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30 October 1984

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WOMEN PLAN DEMONSTRATIONS AGAINST U.S. WARSHIP VISITS

Melbourne THE AGE in English 21 Sep 84 p 15

[Article by Robin Usher]

[Text]

A train carrying about 700 women protesters is scheduled to go from the eastern States to Perth in November for a two-week rally called to voice opposition to visits by American warships.

It will cost the organisers of the protest, Women for Survival, about \$200,000 to hire their "peace train", which is expected to start in Brisbane.

It will go to Sydney and then through Broken Hill, Port Pirie and across the Nullarbor. Women from Melbourne will join it at Port Pirie.

The executive director of Railways of Australia, Mr Michael Schrader, said the train would probably need at least 15 carriages to carry 700 people. He said the crew would be mostly male.

The train and a protest camp at Cockburn Sound are the latest of a series of demonstrations against uranium and American bases to be held around Australia for the next two months.

Others are a rally today outside the offices of Western Mining in Collins Street at 5 pm, a two-week camp outside the communications station at Watsonia from 20 October, a picnic at St

Kilda on 30 September in support of women protesters at Greenham Common in Britain and a protest bus travelling around Victoria to coincide with the Cockburn Sound demonstration.

A Women for Survival official, Ms Renee Leon, said there would also be protest activities on 25 October, which had been declared International Women's Day for Peace.

Women for Survival organised the protest at the Pine Gap base last year.

Ms Leon said the protesters believed the visits of US ships to Cockburn Sound made Australia a more likely target for a Soviet nuclear strike.

She said that from the end of the year the US ships would be armed with cruise missiles and since they came from the Middle East region it was presumed many of the ships were nuclear-armed.

"The Cockburn Sound camp is designed to show Australia's hypocrisy in posing as a peacemaker while giving direct support to US military activities in Central America and the Middle East," she said.

Women for Survival is seeking corporate and private sponsorship to cover the cost of hiring

the train. Ms Leon said letters of support already had been received from the Waterside Workers' Federation, the Seamen's Union, Labor Women, the Australian Student Christian Movement and the Maritime Services Board Officers' Association.

Next month's camp at Watsonia is being organised by People for Nuclear Disarmament.

One of the organisers, Mr Ken Mansell, said the camp's aim was to have the transmitting station at Watsonia closed and in the meantime to expose its operations.

He said it was supplied with information from three monitoring stations in Australia and one in New Zealand. That information was then sent to the US from Watsonia via satellite.

Mr Mansell said an equivalent station in Britain had been listed by the Civil Defence Authority there as a likely nuclear target and the Watsonia station was certain to have a similar classification.

During the camp, rallies would be held at the three Australian monitoring stations — near Toowoomba, Darwin and Perth — as well as at the New Zealand station at Tangimoana.

CSO: 4200/47

ARTICLE DETAILS BHP BUSINESS DEAL WITH PRC

Melbourne THE AGE in English 15 Sep 84 p 21

[Article by Robert Garran: "Local Consultant Does Business--The Chinese Way"]

[Text]

After spending almost two years organising a \$48 million deal, Michael Kennedy has learned a thing or two about the Chinese way of doing business.

Late last month he watched BHP Engineering and Chinese Government officials sign a \$48 million contract to build a cement factory in the Chinese city of Shunchang.

Mr Kennedy first heard of the Chinese cement factory project in October 1982, when he was asked to help arrange finance of \$US70 million for the factory.

A phone call in October 1982 first alerted Mr Kennedy to the Shunchang cement factory deal. As a consultant in the business of finding money and contractors for big engineering projects in Asia he was approached to find \$US70 million to buy heavy equipment for the factory, which was to be built using European equipment.

But he had other ideas. "I wanted to put an Australian hat on the project," Mr Kennedy said. He accepted the offer to arrange the finance, and approached BHP Engineering, asking if it would organise and supply the project.

In November 1982 he began what was to be a long and exhausting process of negotiation with officials from the Fujian Province. "I found they were simply seeking concessional finance for equip-

ment supply from several countries including German, Japan and Denmark.

"They were totally uninformed of the availability of Australian technology or of its high international standing in engineering and project management."

Part of the appeal of the deal was his knowledge of a line of credit between the Bank of China and the Australian Export Finance and Insurance Corporation, and the extension of an Australian Development Assistance Bureau's scheme for import assistance to include China.

Mr Kennedy suggested to the Chinese a package of Australian engineering and equipment and finance from ADAB and EFIC.

After discussions with EFIC, ADAB and BHP Engineering a proposal and price were ready. A delegation from BHP left with Mr Kennedy for China, but after two days of talks it appeared that the price was too high.

"After a visit to the project site in the mountains of Shunchang County we felt that the opportunity should be pursued, despite a fairly strong sense of discouragement," Mr Kennedy said.

The night before the delegation's departure, with no agreement on price, the technology, the equipment to be supplied, or the financing arrangements, Mr Kennedy drafted an agreement on the "critical issues".

CSO: 4200/47

OFFICIAL TRIES TO REASSURE JAPAN ON RAW MATERIALS

Sydney THE SYDNEY MORNING HERALD in English 18 Sep 84 p 18

[Text]

TOKYO, Monday: The Australian Government would be very concerned if Japan continued to move away from Australia as a source of supply for raw materials, Mr Ralph Willis, the Minister for Employment and Industrial Relations, said here.

Mr Willis is in Tokyo at the head of a tripartite industrial relations mission which aims to show Japanese Government ministers, officials, businesses and union leaders that Australia now does not deserve its reputation as an unreliable supplier to Japan.

"Over the years there has been a view of Australian industrial relations by the Japanese that we were very poor performers," Mr Willis said.

"That may have had an impact on decisions by the Japanese to gradually diversify supplies of raw materials, like iron ore and coal, to other parts.

"That's generally thought to be a factor. I think the Australian Government would be very concerned if this process of moving away from Australia as a source of supply were to continue," he said.

Six representatives of government, industry and unions comprise the Australian delegation.

Besides Mr Willis, there are ACTU president Mr Cliff Dolan, ACTU senior vice-president Mr Simon Crean, Confederation of Australian Industry director Mr Bryan Noakes, the BHP group subsidiaries general manager, Mr George Stuart, and the head of Mr Willis' department, Dr Michael Keating.

Japanese negotiators repeatedly have used the strike record in Australian industry as a bargaining tool. But the level of industrial disputes now is at its lowest for 16 years, according to the Australian Bureau of Statistics.

Mr Willis said Japan had embarked on a policy of diversifica-

tion of supply of coal within Australia as well as outside the country.

It had helped to finance mines in Queensland and Canada while reducing its reliance on NSW mines.

Australia is to send a mission, probably headed by Trade Department secretary, Mr John Menadue, to Japan soon to try to retain Australia's share of the Japanese coal market.

As well as a downturn in the Japanese iron and steel industry, technological advances mean that the same amount of steel can be produced with less coal.

The Japanese economy is diversifying from reliance on basic iron and steel industries toward information and high technology industries.

"All of those factors are impinging on our ability to supply to the Japanese market," Mr Willis said, "particularly from NSW mines, which are more labour-intensive underground mines. The employment consequences of that are substantial."

Mr Willis said his mission would try to find if the Japanese Government and business understood the workings of the Prices and Incomes Accord.

"One of the things we would like to establish while we are here is that the Japanese understand Australian industrial relations have improved very significantly in the last couple of years, and that disputation is now at far lower levels than it has been for the last decade and a half; and that there are good prospects of that much-improved performance being maintained."

The mission was due to have talks today with the Japanese Labour Minister, Mr Misoji Sakamoto, and to meet leaders of trade union organisations in Japan.

Tomorrow, talks are scheduled with the Japanese Prime Minister, Mr Yasuhiro Nakasone.

DAILY WARNS ECONOMY DEPENDS UPON NEW PRODUCT DEVELOPMENT

Brisbane THE COURIER MAIL in English 15 Sep 84 p 51

[Article by Alan Thornhill: "Our Time's Up--Unless We Can Develop Our Products"]

[Text]

AUSTRALIA's time as the lucky country is over.

We must develop new products to sell overseas.

To do that, we will have to set up new factories and extend existing industries into new types of production.

The price of failure would be high. The costs would include more unemployment now — and even higher unemployment in the future.

If Australia does not adapt now to the fundamental changes that are already occurring in world trade patterns, our children could become the first generation of poor whites to inhabit this continent.

The situation is not being ignored. Indeed, many of our best people have spent a great deal of time analysing the situation.

They include the AMP general manager, Alan Coates, the Federal Science and Technology Minister, Barry Jones, and the Treasury chief, John Stone.

If you think that's a mixed bag of deep thinkers — you are probably right. These men probably would not be able to agree on lunch, let alone a coherent economic policy for a critical period.

However, they have all made important contributions to debate on the the single most important economic issue facing Australia. That is how we should adapt to a changing

world, so that our living standards rise and job security is possible in the future.

There have been fundamental changes over the past few years in the economies of our major customers.

The problem is that the things we have been selling overseas do not now have the central place in major overseas economies that they once had.

For decades, Australia's wealth has come mainly from trade in basic commodities such as wheat, wool, iron ore, coal and alumina.

These will still be important in future. But they will not bring in enough money to guarantee full employment.

Australia will have to quickly develop new, higher priced exports as well, if it is to remain rich enough to support the type of industries in which new jobs will be created.

In his Shann Memorial Lecture in Perth recently, Mr Stone noted that world prices for basic commodities, upon which Australia is heavily dependent, are not rising as quickly now as they did after previous recessions.

Mr Stone sees this as an ominous sign for Australia.

Mr Coates is convinced that the new high technology areas, which Mr Jones calls the "sunrise industries", alone will not provide anything like all the

jobs that Australia will need in the future.

He says the broadest possible upgrading of Australian industry is required.

The long period of world recession, which started with the oil shocks of the mid seventies, precipitated a serious deterioration in Australia's labor market which still obsesses most Australians.

What we have all overlooked in the process is that more than 2 million new jobs have appeared in Australia since the so-called "golden years" of the mid-sixties.

However, employment in manufacturing industries declined during that period.

The advancement of new technology certainly contributed to that fall, which saw more than 150,000 factory jobs disappear over the same time.

While he was still in opposition, Mr Jones often complained that local companies were unadventurous in introducing new technologies to their operations.

He complained that Australia's scientists and industrialists did not communicate nearly well enough. He described this

lack of communication as "a dialogue of the deaf".

More recently, Australia's scientists have complained that Mr Jones, has not been able to persuade the Government to devote enough money to basic research in Australia in this year's Budget (a 6.1 percent rise).

Mr Jones himself characteristically provided probably the most colorful explanation of possible opportunities for Australian industry when he explained to an audience in Perth why a small "swampy" country, the Netherlands, was the world's second most important exporter of agricultural produce.

"The Netherlands is number two because it specialises in high value added products — seeds, bulbs, cheeses and a whole variety of horticultural products," Mr Jones said.

Then he chided all Australians, saying: "Our contemporaries measure the value of their exports in grams — we measure ours in tonnes".

His message is clear. We must upgrade the value of our products, wherever possible, before they are sent overseas.

CSO: 4200/47

BUSINESS COUNCIL BACKS TAX RESTRUCTURING

Sydney THE SYDNEY MORNING HERALD in English 15 Sep 84 p 1

[Article by Michael Lawrence: "Retail Tax Gets Business Backing"]

[Text]

CANBERRA: A significant step towards restructuring of the taxation system was taken yesterday with the Business Council of Australia supporting the introduction of a broadly based consumption tax and moving towards endorsing a capital gains tax.

This corresponds with what is believed to be the general approach of the Federal Government, which has sought consensus with the business sector before introducing any detailed proposals on tax reform.

The Federal Government is understood to be considering the implementation of a capital gains tax next year.

The Prime Minister, Mr Hawke, said on Thursday it was "quite clear" the proposal was strongly favoured by sections of the business community.

The business council, which represents most of the country's major public companies, put its views in a submission to the Economic Planning Advisory Council, which met yesterday and welcomed the contents of the submission. EPAC has been instructed by the Government to examine ways of restructuring the taxation system.

Essentially, the business council recommended that a broadly based consumption tax — VAT or similar retail tax — be introduced to replace existing indirect charges and to compensate for the revenue forgone by lower personal income taxes.

It rejected the reintroduction of death, wealth and gift taxes on the

grounds that, within an effective taxation system, they would amount to double taxation.

The general thrust of the BCA's recommendations were to:

- Reduce personal income tax rates to between 20 and 50 per cent.

- Introduce a broadly based consumption tax of between 15-20 per cent to take the place of current charges, including wholesale taxes, payroll tax and other State indirect charges and to collect revenue foregone by lower personal taxes.

- Consider the modification of existing capital gains tax provisions and investigate, within the overall taxation system, the need for a "desirable" form of capital gains taxation.

- Modify the corporate taxation system so the tax burden fell more evenly, and provide an attractive environment to encourage private sector investment. An example of this would be the continuation of the investment allowance.

- Develop a structure which reduced incentives and opportunities for tax evasion and avoidance.

- Provide a comprehensive plan for gaining community understanding of and support for the proposed new system.

Mr Brian Kelman and Mr Alan Coates, two members of the BCA who were criticised earlier this year for their comments about the introduction of a capital gains tax, entered a separate submission

urging EPAC to give the BCA proposals its "fullest consideration".

"We must substantially improve the after-tax rewards for personal and corporate effort as the basis for economic growth," they said.

