. The culprit, Asiaweek has learned, was a disgruntled factory worker who thought he had been wrongly passed over for a promotion.

Some analysts see rising crime rooted



Wilfredo Saltinga



George Tapan — Asiaweek

Jose Fernandez; Central Bank entrance in Manila: "The banking system is better than it ever was."

DEBT

The Man in the Hot Seat

Last year Philippines Central Bank Governor Jose Fernandez had his office remodelled. It wasn't for appearance's sake, but to improve security. He had by then bolted the doors on a number of banks, large and small, and dozens of influential Filipinos were clamouring for his ouster. He even received death threats. His closing of Banco Filipino, once the nation's largest savings bank, and such medium-sized institutions as Veterans Bank, Piso Bank, Pacific Bank and Manilabank resulted in the filing of fourteen cases against him before the anti-graft prosecutor. If that weren't publicity enough, he is a pivotal figure in the drawn-out chronicles of the Philippines' foreign-debt repayments. That puts the 63-year-old central bank governor, the only major office-holder surviving from the Marcos era, in the hot seat perhaps more than anyone else in the country.

While others in similar circumstances might retreat into a protected compound, hunker down and stonewall politicians and the press, "Jobo" Fernandez has done just the opposite. Newsmen are invited into his tightly guarded office to hear him expound on the nation's financial problems. A month ago he gave a three-hour briefing on the theme to newly elected senators, and he's planning a similar session for the

200-member House of Representatives. To all comers he freely defends his actions on the banks and his unpopular views on refinancing debt. But with the new Congress in session and anxious to look into both, Jobo's survival skills will be tested as never before.

Item One on the agenda of the new Congress, which convened July 27, is the \$28.25-billion burden of foreign debt. President Corazon Aquino herself set the tone in her state-of-the-nation address, where she attacked the recent rescheduling agreement as falling "far short of our expectations and, more importantly, of our urgent needs." It was a speech some viewed as a slap at the country's financial managers, although Fernandez insists he

remains in the president's good graces and that she was simply "expressing displeasure." Some congressmen are talking of "selective repudiation" of debts contracted by the previous government. One has even drafted a bill requiring that the debt-service ratio not exceed 10% of commodity export earnings.

Congressmen were quick to pick apart a six-volume listing of the country's external obligations — the first and so far most complete public accounting — which was presented last week to leaders of both houses. "I've been asking for this list since I became a member of the Batasan (the former national assembly), and it is only now that Fernandez has complied," says Alberto Romulo, chairman of the Senate Banking Committee and Aquino's former budget secretary. Congressmen criticised the package as being "too abstruse and esoteric" and told Fernandez to prepare a new analysis in layman's language.

Fernandez defends the 1987 agreement as a "very, very substantial improvement" over earlier efforts in 1984 and 1985. The government was successful in reducing additional interest charged over the London Interbank Offered Rate from 1 5/8% to 7/8%, which will result in a savings over time of \$931 million. Still, he concedes that the terms were



Johnny Villena — Asiaweek



Vin J. Toledo

Perez, Romulo: They want some answers

not as favourable as those offered Mexico and Argentina, though better than those secured by some other countries. Mexico's loans were given three years longer to mature and were cheaper by one-sixteenth of a percentage point. That means the Philippines must pay about \$3.5 million a year more in interest.

Critics have latched on to this disparity as indicative of a mindset overly deferential to international lenders. They say it contrasts sharply with the more aggressive stance of some Latin American debtors. "Why is it that others can do it and we can't?" asks Rep. Hernando Perez, chairman of the House Ways & Means Committee. He promises to find out. Congress, he says, will inquire into who benefited from loans and whether they were fraudulent. The Central Bank governor and possibly Finance Secretary Jaime Ongpin and former prime minister Cesar Virata will be summoned to testify. "We're not out to condemn or oust Fernandez. This is not a witch hunt," he insists. Meanwhile Sen. Romulo, citing the 45% of the national budget devoted to debt servicing, urges the Congress and president to send negotiators back to New York. "The bottom line is survival."

Congressional investigators have already determined that the Marcos régime stretched the definition of the debt-service ceiling whenever it suited its purposes. Critics say that the formula was changed to keep the 20% ceiling from ever being reached no matter how much was borrowed. "The more you borrowed, the more you didn't hit the ceiling," says Rep. Rolando Andaya, chairman of the House Appropriations Committee. Moreover, until the crisis exploded in 1983, short-term debts were not even included in the monitoring.

Fernandez is not so sanguine about prospects for renegotiating or repudiating loans, and he makes no bones about it. "Nothing would please me better than to reduce the burden, but it takes two to tango," he said. "The policy of this government is to behave responsibly and honour our just obligations." Fraud will require evidence, says the governor, and loans should not be repudiated without it. The only way is "earning your way out," he says, citing Taiwan, which 20 years ago was in even worse shape and now has \$65 billion in foreign reserves. He predicts that the Philippines should be able to move the economy to the point where the debt is

gradually lightened.

Congress is also concerned about instability in the banking system, an albatross some would like to hang around the governor's neck. "At the rate we're closing banks, the people might not trust the banking system soon," says Perez. He alludes to allegations that some banks were shuttered for personal or political reasons. The charges do not seem to faze Fernandez. "The banking system is better than it ever was," he declares airily. He denies profiting personally from the closures of Banco Filipino, Pacific Bank or Manilabank. "If you're asking me whether I've made money out of this job, I haven't made a cent," he told Asiaweek.

The man who some call the most unpopular member of the Aquino cabinet vows to stay in the hot seat and prove his detractors wrong. He says philosophically that popularity doesn't go with the job, especially since he took it at a time of crisis — with no new credits, cash payments, inflation roaring at 60%. "If I were popular, I'd be doing a very bad job. I'm the guy who takes away the punch bowl when the party is starting." The party isn't over for the Philippines yet; and, for the moment at least, it isn't over for Jobo either. ■

CONTROVERSIES

The Prime Candidate

If the Philippines eventually decides to repudiate any of its foreign debt, the loan for the Bataan nuclear power plant will be the number one candidate. "This is the worst loan we ever got," says Sen. Rene Saguisag. The finished but uncommissioned \$2.3 billion power station is at Morong, 75 km northwest of Manila. Some \$1.2 billion in loans remain unpaid after a year of stalemated negotiation. The plant was mothballed by President Corazon Aquino (just four days, as it happened, after the Chernobyl accident in the Soviet Union). She had vowed during her campaign that it would never generate a single watt. But while it sits idle, the interest meter ticks away at \$355,000 a day.

Saguisag, who, when in the Aquino cabinet, was responsible for dealing with the project's creditors, says the Bataan plant is unsafe, badly constructed, overpriced, and tainted with corruption in the award of the construction contract. Two American vendors wanted the job when it was originally proposed in 1976. General Electric Co. estimated a cost of \$700 million for two units, while Westinghouse Electric Corp. tentatively quoted \$500 million. In formal bidding, Westinghouse put a \$1.1 billion price on one, prompting then-Minister of Industry Vicente Paterno to quip that the country was getting one reactor for the price of two.

The Aquino government maintains Westinghouse got the contract by bribing former president Ferdinand Marcos,

an allegation firmly denied by the company (which would be liable, if it were true, under America's Foreign Corrupt Practices Act). Last month the Presidential Commission on Good Government levied charges against Marcos, former first lady Imelda and Herminio Disini, a businessman and one-time golfing partner of the ex-president. Disini is alleged to have acted as an intermediary between Westinghouse and Marcos. Disini "secured a contract awarded to Westinghouse, which built an inoperable nuclear facility for a scandalously exorbitant amount that included defendants' staggering commissions," says the charge. Sen. Wigberto Tanada claims the kickbacks were as high as \$100 million, although Westinghouse confirms paying only \$16-\$17 million in legitimate commissions.



Control Room: Never to produce a watt

On the face of it, say senators, there is cause to give respectability to a debt repudiation. The government can argue that the Philippines did not receive the product it was promised at the promised price. Moreover, the plant allegedly requires extensive work to make it safe during earthquakes. The government considers this cost too burdensome, despite the permanent

loss of 600 megawatts of much-needed electricity. Central Bank Governor Jose Fernandez contends that "if an obligation is just, payments should be made. If unjust, maybe some attempt should be made to modify the conditions. But you must deal with creditors." But his is a voice in the wilderness. Three weeks ago the Senate rose as one in criticism. Laments Saguisag: "The nuclear plant is our biggest white elephant."



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MANAGEMENT



The Sensitive Side

BY HARI BEDI

The tribal elder squatted on the polished floor of the banquet hall at the Baguio Country Club. He held a live chicken. As four companions played on nose-flutes, he plucked the bird, then beat it slowly to death, his stick keeping time to the music. When a small dish under the chicken's neck was filled with blood, he offered it to the visit-

ing president of the foreign company whose local affiliate had arranged the dinner. The company's manager for the Philippines whispered that he should take a sip.

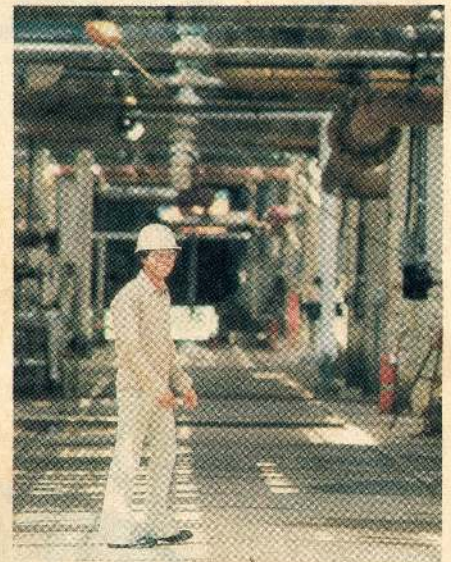
Such glimpses of Asian "culture" are frequently pressed upon foreign business executives. The intention, usually, is to shock, the excuse being that it adds local colour to stereotyped business programs. But it only serves to reinforce notions that Asia is essentially backward. It also throws away a chance to provide meaningful exposure to cultural heritages. Showing visitors the sensitive side can be difficult but satisfying. Cultural shows at hotels are merely part of the restaurant fare. The easy way out is to take company visitors sightseeing and organise shopping expeditions. But a little initiative can transform this dreaded chore into a stimulating experience for both guests and hosts.

Some of the money international companies spend hosting head-office executives can be put to better use. These companies usually subsidise recreation clubs. With encouragement from management, activities can be extended. A committee could arrange one or two events a year with local artists, musicians or dancers. The best can make up a show for the next time the company president arrives. A few talented employees generally present cultural items at year-end office parties. These, too, can be included. Once staff know that management is interested, much unsuspected talent emerges. Ad-hoc presentations, though, can be risky. A manager I know coaxed a group of secretaries in Bangkok to dance at the reception for the company's regional president and his wife on their first visit to Thailand. The effort was greatly applauded by the guests, but local employees found it a hilarious parody because the girls were not prepared.

If the timing of visits synchronises with religious or national festivals, the pageantry can be a memorable occasion. The same manager who had the unsatisfactory experience with the dance of the secretaries told me how Loy Krathong, falling the very next day, saved the situation. From their riverside hotel the visitors were delighted to witness the thousands of banana-stem boats, each bearing lighted candles, launched upon the Chao Phraya. Watching by night from their suite, they learned about the significance of the festival from the hotel's assistant manageress. The wife of the visiting president talked about the experience for a long time.

