

I.T.T. Subsidiary Eased Out of Thailand

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— A subsidiary of International Telephone & Telegraph responsible for operating and maintaining the entire American military communications system in Thailand, including top-secret monitoring stations, has been eased out of the country, its operations here terminating today.

The pullout of the subsidiary, the Federal Electric Company, is an important element in the controversy over the waning American role in Thailand and Southeast Asia and the demands by the Thai Government that more and more American installations pass into its hands.

The Federal Electric Company, which has its headquarters in Paramus, N.J., has operated the entire communications network that links the various American bases in Thailand, the sophisticated radar networks, the satellite ground stations and a secret monitoring station at Ramusun in northeastern Thailand, that has for years intercepted and monitored Communist military and civilian radio traffic in this region.

In fact, Federal Electric has been in Indochina almost from the first days of American involvement in Southeast Asia. It was this company that, unknown to most outsiders, operated the entire military communications network in South Vietnam — one of the most sophisticated ever established in a war zone.

Withdrawal Deadline Set

The company's troubles in Thailand began more than a year ago when the Thai Government suddenly announced that it wanted Thai companies to take over the functions being performed by F.E.C., clearly in preparation for what the Thais hoped would be a complete turnover of the whole communications network to them by next March 19. That is the

deadline the Government set for the complete withdrawal of the American military from Thailand.

An American official said last week that the chief problem was a technicality over whether the Thai companies would be given the same tax exemption as Federal Electric. The American military demanded that any companies that performed work supported by joint military assistance funds not use a part of that funding to pay taxes to the "host government."

But there reportedly were further discussions as well — particularly over the separating of maintenance of routine facilities, such as telephone communications, from the actual operation of some of the top-secret facilities that the American military did not want any Thai companies involved in.

Finally it was decided that Federal Electric's \$9-million-a-year contract would be terminated today and the company, together with two smaller American concerns—Ampac and Trans-Asia, both of which are "housekeeping" companies—would leave Thailand as the Thai Government demanded. Their operations, however, are being taken over by the United States Department of the Army, at least for the present.

"We still do not know what facilities are to be turned over to the Royal Thai Government, or when," a senior American military official said here last week. "Obviously this complicates everything."

Uncertainties Persist

In fact, each week there is a new pronouncement on the question of phase-out or termination, a new shading of meaning. On Thursday, the American Ambassador, Charles S. White-

house, met with the Thai Premier, Kukrit Pramoj, to discuss "the general situation."

The Premier has repeatedly in the past demanded removal of the "entire American presence" from Thailand by next March 19—a process that has already begun with the closing of several American Air Force bases in the last six months.

After Thursday's meeting, Mr. Kukrit told reporters that all American combat troops must be out by March 19. But he added that other American military groups, such as the Joint United States Military Assistance Group and the Military Assistance Command Thailand could remain here as "advisory groups." He told Ambassador Whitehouse he would like the United States to leave sophisticated military installations to the Thai Government after training Thai personnel to operate them.

"All these negotiations are like trying to make a rope of sand," one American official said last week, shaking his head in dismay. "You think you have it all together, then you look down and it's all sifted through your fingers again."

Comment by I.T.T.

A spokesman for I.T.T., reached by telephone, said that the company "had anticipated the move for some time." He said the closing of operations in Thailand was a "phasing out" that began when the United States withdrew from Vietnam.