"We must remove the present inequities and distortions in the tax system which both encourage and facilitate tax avoidance.

"At the same time, it is particularly necessary to ensure that the interests of the small business and the family are fully protected."

The BCA said it would support a broad consumption tax if the higher revenues were matched by reductions in other taxes, particularly personal income and payroll taxes, and if inflationary effects were explicitly discounted in wage negotiations.

The introduction of such a tax would reduce some of the revenues lost under income tax evasion and avoidance.

On projected 1983-84 expenditure patterns, a 10 per cent consumption tax - either VAT or a retail tax - on all items would yield \$10.5 billion. If food items were excluded, it would raise \$8.8 billion.

Existing wholesale taxes could be replaced by a rate of 5 per cent on all items other than food.

The BCA said rates of 15-20 per cent would be required to offset loss of revenue through cuts on other taxes, and it recognised that they might be considered high. However, the council recommended a phasing-in period, during which the consumption tax would increase gradually as other taxes were reduced.

NEW FOREIGN AFFAIRS HEAD TO SEEK ASIA LINKS

Canberra THE AUSTRALIAN in English 17 Sep 84 p 6

[Article by Niki Savva: "Foreign Affairs Head Determined To Plant Us More Firmly In Asia"]

[Text]

THE new head of the Foreign Affairs Department, Professor Stuart Harris, will tread a careful but determined path to expand the department's economic base and plant Australia more firmly in Asia.

Professor Harris is not underestimating the difficulties he faces as the first outsider in 30 years to head the department but showed clearly in an exclusive interview with *The Australian* that a major restructuring of the department is inevitable.

Professor Harris is a quietly spoken man well aware of the ripples caused by his appointment in some sections of the department. He gave the strong impression he did not want to put his new colleagues off side, but there was a firmness in his answers which indicated he would brook no interference from a resentful corps.

"Naturally one recognises that there will be some who would obviously have preferred an internal appointment," Professor Harris said. "On the other hand I have worked with many of the people from the department over the years, both when I was in the Public Service and since then when I was in the university.

"I have always had a very good relationship with them and I have a very high respect for them and for their professionalism and I would

expect that to be reflected in the relationships I have with them."

Professor Harris, who will take up his appointment some time in October, has been director of the Centre for Resource and Environmental Studies at the Australian National University since 1982.

He was deputy secretary of the Overseas Trade Department from 1971 to 1975 and has worked extensively with various advisory committees under both coalition and Labor governments.

Expertise

The top Foreign Affairs job was not one he sought and he is reluctant to go into details about the approach made to him when Mr Peter Henderson announced he would be quitting the post on September 5.

It is known Professor Harris, 53, was asked to apply by the Public Service Board and this has encouraged the view in the department that he was pushed for the job by the board chairman, Dr Peter Wilenski.

Sources strenuously deny this, saying that the Minister for Foreign Affairs, Mr Hayden, found in him the right blend of economic and foreign policy expertise which he believed was necessary to revamp the department.

He was selected from 19 candidates — less than half of them from the department, with the rest from in-

dustry and academia — over the next most senior man after Mr Henderson, the present Ambassador to the United Nations, Mr Richard Woolcott.

Professor Harris says he is obviously very pleased about being chosen and sees it as a challenge.

"We have lived with an international system that was really developed in the early post-war years which tried to separate the economic and political issues," he said.

"Most of our institutions reflect that and much of our thinking has tended to reflect that. That's tending to change in some parts quite rapidly.

"Obviously advice on policy has to reflect those changes and the needs it represents. It's not a job for just one department but for a number of departments.

"The provision of advice on political issues and particularly on the Asian region, where I would expect Australia will increase its emphasis, political and economic issues are going to be closely interrelated.

"How one does that is a question I think I would like to leave until I get closer to the department and understand how they operate in this area."

Recognition

There is no doubt Professor Harris shares Mr Hayden's view that Australia should identify more closely with the Asia-Pacific region.

"I suppose the obvious basis for that is not just that we happen to be in the region though obviously that is very important," he said.

"It also is crucial both in

terms of political relationships and in terms of economic relationships.

"Apart from the very big issues of the superpowers and disarmament, a very large number of issues that are going to crop up in normal working relationships with countries are going to crop up for us in the region.

"It is the area of potential dynamic growth — or actual dynamic growth in the past 10 or 15 years — and continuing potential growth in the future.

He believes Australia is already taking some of the necessary steps such as developing relations with Japan and the announcement in the Budget of support of the Pacific co-operation concept.

"I think just greater understanding of the political and economic issues in the region and a greater recognition of the importance of those in the global system itself," he said when asked how Australia should further capitalise on the dynamism.

"I don't think it's a choice between the global system and the region so much as making sure the region has greater impact on the global system."

Professor Harris has never shirked tough recommendations. He believes he would be failing in his job if he started now.

He doesn't recall being on the committee which recommended the Whitlam Government abolish the superphosphate bounty but stands by another recommendation which led to the 25 per cent across-the-board cut in tariffs.

He is a firm believer in the lowering of trade barriers.

HAWKE TELLS INDUSTRY TO SEEK OPPORTUNITY ABROAD

Perth THE WEST AUSTRALIAN in English 18 Sep 84 p 15

[Text] CANBERRA--Australia's heavy engineering and manufacturing industry must look overseas for work and should not expect Government handouts, according to the Prime Minister, Mr Hawke.

Speaking at a Heavy Engineering Manufacturers' Association dinner in Canberra last night, Mr Hawke said that it was important for Australian industries to develop overseas opportunities, particularly in the Pacific Basin.

"The inward-looking economic policies of earlier governments have tended to shield our industry from the opportunities--as well as the challenges--of the international marketplace," Mr Hawke said.

Detriment

"That has been to our cost and to the detriment of the industry.

"Dynamic growth in the economies to our immediate north and technological advances in communications have created opportunities which we can and must exploit.

"In this way the obvious limitations of a relatively small domestic market can be overcome."

Mr Hawke said it was unfortunate that the heavy-engineering sector was not yet reaping the benefits of the domestic and international economic recovery.

However, higher protection and more public sector spending in heavy engineering would not be the best solution to the problem, he said.

"Such palliatives could have quite the opposite impact to what is intended," he said.

"They would raise costs faced by other industries and the community at large."

Mr Hawke said that the Government had asked the IAC to report on ways to help industry in the short term.

"The industry must now seek off-shore opportunities aggressively," he said.

This, together with the enhanced opportunities provided by an improved domestic economy--as investment picks up in the years ahead--would bring heavy industry to a new stage of achievement, Mr Hawke said.

CSO: 4200/47

COLUMNIST REJECTS ROLE, VALUE OF ANZUS

Melbourne THE AGE in English 20 Sep 84 p 13

[Commentary by Kenneth Davidson: "Reality of the ANZUS Treaty"]

[Text]

FOR the most part, the differences between Mr Santamaria ('The Age' 13/9) and me on defence matters are questions of fact and the logical inferences which can be drawn from those facts, rather than ideological differences, so that dialogue may prove productive.

Neither of us is a passivist. We both believe that Australia should have a defence force sufficiently strong to deter potential enemies and, ideally, we should be self-reliant rather than dependent on allies who may have interests different from Australia's.

The major difference between us which would be difficult to reconcile is that Mr Santamaria is confident that he knows who our potential attacker is, and I don't.

Mr Santamaria is certain that our potential enemy is Russia whose objective is to encircle China, to cut off Japan's lifeline, threaten cities on the West Coast of the US and threaten Australia with nuclear missiles based in Vietnam.

The implication is that Russia's enemies are Australia's allies in the struggle for Australia's survival. It is difficult to refute this argument; it depends on your view of Russian motives.

But I will observe that in the 1960s the immediate threat was the Chinese. Remember the pulsating arrows from China via Vietnam bearing down on Australia, with all the force of gravity provided by the Mercator map

projection?

Has Russia the strength to threaten China, Japan and the US in the Pacific while keeping its Eastern European satellites in check and holding down NATO? I thought Russia was finding it difficult to contain Afghanistan, just as the US was fought to a standstill in Vietnam!

If Australia, together with other countries in the Pacific, is threatened by Russia, then it is in the interests of the US to come to the aid of Australia if it is attacked by Russia or its allies. And this is spelled out in the Guam Doctrine presented by President Nixon in 1971.

If the US sees its interest threatened by an attack or the threat of attack on Australia it will come to Australia's assistance, treaty or no treaty.

I am not trying to destroy ANZUS. I have tried to point out that the treaty is moribund. It is a scrap of paper which the US signed in 1951 to get Australia and New Zealand to agree to the peace treaty with Japan without public fuss. However, the Reagan Administration is now trying to get Japan to re-arm.

Under ANZUS, if one of the parties is attacked or under the threat of attack, "the parties — will consult together ... (and) ... each party ... declares that it would act to meet the common danger in accordance with its constitutional processes".

All ANZUS provides is a veil which hides the fact that Australia

stands in the same relationship with the US as does any other Western country.

And that Australia will be defended by the US if it is in the interests of the US to do so, and those interests will be defined at the time by the Administration of the day, subject to the approval of the Congress of the day.

Taking into account the words of ANZUS, its historical context, and the apparent conflict between what is claimed for ANZUS and the Guam Doctrine, which has not been repudiated by subsequent Presidents, the question must be asked — what is the relevance of ANZUS to Australia's defence?

Unless ANZUS does provide some sort of defensive shield (and I believe a reasonable evaluation of the relevant facts shows that it doesn't), a continuation of a misplaced reliance on the treaty is a major hindrance to serious consideration of how we should defend Australia.

The argument over ANZUS has proceeded far enough for the advocates of ANZUS to provide a defence along the lines that its strategic benefits to Australia (and New Zealand) outweigh the costs, rather than simply to attack the motives of those who claim that ANZUS is irrelevant or even dangerous to Australia's security.

Mr Santamaria argues that Australia should have greater self-reliance, but that is a price which Australians are not prepared to pay.

While the majority of the public still thinks Australia is not capable of being defended except with the help of "great and powerful friends". Strategic analysts agree that Australia lives in a relatively luxurious strategic environment.

Even though Australia has less than one division of troops, no country with the exception of the US, could mount a successful invasion and occupation of Australia.

Mr Santamaria appears to concede this when he says that those who conceive of military threats to Australia as an actual seaborne invasion are "thinking in terms of the 19th and 20th centuries".

Suffice to say that in terms of conventional warfare and the advent of smart weapons, the advantage of defence over attack has been increased and continues to increase for as far ahead as it is

realistic to project the technologies of war.

Once Australia has its 200 harpoon missiles and the sea and air weapons platforms in place, the sea around Australia will be an impregnable moat.

Australia will still face the risk of low-level harassment, but we face that risk alone irrespective of the ANZUS agreement.

Mr Santamaria suggests that Australia's real threat will come from the inevitable "deployment of missiles in South Vietnam".

Given that Vietnam is still an independent communist country, this would suggest that Australia and other opponents of Russian expansionism should try to lessen Vietnamese dependence on Russia by providing development aid.

But why would Russia want to point tactical nuclear weapons at Australia when it already has the capability to point strategic nuclear weapons at Australia, and from within Russia?

Why would the Vietnamese want to make themselves into a potential nuclear target for both the Chinese and the US, because if nuclear weapons could be pointed at Australia from Vietnam they could be quickly pointed in other directions as well.

For what purpose would the Russians want to threaten Australia with nuclear weapons?

The only convincing scenario would be that Australia was threatened because Australia was part of the nuclear alliance threatening Russia.

I assume that Mr Santamaria agrees along with everyone else who has studied the subject of nuclear warfare that Australia is a potential target while it hosts US bases.

Is the risk worth it? Surely this is a question that is worth consideration on a number of different levels apart from cold war rhetoric.

For instance, does the existence of the bases on Australian soil provide any guarantees against a hostile or potentially hostile power in the region, irrespective of the continuing dispute between the superpowers?

I have argued that the bases provide no guarantees, considering the US preference for Indonesia against Australia over West Irian

and East Timor, and the US neutrality when Turkey invaded Cyprus even though Cyprus hosted important NATO facilities.

Even so, Australia has an interest in global peace which is maintained mainly through the putative nuclear deterrence of the two superpowers.

Do the bases contribute to deterrence or to US nuclear war fighting capability? I have argued that the NW Cape, because it no longer communicates with Polaris or Poseidon strategic nuclear submarines, and will not be needed for Trident strategic nuclear submarines, is no longer a part of the US deterrent keeping the nuclear balance.

And, in fact, because it is used to communicate with Hunter-killer submarines, designed to destroy Russian strategic nuclear submarines — and thus the Russian second strike capability designed to deter a US nuclear first strike — it is undermining deterrence and global nuclear stability.

These issues have been raised a number of times over the past year but so far advocates of the alliance and the bases have neither tried to refute the facts, nor the arguments based on the facts, nor to argue that they should be subordinate to other, more important, considerations.

CSO: 4200/47

MERGER OF CHINESE POLITICAL PARTIES PROPOSED

MCA Vice President's Proposal

Kuala Lumpur UTUSAN MALAYSIA in Malay 20 Aug 84 p 3

[Text] Kuala Lumpur, 19 August--Datuk Dr Neo Yee Pan, MCA [Malaysian Chinese Association] vice president, today proposed that Chinese political parties forget their differences and unite into one strong party to support national development in a more meaningful way.

The time has come, he said, for Chinese "to speak with one voice" and to reach agreement on all important issues that are closely related to the future of this country and its people.