Unfortunately, important visitors are usually accompanied on sightseeing expeditions only by expatriate senior managers and their wives. I am convinced that the visitors would gain a lot more if rank were ignored and local managers familiar with history and social background accompanied them. One president of a very large company became so tired of formal programs that he quietly got hold of a local manager and asked him to take him to an old Kuala Lumpur restaurant he had visited years before. He and his wife thoroughly enjoyed the evening and learned several new aspects of Malay life.

Many international companies make financial contributions to artistic and cultural organisations, but few develop close relations with groups they sponsor. Community relations officers should be encouraged to participate. In this way a company's name gets to be associated with specific cultural activities — which makes exposing visiting executives to them even more sensible. The effort invested in non-business programs can thus motivate local employees and satisfy pride in their cultures rather than risk hurting their sensitivities with events such as the chicken episode in Baguio. ■



N.D/O. Indonesia

Oil worker: A reason to smile again

PRICES

Asia Gets the Oil Shakes

For a few months it seemed that OPEC's fractious oil ministers had finally got their act together. In December they agreed on a basic price of \$18 a barrel for crude petroleum, and at an unusually harmonious meeting in June they underpinned it with almost total cooperation to limit the cartel's production to 16.6 million barrels a day. One holdout, Iraq, pleaded special consideration since it must finance its war with Iran from oil earnings. For producers, \$18 seemed ideal. It was high enough to bring in added revenue, badly needed by economies devastated by last year's precipitous drop in prices. Yet it was not so steep as to prompt industrialised consumers to go on another conservation binge or to start pumping money into the ground looking for more of their own. (Oil men say they need \$25 oil before exploration becomes economical). Stability and predictability, dual aims of the Organisation of Petroleum Exporting Countries, had returned to the market.

Suddenly, events in West Asia have changed that. Spot prices, rising steadily as planned, began to accelerate a month ago during the war of rockets and rhetoric as the United States began escorting Kuwaiti tankers past Iran's missile emplacements. Then came the carnage at Mecca. Overnight crude surged in London by nearly a dollar. In New York West Texas Intermediate climbed to \$22.25; Britain's Brent stood at \$20.95. Both are benchmarks for the free market. Analysts agree the rapid rise reflects not a change of supply and demand but a speculative reaction to events



Managers, write to Hari Bedi, care of Asiaweek, Hongkong. Your views and opinions may be addressed in future columns. (Your name will be withheld if you so wish.)

in the Persian Gulf. Let the heat go out of Saudi-Iranian relations, they say, let a few more convoys make their way to and from Kuwait unmolested, and spot prices could easily drop back to \$18-\$19. Conversely, let an Iranian Silkworm hit an American destroyer, let anti-Saudi temperaments in Tehran flare into hostilities, and prices could rocket. "The situation in Mecca obviously caught people by surprise," said an analyst for investment brokers Bear Stearns in New York.

Once again Asians are hostage to fortunes beyond their control. Nothing polarises vested interests in the region more. Indonesia, Malaysia, Brunei and China, as exporters, all favour more expensive crude, though having been hurt in the past by destabilising price swings, they are very cautious. On the other hand, a new surge can only be contemplated with dismay in Thailand, the Philippines, Taiwan and South Korea. But again, stability is what they value; they can live with a rising cost of imported energy provided it is gradual. Japan, the world's third-largest consumer after the U.S. and U.S.S.R., is well cushioned against all but a full-scale crisis, such as might be precipitated by tank divisions rolling across Gulf oil-fields.

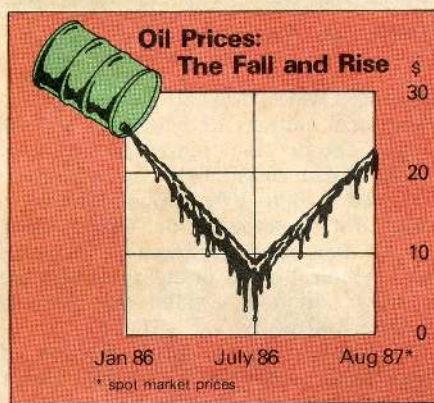
Asia's producers cleave strongly to the \$18 barrel, supporting OPEC's strategy of holding back production. China, not a member, is keeping 1987 exports at the 1986 level, even though earnings from crude sales will be roughly half of 1985. Malaysia, also not in the cartel, turned spigots down in the first half of 1987, reducing output somewhat, although in July it cautiously boosted production by 8,000 barrels. Indonesia, Asia's only OPEC member, perennially faithful to its pricing policies, stuck by the official guidelines until August, when it finally posted a \$1.50 "premium" on top of listed prices for several grades of crude.

Indonesia suffered most from last year's precipitous drop and stands to gain most from a reversal. But with the experience still fresh, government planners hesitate to lift fiscal restraints imposed in 1986. Budget and balance-of-payments projections for 1987 were conservatively based on a \$15 barrel. The U.S. Embassy in Jakarta, in its widely read annual petroleum report, estimates that \$17.50 would translate into more than \$900 million worth of extra foreign exchange and \$1.3 billion in added taxes. So \$20 is a pleasing prospect. "The worst is behind us, and we are already moving into a time of new, steady and sustained economic growth," said Finance Minister Radius Prawiro. The Jakarta authorities are considering loosening the purse strings by giving long-overdue pay raises to civil servants and soldiers, but they will not be rushed. "The government wants to be absolutely sure before it relaxes its economic policies," said one banker.

Stability is the watchword in Malaysia, too, even though the trend means more revenue. The official price for high-volume Tapis remains \$19.10 a barrel, and according to Abdullah Mohamed Salleh, president of the state petroleum company Petronas, it will only be allowed to creep upwards. "Oil is a depleting resource and the long-term survival of the industry must depend on continuous investment in exploration and development of new reserves. While high prices are nice, stable ones with predictable production allow-

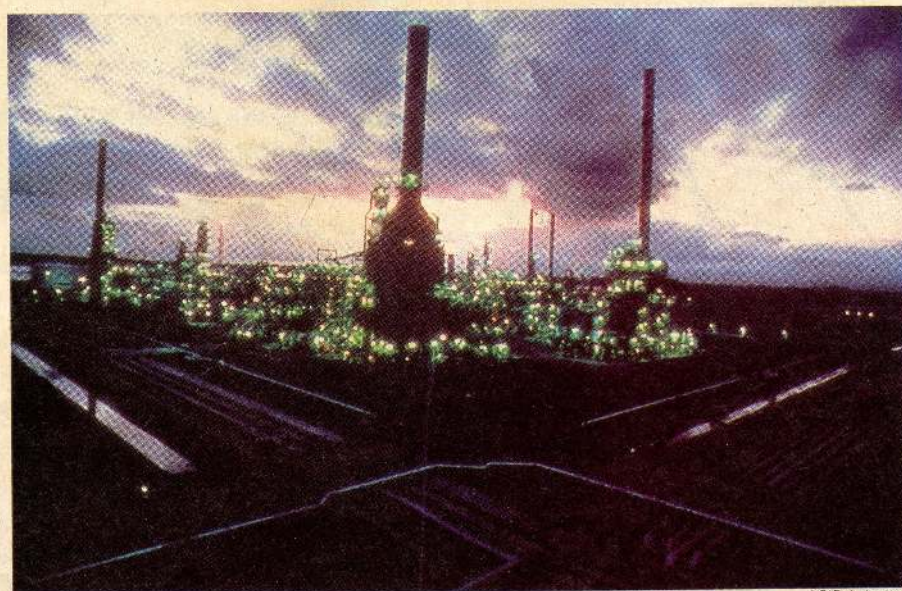
since local firms are required to maintain one month's reserve. An interruption of supply would cut into the current economic boom, but the Thais believe that such pain would be spread around. An increase in gasoline prices is being considered in the Philippines, and that would adversely affect the economy. But analysts do not think it enough by itself to weaken the underlying strength of the country's recovery. Japan, by far the largest importer at 3.4 million barrels a day (100% of needs), is in a better position to cope than ever before. With a stockpile equal to 140 days' consumption, it can withstand even a prolonged shutoff. Since the "oil shocks" of the 1970s, it has diversified sources of supply, cultivated friendships in West Asia and fostered alternative energy. "We expect the OPEC barrel price to rise to \$20 and have taken appropriate measures, but we consider that the limit for now," said an executive with big refiner Mitsubishi Oil.

For its part, the cartel seems in no hurry to push prices higher. Its chairman, Rilwanu Lukman of Nigeria, visiting Tokyo recently, denied rumours that members were exceeding quotas or that the organisation would hold a special meeting to raise prices in view of current events. OPEC might lift the official \$18 at its general meeting in December, but only after evaluating the effects of inflation and the strength of the dollar, he said. For the past eighteen months oil prices have reflected members' decisions to increase or decrease production, and the bloc is obviously interested in keeping things under firm control. But the big question over the next few weeks will be whether control is passing out of their hands. ■



ances are just as important," said an industry official. Singapore, one of the world's leading refining centres, is to a large extent insulated since the mark-up for petroleum products may remain steady even when the cost of the raw material fluctuates erratically. Still, unhappy customers make for unsettled markets, and that would occur at \$22 or more.

Asia's consuming economies are totally at the mercy of geopolitical realities. Thailand could weather a short crisis,



Refinery in Indonesia: Looking towards steady economic growth

NDID, Indonesia

THE TRAVELLER

Novel Places to Find Good Books

"I'm sorry, sir. Your flight has been delayed." "By how long?" demands the harried business traveller. The girl behind the counter dutifully taps at her keyboard. "At least two hours, sir. I'm sorry." "That's okay," he says with resignation, "thank you." As he ambles along the cavernous concourse of Tokyo Airport's departure hall, the businessman muses about how to kill a couple of hours. There are the files in his briefcase, of course. But his head is still swimming with figures from an all-day meeting. He approaches a small bookshop stacked with English and Japanese titles. He passes up the arrayed offerings on Japanese management techniques. Heard enough of that for one day, he mutters, reaching for a copy of James Clavell's *Shogun* — it's been ages since I've read a novel. Goodness, is that the price or the ISBN number?

Prices of foreign books vary from place to place but are always much more expensive than in New York or London, where the vast majority are published. Though most Asian authors write in Asian languages, each year a handful of works of substance are brought out in English in Hongkong, Singapore, Manila and Tokyo. Almost everywhere, travel guides and picture books for tourists are published. There are reprints of Western books, too. Taipei was until recently known as the place to purchase them. Unauthorised reprints of novels, textbooks and technical manuals were sold at a fraction of the cost of the copyrighted version. Following new government policy, however, pirated reprints are



Geoffrey Klaverkamp — Asiaweek

Tokyo stall: The high cost of English

no longer widely available, though authorised local editions of bestsellers are still much cheaper than imported copies in other Asian cities. Titles are often discounted at up to 30%. Those in the know shop for paperbacks on Chung Shan North Road and for business, scientific and technical books in the stores near the railway station or around the National Taiwan University.

