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COUNTRY: Thailand
SUBJ: THAI NEWS AGENCY on U.S. Aid Scandal

SOURCE: Bangkok TNA in English 0455 GMT 2 Nov 88 (Tentative)
TEXT:

[Text] Bangkok, Nov 2 (OANA-TNA) -- The Thai prime minister and other high ranking officials Tuesday reacted differently over accusations by a report in a U.S. newspaper that Thai military officers were involved in corruption in the U.S. covert aid to noncommunist Khmer fighters.

Prime Minister Chatchai Chunhawan told reporters before a cabinet meeting here that he knew nothing about the alleged corruption and accepted that the report has tarnished Thailand's image.

He said he had checked with acting supreme-commander General Chawalit Yongchaiyut on the report and the army chief said he had no knowledge of the scandal.

Chatchai was of the view that if the U.S. fund was supposed to have been secret, it should not have been made public in the first place.

It's a matter of etiquette. They don't reveal such things. However, he said, he expected a report on the details of the charges would be made soon.

Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila said he knew nothing about the scandal, adding that the military was responsible for handling U.S. military funds and the U.S. had not complained to Thailand about the corruption. Deputy Foreign Minister Praphat Limpaphan said the allegations were made as part

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of a news report and Thailand had to correct such news.

He even hinted that the allegations made by U.S. congressmen could be part of the U.S. current election campaign.

The WASHINGTON POST Sunday reported that CIA officers operating the covert programme found evidence last spring that Thai military officers and perhaps businessmen, had skimmed \$3 million from the programme in fiscal 1988. As a result aid for the 1989 programme has been cut back from \$12 million to \$8 million.

M.R. Kasemsamson Kasemsi, foreign permanent secretary told a press conference here that he was concerned that the scandal might obstruct Thailand's lobbying efforts for more aid to be directed to the Khmer People's National Liberation Front and the Army of Nationalist Sihanoukists.

He proposed that a joint committee representing all donor countries be formed to handle the distribution of aid.

He said the committee could also coordinate the type of aid each of the donor countries could provide.

He theorized that the U.S. may have wanted to warn some Thai officials against abusing the aid.

The other theory is that the leak was carried out by those in the U.S. who are against the policy of aiding the Khmer fighters.

Kasemsamson added that since the two countries have enjoyed good friendships, if they have any suspicions, they should have come up with evidence and consulted each other, instead of exposing their allegations in such a harmful manner.

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