"I make this proposal in all sincerity because I believe that if we do not do something in this direction, we shall be abandoned and the Chinese community will have greater problems," he added when speaking at the opening of a seminar on national issues at MCA House here this morning.

About 200 MCL leaders, consisting of members of parliament, state legislative councils and other high offices, attended today's seminar. Issues discussed in the seminar included the national economic situation and its political implications, the targeted 70 million population, the manpower situation, and the history of regional general elections.

In his speech, Datuk Dr Neo also mentioned several incidents in the MCA that caused the influence and power of Chinese to decline.

In addition, Datuk Dr Neo, who is also minister of housing and local government, explained that the unification of Chinese political parties was not to be interpreted as being aimed at seeking confrontation with the parties of other ethnic groups.

"Such an incorrect interpretation should not arise because unification should be viewed in the spirit of cultivating and accelerating national unity.

"Further, it should be remembered that the disunited Chinese political activities in this country make Chinese less able to offer meaningful support to national development," he added.

According to Datuk Dr Neo, the Chinese community now should give serious consideration to the proposal to unite all Chinese political parties in this country and decide on the goals they wish to accomplish.

It is useless, he said, for political parties, established by one ethnic group, to, for instance, voice different opinions on issues and to work for different goals.

"Ideally, all Chinese political parties should forget their differences and unite under one political umbrella so that the mutual interests of the whole Chinese community can be given priority over individual party interests."

He added that this unification would develop stronger cooperation between the two major ethnic groups in the country, namely, Malays and Chinese.

DAP Secretary General Comments

Kuala Lumpur UTUSAN MALAYSIA in Malay 21 Aug 84 p 3

[Excerpts] Petaling Jaya, 20 August--Mr Lim Kit Siang, Secretary general of DAP [Democratic Action Party] today called on MCA to set its own house in order before talking about unifying Chinese political parties in this country.

He said various situations in MCA should be corrected so that the party can obtain solid support from all groups in the Chinese community.

"The MCA leadership and its members must make their party a political party that obtains the blessing and support of Malaysia's Chinese community before it can talk about other problems," he added when asked about the proposal of Datuk Dr Neo Yee Pan, MCA vice president, that Chinese political parties unite to form one party.

Meanwhile, Datin Paduka Rosemary Chong, chairman of the MCA Women's Movement, supported Datuk Dr Neo's proposal because Chinese political parties, by unifying, would be able to offer more meaningful services to the Chinese community in particular and to the country in general.

She said, of course, this is the ideal, and it will take a long time to overcome a number of obstacles and go through many procedures before that proposal becomes fact.

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CSO: 4213/5

MALAYSIA

PRC INVESTMENT PROTECTION GUARANTEE, IMPORTS REVIEWED

Kuala Lumpur BERITA HARIAN in Malay 28 Aug 84 p 16

[Article: "China Guarantees Our Investments Will Be Protected"]

[Text] Kuala Lumpur, Monday [27 August]--The People's Republic of China today guaranteed that any Malaysian investment in that country would be protected against expropriation and all investors could retain total equity in projects agreed upon for that country.

Malaysian investment is protected by the Chinese Investment Guarantee Act.

This guarantee was offered by Mr Lin Hua, the Chinese metallurgical industry vice minister, when he paid a visit to Megat Junit Ayub, vice minister of primary industries, in his office here.

Mr Lin, who heads a high-level trade delegation paying a 1-week's visit to Malaysia, discussed with Megat Junid for over 1 hour, in particular, the export of Malaysian commodities to China.

Megat Junid told reporters that the Chinese government, under its guarantee act, would protect Malaysian investors from expropriation and improper activities of irresponsible parties.

In the discussion, he said China had agreed to import rubber directly from Malaysia if needed, rather than through a third country.

China now imports 40 percent of its rubber from this country, 45 percent from Singapore, and the remainder from various third countries.

Last year China purchased 107,880 metric tons of rubber and as of April of this year, had purchased 37,636 metric tons.

"China has even installed a special official in its embassy here to ensure that all of its purchase arrangements are conducted smoothly and to see that they are increased," Megat Junid explained.

The vice minister added that China was also prepared to purchase even more SMR- [standard Malaysian rubber] grade rubber. Most of the rubber it now

buys is RSS [ribbed smoked rubber], the quality of which is controlled in a traditional manner.

He added that China also noted that it would like to purchase more Malaysian lumber, especially plywood, because demand for this material is increasing in China.

Lumber

China now purchases 7 million square meters of Malaysian lumber each year.

With regard to buying more palm oil, he said China is actively encouraging its people to use palm oil for cooking rather than animal fat.

Although China also grows oil palms, it cannot yet meet domestic demand. Most of its palm oil is used for industrial purposes and not for food," he said.

In the discussion held by the two vice ministers, Malaysia also called on China to participate in the Association of Tin Producing Countries (ATPC) since it also exports that product.

China also hopes Malaysia will send many more trade delegations to that country and is encouraging more local businessmen to have trade relations with it.

Earlier, in Mr Lin Hua's discussion with Mr Oo Gin Sun, vice minister of trade and industry, he said his side was studying the possibility of purchasing "briquetted" pig iron from Malaysia if it finds that this commodity is suitable for use in China.

Mr Oo said China agreed to consider a proposal to buy that commodity if it was found to be suitable for its market.

This commodity is now being exported by the Sabah Gas Industries (SGI) smelter in Labuan.

Reportedly Mr Lin will consider this matter in greater depth after his delegation tours the smelter on Wednesday to obtain more direct information.

Mr Oo added that China also agreed to look into the possibility of importing Australian and Indian iron ore for processing in the smelter in Labuan.

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CSO: 4213/5

MALAYSIA

PRIME MINISTER CRITICIZES JAPAN'S PROTECTIONISM

Kuala Lumpur BERITA HARIAN in Malay 28 Aug 84 p 10

[Editorial: "Japan Must Study the Prime Minister's Comments"]

[Text] Since the Look to the East Policy was launched about 3 years ago, Prime Minister Datuk Seri Dr Mahathir Mohamad has frequently explained to the people of this country the philosophy that lies behind that policy. Nevertheless, some people here, including some devil's advocates, still do not really comprehend the purpose of that policy. Quite a few people still distrust it. So, it is not surprising that some people in this country believe that the policy does not only deify Japan's success but also signifies our surrender to Japan. This policy is also misunderstood in Japan. Some there take advantage of this policy to merely seek profit here.

With this in mind, it was very appropriate for Datuk Seri Dr Mahathir to offer a firm reminder to certain parties in Japan, including the government, that although Malaysia applauds Japan's success, this should not be construed as an indication of surrender to Japan. Moreover, it should not signal that this country can be manipulated. In his speech to the Malaysia-Japan colloquium, given at the invitation of the Malaysian Institute for Strategic and International Studies and the Japanese Foreign Ministry (Gaimusho) here today, the prime minister frankly reminded Japan that there was an imbalance in many aspects of Japanese-Malaysian relations. Malaysia was the loser in almost all instances.

This was most revealing with regard to trade, for the trade balance favors Japan. While Japan sells various sophisticated industrial goods to Malaysia, it consistently buys raw materials and imports a limited amount of Malaysian manufactured goods. There are two ways to solve this problem, the prime minister said. The first is for Malaysia to reduce its imports from Japan, and the second is for Malaysia to continue to import commodities from Japan and at the same time export more Malaysian goods to that country. Malaysia prefers the second solution to this problem.

Nevertheless, the prime minister said, Malaysia's or ASEAN's aspirations would not be achieved if Japan did not become less protective of its market. More precisely, he said, Japan criticizes other advanced countries for

placing various restrictions on their imports of manufactured goods, but the truth of the matter, which is often hidden by Japan, is that it protects its own markets. No one can deny that the Japanese market is one of the most difficult to penetrate because of Japan's protectionist policies. Japan should change its attitude because most of its success in becoming a modern economic power, which it has long enjoyed, is due to the cooperation offered by other countries including developing nations such as Malaysia.

Without the raw materials and the markets of developing nations, which are always open to its exports, Japan could not possibly have advanced to the position it holds now. Japan's policy of emphasizing trade and avoiding political and social responsibility is no longer appropriate. Whether it wanted this position or not, Japan became an important political power because of its economic success. It may no longer seize every commercial opportunity all over the world without returning something to that world. The time has come for Japan to exercise statesmanship in international relations. Japan might begin by taking a new stance in its relations with Malaysia in particular and with ASEAN nations in general. Malaysia might be a suitable place to start because this country has made a special effort to study Japan's experience. As Datuk Seri Dr Mahathir said, Japan has done many things and has established many policies that are self-serving and damaging to Malaysia. Such policies, if continued, may create opposition and fracture relations between Malaysia and Japan. We still remember the promise of Mr Nakasone, the Japanese prime minister, that he himself would take certain measures against Japanese firms that took advantage of Malaysia's Look to the East Policy to maximize their profits without considering the need for friendly relations between the two countries. We hope this promise will not prove to be only empty words.

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CSO: 4213/5

DEIFICATION OF KHOMEYNI CONDEMNED

Kuala Lumpur BERITA HARIAN in Malay 3 Sep 84 p 10

[Editorial: "Deification of Khomeyni Must Be Stopped"]

[Text] The sanctity of Mecca as a place in which Muslims can fulfill their pilgrimage obligation was again defiled when some 150,000 Iranians held an anti-United States, -Russia and -Israel demonstration there yesterday evening [2 September]. It was held about 2 km away from the Kabah and disrupted the inner peace of millions of Muslims who will be fulfilling their pilgrimage obligations on Tuesday [4 September]. Although nothing untoward happened, peace in Mecca clearly was destroyed when the Saudi Arabian government had to turn out thousands of security personnel to control the demonstration.

According to a report from the IRANIAN NEWS AGENCY, Iranians in that demonstration burned effigies symbolic of the United States in a display of hatred toward America. Waving pictures of the leader of the Iranian revolution, Ayatollah Ruhollah Khomeyni, they shouted, "God is great," and called for an Islamic revolution. Although the demonstration was disbanded quietly several meters from the Haram Mosque, the pilgrims were concerned that various deplorable events that had taken place on an earlier occasion would be repeated.

The report from Tripoli which said that Colonel Qadhdhafi knew about a plan to seize the Haram Mosque adds to our concern that something untoward may happen. That report also said that a Libyan pilgrimage aircraft carrying 20 cases of weapons was directed by the Saudi Arabian government to return to Libya. These reports may be connected with the demonstration that was held in Mecca. If this is true, it is clear that the political interests of a certain group connected with the Middle East crisis no longer includes respect for the sanctity of Muslim holy places all over the world.

The sanctity of Mecca, which is extolled by Muslims, has clearly been defiled by a group of Muslims for their own political interests. The pilgrimage obligation which assembles Muslims of various nationalities in Mecca no longer symbolizes the unity of the faithful and has resulted in events that embarrass Muslims themselves. We still remember the 20 November 1979 affair when 200 militants who claimed to be followers of Imam Mahadi tried to take over the

Haram Mosque. Nevertheless, after it was seized, it was learned that this group supported the Iranian revolution. During the pilgrimage season of 2 years ago, 21 supporters of Ayatollah Khomeyni were arrested by the Saudi Arabian government for holding a demonstration there. These events make Muslims less proud of being Muslims because holy places that properly should be respected and taken care of have been used by a group of Muslims for their struggle interests.

It is regrettable that a group which struggles for the Islamic revolution appears to use any means possible to achieve its goal while the steps they take conflict with the precepts of Allah and are condemned by Muslims themselves. Why has this group used Mecca as a place in which to give vent to their anti-America, -Russia and -Zionist Israel hatred when these countries will only applaud their conduct? Is this group, which reportedly struggles for Islam, not aware that this pilgrimage season should be used to perform good works and not acts that may destroy the faith and unity of the faithful? It is no longer believable that what happened was an emotional outburst based on excessive deification of the Iranian revolution and Ayatollah Khomeyni.

Actually the deification of the Ayatollah has engrossed a certain group of Muslims in this country. A number of our pilgrims were repatriated last year because they carried pictures of Ayatollah Khomeyni to Mecca. Pictures of the Iranian leader have also been hung in homes and in the offices of certain groups of Muslims here. Pilgrimage sermons have even been used to revere the Ayatollah as happened in Kelantan several months ago. These things must be viewed with concern by all Muslims in this country because it proves that Muslims themselves can be destroyed. The steps the government has taken to prevent this influence from spreading should not be interpreted as being incorrect because the government's aim is to maintain the security and welfare of the people.

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CSO: 4213/5

MALAYSIA

BRIEFS

NO RELIGIOUS PARTY NAMES--Melaka, 17 August [BERNAMA]--Datuk Sri Abdul Rahim Tamby Chik, chief minister of Melaka, today recommended that the central government prohibit political parties from using names that indicate religious affiliation. He explained that by using such names, parties could be readily taken over, bad reactions could be created, and the parties could depart from many of the principles taught by religion. He also explained that those who adhere to that religion, especially those who live outside urban areas, would fall prey to such deviation, and a negative image of religion, especially the Islamic religion, would also be created. Datuk Sri Abdul Rahim made these statements when inaugurating the village complex in Tampoi, some 12 km from Melaka. It was learned, he said, that parties that had incorporated the word Islam in their names were by nature those that opposed Allah, the Tradition, Sunnites, and anything that was related to the religion of Islam. [Text]
[Kuala Lumpur UTUSAN MALAYSIA in Malay 18 Aug 84 p 1] 6804

CSO: 4213/5

LANGE CARRIES ANTINUCLEAR ARGUMENT TO UN GENERAL ASSEMBLY

U.S. Alliance Reaffirmed

Auckland THE NEW ZEALAND HERALD in English 25 Sep 84 p 1

[Article by Tony Verdon]

[Text]

New York

The Prime Minister, Mr Lange, confronts the nuclear ship ban issue in New York today, determined that New Zealand's relationship with the United States will grow despite the row.