Manila boasts a large selection of paperback novels at reasonable prices. Though imported business and technical books are more expensive, some textbooks are often reprinted on cheaper paper and sell for only \$5 or so. Local titles are less common. Most shops have dozens on the People-Power Revolution. These vary greatly in quality and price. Bookstores have a section called "Filipiniana." Hongkong also boasts an abundance of English-language books, from the trashiest pot-boilers to the most sophisticated university textbooks. But they are never cheap. Generally, imports are sold

at the overseas list price printed on the jacket plus a premium. Picture books on China are usually better buys.

Bookshops at major hotels everywhere carry the latest bestsellers and a handful of volumes on business. However, they usually charge more than stores. Most countries don't levy taxes on books. An exception is the Philippines, where 10% is added to imports and 6% to local publications. The government plans to abolish these soon. In Indonesia a small duty is included in the retail price. In Bangkok and Seoul, there are no taxes but dealers mark books up as much as 30%. In Tokyo list prices are converted into yen at up to 45% higher than the official exchange rate. This simple and efficient, if painful, pricing system includes the importer's and the retailer's profit.

Despite the high cost of books in most cities, second-hand markets have not really developed. In Kuala Lumpur, used books can be found in Jalan Tuanku Abdul Rahman, Jalan Bukit Bintang and Jalan Petaling. Most titles usually sell for about \$1.00, and many dealers offer rebates of up to 50% on returns. The same is true in Singapore. Second-hand dealers can be found all over the island, but the best known are on Bras Basah Road. About the only one in Seoul is in the Sae Seoul Arcade in the Chung-ku area. In Tokyo Jimbocho is an area famous for books old and new, but most are in Japanese. Used books go for about half the original price, calculated at the actual exchange rate. At the airport prices range from exorbitant to outrageous. ■

When You Are Not All Booked Up

Prices of some popular English-language paperbacks

	A Matter of Honour	In Search of Excellence	Iacocca	APA Insight Travel Guide
BANGKOK	\$5.00	\$15.30	\$5.60	\$16.70
HONGKONG	\$5.90	\$8.30	\$4.80	\$17.30
JAKARTA	NA	\$20.50	\$13.50	\$17.30
KUALA LUMPUR	\$4.50	\$9.50	\$5.50	\$14.90
MANILA	\$4.85	\$11.10**	\$5.50	NA
SEOUL	NA	\$4.00*	\$5.15*	\$2.00*
SINGAPORE	\$5.60	\$9.40	\$5.40	\$15.35
TAIPEI	\$6.35**	\$5.10*	\$5.40*	\$19.05
TOKYO	\$6.10	\$13.00	\$7.20	\$25.50

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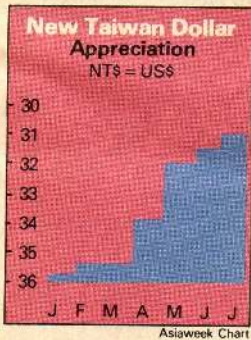
NA = not available

SPROUTING MORE THAN GRAIN IN CHINA'S COUNTRYSIDE: Between 1979 and 1986, rural industries set up by village co-operatives were responsible for 25% of the increase in China's GDP and 57% of growth in the rural sector, Peking has reported. Industrial output in country areas during the first half of 1987 was 35% more than during the same period last year. Annual growth has averaged 20% in recent years. From 1979 to 1986, 79.5 million jobs were created by those industries for surplus rural labour.



Factory, Jiangsu Province: Rural industry boom
Zhang Xun — Xinhua

RUBBER PRODUCTION UP IN THAILAND: Precautions taken against AIDS is allegedly behind big increases in demand for the raw material. Rubber is used to manufacture condoms and surgical gloves. At 78 cents a kilo, rubber is fetching the highest-ever prices on the local market, parliamentarian Sukij Atthoprakorn said. Thailand is the world's third largest producer of natural rubber after Malaysia and Indonesia. Production is expected to hit 840,000 tons this year (1986: 800,000 tons), 92% for export.



NEW TAIWAN DOLLAR ON THE MOVE: Taipei will boost the currency to a record 30 to the greenback. The new Taiwan dollar, 35.7 at the beginning of the year, has been climbing in response to U.S. pressure. Washington is hoping the stronger currency will help clip Taiwan's persistent trade surplus with the U.S. At nearly \$8 billion by mid-year (1986: \$13.6 billion), it was the largest on a per-capita basis in Asia. Many of the island's exporters anticipate additional upward pressure on the currency.

Observers believe Washington may cut Taiwan out of its Generalised System of Preferences, under which the island exports \$3.7 billion of duty-free merchandise to the U.S., if the deficit is not stemmed. Last month, Taipei sent two missions to the U.S. with a \$4-billion-plus shopping list, mostly for industrial & farm goods.

SOUTHERN BANK'S LAUNCH-LIST RECORD IN MALAYSIA... The country's 10th largest bank attracted \$486 million in its recent public offering. The 9.155 million M\$1 shares up for grabs, priced with premium at M\$2.20, were oversubscribed 60 times, leaving most punters with a mere 2%-5% chance of getting any. Previous record: \$472 million drawn by Development & Commercial Bank's June 1983 issue. In all, Southern Bank is offering 23.15 million shares, 25% of them set aside for employees and directors and 35% for Malays under the country's ethnic wealth-redistribution policy. The bank has projected pre-tax profits of \$11 million this year. Another pointer to the supercharged Malaysian market: first-day trading in new listing Sports Toto saw the gaming firm's share price shoot up 378% from its M\$2 offering.

... AND ANOTHER POPULAR OFFER IN HONGKONG... Oriental Press Group, publishers of the territory's leading Chinese-language newspaper *Oriental Daily News* (circ: 600,000), last week closed its first public offering. The 254 million shares available (20% of equity) were priced at HK\$1 and analysts were expecting the issue to be oversubscribed by at least 200 times.

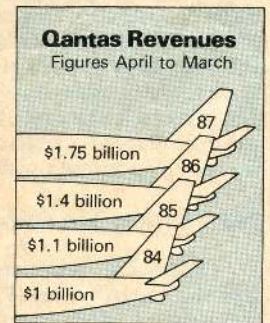
Trading in the 25-cent par-value shares, projected to realise an attractive price-earnings ratio of just over 10, begins Aug. 18. In its 1986-87 year (through March), the 18-year-old group had revenues of \$45 million, 28% more than in 1985-86. After-tax profits were \$11.3 million (up 92%). Earnings are expected to rise to at least \$14 million in 1987-88. The group plans to expand activities in Hongkong and pursue Chinese markets overseas.

... WHILE IN JAPAN: The country's booming bourses have attracted more ordinary shareholders, though paradoxically they are seeing less of the action. The National Conference of Stock Exchanges' annual survey reveals that the number of individual stockholders jumped 8.5% to 17.7 million in the 1986-87 year (through March). Their proportion of equity dipped from 25.2% to 23.9% of all shares, the 11th straight year of

decline. Financial institutions owned 43.5% (up from 42.2%) while corporate holdings amounted to 24.5% (up from 24.1%). By value, shares held by individuals rose 36%, to \$475 billion. Financial institutions' holdings were worth \$980 billion, 57% more. The value of individuals' shareholdings alone is more than double the GDP of all ASEAN nations together.

PROFITS RISE FOR SESDAQ EARLY BIRD: Singapore National Printers, the first company to be listed on the republic's fledgling secondary market SESDAQ (Stock Exchange of Singapore Dealing and Automated Quotation Market), reported a pre-tax profit of \$519,000 during the first half of the year, 157% higher than in the same period of 1986. The recently privatised company is the official government printer. SNP said it expected pre-tax profits to exceed the \$800,000 earlier projected. Shares, which began trading at S\$1, are now fetching around S\$2.60. SESDAQ opened in February as a way of allowing small Singapore companies to go public. Currently, there are three companies listed. All trading is done on computers.

FOR QANTAS, HEAVY BOOKINGS, HEFTY PROFITS: The Australian government-owned airline, one of the oldest in continuous service, has just had its most profitable year in a history spanning 67 years. Qantas (originally an acronym for Queensland and Northern Territory Aerial Service) made \$44.3 million after taxes during the 1986-87 year (ending June 30). That was seventeen times more than in 1985-86, when purchase of Boeing 767s and 747s depressed profits. But these acquisitions put the airline in a position to benefit hugely from a surge in foreign tourists drawn by the fall of the Australian dollar and a growing interest in the southern continent — fanned in part by the enormous popularity of the film *Crocodile Dundee*. Arrivals from Japan alone increased 40%, requiring extra flights to Tokyo. Tourism is expected to remain healthy, with the 1988 World's Fair in Brisbane drawing overseas visitors. But at Qantas, because of the need to upgrade its fleet with modern aircraft, profits will not likely match this year's record. The airline is expected to spend about \$2 billion over the next decade.



Asiaweek Chart

AGRICULTURE

Vegetable Factories

In mountainous Japan, prices for cultivable land border on the extortionate. Increasingly, companies are looking at hydroponics, or growing crops in liquids, as an alternative to conventional farming. Hitachi Zosen Corp. plans to set up a prototype in the mild climate of Japan's Inland Sea. Initially *mitsuba*, a type of parsley, will be cultivated in nutrient solutions instead of earth. Later harvests could include other vegetables, plus flowers and even fruit. The firm plans to use advanced technology to conserve energy and manpower and make the farm economically viable. Greenhouse climate and nutrients are automatically controlled with sensors, while TV cameras and data communication systems allow remote monitoring of progress. A solar-powered desalination plant based on energy-efficient reverse-osmosis has already been developed. The firm says hydroponics will ensure rapid growth, uniform quality, and control over the time and volume of vegetable shipments through year-round cultivation.

Daiei Inc. has meanwhile installed a hydroponic farm in its supermarket in Funabashi, northeast of Tokyo. The glass-enclosed 66-sq.-metre area uses sodium lighting for sunlight. Lettuce and other salad greens are "planted" in urethane sponges on trays of liquid fertiliser. Within 33 days, they are fully grown and placed on shop counters. Japan now has about 300 ha. of hydroponic farms. Although the vegetables are still expensive, growers hope to bring prices down by breeding the fittest crops and improving environmental control. One day, systems may be miniaturised to fit kitchen window boxes. ■

Harvesting Tin Mines

Malaysian researchers have found that the barren wastes of disused tin mines can become, of all things, lucrative farms. Old mining sand has been enriched with oil palm and rubber refuse, and planted with peanuts and asparagus grown together. A project on mine and plantation waste carried out last year by the University of Malaya produced half-metre-high white and green asparagus and peanuts fuller and bigger than the average pod's. Project supervisor Prof. Abdul Aziz Ravooof said the peanuts produced only 30% waste during processing, compared with 80% for

crops grown on loam or peat, and could bring in between \$1,900 and \$2,500 per hectare. ■

Cheaper Phosphates

Many Asian nations spend large sums on imported fertilisers. Sri Lanka, for instance, pays \$6 million annually for phosphates. Although it has an abundant supply of apatite, converting the phosphate-rich mineral into fertiliser requires expensive sulphuric acid. Prof. Keerthi Tennekoon of the Institute of Fundamental Studies has developed a cheaper process using hydrochloric acid. Since the acid can be made from sea water, the island's apatite deposits can now be

Centre for Research and Agricultural Defence recently set up a pilot plant to produce a virus that attacks the soybean caterpillar and sugar-cane borer. The factory will produce other agents in the future for protecting cotton, corn, beans, cassava, vegetables and eucalyptus trees. Britain's Durham University has identified a gene in the black-eyed bean that could be transferred to other crops to give them broad pest resistance. The Agricultural Genetics Co. has used the method with tobacco plants, and hopes to develop cotton, maize and rice strains resistant to the boll weevil, corn-ear worm and rice cut worm.