Mr Lange will today meet the American Secretary of State, Mr Schultz, to discuss the vexed nuclear ship issue, having undergone a series of intense briefing sessions.

In a speech prepared for delivery to the Foreign Policy Association in New York, Mr Lange says New Zealand will not turn its back on long-standing friendships "because of our nuclear policies."

New Zealand wants nothing to do with nuclear weapons and Mr Lange says he does not believe any apology is needed for that.

Broaden

"Our alliance with the United States is a factor in our assessment of our interests. It will take time to work out exactly what our interests require. We are a firm ally. We shall remain a firm ally.

"We shall continue to support western positions in the East-West conflict. I

commit my Government to that.

"I am convinced the relationship between New Zealand and the United States will broaden and deepen in the years ahead," he said.

Mr Lange arrived in New York last night to find New Zealand at the centre of much attention.

Victory

The Te Maori exhibition at the Metropolitan Museum of Art has been widely covered by the major newspapers and television channels.

John Walker's victory in the Fifth Avenue mile over the weekend was also given lengthy coverage on television and in newspapers, while one up-market Manhattan restaurant is featuring a New Zealand menu this month.

While in New York Mr Lange will meet the foreign ministers of all five major nuclear powers at the opening session of the United Nations General Assembly.

"The relationship between New Zealand and the United States has spanned the last one and a half centuries and it will be my concern to see that the fundamentals of our relationship grow," said Mr Lange.

Later today Mr Lange is expected to confirm the appointment of the former Prime Minister, Sir Wallace Rowling, as the next New Zealand ambassador to Washington.

Sir Wallace is one of the key architects of the Labour Party's controversial ban on visits by nuclear vessels.

His experience is, ex-

pected to help the Government to find its way through the present impasse over the ban on nuclear ships.

Sir Wallace is expected to replace the present ambassador, Sir Lancelot Adam-Schneider, in Washington before the end of the year.

Mr Lange, who last night spoke to Sir Lancelot was also briefed by New Zealand's permanent representative at the United Nations, Mr Bryce Harland.

UN Address

Wellington THE EVENING POST in English 26 Sep 84 p 1

[Article by Hugh Nevill]

[Text]

NEW YORK, Sept 25. — The Prime Minister, Mr Lange, made an impassioned plea at the United Nations today for reduction of nuclear weapons — but did not refer to the Government's ban on nuclear-powered or armed warships.

In the great domed General Assembly hall beside the East River, the Prime Minister described the Anzus Treaty as having been for 33 years "a central feature of the foreign and defence policies of successive New Zealand Governments, including my own."

Above Mr Lange in the General Assembly hall was the UN map — a unique polar projection which puts New Zealand right up the top, instead of down under.

Mr Lange said New Zealand was fortunate enough to live in a region that constituted a pocket of tranquillity in a deeply divided and troubled world.

"... We are nobody's client... In 1984 no other country has New Zealand in its sights," Mr Lange said.

But New Zealanders were alarmed at the continuing build-up in nuclear arsenals because they

could see no sense in it, he said. "How does it make sense continually to augment and refine an existing capacity to make the rubble bounce, and bounce, and bounce again?"

Frustration

"New Zealanders have felt deepening frustration at the inability of the states that hold nuclear weapons, in particular the two super-powers, to agree on practical measures to halt and reverse the process of building more and 'better' nuclear weapons."

New Zealanders, like other people round the world, had known for a long time that the possibility of nuclear war was a terrible and frightening one, but they had previously not supposed that direct physical consequences of a nuclear war would be overwhelming for them, Mr Lange said.

"Within the last year or so New Zealanders have been told that even this last

tattered shred of reassurance is probably no longer available.

"Reputable scientists from East and West have told us that the global, climatic and long-term biological consequences of a nuclear war would be much more severe than had been previously thought," Mr Lange said.

"The scientists have told us that nuclear war in the north may generate a nuclear winter in the south as well. They have gone further and advised us that there is a possibility of the self-inflicted extinction of the human species."

Nuclear war could flow from a mistake, miscalculation or accident as well as from a deliberate, if irrational, act, Mr Lange said.

"This is a truly appalling state of affairs. Refinements or modifications of the predictions which the scientists have made about the consequences of nuclear war may be made as a

result of further work. But they will concern only the exact range of utter disaster."

Mr Lange urged the Soviet Union to "respond positively" to the United States invitation to resume key bilateral arms control talks.

"My Government hopes that the two superpowers will take a long hard look at the course of developments in the nuclear arms race," he said. "It is clearly in their own interests and in the interests of all of us to make a new and very much more determined attempt to reach agreements that will enable them to change direction."

The Prime Minister also asked the Soviet Union to reflect on the fact that many countries — New Zealand included — had the greatest difficulty understanding its reluctance to take part in arms control negotiations with the US.

He pointed out, too, that New Zealand had for many years argued the case for a comprehensive test ban treaty, and said the New Zealand UN delegation would again co-sponsor a resolution seeking to encourage and speed up such a treaty — a measure that did not stem solely from the fact that, despite repeated pleas, one state (France) continued to test weapons in the South Pacific.

"We see a prohibition on the testing of nuclear weapons by any country in any environment as a critical first step in halting and then turning back the arms race," he said.

The Prime Minister described the South Pacific Forum proposal for a nuclear-free zone in the South Pacific as a major advance for the region.

"It would not, we know, spare us from the consequences of nuclear war but, when in place, it will significantly strengthen the existing measures, both global and regional, to prevent the spread of nuclear weapons.

"It will also, I believe, convey a clear signal that South Pacific countries do not want their region to become an arena for rivalry involving nuclear weapons."

New Zealand and the other countries of the region expected the nuclear weapon states to co-operate with them to ensure the zone became a reality, he said.

Mr Lange said he believed the French Government had made a "clear and irreversible commitment" to self-determination for New Caledonia and hoped that a group of South Pacific Forum countries, New Zealand among them, would be able to talk to the leaders of the independence front and to the French Government.

Apartheid

On South Africa, the Prime Minister said there was not the slightest indication that the Government was ready to share power with the black majority or that it was willing to dismantle apartheid. "The essence of the system is unchanged," he said.

In a reference to the Government's decision to close down the South African Consulate in Wellington (the consul-general was withdrawn by Pretoria before the decision could take effect), he added: "The South Africans have already learned that my Government will not compromise with a system that rejects those values."

Wellington THE EVENING POST in English 26 Sep 84 p 1

[Article by Hugh Nevill: "Weapons Entry the Bottom Line..."]

[Text] **NEW YORK, Sept 25. —** The Government's "fundamental bottom line" on negotiations over port calls by US warships was that "we are not going to have nuclear weapons in New Zealand," the Prime Minister, Mr Lange, today.

"I think that is a bottom line that is certainly not up for grabs," he said after speaking at the UN General Assembly.

The abhorrence which New Zealand felt was to nuclear weaponry — an emphasis on nuclear weapons rather than propulsion, Mr Lange said.

"For New Zealanders it has become a very mainstream Presbyterian church conservative issue. It is an issue which strikes now at the conscience of hometown New Zealand."

Mr Lange rejected any suggestion of private warnings to New Zealand that the administration might link the issue with trade access.

It was only people with sectional or agricultural interests who had been sending out signals that "if you don't fall in with the conventional position of the United States as far as nuclear vessels and nuclear weaponry are concerned, then you can expect to be done over," he said.

US Secretary of State George Shultz had reinforced the view that that was not the position of the administration, and US officials had assured the Government that Washington would not use economic levers as some sort of sanction against New Zealand to secure a change in policy, Mr Lange said.

"It is not the conviction of the New Zealand Government that the United States operates as, say, a gang would . . . it is responsible and it does not confuse the moral argument concerning defence with the economic arguments including trade access."

Asked if he was optimistic after his talks yesterday with Mr Shultz on whether agreement would be reached on port calls, and his opinion of the chances of the survival of Anzus, the Prime Minister said that "we should not be lured into thinking that Anzus was that which brought us together."

The association between New Zealand and the United States went back 150 years, he pointed out.

"A third of a century ago it was reduced to a fairly non-specific contract that related to defence matters.

"I am hopeful that we can actually work it through. I, however, do not want you to take that as an indication that we propose to surrender on the principles that attended our election as a government and principles which we as a party hold dear.

"But if in the end one or more parties decide that the pledge to renegotiate, which Australia sought, and which we have been offered by the United States, means that that phase of our defence relationship ends, then that is not going to strike at the heart of the New Zealand-US relationship.

"Having said that, which is the bottom line, I have to say that I don't think we will reach the bottom line.

"I think we will be able to work it through, and I have, consistent with that, agreed once more that we will receive from the United States a schedule of their wishes with respect to ship visits.

"We will consider them, we will debate them within the Government, we will make our responses, and then we'll see if we can work it through.

"But I don't see anything to get excited about. I don't see any threat from the United States. And I think the United States knows that trade is a two-way street."

The Australian Foreign Minister, Mr Bill Hayden, is reported to have said in New York yesterday that he would not be an "errand boy" for the United States in its dispute with New Zealand over port calls.

Mr Lange said today he appreciated the assurances

given by Mr Hayden and said there had been "no element of heavying or messaging or errand-boying at all," although Australia had been careful to state its own position.

He was grateful, he added, that the Australian Government did not propose to interfere.

Remarks Following Shultz Meeting

Christchurch THE PRESS in English 26 Sep 84 p 1

[Text] New York--The A.N.Z.U.S. Ministerial meeting next July in Canberra could determine whether New Zealand remains in the defence alliance.

The Prime Minister, Mr Lange, said after talks with the United States Secretary of State, Mr George Shultz, yesterday that the United States would request ship visits in December.

"The schedule will be considered by my Government and there will be further discussions with the United States," Mr Lange said.

The next step would be to see how consistent the requests were with New Zealand Government policy.

"We must by the July A.N.Z.U.S. (Ministerial) council meeting have a firm position for a complete understanding of what role maritime forces will play in the defence of New Zealand pursuant to that alliance."

It was reasonable to assume the United States might demand a "yes" or "no" from New Zealand on remaining within A.N.Z.U.S., Mr Lange said.

"I don't regard that as an act of aggression. I regard that as a perfectly acceptable piece of inter-Governmental understanding.

"But I was also able to say to the Secretary of State that we are co-operating with the United States in the peace-keeping force

in the Middle East; that we have, as they would understand, a contribution to make in terms of regional security, with the deployment of personnel in Singapore.

"We are the hosts right now of a military exercise called Triad '84 and I communicated to the Secretary of State that the concern of the New Zealand people was an abhorrence of nuclear weaponry, a concern that our country should become some part of a theatre of nuclear warfare that we wanted no part of," Mr Lange said.

Both American and New Zealand sources said they regarded the Canberra A.N.Z.U.S. meeting as the crunch point, the last moment for New Zealand to decide whether it is in or out.

The treaty has no mechanism for expelling any one of the three partners, so that if New Zealand digs its toes in the United States would have to negotiate a separate treaty with Australia.

That could be equally complicated because New York sources say that in spite of the support by the Australian Prime

Minister, Mr Hawke, for A.N.Z.U.S., the Foreign Minister, Mr Hayden, has shown considerable -- though very private -- sympathy for the New Zealand position, and that a break-up of A.N.Z.U.S. could lead to a full-scale debate in Australia which could go either way.

This is one scenario feared by the United States Administration. The other, freely admitted by United States officials, is that such countries as the Netherlands and West Germany, both with strong peace movements, might take advantage of New Zealand's lead to reject placement of United States missiles on their soil.

China will respect a verified nuclear-free zone in the South Pacific, the Chinese Foreign Minister, Wu Xueqian, told Mr Lange yesterday.

Mr Wu said China would hold consultations to ensure that it was an agreed zone and, once satisfied, would "certainly observe the terms of it," although he would not expect China itself to be a negotiating partner in such a zone, Mr Lange said.

Gromyko Assurance

Christchurch THE PRESS in English 27 Sep 84 p 1

[Text] New York--The Prime Minister, Mr Lange, won an assurance from the Soviet Foreign Minister, Mr Andrei Gromyko, in New York yesterday that the Soviet Union would "more than likely" honour a South Pacific nuclear-free zone.

Mr Lange also spelt out his "bottom line" on port calls to New Zealand by nuclear-powered or nuclear-armed warships.

"We are not going to have nuclear weapons in New Zealand," he said.

Mr Lange added, "I think we are going to be able to work it through" (with the United States).

Mr Lange also addressed the General Assembly yesterday. His 35-minute speech was mainly a plea for reduction of nuclear arms.

Mr Lange breakfasted with the British Foreign Secretary, Sir Geoffrey Howe, with whom he discussed visits by Royal Navy warships and European threats to dump dairy produce in third markets in which New Zealand sells.

Sir Geoffrey promised support on the dairy issue, he said, and there was an underlying assumption that Britain hoped the port calls issue would be resolved.