In America, meanwhile, organic farming without pesticides is enjoying a renaissance. "Regenerative agriculture," promoted by the Rodale Institute, emphasises keeping the soil renewed with the farm's natural resources. Crops are rotated to enrich soil and prevent sudden growth of a single pest species. Farmers also rear livestock and use animal waste as fertiliser. Another approach in vogue is "integrated pest management." Insects are controlled by letting their predators thrive. This method, used by the huge National Park Service, has halved its annual expenditure on pesticides. Although harvests are not increased by these methods and are sometimes slightly smaller, farmers say production costs are lower. ■



Hydroponic greenhouse: Rapid growth and uniform quality

processed cheaply to meet fertiliser needs for the next 100 years or more. Thailand's Institute of Scientific and Technological Research has found a bacteria to do the job on similar deposits there. The *Aspergillus* SP No. 1 dissolves phosphate rock, and could save about \$77 million annually in foreign exchange. The government hopes to produce the bacteria jointly with private companies for local farmers. ■

Pesticide-Free Farming

Pesticides and herbicides that pollute groundwater supplies pose grave health and environmental risks. Many are self-defeating in the long run as pests and weeds become hardier and more virulent. More than 500 insect species have now developed some kind of immunity to pesticides, double the number a decade ago. Instead of using chemicals, scientists hope to control pests through biological agents and genetically engineered crops with built-in resistance. Brazil's National

Biological Fertilisers

Nitrates, important for plant nutrition, are produced naturally by certain bacteria. However, the organisms must live in symbiotic nodules on the roots of a few host plants, such as legumes. Now a free-living microbe has been discovered in Thailand, and could supply rice fields with nitrates if applied during planting. A descendant of ancient blue-green algae, it was found in the silt of rice fields by U.S. researchers from Indiana University. In China, the Peking Agricultural University has discovered a bacterium that could double crop output and improve quality as well. Extracted from plant micro-organisms by Prof. Chen Yanxi and his colleagues, it increased rice output by 31.8%, wheat by 25.8%, and corn by 19.8%. The organism can be mixed with seeds or applied to leaves. ■

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NUMBERS



THE TANKER WAR

Attacks on Shipping in the Persian Gulf

	by Iraq	by Iran	Total
1984	21	17	38
1985	30	12	42
1986	55	38	93
1987 (to mid July)	33	27	60
Total	139	94	233

Source: Intertanko FT

Bank Lending Rates

Prime or Equivalent

	Last week	6 months ago	Year ago
Hongkong	7.50	5.00	7.50
Singapore	6.50	6.50	7.25
Kuala Lumpur	7.75	10.00	10.50
Manila	10.75	10.50	16.00
Bangkok	11.50	12.25	13.00
Jakarta	27.00	21.50	22.50
Seoul	10.00	11.50	10.00
Taipei	6.50	6.50	6.50
Zurich	5.00	5.00	5.50
Tokyo	3.38	4.12	4.12
London	9.00	11.00	10.00
New York	8.25	7.50	8.00

Source: Standard Chartered Bank, SBC

Stock Markets

	Last week	Change from 1 week	Change from 1 year
Hongkong Hang Seng	3,517	+3.7%	+86.2%
Singapore ST Indl.	1,407	+1.7%	+84.3%
Kuala Lumpur NST Indl.	2,147	+1.5%	+84.5%
Tokyo Nikkei Av.	24,297	-0.5%	+39.5%
London FT Ord.	1,797	-4.1%	+41.9%
New York DJ Indl.	2,567	+1.1%	+44.5%

Commodity Prices

in US\$

	Last week	Year ago	3 years ago
Oil (BARREL)	20.72	11.40	27.20
Gold (TROY OUNCE)	478	363	338
Platinum (TROY OUNCE)	649	474	331
Copper (POUND)	0.78	0.58	0.57
Tin (KILOGRAM)	6.57	5.44	12.50
Sugar (POUND)	0.06	0.07	0.05
Coconut Oil (POUND)	0.22	0.11	0.52
Palm Oil (POUND)	0.16	0.12	0.27
Rice (TON)	250	260	320
Coffee (POUND)	1.05	1.56	1.39
Cotton (POUND)	0.78	0.30	0.66

Prices last Tuesday: Rotterdam, Brent crude; Kuala Lumpur, tin; New Orleans, coconut & palm oil; Bangkok, rice; New York, others.

Source: Philipp Brothers Inc.

Asiaweek Currencies August 5, 1987

IS WORTH ONE UNIT OF	ASIAWEEK CURRENCIES AUGUST 5, 1987																			
	HONGKONG DOLLAR	SINGAPORE DOLLAR	MALAYSIA RINGGIT	PHILIPPINES PESO	THAILAND BAHT	INDONESIA RUPIAH*	SOUTH KOREA WON	TAIWAN N.T. DOLLAR	CHINA RENMINBI	JAPAN YEN	INDIA RUPEE*	PAKISTAN RUPEE*	AUSTRALIA DOLLAR	NEW ZEALAND DOLLAR	CANADA DOLLAR	FRANCE FRANC	WEST GERMANY MARK	SWITZERLAND FRANC	UNITED KINGDOM POUND	UNITED STATES DOLLAR
HONGKONG DOLLAR	1	0.27	0.33	2.60	3.22	200	94	4.00	0.48	19.35	1.86	2.08	0.18	0.22	0.17	0.80	0.24	0.20	0.08	0.13
SINGAPORE DOLLAR	3.70	1	1.21	9.62	11.92	739	346	14.79	1.76	71.57	6.87	7.70	0.68	0.81	0.62	2.95	0.89	0.74	0.30	0.47
MALAYSIA RINGGIT	3.07	0.83	1	7.98	9.88	613	287	12.26	1.46	59.33	5.70	6.39	0.56	0.67	0.52	2.44	0.74	0.61	0.25	0.39
PHILIPPINES PESO	0.38	0.10	0.13	1	1.24	77	36	1.54	0.18	7.44	0.71	0.80	0.07	0.08	0.07	0.31	0.09	0.08	0.03	0.06
THAILAND BAHT	0.31	0.08	0.10	0.81	1	62	29	1.24	0.15	6.00	0.58	0.65	0.06	0.07	0.05	0.25	0.07	0.06	0.03	0.04
INDONESIA 100 RUPIAH*	0.50	0.14	0.16	1.30	1.61	100	47	2.00	0.24	9.88	0.93	1.04	0.09	0.11	0.08	0.40	0.12	0.10	0.04	0.06
SOUTH KOREA 100 WON	1.05	0.29	0.35	2.78	3.45	214	100	4.27	0.51	20.68	1.99	2.23	0.20	0.23	0.18	0.85	0.26	0.21	0.09	0.14
TAIWAN N.T. DOLLAR	0.25	0.07	0.08	0.65	0.81	50	23	1	0.12	4.84	0.46	0.52	0.05	0.06	0.04	0.20	0.06	0.05	0.02	0.03
CHINA RENMINBI	2.10	0.57	0.68	5.45	6.76	419	196	8.38	1	40.57	3.90	4.37	0.38	0.46	0.35	1.67	0.50	0.42	0.17	0.27
JAPAN 100 YEN	5.15	1.40	1.69	13.44	16.66	1,033	483	20.66	2.46	100	9.60	10.76	0.95	1.14	0.87	4.12	1.24	1.03	0.42	0.66
INDIA RUPEE*	0.54	0.15	0.18	1.40	1.73	108	50	2.15	0.26	10.42	1	1.12	0.10	0.12	0.09	0.43	0.13	0.11	0.04	0.07
PAKISTAN RUPEE*	0.48	0.13	0.16	1.25	1.55	96	45	1.92	0.23	9.29	0.89	1	0.09	0.11	0.08	0.38	0.12	0.10	0.04	0.06
AUSTRALIA DOLLAR	5.46	1.48	1.78	14.20	17.59	1,091	511	21.82	2.60	105.60	10.14	11.36	1	1.20	0.92	4.35	1.31	1.09	0.44	0.70
NEW ZEALAND DOLLAR	4.55	1.23	1.48	11.84	14.67	910	426	18.19	2.17	88.05	8.45	9.48	0.83	1	0.77	3.63	1.09	0.91	0.37	0.58
CANADA DOLLAR	5.92	1.60	1.93	15.40	19.08	1,184	554	23.67	2.82	114.60	11.00	12.33	1.09	1.30	1	4.72	1.42	1.18	0.48	0.76
FRANCE FRANC	1.26	0.34	0.41	3.26	4.04	251	117	5.02	0.60	24.28	2.33	2.61	0.23	0.28	0.21	1	0.30	0.25	0.10	0.16
WEST GERMANY MARK	4.16	1.13	1.36	10.83	13.41	832	389	16.64	1.99	80.53	7.73	8.67	0.76	0.91	0.70	3.32	1	0.83	0.34	0.53
SWITZERLAND FRANC	5.03	1.36	1.64	13.08	16.20	1,005	470	20.10	2.40	97.29	9.34	10.47	0.92	1.11	0.85	4.01	1.21	1	0.41	0.64
UNITED KINGDOM POUND	12.33	3.33	4.02	32.07	39.73	2,465	1,153	49.29	5.88	239.50	22.91	25.67	2.26	2.71	2.08	9.83	2.96	2.45	1	1.58
UNITED STATES DOLLAR	7.81	2.11	2.55	20.30	25.15	1,560	730	31.20	3.72	151.00	14.50	16.25	1.43	1.72	1.32	6.22	1.88	1.55	0.63	1

SOURCE: DEAK HONGKONG LIMITED.

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Munshi Ahmed — Asiaweek

Zainal in action: Winning fans with his on-court style and off-court smile

CHAMPIONS

Southeast Asia's Sultan of Squash

Zainal Abidin was torn between two sports. A soccer-lover, he was a member of the police team in Singapore's premier league. But as a field instructor at the Police Academy, he had become intrigued by squash. Two things influenced his decision. First, he explains, squash is "a game that depends on individual skill and I knew I had the instinct to make it." Second, he realised he could fall back on coaching when his squash-playing days were over. Flashing a toothy grin, Zainal admits that he looked around at Malay tennis coaches "with thick gold chains and bracelets, driving fancy cars, making it good from coaching. That did it for me. Squash won the day."

His instincts didn't fail him. After picking up his first racquet in 1977, Zainal is now East Asia's amateur squash king. It hasn't been easy: for five to six hours a day he slugged at the academy courts. "I could do it because it was free," he says. "To do

it elsewhere would have been expensive. I figured that if I put in long hours of practice I would be catching up on lost time." After six months he was adroit enough to become the civil service novice champion. The self-taught player won his first national championship in 1979, and his domination of the sport in Singapore has been near-absolute ever since.

Further afield, Zainal's triumphal battlegrounds have included the Malaysian circuit and the Japan Open, where he went unbeaten for three years before being upset last month by Singapore's only professional, Peter Hill. Zainal's sway over the East Asian championships is even more inspiring. He has bagged the title seven times this decade, most recently in Jakarta in early July. Outside Pakistan, where reign such stars as Jahangir and Jansher Khan, Zainal is arguably the premier squashman in Asia.

Not content to excel as a player, Zainal, 29, has quickly blossomed as an adept coach. Says he: "Having gone through the rigours as player, I understand the problems." Appointed coach of the national squad last year because of the high cost of employing a foreigner, Zainal is already delivering the goods. The July East Asian tournament was a testimony to his

ability to train, motivate and plan strategy.

Singapore swept all four honours at stake: men's and women's individual and team titles. Zainal won the men's singles title, and teammates Anthony Chua and Alex Tay took second and third. The Singapore men's demolition of their opponents, including Hongkong and Malaysia, did not surprise Zainal. "We knew from the start that we would retain the championship," he says proudly. "At every match it was a question of giving away the fewest number of points." Personal rivalry among the players to see who would win the most points was quite intense. The indomitable Lim Seok Hui, 19, captured the women's singles crown and led the female team to victory. Stresses Zainal: "The key to the sweep was the intense preparation." That involved four months of strenuous workouts, game situations, endless practising of strokes and mental readiness. Known for his humility, coach Zainal deflects the praise on to his players: "They put in a lot of effort and were the fittest bunch I have come across."

Zainal predicts that other East Asian countries will close the gap with Singapore, but not for another four or five years. With a tendency to rely on Zainal and Lim, who has announced her retirement to study law, Singapore must bring in new blood to fend off the up-and-coming Malaysians and Filipinos. Malaysia already shades Singapore at the junior level.

The next target is the World Team Championships in London in October, and an improvement on Singapore's sixth ranking, the highest of any Asian country except Pakistan. Boasts Zainal quietly: "Squash is the only team game where Singapore has a high world ranking." In fact, though, it is an individual sport, and much of Zainal's appeal is his unique personality. On the court his strokes are daring, deft and colourful — punctuated with snazzy trick shots and delightful victory jigs — while off court he radiates a disarming geniality.

If he harbours a regret, it is in not turning professional. "One thing led to another and after my marriage I found my commitment increasing and it became difficult," he says. "I know I could have done well as a professional." To earn a living and finance his modish dress, he owns a sporting goods shop. But as he considers his accomplishments thus far, Zainal is pretty pleased. He reckons he can play another five years before he settles into full-time coaching or perhaps opens his own sports centre. Having been named the republic's 1986 Sportsman of the Year, Zainal would like to add the honour of Coach of the Year. And, well, maybe a gold chain or two. ■

FRUSTRATIONS

Striker Out



The day before he left for the Netherlands last month, star Singaporean footballer Fandi Ahmad chipped a bone in his ankle while playing for Kuala Lumpur against Pahang. It was an inauspicious sign. Less than three weeks later he was home again. After trying a second time to show he could make it in professional soccer in Europe (SPORT, July 12), Fandi, 25, had returned, a little humbled and very bitter.

The problem was not the white tape around Fandi's ankle, but the red tape surrounding his employment status. His departure was touch-and-go after Dutch authorities denied the striker a work visa. But Fandi flew to Holland anyway on the strength of a verbal promise from his Dutch League club, FC Groningen, which had let him go two years ago. They were sure his visa would come through soon on appeal.

Fandi landed in Holland with an ultimatum. Groningen had until July 13 to secure his visa or he'd catch a plane home.

Then he changed his mind: he would wait two months. He signed a two-year contract that included a car and an apartment. But he was still not sure. As he waffled, the press in Singapore and Kuala Lumpur recorded his every passing thought in bold headlines. In the middle of it all,

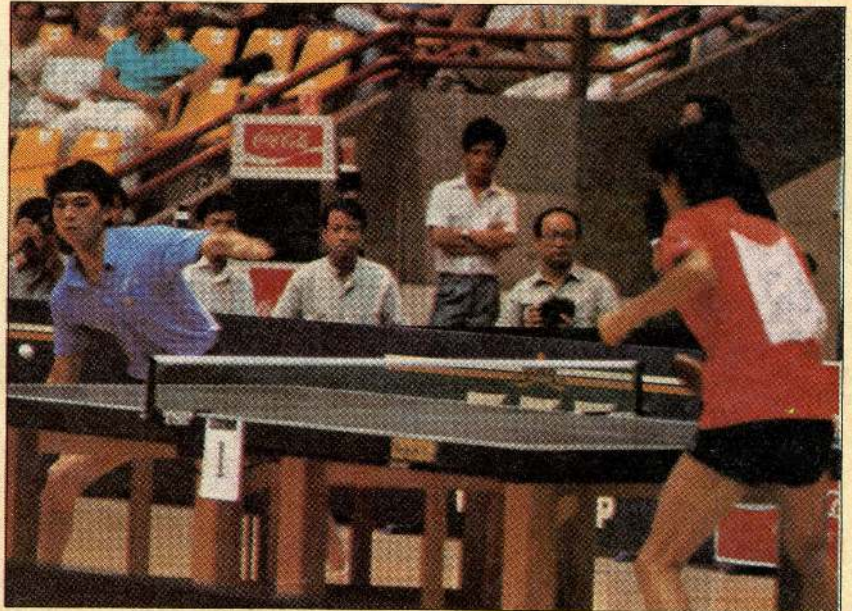


Chan Looi Tat - Asiaweek

Fandi: Back home

he scored two goals for the Dutch team in a friendly match. Finally, tired of waiting, he phoned Kuala Lumpur Football Association president Elyas Omar and his former coach, Josef Venglos, for advice. The verdict: "Fandi, come home."

Now the headlines said Fandi was through with Holland. "Never again," vowed he, hobbling from the plane in Singapore on his way to rejoin Kuala Lumpur. He told Asiaweek that he began to doubt that the Dutch authorities would ever provide an employment visa. "If I had waited two more weeks and they had still said no, I would have been wasting my time," he explained last week. "And the [Kuala Lumpur] mayor needed me here for the Malaysia Cup. So I came back." The injury kept him off the pitch for K.L.'s Aug. 2 victory over Singapore. But Fandi is raring to get back into action as the Malaysia Cup race heats up. Yet even now, he says, he still nurtures a dream of one day playing in Europe. ■



Tang Mengzong - Xinhua

Jiang versus Teng in Macau: Boisterous spectators and an all-Chinese final

TOUCHLINES

Poles Depart

Although the final was a humdrum affair, the semi-finals last week of Macau's World Cup table tennis tournament provided excitement aplenty. China's world champion, Jiang Jialiang, lost his first two sets to Poland's Andrej Grubba. Then Jiang, with the noisy crowd behind him, drew on his experience to fight even. In the deciding fifth set, the two battled to 15-15 before Jiang pulled out a 21-19 victory. His compatriot, Teng Yi, had an equally tough test against another Pole, Leszek Kucharski, who went ahead 2-1 in sets before Teng scraped back to win. Later, Grubba lambasted the umpires for allowing "illegal" serves by Jiang and delaying tactics by Teng, and for not keeping the fans quiet. By contrast the final between the Chinese pair was leisurely — too much so for Jiang. He coasted and Teng claimed the \$16,000 winner's purse. ■



Tang Mengzong - Xinhua

Teng: \$16,000 richer

Human After All

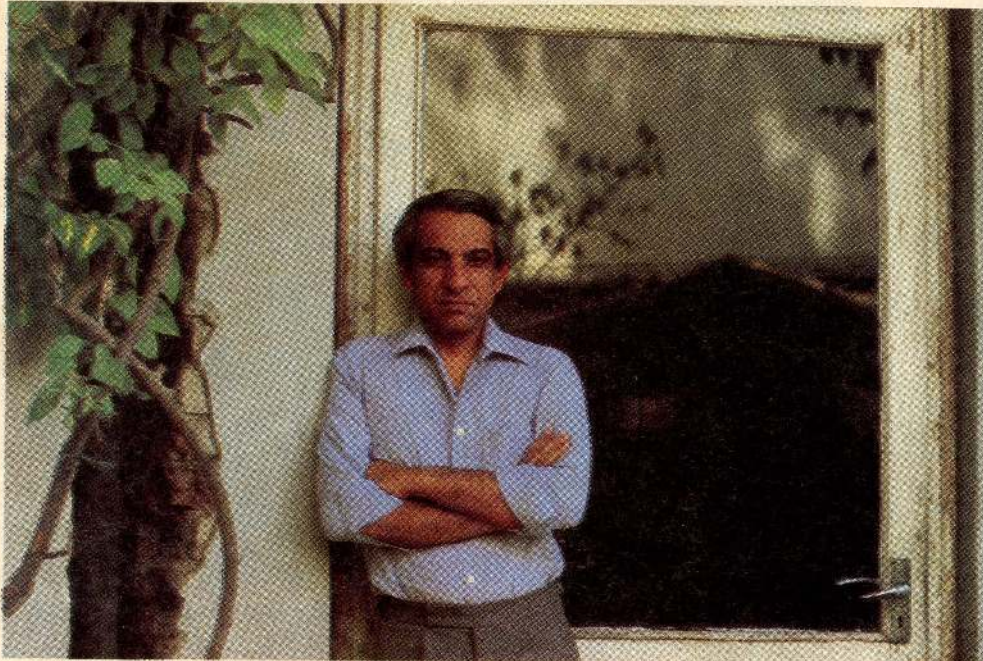
Jahangir Khan seemed to be tidying up all old debts. After avenging last November's world title loss to New Zealand's Ross Norman in a squash challenge series, Khan, 23, thrashed

40-year-old Geoff Hunt of Australia, his predecessor as world No. 1, in the New South Wales Open tournament in Sydney. But then in the Sydney final July 26, Khan lost for only the second time in the 5½ years since bowing to Hunt in 1981. In the 90-min. finale, Australia's Rodney Martin looked set to go the way of most Khan opponents after losing the first two games. Then Martin, 21, staged a remarkable comeback to topple Khan in five games. The Pakistani said he thought his defeat was good for the game. Acknowledged he: "A lot of people want to see me lose every now and then." ■

Fuji Feat

A 91-year-old U.S. grandmother has become the oldest woman to conquer Japan's tallest mountain. Hulda Crooks reached the summit of 3,776-metre Mt. Fuji one morning late last month in time to watch the sunrise, warbling triumphantly: "I shall challenge again." The

nonagenarian is known as "Grandma Whitney" for climbing 4,418-metre Mt. Whitney in the U.S. The previous oldest female Fuji-climber was 90-year-old Yajima Mine of Kanagawa prefecture who did it in 1985. The oldest man to scale famed Fuji is Igarashi Teiichi, of Fukushima prefecture, who made his annual trek last week at 100. ■

Victor George, *The Week*

Arun Joshi at home: Universal man, fumbling in the dark for a spiritual oasis

NOVELISTS

Dance of Life and Death

At 48, Arun Joshi ranks among the leading Indo-Anglian writers. Reticent and withdrawn, he seems to dwell in the fictional world he has created, joining his characters in their search for a meaningful existence. His hero is the universal man, alienated, fumbling in the dark for a spiritual oasis. He tries to reach it, says Joshi, "within human possibilities against all the problems of human life."