On port calls, Mr Lange pointed out that the Government's policy applied to the Royal Navy as well as the United States Navy.

Mr Gromyko had said he believed the United States was "coming to its senses" on disarmament, said Mr Lange, after their meeting at the Soviet mission to the United Nations.

The comment by the veteran Soviet diplomat, aged 75, who has been Foreign Minister since 1957, came just a day after a conciliatory speech by President Reagan to the General Assembly.

Mr Gromyko apparently made the same point in other talks yesterday. He will address the General Assembly today.

Mr Lange said that "we

will need to consider" the impact of the remark.

He said it clearly signalled a conviction in the Soviet Union that the conciliatory remarks of President Reagan ought to be treated at present as designed for domestic fulfilment, but that it would be possible after the American Presidential election to work more positively towards disarmament.

Mr Lange said that when he asked for an assurance that the Soviet Union would respect the South Pacific nuclear-free zone once it was established, Mr Gromyko's reply was that when the terms of the treaty were finalised the Soviet Union would be sympathetic to it and would more than likely honour it, he said.

Mr Lange said he told Mr Gromyko he was pleased at the resumption of ambassadorial representation between New Zealand and the Soviet Union, but that the relationship between the countries was limited, considering the Soviet occupation of Afghanistan.

"That did not draw a specific response," he said.

Mr Lange said he told Mr Gromyko that New Zealand needed to see a real move towards mutual disarmament talks between the two super-Powers.

Mr Gromyko's response initially was a pessimistic one, he said.

"I put it to him in fact what we wanted from New Zealand's point of view was a very much more positive approach to this element. He responded eventually to that by saying that he thought that the United States was coming to its senses."

Mr Lange said he was pleased to have put forward New Zealand's reservations about Afghanistan and the Government's concern to see real progress on disarmament.

"I was not able to be assured by his response in the immediate term," he said.

He said he did not know enough about international diplomacy to interpret signals with great subtlety, but that he thought Mr Gromyko's remark about President Reagan's speech to be a way of saying there was a sufficiently large olive branch being waved about -- "I actually thought it was about the size of a palm tree, sitting in the General Assembly" -- for the Soviet Union not to end up "diplomatically egged on face by now resuming talks."

Mr Lange also met yesterday the Argentine president, Mr Raul Alfonsin, and a number of United Nations officials.

Today he will meet the Foreign Ministers of France, Australia, Japan, India, Sweden, and Tanzania and will lunch with the editors of the "New York Times."

In Wellington, a spokesman for the Ministry of Foreign Affairs said it was thought that the last formal meeting between a New Zealand Prime Minister and a Soviet Foreign Minister was during the second Labour Government when Sir Walter Nash visited the Soviet Union.

However, the spokesman could not rule out subsequent informal meetings having taken place, possibly at the United Nations.

EDITORIAL REAFFIRMS ANZUS TIES, U.S. FRIENDSHIP

Wellington THE EVENING POST in English 26 Sep 84 p 6

[Editorial: "Anti-Nuclear Not Anti-American"]

[Text] THERE MUST BE increasing concern in the community that a widespread anti-nuclear sentiment in this country is being rapidly manoeuvred into out-right anti-Americanism.

The Labour Government came to power with a mandate to remain in Anzus but to ask the United States not to make visits here with nuclear ships. Whether in fact one can have an alliance in which a partner's fleet is not welcome is a major philosophical question. But what must be remembered is, as Mr Trevor de Cleene has just said, that Labour's policy of remaining in Anzus could not be renegotiated--at least by New Zealand--before the voters have their say in another election.

Yet demonstrations outside the Harewood Base in Christchurch and the Tangimoana station this weekend could only be seen as direct expressions of anti-Americanism.

Neither establishment has anything to do with the nuclear arms issue.

Anyone capable of hiring a bus to take demonstrators to Tangimoana and Harewood is capable of making a distinction between strategic and non-strategic bases. The assumption must be made that a deliberate campaign of misinformation is going on.

Mr de Cleene has spoken just in time because much of the chorus of protest coming out of the Government ranks suggests that some members want us out of Anzus as fast as possible, in spite of the Prime Minister, Mr Lange, saying he is not anti-Anzus and not anti-American but anti-nuclear.

Few people it seems are prepared to say anything nasty about Mr Lange. But whether he should have taken the Foreign Affairs portfolio, which requires him to be out of the country for long periods, is a moot question. He is intelligent, well educated and witty and New Zealanders are unlikely to find such an agreeable leader for a long time.

Yet much of what went on this weekend suggests there are members of his own party who are indifferent to his survival.

Our foreign policy seems to be being dictated by internal forces warring in the Labour Party rather than by a considered view of New Zealand's interests.

Government members owe it to their leader and their country to bridle their tongues. The electorate could be unforgiving if members of the Labour Government appear to be endorsing a view that there is little to choose between the Soviet Union and America. To have Russia's sour tyranny regarded as just another side of the superpower coin is a propaganda triumph for the Soviets.

Government members should state what side they are on. Already some people are wondering what institutions can be trusted. This concern lay behind some Wellingtonians' complaints that the excellent docu-drama "Threads" screened on Sunday television was timed to go to air to increase a sense of anti-Americanism just as Mr Lange was due to meet with the American Secretary of State, Mr George Shultz.

The docu-drama deserved to be shown. It was informative and a timely reminder that in our present desperately dangerous situation a nuclear war could start anywhere.

It was, however, notable that the Soviet Embassy told the "Post" that it would be "a lot of trouble" to ring Moscow to check if the docu-drama is to be screened there. We know that such a closed society would be unlikely to expose its people to the programme because public opinion is not a factor that the Soviets care to take much into account.

Democracy there, as Premier Khrushchev once said, is seen as "a mere counting of heads." Yet in America we have just seen President Reagan respond to election pressures to meet with the Soviets.

New Zealanders should ponder on which side they prefer to be counted.

CSO: 4200/42

MULDOON: LANGE TAKES U.S. CONCERN FAR TOO LIGHTLY

Wellington THE EVENING POST in English 26 Sep 84 p 5

[Text] The Prime Minister, Mr Lange, is taking "far too lightly" American worry at New Zealand's stand on nuclear ship visits, according to the Leader of the Opposition, Sir Robert Muldoon.

Just back from Washington, Sir Robert yesterday said there was, "very real concern among our friends in the United States that what they used to say-- 'New Zealand is our closest friend and ally'--they can no longer say."

Congressmen prepared to support New Zealand against local protectionist lobbies could not longer be expected to do so, said Sir Robert.

"That's where we are in great trouble," he said.

No overt action against our trade interests was likely, he said, but the anti-nuclear stand would have an impact on support for New Zealand.

"New Zealand's name is known in the US for this anti-nuclear, anti-Anzus thing --it has hit headlines..."

European governments were also concerned at the impact New Zealand's stand would have on their own peace movements, and, said Sir Robert, sending the deputy Minister of Foreign Affairs Mr O'Flynn to Europe showed a lack of wisdom by the Labour Government.

Sir Robert said he would not disclose which members of congress he had spoken to in Washington but did comment on the hard-line stance of Congressman Stephen Solarz, chairman of the subcommittee on Asian and Pacific affairs, who visited New Zealand just days before the election.

"He is a tough guy," said Sir Robert. "He's recognised as a liberal democrat but on this issue he's a tough guy."

Mr Solarz, said Sir Robert, advocated the US establish a bilateral treaty with Australia--if New Zealand enforced its nuclear ship ban.

Sir Robert agreed the pressure would be on New Zealand when the US presents its usual timetable for ship visits in December this year.

"My belief is that Mr Lange is giving a hostage to the Left wing of the Labour Party and the Left wing of the parliamentary Labour Party.

"He has taken these bad decisions in the economic field which he can't reverse, and we know that Mr Anderton and his friends are opposed to them and we know that formal Labour Party policy prior to the election was opposed to the devaluation.

"He can't reverse that and he is now giving them a hostage in this area [ship visits] and indeed in compulsory unionism hoping that it might save his hide on the economic side."

CSO: 4200/42

NEW ENVOY TO U.S. UNDERSCORES IMPORTANCE OF LINKS

Wellington THE EVENING POST in English 26 Sep 84 p 4

[Text] Sir Wallace Rowling has been confirmed as New Zealand's next ambassador to the United States. His appointment was announced by Prime Minister David Lange in New York.

Sir Wallace will replace Sir Lancelot Adams-Schneider, who will return to New Zealand in November.

Mr Lange said in a statement made available here that Sir Wallace had travelled extensively as a former Prime Minister and Leader of the Opposition and was well known and highly regarded by world leaders.

"Washington is a key post for New Zealand and right now, with a number of sensitive issues under negotiation, our ambassador there needs to be someone with a sound grasp of New Zealand foreign policy and a good appreciation of this Government's principles," he said.

"With his wide experience in trade, agriculture and finance, and as a former Minister of Foreign Affairs and leader of the Labour Party, Bill Rowling is ideally suited to represent New Zealand's interest.

"Beyond that, he has all the personal qualities necessary to acquit himself well in the Washington environment."

Mr Lange said Sir Wallace was the first former Prime Minister to represent New Zealand in an overseas post.

"This underscores the importance New Zealand attaches to maintaining our warm and close links with the United States."

Sir Wallace said he would take over as New Zealand's ambassador to the United States confident that the two countries can reach an amicable understanding over the nuclear ship ban.

"The two Governments have different standpoints on the nuclear issue, but have many more points of common interest," he said.

"I am confident we can work the matter through without New Zealand weakening its position by bringing the Americans to understand why we feel so strongly about this," he said.

Sir Wallace said negotiations in the immediate future were clearly going to be delicate but he relished the prospect of being at "the sharp end" of those discussions.

"I feel very much part of the Government's strong anti-nuclear stance," he said.

Sir Wallace said his tenure as Minister of Foreign Affairs in the 1972-75 Labour Government meant that he would feel comfortable in the diplomatic arena.

Sir Wallace also envisages few problems adapting to an American lifestyle. "I lived in Seattle in 1955-56 as a Fulbright Scholar and felt comfortable there.

"If I was to go overseas, Washington was definitely the post of my choice," he said.

Both Government and Opposition MPs in Parliament applauded when told of Sir Wallace's appointment.

The new Labour MP for Sir Wallace's former electorate of Tasman, Mr Ken Shirley, referred to the appointment during his maiden address in the address-in-reply debate.

He congratulated Sir Wallace and Lady Rowling "in the certain knowledge that the many sensitive issues between the people of New Zealand and our friends in the United States of America will be represented in the best way possible by a person whom this country respects, trust and admires."

CSO: 4200/42

AGRICULTURE OFFICIAL ON LABOR BELIEF IN MARKET REGULATION

Christchurch THE PRESS in English 26 Sep 84 p 3

[Text]

Wellington regulation of the marketplace.

The Labour Government believes in marketplace regulation and intervention, says the Under-Secretary of Agriculture, Mr Butcher.

Mr Butcher, the member of Parliament for Hastings, told the annual conference of the Fruitgrowers' Federation in Wellington that markets tended to make the rich and powerful richer and more powerful.

"The present Government is one that believes in intervention in marketplaces to restore equality," he said.

"Similarly, the Government is one that believes in

regulations are useful to reduce the power of the too powerful, and to enhance the freedom of the less powerful."

Mr Butcher said marketplaces worked according to the rule that the user paid and the buyer must beware.

However, he said that "anomalous results" could be produced if intervention and regulation were not designed to follow other rules.

An example of such an anomaly was the windfall profit to bankers arising from the National Government's interest-rate regulations.

"(The controls) also considerably reduced interest bills for large companies with big overdrafts and made black-market money dearer for the small borrower and the powerless," he said.

Mr Butcher said the Apple and Pear Board represented a successful means of regulation.

"In the best part of 40 years, this board has operated in the marketplace with what can only be described as phenomenal success in recent years, designed to achieve collectively what could not be achieved by individual growers," he said.

CSO: 4200/42

LONDON BANKER REASSURING ON NEW ZEALAND CREDIT

Auckland THE NEW ZEALAND HERALD in English 25 Sep 84 p 4

[Text] A leading London merchant banker, Mr Anthony Brooke, says New Zealanders have created their own problems in raising overseas loans by being too critical of the country's debt.

Mr Brooke, an executive director of S. G. Warburg and Co, is in New Zealand with a British trade mission led by another director of the company, Lord Jellicoe.

He said he was struck by how "hypercritical" New Zealanders were of the overseas debt.

"It is very good self-discipline," he said.

"But you take yourselves down, with the result that some bankers, when they come here, start questioning it.

"It [the overseas debt] is high. But it is not out of control."

Mr Brooke said he personally felt the New York agency Standard and Poors had been "precipitate" when it downgraded New Zealand's credit rating from "triple A" to "double A plus" last year.

"All countries go through peaks and troughs," he said.

"New Zealand was going through a trough when they arbitrarily decided to change its credit rating.

"I do not think it will be justified in a year's time."

Mr Brooke said New Zealand's rating had been adjusted as part of a general reassessment of loan risks

which had seen the number of triple-A-rated private companies cut from more than 20 to less than 10 in the past three years.

But in spite of a superficially higher level of debt for each head of population, New Zealand's case was quite different from that of countries having trouble meeting loan repayments, such as Argentina.

Much of New Zealand's debt had been raised to finance major projects to develop local resources, whereas Argentina had borrowed purely to pay for local consumption.

"Argentina is self-sufficient in food and other resources. It is an outrage that it needs to borrow overseas at all," Mr Brooke said.