Joshi is himself a prototype for the major characters of his four novels. Like them, he has been exposed to both Indian and Western cultures. Joshi was born in Punjab, in pre-Independence India. At the age of 19 he went to the U.S. to study for a master's degree in management at the Massachusetts Institute of Technology. Upon graduation in 1960 he returned to India. Later he established the Shri Ram Centre for Industrial Relations and Human Resources in Delhi, where he has been involved for the past 25 years. He also manages his own engineering ancillary company at Faridabad, near the capital.

Joshi often places his characters in a multi-cultural environment. Despair and loneliness dog them. Sindi Oberoi in *The Foreigner* (1968), for example, is born in Kenya of mixed parentage: an African-Indian father and an English mother. Whether he studies in England or Amer-

ica, lives in Kenya or India, Oberoi is always a foreigner.

He hesitates to commit himself to anyone. When his American girlfriend June Blyth asks him to marry her, Oberoi says: "Marriage wouldn't help, June. We are alone . . . And our aloneness must be resolved within."

Blyth then turns to Oberoi's Indian friend Babu Khemka for consolation, but Khemka has his own problems. He has disappointed his wealthy family by failing in his studies. Eventually Khemka is killed in a car accident, and Blyth dies while having an abortion. Oberoi returns to India, where he works for the company owned by Khemka's family till he learns of its corrupt practices. The only glimmer of hope in the novel comes from Khemka's sister, Sheila. Sitting under Shiva's bronze image, she appears to represent the dance of life and death, light and darkness.

The protagonist in *The Strange Case of Billy Biswas* (1971) also spurns the values of civilised society: academic success, affluence and a happy family. Educated in England, he speaks with a British accent. He later studies at Columbia University in New York, where he chooses to live in the slums of Harlem and to study anthropology instead of engineering, the subject chosen for him by his father.

Upon his return to India, Biswas be-

comes an anthropology professor at Delhi University and marries an aristocratic wife, who bears him a son. But he is drawn to the primitive world. While studying tribals in the central Indian state of Madhya Pradesh he meets Bilasia, "essence of the primitive force." Captivated, he dons a loin cloth and grows a beard. Biswas's union with Bilasia brings him "closer to madness, the terrible madness of a man who after great sin and much suffering finally finds himself in the presence of his God."

Ratan Rathor in *The Apprentice* (1975) pursues a similar goal. A jobless villager, he comes to the city in search of a career. At first he is unscrupulous, ready to prostitute himself for professional advancement. But when he tries to clear the criminal charges against a friend, Rathor suddenly realises that he has become as corrupt as those around him. To redeem himself, he decides to daily shine the

shoes left by worshippers outside a Hindu temple, though after a prayerful interlude they will return to the sordid world. Even the *pujari* (priest) offers Rathor a bribe to find his son a job. The novel ends with Rathor loitering at the entrance to the temple, which looks "frozen petrified, like our own civilisation itself."

The quest for spiritual commitment continues in *The Last Labyrinth* (1981), which won a much-coveted Sahitya Academy award in India, reports Contributor Devinder Mohan. Som Bhasker, the narrator, indulges in illicit affairs with numerous women till he meets Anuradha. The mistress of a wealthy businessman, she is a devotee of Lord Krishna. Her spirituality opens the way for Bhasker to reach the divine light that he vaguely seeks.

According to Indian critic Murli Das Melwani, Joshi belongs in a class of his own. Most Indo-Anglian novelists, "besides dealing with obvious aspects of Indian life, tend to blow up their subjects," says Melwani. "Joshi takes subjects that are portentous and deals with them in an unpretentious manner." He adds that "the theme of each novel is an extension of the earlier one, a progressive maturity, a deepening of vision."

At present Joshi is working on a new political novel. "It reflects the Indian reality but is set in an imaginary locale," he told Asiaweek. Once more, the author has set out on a quest for "an inner spirit that is beyond any religion." ■

NEW BOOKS

A Confederacy of Diplomats

FORTY YEARS: A Third World Soldier at the U.N.

By Carlos P. Romulo with Beth Day Romulo
Greenwood Press, 88 Post Rd. West,
Westport, CT, U.S.A.
220 pages. \$29.95 (cloth)

Gen. Carlos Romulo (1899-1985) of the Philippines lived many lives — as soldier, journalist, educationist, government minister, international diplomat, raconteur — and hugely enjoyed every moment of every one of them. With more staying power and a wider range of activities than most of his contemporaries, he came into personal contact with a procession of historical personages and was typically vigorous in his summing up of all of them. These remarkable facets of the Romulo persona make *Forty Years* something of a collector's item for record keepers and memorabilia seekers.

Who can avoid a pang of nostalgia when Romulo recalls how he got the formidable Soviet Foreign Minister Andrei Vishinsky (1883-1954) to admit, "Don't tell anyone, but I play the violin." Romulo had his own ways of disciplining even the Vishinskys of the time. Once, when Romulo was in the chair as president of the U.N.'s General Assembly, Vishinsky began speaking out of order, ignoring the pounding of Romulo's gavel. What happened then is best described in Romulo's own words:

I simply jerked out the wire connecting the mike — and left him speaking to a dead mike. I remember my adviser, Andrew Cordier, seeing what I was about to do, hissed, "You can't do that!"

"I've done it!" I told him, triumphantly.

When Vishinsky realised the mike was dead, he sat down.

Romulo found Russian diplomat Andrei Gromyko contemptuous of small nations, curt and discourteous; Lord Cadogan arrogant and symbolic of the British air of superiority; Jacob Malik of the Soviet Union occasionally blunt but approachable; Norwegian secretary-general of the U.N. Trygve Lie a living example of grace under pressure but privately touchy and suspicious; Czechoslovakia's Jan Masaryk a charming cos-

mopolite; U.S. secretary of state Dean Acheson a Europe-oriented diplomat with Asia as a blind spot; his successor Foster Dulles a man of humourless fervour who made more relaxed personalities uncomfortable; Ramon Magsaysay an affable ex-garage mechanic who was elected president of the Philippines primarily through the effort of the CIA; Sweden's Dag Hammarskjöld without question the most dynamic secretary-general the U.N. had seen.

One of the most sensitively drawn portraits in the book is that of Vietnam's Ho Chi Minh (1890-1969), whom Romulo



Antonio Lopez — Asiaweek

Romulo with wife Beth Day: Remarkable facets

understood perceptively, in contrast to the prevailing wisdom of the West. "Ho Chi Minh was not a communist leader," he writes, "until the U.S. pressure made him one. He was the well-loved nationalist leader of his people . . . I believe Ho Chi Minh was a true patriot. The Americans lost an opportunity to identify themselves with the nationalist aspirations of the Indochinese people." Never mind the Americans losing an opportunity. How different, for the better, would have been the story of Asia's progress if Ho had been understood for what he was.

While personalities, anecdotes and self-deprecating humour provide the colour of this very readable recollection,

Romulo's political role as "Third World Soldier" lends it an interesting historical dimension. He betrays a degree of naiveté when he explains the Philippines' pro-American stance over the recognition of communist China. Even the final admission of China to the U.N. in 1971 is largely attributed by Romulo to Indonesian Adam Malik's unfamiliarity with the English language. (Malik was then president of the General Assembly.)

For the rest, though, Romulo emerges as a credible soldier who pursued a running theme all through his U.N. days: making the voice of the small countries heard at the world forum. It was a thankless job during an era in which, as he vividly describes, the Europeans and the Americans tended to look down upon delegates from small nations. The Romulo that comes through these accounts is a tireless man, with malice towards none, who insists on making his country known and on getting himself involved in every bit of action. *Forty Years* explains why the world is poorer without Carlos Romulo.

T.J.S. GEORGE

Moscow's Puzzle

GORBACHEV: The Path to Power
By Christian Schmidt-Häuer, translated
by Ewald Osers and Chris Romberg
Pan Books, 18-21 Cavaye Place,
London. 218 pages. £3.50 (paper)

"The growth rates of the national income in the past three five-year-plan periods dropped by more than half. The economy as a whole became cumbersome and little responsive to innovation . . . As an inevitable consequence of all this, interest in the affairs of society slackened, signs of amorality and scepticism appeared, and the role of moral incentives in work declined."

To anyone who has even offhandedly followed the Soviet economic system, the foregoing criticism appears true enough. It happens to have been made by Soviet leader Mikhail Gorbachev before a meeting of the Communist Party's Central Committee last January. Self-serving as it may have been, the commentary indicates just how brutally honest Gorbachev is willing to be when he decides to set the Soviet system aright.

It does seem ironic that after two and a half years as arguably the world's most dynamic and visible leader, Gorbachev still remains something of a puzzle to the West. Offering several vital pieces to the puzzle, however, is Christian Schmidt-Häuer's excellent handbook: *The Path to Power*. As Moscow correspondent for the West German political weekly *Die Zeit*, Schmidt-Häuer has been in a good position not only to observe Gorbachev's performance but to put it in the important context of the men who preceded him.



Gorbachev and wife Raisa: Reformer

Victor George, *The Week*

The early biographical details are sketchy. Gorbachev was born on March 2, 1931, to a peasant family. His father, now deceased, was an agricultural mechanic. His mother is thought to be still alive. Research indicates that he has a brother.

The most telling biographical fact is that he comes from the Caucasus, an ethnically varied region near the border of Turkey that values its spiritual, if not legal, independence from Moscow. Another important source of influence is his wife, Raisa, whose doctoral studies in agriculture no doubt shaped Gorbachev's innovative views on farming. Her intellect is certainly a match and an inspiration to her husband's.

Schmidt-Häuer charts Gorbachev's ascendancy from Moscow law student to agricultural manager and later first secretary in Stavropol. He then became Central Committee secretary for agriculture, a Politburo member and, on March 11, 1985, leader of the Soviet Union.

All along the way, Gorbachev's career seems to have been distinguished by a high degree of probity, hard work and a willingness to try unorthodox but effective solutions. His mentor was the late Soviet premier Yuri Andropov (1914-84), who during his brief tenure had set into motion a vigorous campaign against corruption and alcoholism. He established a kind of political agenda for Gorbachev (who would, of course, bring his own ideas to the job), and adroitly positioned his protégé to lead the Soviet Union out of the gerontocracy that was causing stagnation at many levels of Soviet life. This massaging of the instruments of power by Andropov and Gorbachev makes for fascinating reading.

The author also throws light on the daring moves Gorbachev has made on

many fronts since coming to power: his wooing of Western Europe, Japan, India and China; his dramatic arms-reduction proposals; his battle against corruption; his attempts to modernise the Soviet economy; his policy of *glasnost* (openness); his shake-up of the Soviet bureaucracy.

In fact, this man looks almost too good to be true. Oddly, the question in *The Path to Power* is not so much whether or not Gorbachev is a threat to global peace, but rather whether or not the Soviet Union and the rest of the world will stand back and let him work his magic. But, then again, perhaps the world will wake up one day — as Jimmy Carter did on the morning of the invasion of Afghanistan

— and discover that it has been deceived.

ALAN MOORES

Tree of Knowledge

THE ROOT OF ALL EVIL

By Dewi Anggraeni
Indra Publishing, 10 Outlook Crescent,
Briar Hill, Victoria, Australia.
140 pages. A\$10 (paper)

Indonesian-born Dewi Anggraeni, 42, is a naturalised Australian citizen now teaching English as a second language for Australia's Ministry of Education. In her novel *The Root of All Evil*, she reflects her firsthand experience of straddling two cultures.

In many cultures, to be an outsider and a woman is to be doubly damned. So it is with Komala, a Sundanese writer married to an Australian physician. When she returns to her native Jakarta to attend her ailing father after nine years away in the comfort and security of Melbourne, she has to confront her family and friends with the cultural baggage she has brought from Australia. Her naiveté is soon challenged and transformed into self-doubt. There are familial claims, cultural claims, claims of an ex-lover. She rediscovers her sexuality and attempts to recapture the past.

But the past becomes an irritation, a restriction. She is in a different place in a different time. She experiences again the dank suburb, the heat and the smells, the density of life: "We seem to seek the security of crowdedness," her friend tells her. Komala's return invokes the conflicts between tradition and progress — the dilemmas of a disturbed Indonesia.

When Komala delves into the dubious

nether world of nightclubs, she soon realises that individual power is part of a larger network of the state apparatus. The mistress of a powerful man is doused with acid by his jealous wife. The idealist writer comes forward to seek witnesses. And so the tale inches towards its climax. The story seems trite in its bland moral righteousness, except for the one major premise lurking in the wings: women have to be delivered from their own attitudes. Without solidarity they become the objects of a male-dominated culture. "Women are the root of all evil," says Komala's mother, and her remark ironically gives the book its ambiguous title.

There is, however, a humanising rhythm in the book that saves it from cant or sentimentality. Anggraeni pushes aside the self-righteousness to acknowledge the experience of return; no one is insulated from the claims of one's past. In demonstrating this, her novel highlights one of the major problems of any politics of feminism in developing countries. In the revolution of traditional societies, can women become free without falling into the compromises of materialism on a path labelled "progress"? Is resistance to traditional culture merely an escape to comfort and security?

Gradually Komala re-immerses herself in her culture. Life is not so simple after all. Understanding the past is necessary in order to win back the present. Upon the death of her father, Komala gains the realisation that it was not acceptance she has learned, but the knowledge of being human. The root of all evil, it seems, belongs very much to that tree of knowledge.

BRIAN CASTRO



Asiaweek Pictures

Author Dewi: A humanising rhythm

A Frog's Healing Powers

Stories abound of folk remedies that use frogs as an important ingredient. It turns out there may be something to those gruesome recipes after all. A year ago Michael Zasloff, a scientist at the U.S. National Institute of Child Health and Human Development, began to investigate the healing powers of the African clawed frog. He wondered why frogs with surgical wounds from experiments did not become infected after being released into bacteria-infested water. After studying samples of fluid from the wounds, he discovered a powerful new family of natural antibiotics that may eventually be applied to a broad range of human illnesses.

The new antibiotics have been named magainins, after the Hebrew word for "shield." In laboratory studies they have killed many kinds of parasites, including those that cause malaria. A synthetic version of magainins has already been produced. Zasloff predicts magainin drugs may first be used to treat burns, which destroy the body's protective barrier against infection. New antibiotics may also be developed to fight viruses and cancer. ■

Pill Misconceptions

Health concerns about birth control pills have prompted many women to reconsider their use over the past decade. After close scrutiny, however, there is now an emerging consensus among doctors that the pill is relatively safe, and that its benefits outweigh possible risks. Population studies show that the pill helps prevent iron-deficiency anaemia, cancer of the ovaries and uterine lining and pelvic-inflammatory disease related to gonorrhoea. However, its use also carries an increased risk of cardiovascular disease, including strokes and heart attacks. Doctors say the risk may be minimised by new low-oestrogen birth control pills.

Still, the physicians' favourable assessment has apparently not yet filtered through to the general public. A recent survey of 1,057 women in eight developing countries, including Thailand and Sri Lanka, showed that knowledge of the pill's beneficial effects was rare. From 50% to 75% of the respondents indicated they believed "substantial health risks" existed. Few knew what the risks actually were.



At Family Health International, a U.S. research institute, Gary Grubb, who conducted a study based on the survey results, said "misperceptions about safety" were hindering family planning efforts. Similar results were also found from a survey in North America. At present, more than 60 million women worldwide take birth control pills. ■

Sticking to the Stomach

Certain heart medicines such as nitroglycerin sometimes need to be administered in small but steady doses. Plastic-coated, adhesive skin patches containing the required drugs have been developed for that purpose. The medicine seeps past a semipermeable membrane and is absorbed through the skin for up to a week or longer. But many who wear the patches are bothered by a dry mouth, a common side-effect. Also, there is always the possibility that the patch might fall off. Although there are pills that can release drugs slowly, they are passed too quickly from the stomach into the intestines, where absorption is not as efficient.

As an alternative to skin patches, a British team led by biophysicist David Harris is trying to perfect pills that can stick to the inner walls of the stomach. The pills are coated with a substance called carbopol, which allows them to remain in place for up to nine hours. A stickier pill, able to resist the stomach's churning actions during the digestive cycle, is still seen as years away. ■

Tennis, Anyone?

An action-packed, aggressive game of tennis is viewed by many as a good workout. Its value as an exercise, however, may be overrated, especially if the game is doubles — when teams of two play. In fact, a long walk can have more cardiovascular value. At the University of Arkansas in the U.S., seventeen male tennis players, ranging in age from 17-44, were outfitted with heart monitors around their waists. The devices measured how hard their hearts worked; a heart beat between 60% and 90% of full capacity is considered useful aerobic exercise.

During one-hour doubles matches, the players' heart rates reached an average of only 33% of their full potential. Researchers noted that doubles play entailed mainly standing in one place. More running around, and therefore more oxygen intake, was required for the one-hour singles matches, which took the heart to 61% of its capacity. Golf, as long as it is played without a motorised cart, can bring the heart up to 65%-70% of its limit. ■

AIDS Update (71)

After a year of monitoring, experts say the anti-AIDS drug azidothymidine (AZT) continues to show significant results in prolonging the lives of AIDS patients. Of 145 patients with AIDS and AIDS-related complex in the U.S. who began taking AZT in April 1986, almost 90% were still alive twelve months later. Some 40%-50% would have been expected to die if they had not taken the drug.

AZT helps prevent AIDS-related diseases such as pneumonia by stopping the AIDS virus from reproducing in the cells of the body's immune system. Researchers are now working on new drugs that do not have AZT's severe side-effects. The one-year AZT study showed 24% of the patients using AZT developed anaemia, and 21% required blood transfusions because of the drug.

Over the past six months the number of known AIDS cases throughout the world has jumped by 36%. At the end of July, the World Health Organisation announced 55,396 cases had been reported in 142 countries. Only 161 AIDS patients in Asia were listed in June, but many more are known to be carriers. Malaysia recently reported that 127,000 blood tests turned up two new AIDS carriers. Seven Malaysian carriers have been detected since 1985. ■

Royal Memories
A Javanese Princess
Learns About Courtship

Born in 1902, Partini Djajadiningrat is a daughter of Raden Mas Suparto (1885-1944), the seventh *mangkunagoro* (ruler) of the *Mangkunagaran* court in the central Java city of Solo. Last year, Jakarta's Penerbit Djambatan published her memoirs. Titled *Partini: Recollections of a Mangkunagaran Princess*, they provide a charming account not only of Partini's own life but royal Javanese customs as well. In this excerpt, Partini describes her courtship with Dr. Husein Djajadiningrat, her future husband, who became a prominent Indonesian scholar:

When I was on the way to Batavia [Jakarta] with Father, he said to me, "Yesterday the [district chief] of

Serang, Dr. Husein's elder brother, asked me if his brother could become better acquainted with you by corresponding with you." I remained silent. Then I replied, "Doesn't he know that we are not very pious? Besides, I don't know how to read the Koran, and I don't say my prayers five times a day." Father smiled. "I'll tell him that," he said. "But you're willing to correspond with him, aren't you?" I said I was. And as soon as we had returned from Batavia, there was a letter from Dr. Husein waiting for me. He told me about his brothers and sisters and other family members, about his work, and many other things. Father read the letter first before giving it to me. Then I replied to it, although I really did not have much to say. Father read my letter [also] . . .

In March 1920, there was a celebration confirming Father [as] mangkunagoro. When the party began, Dr. Husein was not yet present. Father be-

came upset. Finally he came. He told me shyly that he had forgotten to bring his party clothes. In the beginning he had planned to borrow some clothes from Prince Hadiwijoyo, but unfortunately the jacket did not suit him, so he had to borrow some clothes from Prince Hangabei, all of which took up a lot of time and caused him to come to the party late. At that time the regulations about attire at the palace were very strict.

That evening, I received a bouquet of red roses from Dr. Husein. Everyone present knew what that meant and I felt very embarrassed. I had to hold the bouquet, even when I was dancing with Dr. Husein.

"I learned to dance especially for you," Dr. Husein whispered in my ear while we were dancing. I smiled a shy smile, at the same time feeling very uncomfortable because he danced so badly. Without even realising it, he was stepping all over my feet! ■



Keystone France

Lordly Gallery, Oct. 28, 1930: Indian rajas emerge from Britain's House of Lords after the opening of Parliament. In London to discuss self-rule for India, the princes agreed to participate in a federal form of government

Chop! Chop! You're Dead

From *Abdullah Pye of Johore:*

The statement by Datuk Amar James Wong Kim Min, Sarawak's minister of environment, that "although logging causes temporary interruptions in certain localities of the forest, [it does] not in the long run destroy permanent forests [nor] drive away or destroy animals that live there" is very shocking. Fact is, when logging is carried out, roads and camps have to be built. These will be abandoned later. Flora and fauna will be destroyed by felling trees [and] natives who depend on jungle products deprived of their livelihoods. Erosion will take place as there is nothing much to hold topsoil. Some species of fish will not survive as the river will be too muddy; people who live along the river and who depend on



Dennis Lau

it for survival will be affected too. This is not a case of temporary interruptions. As a Sarawakian, I am not against modernisation and development. But we must protect our forests and control logging. [Government] should look more deeply into this matter rather than go CHOP! CHOP! CHOP!

In *New Straits Times*,
Kuala Lumpur

From *Ric Veloirs of Bulacan, Luzon:*

Every year, millions of pesos worth of property and numerous lives are lost in . . . disastrous floods caused by the denudation of our forest, which used to slow down the flow of rainwater from mountain slopes. Fallen branches used to form natural "beaver dams" to hold rainwater in the creeks and [low-lying] areas.

In *Manila Bulletin*

From *Shankar Ranganathan of Bombay:*

We have more than 100 million ha of wasteland [that] threaten to turn India into another Sahara. Meanwhile the forests are disappearing and all will be gone in 20 years. Harnessing wasteland [for forest farming] would create millions of jobs for the rural poor. It would increase the country's wealth and improve the environment. But the dog-in-the-manger attitude of blinkered bureaucrats and impractical environmentalists prevents innovations in this important area of management. The situation is critical.

In *The Times of India*, Bombay

From *Prafulla Chandra Sen of Calcutta:*

Albert Einstein said: "All our technological progress — our very civilisation — is like the axe in the hand of the pathological criminal.