"You are not self-sufficient. You have to export to survive. They do not."

Mr Brooke said New Zealand had a tremendous capacity to borrow more overseas at terms which would continue to be exceptional, reflecting the country's political stability and its long record of never defaulting on a loan.

Only a few resource-rich countries such as Australia could command "marginally better terms" in the loan markets.

nally better terms" in the loan markets.

"The one thing New Zealanders should understand is that their overseas debt has been managed extremely intelligently, professionally and predictably, and bankers do not like shocks."

Mr Brooke said New Zealand's \$US1.5 billion (\$3 billion) standby loan now being raised in London was extremely finely and fairly priced, and would go very well.

He conceded that the record amount of the loan was greater than the \$2038 million which the Treasury forecast to the new Government in July that New Zealand would need to borrow in the rest of this financial year.

But that was simply a matter of prudence, and the loan was only a standby facility which New Zealand did not have to draw if it did not need it, he said.

Another member of the mission, Mr Norman Jones, the deputy chairman of Lloyds Bank International, also said he did not envisage any problem in raising the money.

DEFENSE MINISTER'S REMARKS CRITICIZED AS OUT OF STEP

Coordination Briefing Scheduled

Wellington THE EVENING POST in English 25 Sep 84 p 3

[Article by Tony Garnier: "A Stitch in Time for O'Flynn?"]

[Text]

The Prime Minister, Mr Lange, and the Minister of Defence, Mr O'Flynn, will hold meetings in London later this week in a bid by the Government to get important foreign affairs issues played with a single tune.

Indicating this today, an obviously concerned Government source said the London "briefings" planned for Mr O'Flynn were considered important in the wake of comments by him in Parliament last week that New Zealand could adequately defend itself.

Indeed, it was suggested that in terms of the long-term credibility of the fourth Labour Government, the briefing of Mr O'Flynn could be a most important item for him on the three-week overseas trip on which he leaves tonight.

Although the Labour cabinet has been in office barely two months, there is already open talk within Parliament's lobby of Mr O'Flynn, 66, becoming a liability to the Government.

Longer-serving Labour MPs are especially sensitive when the subject of Mr O'Flynn's comments are raised.

They recall all too easily that it was communication hiccups of a similar kind which helped severely undermine the credibility of the third Labour Government, 1972-75.

As the source put it when confirming plans to brief Mr O'Flynn in London, it was hoped that "a stitch in time would save nine," at a later date.

Not first

The comments in Parliament were not the first time Mr O'Flynn has produced red faces in the ranks of the new Government.

At a diplomatic function recently, he misnamed the country he was toasting.

And other communication "hiccups" have included:

- Mr O'Flynn moving to have foreign affairs remits debated in committee at the party's annual conference, but Mr Lange later conceding it possibly had not helped.
- Mr O'Flynn saying that the Triad defence exercise next month in which the United States will be involved, had to proceed, because planning under the previous Government made it too difficult to stop, while Mr Lange said the government could have called the exercise off but had not, which was proof of New Zealand's commitment to Anzus.
- Whether it was necessary for Mr O'Flynn to make an extensive tour of Europe at the same time that Mr Lange and the Minister of Overseas Trade, Mr Moore, were also in Europe.

Yesterday, the Acting Prime Minister, Mr Palmer, confirmed that the United States had expressed concern at Mr O'Flynn's statement in Parliament last week.

PM informed

However, Mr Palmer declined to comment further, other than to note that Mr Lange had been informed.

Mr O'Flynn told Parliament that New Zealand should be concerned with defending itself rather than becoming involved in regional and global defence pacts. He made a case for avoiding involvement in the military operations of traditional allies such as the United States and Britain, and said: "I think this country can adequately defend itself."

At which point, Hansard, the official record of the debate, records the Government MP for Whangarei, Mr John Banks, interjecting: "Ha! Ha!"

Mr O'Flynn's comments appear to have become popular reading. Extra copies of the Hansard report have been run off, and the "Post" understands that a number of embassies around town have sought out copies.

Mr O'Flynn's three-week trip will take him to the United States, England, West Germany, France, Holland, Denmark, Ireland, Italy and the Vatican, back to the United States, and end with three days in Hawaii.

He returns to Wellington on October 19.

During the tour, Mr O'Flynn will call on agriculture, economic and foreign affairs ministers of the European nations, although the itinerary had not been finalised today.

Relaxed

It was clear the timetable would not be as packed and rushed as is traditional when ministers go to Eu-

rope to defend New Zealand's market access. The "Post" was told this more leisurely approach was done deliberately.

For example, it was pointed out it was the first time a minister had spent more than a day in countries such as Ireland and West Germany.

In Ireland, the itinerary includes a day "in and around Dublin," to quote his itinerary.

It was intended that Mr O'Flynn, who is of Irish ancestry, would hopefully get across the message that New Zealand's interest in Ireland extended beyond just dairy matters. There was in fact a strong cultural tie, and New Zealand was interested in a deeper relationship.

Also, while Mr Lange and Mr Moore were making calls at the top end of the political Christmas tree, there was value in having a minister such as Mr O'Flynn calling on people at a lower level.

This showed New Zealand's interest in having deeper relationships with countries, it was suggested.

Also, Mr O'Flynn would make calls on New Zealanders abroad, including briefing gatherings of New Zealand diplomats in Europe and the Middle East, who had been called together to London and Rome respectively.

In Los Angeles, for example, Mr O'Flynn is to address a group called "the New Zealand Connection," which includes many prominent business people, and intends outlining the aims and objectives of the new Government.

Lange's 'Bargaining Position' Undercut

Wellington THE EVENING POST in English 25 Sep 84 p 6

[Editorial: "Jumping Into a Delicate Issue"]

[Text]

THE PRIME MINISTER, Mr Lange, is right in saying that the debate on Anzus and nuclear issues is becoming undisciplined.

Instead of blaming the news media though, Mr Lange need look no further than to his own party, and in particular, his own Minister of Defence and Deputy Minister of Foreign Affairs, Mr O'Flynn.

When such a minister speaks in Parliament during a debate on a private member's bill which would ban nuclear ships and weapons from New Zealand he could be expected

to speak with authority and the backing of government policy.

Mr O'Flynn told the house that he thought New Zealand should defend itself and not get drawn into large global or regional pacts. This country was no longer under any obligation for traditional or historical reasons to recognise every enemy of Britain or the United States of America as an enemy of New Zealand at all times. Mr O'Flynn said that he thought New Zealanders could defend themselves adequately.

What remarkable timing. Those

ministerial pronouncements came so soon after the Labour Party conference passed a string of anti-American remits, including a call for withdrawal from all pacts with nuclear powers.

Mr O'Flynn's speech in Parliament appears to endorse that remit. Withdrawal is an important shift from Labour's election policy of seeking to renegotiate the Anzus treaty.

The same timing risks appearing to be seen either as a blunder or a pre-emptive strike against the Prime Minister's bargaining position with the American Secretary of State, Mr Shultz, and Australia's Foreign Minister, Mr Hayden, in New York.

This newspaper's chief political reporter last week reported an interview with Mr Lange in which the Prime Minister emphasised his party's election policy to stay within Anzus but expressing certain principles on nuclear propulsion and weapons.

None of what has happened in recent months, including the passage of the foreign affairs remits at Labour's conference, should be taken as an indication that New Zealand is anti-American, Mr Lange said in that interview. Such words were obviously designed for consumption in Washington and Canberra, as well as for a domestic audience.

To put it mildly, Mr Lange has had extra complications thrown in his path to the New York discussions. Foreign observers will be

comparing what the Prime Minister wishes with what his Deputy Minister of Foreign Affairs (and his Minister of Defence) is saying. All this against the background of the party conference remits and the mounting anti-nuclear demonstrations against American installations here.

Labour is among the political parties responding to a significant public fear and condemnation of nuclear war and the arms build-up. Associated with that fear and condemnation is a growing questioning of our need to be associated with any defence alliance, let alone one with a nuclear power. That questioning may not yet have reached a stage of an overwhelming public wish to switch to armed or open neutrality with an understanding and acceptance of the consequences.

Democratic and sovereign societies should be entitled to public debate on such an important issue and that is what we are going through.

But all must realise that our soul-searching can be misinterpreted. We are contending with nuclear powers' apprehensions and rivalries, at a time when our American ally is experiencing a wave of patriotic fervour. None of this is conducive to sympathetic consideration of nuances of argument and misgivings of a small ally whose actions might influence others and be seen to "aid the enemy."

If New Zealand has only words and moral purpose in its arsenal then let all of us, including government ministers, choose our words with care.

ACTIVIST DISCUSSES WOMEN'S ISSUES, SEEKS AUSTRALIAN LINKS

Melbourne THE AGE in English 21 Sep 84 p 21

[Article by Sarah Chester]

[Text]

EVERYONE wants to know what made Margarita Gomez, a former Miss Philippines, turn her back on a modelling career to fight for liberation in her country.

Of the earlier part of her life she says: 'I never bring it up. People say: "You should get over that because that is what makes you unique." I hated it. I feel like a curiosity now.

"A lot of people just want to pick my brains and find out what makes me tick because I have been two such different things. They want to meet me, they think of me as some peculiar woman, an exciting woman."

Margarita Gomez is in Australia as a representative of the Centre for Women's Resources, a progressive women's organisation set up two years ago in Manila.

She is 37 and looks a good 10 years younger; she has been married three times and has four children.

Wearing a red T-shirt, comfortable old jumper and corduroys, she tucks her legs under her and casts her mind back over her life. She pulls you right into her story with a depth of charm and humor so that her message comes across easily and clearly. She has not changed at all: circumstances just pushed her into the wrong career for a while.

She grew up in a sheltered, elite family and was one of seven children. In 1967 her mother was asked if Margarita would model clothes in a fashion show to raise money for charity.

From that show she was chosen

to go to Sydney to take up a six-month scholarship offered by a modelling agency. The purpose of the scholarship, she says sarcastically, "was to be a proper lady and learn how to carry an umbrella and a handbag".

Family and social pressure meant she had to accept the scholarship. She was in pre-medical school at the time, she says. "I thought, God, this is damned frivolous at a time in my life when I am studying to be a doctor."

She had to struggle with her parents to be allowed to study medicine. She said it was not unusual for Filipino women to become doctors, but at that time women had to have marks one grade higher than men.

She pulls a face and says she was not the least bit interested in modelling and found her time in Australia "damned hard work". Often she was expected to begin her day at 7.30 am, then study before doing fashion parades which sometimes went as late as 11.30 pm. She says that while the other models were getting \$12 an hour she barely survived on the scholarship's \$5 a day living allowance. She remembers losing a lot of weight.

Her ambition while in Sydney was to learn to surf. The modelling agency promised to arrange lessons, she says. "I got on a surfboard with this surfing champion. They took a few photographs which appeared in the newspaper, and that was my surfing lesson."

A Sydney playboy asked her out to dinner at a top restaurant. She says: "He kept putting his arm around me and I told him if he

didn't stop I would pour my wine over him. He didn't, so I did." Apparently, the wet playboy was most discreet and did not make a fuss.

"At that age I did not have a very clear view of women as sex objects," she says. "I just saw us as clothes hangers, and I turned out to be quite a good clothes hanger."

Anyway, she was too busy working to think about being seen as a sex object. "We were working in the big shopping centres, often doing three shows a day, and the dressingrooms seemed three kilometres away. You had to walk gently out like a good clothes hanger then run like mad to the dressingroom," she says.

"I guess it was the first time I had ever been exploited in my whole life."

After studying modelling she was expected to continue this career back home. "I had to model every single day. After a year my feelings about modelling were still the same. We were never paid. It was not the done thing at the time; modelling was for the elite."

One incident highlighted what she saw as the duplicity of the modelling world. On a flight to London, during a stop-over in Iran, security guards swarmed on to the plane because she had not met the Shah's brother as planned in a note she apparently had sent him. She had no knowledge of the note and says: "He was the Shah's brother and the designer thought it would be good publicity for me to bump into him in the middle of the night."

In the late 1960s she was chosen Miss Philippines, despite the fact she had no interest in beauty queen titles.

"I really cried. I thought: 'This is too much'. How undignified — parading around like cattle. At least with modelling you were not competing," she says.

"Then again, I knew if I did not show (in London for the international competition) it would be very awkward. I did not see it so much as exploitation at the time, just as undignified — nothing to be proud of. Looking back on it I was ashamed."

She escaped the world of fashion when she fell in love and married. "When I married I did not like to mix with the other women and do the things they did — play mahjong, go shopping all the time,

entertain. I got bored. You cannot talk to a two-year-old all the time," she says.

"I decided to go back to school and do philosophy because it would take four years instead of the eight needed to be a doctor. I was still a frustrated doctor. I felt I had been derailed. I laugh when I think of the difference between being a model and a doctor."

At the time she disliked women because she says being Miss Philippines attracted a certain kind of woman who "did not make stands".

Her husband did not like her studying and he liked it even less when she became a political activist after martial law was declared in 1972. "It was inappropriate for women to be involved in political activities," she says.

Her husband gave her the choice of remaining as his wife or being an activist. She chose the latter, and her family also disowned her.

Her political activities were influenced by her work as a manager in a garments factory where 90 per cent of the workers were women. She says women's needs were not considered and there were a great deal of kidney and urinary infections caused by the pressure of not being able to go to the lavatory.

In some factories she says, workers wore string around their necks so that washers could be strung on every time they went to the lavatory. At the end of the day the washers were counted and their pay was deducted according to the number of washers.

She says sexual harassment was rife in the factories, particularly because Filipino law requires such workers to be employed as casual labor until they proved they were worthy of full-time work. Consequently women were sexually exploited by their bosses.

She also used to see "lots of nails, flesh and bone" caught between the snaps in the garment-making machinery. Three or four women used to get their fingers caught in the snaps each month, she says.

Margarita Gomez worked in the rural areas trying to help the peasants. She says 80 per cent of the population are malnourished, and women and pre-school children are in the worst predicament. Women have to do any type of

work to supplement their husbands' meagre earnings, and factory owners know this and exploit them.

"They may spend every day of their lives looking for food, and maybe go to a field three mountains away to dig root crops." She says the infant mortality rate is 47 per cent and even then there is a 2.4 per cent population growth each year.

It is only recently she became a leading activist in GABRIELA (General Assembly Binding Women For Reforms, Integrity, Equality, Leadership and Action). She speaks with anguish of the horrors women suffer: "Under Marcos most of the women detained or arrested are raped by the military. It is seen as an institutional form of violence, not as one man against one woman — it is military rape."

Margarita Gomez is very keen to link GABRIELA with the women's movement in Australia, and in particular to discuss nuclear issues because the US has two of its biggest army and naval bases outside the US in the Philippines, and both contain nuclear weapons.

She joined the Filipino women's movement because the stands they were taking appealed to her. "They made it clear that we were not supposed to be timid and hold back, or be manipulative. It is said that when Filipino women make decisions they make it look as if the men have made them," she says. "That is an art I have never learnt, thank goodness."

Asked what her present husband thought of her being an activist, she says: "Along the same lines as my daughter, I suppose." Her daughter had told an interviewer, when he asked what she thought of her mother's activities, that "no one can stop her anyway".

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VISAYAN SUGAR WORKERS GET 22 MILLION PESO BONUS

Manila BULLETIN TODAY in English 24 Sep 84 p 5

[Text] BACOLOD CITY--The regional office here of the Ministry of Labor and Employment (MOLE) has released ₱22,068,501 to 19 sugar milling districts in Western Visayas to benefit sugar workers.

MOLE Regional Director Felizardo Baterbonia told Minister Blas F. Ople that the amount represents the social amelioration bonuses of workers for crop year 1983-84 which was remitted earlier to the MOLE by the National Sugar Trading Corp. (Nasutra).

Baterbonia told Ople that two sugar milling districts have not yet received their allocations. Fund releases from MOLE are normally accompanied with formal requests from recipient milling districts.

Baterbonia said the final distribution of bonuses to workers is done by sugar millers for mill workers, and by the sugar planters in the case of plantation workers.

The 19 sugar milling districts which received their respective fund releases are the following:

Allied Milling District, which received ₱200,937; Calinog-Lambunao Milling District, ₱167,462; Passi Milling Area, ₱1,012,964; Pilar Milling District, ₱494,945; AIDSISA, ₱1,516,639; Bacolod-Murcia, ₱653,594; Binalbagan-Isabela, ₱3,436,553; Dacongogon, ₱534,144; Danao, ₱251,924.

First Farmers, ₱1,707,456; Hawaiian-Philippines, ₱2,453,196; La Carlota, ₱3,752,590; Lopez Milling District, ₱679,771; Ma-ao, ₱968,832; Sagay, ₱546,379; San Carlos, ₱946,795; SONEDCO, ₱1,608,628; Talisay-Silay, ₱385,669; and Victorias, ₱750,106.

The labor ministry has ordered a construction firm to pay ₱122,408 to 51 workers who claimed underpayment of wages and nonpayment of their emergency allowances and overtime and holiday pay while working for the company.

In a decision signed by Deputy Labor Minister Vicente R. Leogardo Jr., the Ministry of Labor and Employment (MOLE) also denied the appeal of the company, Superior Builder, to reverse an earlier decision on the case by the MOLE regional office in Davao City.

CHURCH GROUP REPORTS 'HAMLETTING' IN VISAYAS

Manila PHILIPPINES DAILY EXPRESS in English 24 Sep 84 p 3

[Article by Divina C. Paredes]

[Excerpt]

HAMLETTING, or forcing rural residents into strategic camps, is already being practised in the Visayas, an international fact-finding team of church leaders reported over the weekend.

Participants in the International Ecumenical Conference on the Role of the Church in the Struggle of the Filipino People said that already 12 barangays are affected and the military practice is spreading in other areas in the Visayas.

Residents interviewed by the team also said that aside from hamletting, "economic blockades" are also being used by the military in some coastal towns of Panay. They said people with supplies exceeding what they need for a week are suspected of helping the dissidents.

The supplies are turned over to the military headquarters and residents have to ask for these if

they run short of supplies, the team members reported.

IN LEYTE, there were documented cases of salvaging, military abuses and hamletting of barangays Libertad and Pinamanagan in the town of Abuyog, the team said.

Members of the fact-finding team said they will present these evidences to their respective governments to review their economic aid policies to the Philippines.

Hamletting was also hit by the Switzerland-based International Commission of Jurists, whose 124-page report was presented to the same conference. Hamletting is supposed to be forbidden, the lawyers' group said, but there is evidence it is being practised in the Philippines.

* * *

HAMLETTING is resorted to for protection of the civilian population, but more likely it is to prevent the

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OPERATING EXPENSES REDUCE INCOME OF GOVERNMENT FIRMS

Manila BULLETIN TODAY in English 26 Sep 84 p 18

[Text]

Projected combined net income of 13 government-owned corporations that make up the public corporate sector is expected to decline in 1985 to ₱2.04 billion from this year's estimate of ₱2.46 billion.

Higher operating expenses projected next year due to cost adjustments arising from the foreign exchange depreciation are expected to trim these firms' revenues down in 1985.

The 13 firms that comprise the public corporate sector are the Export Processing Zone Authority, Light Rail Transit Authority, Local Water Utilities Administration, Metro Manila Transit Corporation, Metropolitan Waterworks and Sewerage System,

National Electrification Administration, National Housing Authority, National Irrigation Administration, National Power Corporation, Philippine Export and Foreign Loan Guarantee Corp.,

Philippine National Oil Company, Philippine National Railways, and the Philippine Ports Authority.

The biggest income earner for 1984 will be the NPC which is projected to make ₱1.67 billion from projected operating revenues of ₱14 billion. Next is PNOC which is projecting a net profit of ₱536.9 million from operating revenues of ₱23.9 billion.

The MWSS, which is implementing a gradual increase in water tariff, projects a net income of ₱58.46 million from operating revenues of ₱742 million.

Four corporations are, however, expecting a combined net loss of ₱260 million. These are: NEA, ₱147 million; PNR, ₱98.9 million; EPZA, ₱18 million; and LRT, ₱3.3 million.

Other income earners in 1984 are the following: LWUA, ₱12.5 million; MMTTC, ₱58.6 million; NHA, ₱6.5 mil-

lion; NIA, ₱36.6 million; Philguarantee, ₱54.26 million; and PPA, ₱2.46 million.

Next year, the same losers are projecting a much bigger loss of ₱487 million.

This is broken down into the following: EPZA, ₱19.69 million; LRTA, ₱213 million; NEA, ₱153.5 million; and PNR, ₱101.6 million. The PPA anticipates a net loss of ₱1.67 million.

Net profit of NPC is projected to decline to ₱785.27 million as the increase in power rates levels off and operating expenses rise.

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PRO-REGIME PAPER DECRIES PRESIDENTIAL TAX DECREES

Manila PHILIPPINES DAILY EXPRESS in English 26 Sep 84 p 4

["As We See It" column by Lily Lim: "No More Bright Ideas, Please"]

[Text]

IF THERE'S one thing we can credit some bright boys in government with, it is that they don't seem to run out of new and ingenious schemes on how to squeeze blood out of stone. The much-ballyhooed PDs 1934 and 1935 are just two examples.

The long drawn-out debate on these controversial PDs have yielded some fancy ideas on how to ease the financial burden that the implementation of these PDs would exact on the people without exactly removing the burden. All this talk about instalment payments and what-have-you, however, seem to ignore something very basic, and this is: Are these taxes really necessary?

Take the case of the vehicle registration/road-user's tax. Not only does it look at this stage like it cannot be implemented equitably and uniformly (special interest groups such as the jeepney operators/drivers bloc are seeing to that), it appears to be an imposition that can best be appreciated only as an action of last resort.

* * *

It has already been observed by some that the revenue which the government hopes to generate out of PD 1934 could just as well be realized if traffic law enforcers do their jobs well. This sector believes that if traffic violations were only more strictly implemented, the government stands to gain much, especially when one considers that just about every fifth motorist is a flagrant violator. It has in fact been reported that at the current daily average of 2,111 traffic violations in Metro Manila alone, the government coffers ought to be P6-million richer every months.

* * *

Aside from the material consideration, fines also have an educational and safety value. Besides, anyone would think twice about losing hard-earned pesos, not to mention one's driving license, due to road recklessness — if indeed, those risks are real. The trouble is, the going rate for corrupt traffic cops is usually much less than the instituted fines, so who cares about fines?

The answer is, everyone should care about fines, more so the authorities who appear to be willing to court the people's ire by taxing without representation rather than look for ways and means to improve upon existing revenue-generating measures.

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In fact, agreeing to the new tax measure is, in effect, subsidizing inefficiency in government. It is a double insult foisted on a people whose prolonged docility has, unfortunately, been interpreted by some in power as a license to ignore ever-increasing hardships.

* * *

Before any of the so-called bright boys look skyward again to come up with some brilliant design to fill up the government's cash-starved purse, they'd do well to look closer to home first and thus spare their countrymen a lot of needless pain. To the average layman who cannot understand why he has to keep paying more for deteriorating phone service, for sloppy delivery of basic social services, for unchecked corruption in government, the new tax measures (plus those yet to come) — rather than strike a patriotic chord — can only promote feelings of alienation. They do not just constitute a bitter pill that one needs to take to prevent a permanent downhill slide, they already carry the potentially disastrous effects of an overdose.

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BENGUET'S ONGPIN SAYS SMELTER UNCOMPETITIVE

Manila BULLETIN TODAY in English 26 Sep 84 p 17

[Text]

Benguet Corp. president Jaime V. Ongpin said yesterday that even if smelting and refining charges are lowered by Philippine Associated Smelting and Refining Corp. (PASAR), the country cannot be competitive with other smelters in the world.

While describing PASAR's intention to lower fees as timely, Ongpin said the copper smelter project in Isabel, Leyte cannot compete abroad since PASAR's plant was constructed at three times the cost of similar projects.

Ongpin's statement was in response to queries posed by newsmen concerning PASAR's move to

lower its smelting fees once contracts with copper mining firms are renegotiated.

In another development, Ongpin warned that testing of Benguet's Dizon copper concentrates could pose hazards to the environment due to the high mercury content level of the commodity.

He said that Dizon mine's copper concentrates have much higher mercury content since the ore was mined at lower pits.

According to him, PASAR cannot treat the mercury content of Benguet's copper since the plant needs a mercury scrubber to successfully process the mercury-laden ore.

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MILITARY OPERATION TO FIND NPA LEADER IN BOHOL

Manila PHILIPPINES DAILY EXPRESS in English 24 Sep 84 p 3

[Article by Leo Enriquez]

[Text]

CEBU CITY — Brig. Gen. Renato A. Ecarma, RUC 7 chief, has ordered a full-scale operation for the capture dead or alive of an NPA leader and his 20-man followers who were sighted recently in the hinterlands of typhoon-ravaged Carmen in Bohol.

Flying to Carmen by helicopter Saturday to monitor the ongoing civil-military operation, the RUC chief identified the rebel leader as Eptacio Ramirez, alias "Commander Varga."

Ramirez carries a P70,000 reward on his head in the military order of battle.

Ecarma said Ramirez used to operate in the mountain barangays of Northern Mindanao but had been ordered by the rebel movement's Mindanao Commission to take the armed struggle to Bohol by taking advantage of the recent calamity which hit the province.

ECARMA said Ramirez and his band have started disseminating anti-government propaganda in four mountain barangays of Carmen deep in the center of the island.

Ecarma said Ramirez, a native of Bohol, apparently wants to alienate the typhoon victims from the ongoing relief operations conducted by the military and local government officials.

AIR FORCE DEMONSTRATES ANTI-TERRORIST FORCE

Manila BULLETIN TODAY in English 25 Sep 84 p 6

[Text]

Two Philippine Air Force special operations reaction teams from the 521st Air police squadron under Maj. Wilfredo Dela Cruz demonstrated yesterday their special weapons assault capability against urban terrorists in a simulated attack on a terrorist-held building with PAF generals as hostages.

The team made a quick assault on the building utilizing bombs, smoke grenades, and assault rifles, and successfully freed the hostages.

The demonstration was part of graduation exercises of 22 enlisted personnel and two officers of the squadron who finished a special operations reaction course, the first to be conducted at Villamor Air base.

Gen. Vicente Piccio, PAF chief, was guest of honor and speaker during the ceremonies.

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TRAINING REQUIREMENTS OF LOCAL ENGINEER FORCES OUTLINED

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese, No 3, Mar 84 pp 55-60

[Article by Lieutenant Colonel Nguyen Quang Han: "Studies: the Local People's Engineers in the War To Defend the Fatherland"]

[Text] In the war of resistance that we fought against France, together with the engineer forces of the ministry and the various main force divisions, many localities of our country organized engineer teams and units as part of their provincial and district forces. Militiamen, self-defense forces and the people also widely participated in engineer operations.