So, like pathological criminals, we have mercilessly destroyed the forest and converted fertile land into desert." According to Arnold Toynbee, though the present chapter of civilisation had a Western beginning, if it is to survive and not destroy itself it will have to have an Indian ending. [Environmental campaigning] should take into account these aspects if a civilisation based on a decentralised

economy and devolution of power is to emerge. We will then value bread-labour and observe austerity in our daily life. Our environment will be pure and life-sustaining. More and more trees will have to be planted. At least 30% of our land should be under forest cover. Use of chemical fertilisers and pesticides will be drastically reduced . . . Use of non-renewable energy will be kept to the minimum. Energy will be produced from bio-mass plants, utilising waste products. After producing methane gas for energy purposes, the residue will be used as organic manure. Energy may also be had from sun and water. Irrigation water will be available from tanks and shallow tubewells. Water, air and noise pollution will be a thing of the past . . . Mother Nature should not be exploited but revered. We shall then have a sane civilisation and live in a sanctified environment.

In *The Statesman*, Calcutta ■



Michael Wong Asiaweek

This Goose Said Boo Back

If there was ever a bird visited with every affliction man could deal out, whether in callous disregard for another species' right to share the biosphere or in unintentional ignorance, that poor creature must be the NENE. This sea goose of Hawaii (pronounce it nay, nay), *Branta sandvicensis*, is confined in nature to the central Pacific archipelago state. When Captain Cook arrived there in 1779 (and promptly had his goose cooked), there were, it is retrospectively estimated, some 25,000 nenes. In 1955, there were 35. The bird had been shot, netted and clubbed (it hadn't learned to fear man); its eggs were eaten by introduced pigs and rats; the goslings were taken by feral cats; and worst of all its habitat was appropriated for sugarcane plantations. Help came from England, where the Hawaiian goose proved a docile and cooperative breeder in captivity. English nenes were reintroduced in 1962. Since then, under stringent protection, numbers have increased to some thousands, with as many in zoos, including this one in Hongkong. ■

Eight Pacific island mini-nations plus two in the Indian Ocean have not signed CITES (the Convention on International Trade in Endangered Species). Birds and reptiles endemic to islands are particularly vulnerable and need rigorous protection.

NOT SIGNED

Albania, Angola, Antigua, Bahrain, Barbados, Belize, Bhutan, Burkina Faso, Brunei, Bulgaria, Burma, Burundi, Cape Verde, Chad, Comoros, Cuba, Czechoslovakia, Djibouti, Dominica, Dominican Republic, El Salvador, Equatorial Guinea, Ethiopia, Fiji, Gabon, Greece, Grenada, Guinea Bissau, Haiti, Iceland, Iraq, Ivory Coast, Jamaica, Kiribati, Laos, Lebanon, Libya, Maldives, Mali, Malta, Mauritania, Mexico, Mongolia, Nauru, North Korea, North Yemen, Oman, Qatar, Romania, Saint Kitts & Nevis, Saint Vincent, San Marino, Sao Tome, Saudi Arabia, Sierra Leone, Solomon Islands, South Korea, South Yemen, Swaziland, Syria, Tonga, Turkey, Tuvalu, Uganda, Vanuatu, Western Samoa, Yugoslavia.

SIGNED BUT NOT RATIFIED

Cambodia, Ireland, Kuwait, Lesotho, New Zealand, Poland, Vietnam.

Contesting Copyright



PHIRAPHAN PHALUSUK

Thailand's Copyright Act currently covers only signatories of the Berne Convention, an international copyright agreement. Now, an amendment has been drafted to extend protection to countries with bilateral treaties with Bangkok. Among those to benefit will be the U.S., which is not a Berne signatory. Thailand's coalition government is split, however, over the legislation. The amendment's opponents accuse Washington of threatening Thailand's exports under the Generalized System of Preferences (GSP) if Parliament does not pass the bill.



PETER ALLGEIER

Why are you against the copyright bill?

We believe there's direct U.S. pressure on Thailand. The foreign ministry thinks that if we fail to approve the amendment, Thailand will lose trade privileges given under the GSP. We are also [uncertain] about the scope of the protection, whether it will cover high tech, like computer software. We [want] the government to explain the amendment's scope and how it can be sure that the U.S. won't pressure us further to cover other areas if we agree to the amendment . . . The U.S. continues to apply pressure on other countries to protect its intellectual property rights.

Will Thai-U.S. trade friction increase if Thailand does not amend the law?

I don't think so because there are conflicting views in the U.S. Thai political leaders should be aware of this. I think U.S. trade measures are aimed at European nations and other countries. Unfortunately, Thailand also suffers from the consequences.

What happens if Washington does revoke export concessions given Thailand under the GSP?

What we get through the GSP is not worth the amendment. There's one estimate that the U.S. grants more than 3,000 GSP items to Thailand, of which we use only [about] 500. Thailand is not in the position to benefit from the remaining privileges because we don't have the products. The 500 or so GSP items are worth only \$235 million, about 17% of our total exports to the U.S. Do you think we would lose our competitiveness if this 17% no longer benefited from the GSP?

Besides, as a developing country, Thailand cannot be expected to accept the copyright issue to be used [against it] as a trade measure. After all, there are humanitarian aspects to consider as well. The U.S. would do well to remember that the GSP sprang from the General Agreement on Tariffs and Trade, which is designed to help developing countries.

What about the split in the coalition government?

Coalition unity is not as important as national interest. We do not want our children becoming slaves of other countries. I myself disagree with the idea of compromising. If we try to preserve coalition unity without regard to national interest, in the end it will jeopardise the foundation of our democracy.

Phiraphan is a Thai parliamentarian belonging to the Democrat Party, a ruling coalition member that opposes the copyright bill.

What do you think of the draft amendment to Thailand's Copyright Act?

We have not seen the precise language of the proposed amendment. Our understanding, however, is that it's an amendment that simply says the protection of copyright of work provided by the current Thailand copyright law can be expanded to countries which have a bilateral treaty with Thailand. We believe the [1966] Treaty of Amity and Economic Relations between the U.S. and Thailand will fit the requirement of this amendment. We have given copyright protection to Thailand since 1921. So we support this amendment because it will provide reciprocal treatment.

Is the U.S. government pressuring Thailand to pass the copyright bill?

We have not threatened [Thailand] at this point. But we have petitions from the private sector asking us to remove Thailand from the GSP list. They allege that there is not enough progress in intellectual property protection in Thailand. We have not made any decision or made any recommendations to the president. Generally, we are eager to see Thailand adopt this amendment for a number of reasons. [Since] countries throughout Asia, even the world, are amending their laws, we see no reason why a country like Thailand shouldn't provide such protection. We are making strong representations to Thailand, but we have made equally strong or even stronger representations to other countries. Whether you want to call it pressure or not is in the eye of the beholder.

How will passage of the amendment affect the U.S.?

If they pass the bill in the form that we understand it, that will be a very positive sign. Basically our copyright problem with Thailand will be solved. We do not have the exact amount of losses [we suffer as a result of infringement of U.S. copyright in Thailand]. Different industries come to us with various figures.

What will happen if it is not passed?

We have not reached any decision to retaliate. Our basic effort has been to convince people this is the reasonable and rational thing to do. I want to reiterate that throughout the region, ASEAN countries are strengthening intellectual property laws. Some are doing it on their own initiative. It's very clear what the trend is.

Allgeier is an official in Washington's Office of the U.S. Trade Representatives.



Grand Canal in Venice

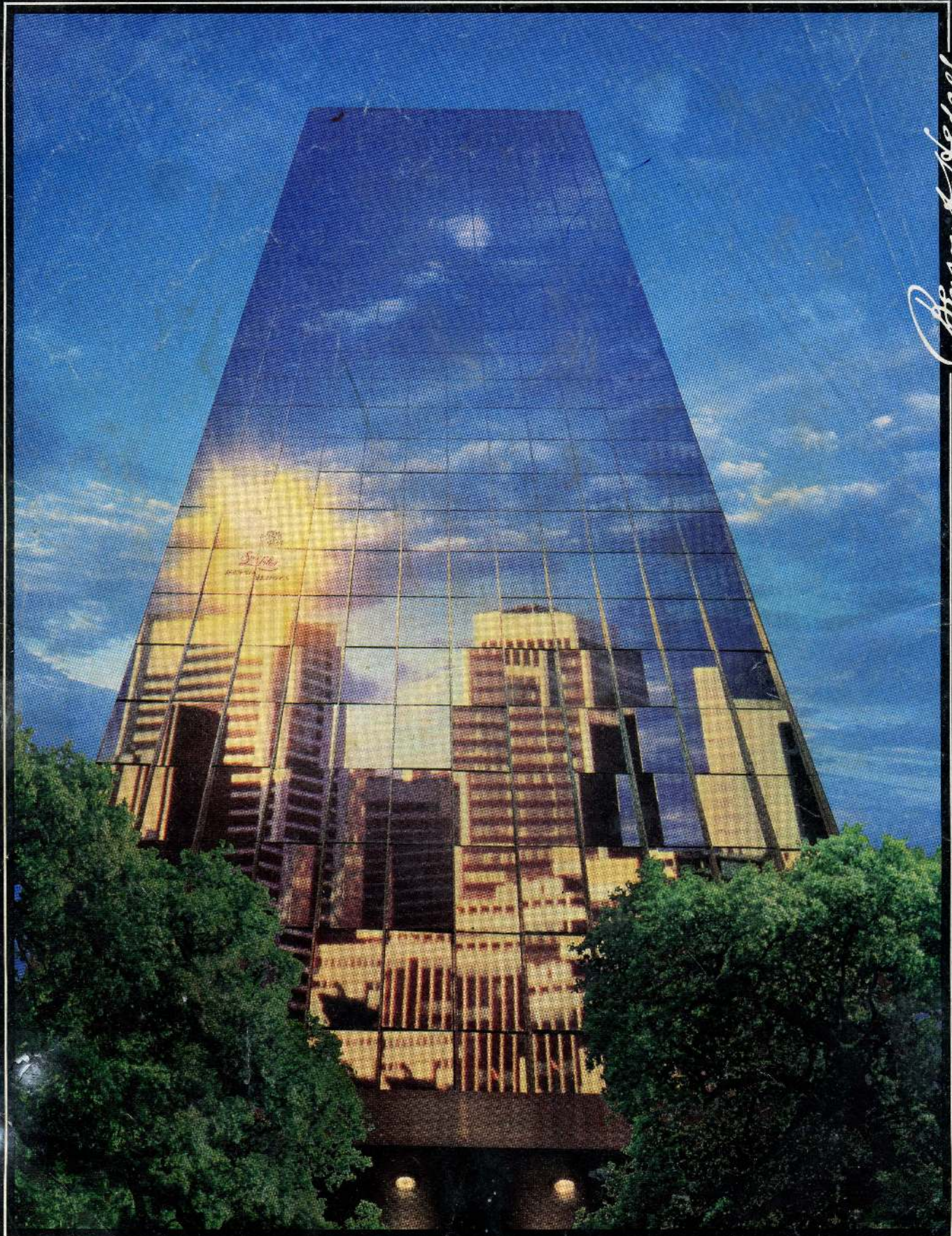
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