From the very first days of the nationwide resistance (December 1946) up until the border campaign (1950), the Hoa Binh campaign (1951-1952), the upper Laos campaign (1953) and the historic Dien Bien Phu campaign (1953-1954), large numbers of people, militiamen, self-defense forces, assault youths and engineer teams and units of all localities took part in blowing up roads to block the enemy, attacking the enemy with bombs and mines and, in particular, reopening old roads, building new roads, constructing field bridges and building fortifications for command posts, artillery positions and so forth. Although the Dien Bien Phu campaign was a very difficult campaign, the people who lived near roads and assault youth units along with engineer units of our main force troops reopened 308 kilometers of old roads, constructed 63 kilometers of new roads, built 4 pontoon bridges and constructed many anti-aircraft artillery positions, fortifications for artillery, etc.

In the resistance against the United States in the North and the South, the armed forces and people of the South, between 1965 and 1975, conducted tens of thousands of attacks on communication lines, destroyed several thousand bridges and destroyed or disabled tens of thousands of tanks, motor vehicles, locomotives and railroad cars. Positive contributions were made to these results by the engineer troops of the main force military corps, the engineer troops of the local forces, the militia, self-defense forces and guerrillas and the people on that battlefield. In the North, in the 4th Military Region, which was the scene of heavy fighting against the war of destruction waged by the U.S. pirates, engineer militia and engineer self-defense forces constituted 23 percent of total militia and self-defense forces in 1965 and 37 percent in 1968. And, also in 1968, the ratio between the number of militia

and self-defense forces fighting with 12.7 millimeter automatic rifles and the number of militia and self-defense forces engaged in disarming mines and torpedoes, supporting communications and transportation, building combat fortifications and shelters, repairing damage caused by enemy air attacks and so forth reached parity.

Following the war, the engineers of the local militia and self-defense forces served as the main force in the disarming of bombs and mines, thereby helping to overcome the aftereffects of the war and restore production. During the 3 years from 1975 to 1977, militiamen, self-defense forces and the people worked 80 percent of the total number of mandays needed to disarm bombs and mines.

We also mobilized the people, militia forces, self-defense forces and the engineer units of the local forces for the war to defend the fatherland on the southwestern border and the northern border. These forces effectively participated in the construction of fortifications, communications support operations and the emplacement of obstacles to counter the enemy. The number of mandays worked by militia forces to build field fortifications in support of our forces that retaliated against the Beijing expansionist aggressors in February, 1979 was in the millions.

The realities of the recent wars fought by our people to liberate and defend the country have proven that widely mobilizing and organizing the forces of the people, militia and self-defense forces, assault youths and the engineer units of provincial, municipal and district local forces in order to have them perform some of the missions of engineer troops in combat against enemy forces that have invaded our country are an objective demand, one that we must meet and are fully capable of meeting. It is also a clear reflection of the viewpoint of "all the people fighting the enemy" in the people's war in Vietnam.

In their formation and development, the local engineer forces encompass the engineer organizations of the provincial, municipal and district local forces and the engineer organizations within the militia and self-defense forces of the various localities. In practice, the local engineer forces are expanded when militiamen, self-defense forces or assault youths and the people are mobilized to perform the combat support work of engineer troops. Therefore, it can be said that local engineer forces constituted a large force in the war of liberation and are a large force in a war to defend the fatherland.

By employing these forces in all of their functions, we are able to make use of the large sources of manpower and materiel on the local level to support main force engineer forces in the completion of many other missions, such as the construction of projects, roads and bridges, communications support, etc. Today, the building of defense projects along the border, on the islands, within each combat village and complex and within the district military fortress on the frontline demands much manpower. Many provinces and districts have mobilized large numbers of militiamen, self-defense forces and civilians to build defense projects. Local engineer forces have shown that they can play a positive role in preparing and emplacing obstacles, building roads, building fortifications and so forth.

In the process of establishing the battlefield deployment for seizing the initiative and taking the offensive in a war to defend the fatherland within the various localities and on the different battlefields, local engineer forces can coordinate with main force engineer forces and other forces in the construction of defense projects, the preparation of road networks in accordance with the locality's combat plan and the preparation of battlefields for main force troops fighting within the locality. Because they are familiar with the terrain and weather of the locality and know the material-technical means that are available locally, local engineer forces have favorable conditions for and the ability to help build project systems, provide combat support and provide support of mobile operations in a manner suited to the circumstances of each area and zone.

To achieve the full effectiveness of local engineer forces, which constitute a large force in the war to defend the fatherland, it is necessary to build their organization and manage, guide, command and raise the military and technical skills of cadres, soldiers and the people on the basis of the tasks that these forces can undertake in this war and the new, favorable conditions existing within the localities.

The tasks and capabilities of the local engineer forces in the war to defend the fatherland have reached a new level of development. At present, local engineer forces are working with main force engineer forces and coordinating with the other branches and services as well as civilians in preparing local projects and national projects in order to be ready to win victory over a war of aggression unleashed by the Beijing reactionaries. The local engineer forces are an important force in the building of defense lines, battle positions, combat projects of the district military fortress and combat villages and complexes in accordance with the combat plans of the stationary armed forces and in preparing for operations by main force military corps within the localities. The provincial and district engineer units as well as militia engineers, self-defense engineers, militia and self-defense forces, in general, and civilians can effectively participate in the construction of obstacle networks consisting of bamboo hedges, rattan hedges, picket fences, anti-tank trenches and mines; the construction of fortifications for infantry troops, artillery, tanks and anti-aircraft artillery; the construction of bridge and road networks to provide for mobility; the organizing of communications support and mobility support forces in combat; the camouflaging of important military targets, etc.

In some cases, engineer militia and self-defense forces and militia and self-defense forces, in general, can be employed in the construction of projects of a strategic nature, such as air fields, ports and key projects that must be quickly constructed for the various branches and services.

In war, our main force corps move over many different roads and through many different river ports. The engineer forces of the army do not have the capabilities or forces needed to provide communications support everywhere. Therefore, the work of providing road and river crossing support, clearing up spots where vehicles could become stuck in the mud and disarming bombs and mines within each locality, including the opening of main roads, is mainly undertaken by local engineer forces. When technical units, such as missile

units, anti-aircraft artillery units, ground artillery units and so forth stop within the locality, local engineer forces can make positive contributions in the building of battle positions, digging trenches and providing camouflage for these units.

Local engineer forces can also widely participate in blocking the advance by enemy forces into the locality by building and emplacing such obstacles as stakes, mines and booby traps, by destroying roads and bridges, by using explosives to attack the mechanized equipment of the enemy or, when necessary, by using all types of infantry weapons and engaging in direct combat to impede and wipe out enemy forces.

Serving as the nucleus of the locality in project support operations and being ready to augment main force engineer units in war time have been and continue to be tasks of the local engineer forces.

The organization, management, guidance and command of local engineer forces in the performance of the tasks described above must be consistent with the new situation of the country, with the new requirements of the war to defend the fatherland. Efforts must be focused on building, organizing and equipping the engineer units of the local forces well so that they can fulfill their role as the nucleus of these engineer forces. Within the militia and self-defense forces, efforts must be directed toward establishing specialized teams and units. These teams and units must be skilled in techniques and tactics and be supplied with improved equipment that is, to a certain extent, specialized so that they can build fortifications and provide mobility and combat support within the locality.

The local engineer forces consist of permanent, stable organizations, namely, the engineer units directly subordinate to the provinces and districts and the specialized engineer units of the militia and self-defense forces, and temporary organizations based on the requirements of warfare within the locality, namely, militia and defense detachments or assault youths performing engineer work. These two types of organizations must be coordinated in a manner consistent with the specific situation in each area, on each front and within each combat zone and with the capabilities of the locality. Local engineer units can be organized by territory and on the basis of developments during the war. The engineer detachments within the militia and self-defense forces can organize engineer teams and units to provide communications support along main roads, at communication hubs, at river wharves and so forth, units that disarm bombs and mines, units that build obstacles, units that build fortifications, repair the damage caused by enemy air attacks, artillery attacks, etc. The size and structure of the organization of the engineer units and detachments within the militia and self-defense forces depend upon the task and position of each locality. In localities that are situated on an important front or the frontline, the size and organization of these units differ from those within localities on the rear line; in mountainous jungles, the organization of these forces is usually not exactly the same as it is in the lowlands and along the seacoast. One province might organize an engineer company but another province might organize a force as large as a battalion. One district might organize a platoon while another district needs to organize a company. The provincial engineer section and the district engineer

assistant are the organization and individual responsible for advising the military commander on their level with regard to how to build, train and utilize the engineer forces of the locality in a manner consistent with the locality's task and capabilities.

Another rather important matter is the need to unify the management, guidance and command of the local engineer forces on each strategic front, on each battlefield and within each locality in order to competently support the people's war to defend the fatherland. This involves establishing a division of responsibilities for managing and commanding the engineer forces that are directly subordinate to the military regions, provinces and municipalities and the engineer forces of the districts, precincts and villages among the Engineer Command, the command of the military regions and military corps and the provincial and municipal military commands. This insures that the primary operations of the local engineer forces within each locality, within each zone and on each battlefield are carried out in accordance with the general intentions of the ministry and the military region.

Local engineer forces must closely coordinate with the engineer units of the main force troops operating within the locality for the purpose of performing common tasks in project construction and mobility support, in blocking the advance of enemy forces by means of engineer activities and so forth. Therefore, these two forces must be provided with close guidance and their command must be unified. The engineer agency of the military region usually must adopt a plan for guiding the performance of tasks by the local engineer units and conducts inspections of provincial and district engineer forces so that their tasks can be promptly augmented.

The mobilization of local engineer forces, militia and self-defense forces or assault youths and civilians for engineer work in war time is carried out under the war time mobilization plan of the state. Depending upon the task, capabilities and conditions of each area, sector and locality, specific mobilization plans suited to each stage of development of the war must be adopted.

The military and technical skills of the local engineer forces must be raised to keep pace with the military science and art of the people's war to defend the fatherland. In particular, the technical proficiency of the engineer forces of the militia and self-defense units must be raised in order to achieve the true effectiveness of these widespread forces.

In order to be well suited to the special characteristics and requirements of large-scale, modern warfare, local engineer forces must build a corps of cadres who possess good political qualities and possess the necessary military knowledge and knowledge of engineer tactics and techniques so that they can manage and command their units in a way that utilizes their full capabilities. Of course, the organizational and command skills of the engineer cadres of the local forces must be more highly developed than those of the cadres of the engineer units within the militia and self-defense forces. In order to meet the requirements they face, engineer cadres must be trained under simulated combat conditions so that they can defeat the forces of our new enemy and thwart their schemes and acts of sabotage, encroachment and war. The spirit

of responsibility that the corps of cadres brings to the performance of tasks, to commanding and managing the unit, especially to managing and utilizing technical equipment, must be constantly raised. The specialized teams and units must be well trained and their skills must be well cultivated. They must be proficient in tactics and properly utilize and maintain the weapons and equipment with which they have been supplied.

Whether they are being trained in bombs and mines or bridges, roads, fortifications and so forth, the specialized teams and units must become skilled in using locally available materials and equipment and must know how to quickly complete projects, roads and bridges in order to coordinate with main force engineer units and promptly support the urgent requirements of warfare. Therefore, local engineer cadres, whether they belong to the local forces or the militia and self-defense forces, must be thoroughly familiar with the terrain, rivers, raw materials, customs, habits and so forth of their locality.

One important matter is the need to train local engineers in coordinating with main force engineers and other forces so that they can perform project support missions in modern battles and campaigns. It is necessary to actively organize participation in training exercises and maneuvers within the locality by both provincial and district engineer forces and the engineers within the militia and self-defense forces. In gradual stages, local engineer forces can begin to participate in maneuvers conducted on many different types of terrain, in many different forms of warfare that differ in nature and scale and under different climatic and weather conditions in order to steadily raise their level of coordination to suit the new characteristics and requirements of the people's war to defend the fatherland.

Every agency, school, factory, state farm and forestry site within every locality must train their engineer militia and self-defense forces and their militia and self-defense forces, in general, in military and engineering technical subjects that are consistent with their mission and combat plan within the local people's war. Attention must be given to training the militia, self-defense forces and large numbers of civilians in the use of many different kinds of material and equipment (locally available materials, building materials and application equipment) in the construction of dug-out shelters, in repairing damage caused by enemy attacks and so forth as part of civil servant work within the locality. The many good experiences gained in people's air defense activities in the people's war against the war of destruction waged by the United States in the North must be disseminated and developed upon. Training must be coordinated with management so that the precise makeup of the elements, components, teams and units of the local engineer forces at each agricultural and industrial installation and each agency is known during peace time so that they can be quickly and efficiently mobilized when war breaks out.

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CSO: 4209/462

QUYET THANG CORPS' HANDLING OF YOUNG OFFICERS DISCUSSED

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese No 3, Mar 84 pp 61-66

[Article by Nguyen Thanh Lieng: "The Quyet Thang Corps Trains Young Officers"]

[Text] The Quyet Thang Corps is a main force, mobile corps that has many young officers who received basic training at the schools of the corps and the ministry.

As a result of employing many different forms of training, the corps today has many young officers who have matured in every respect, who fulfill the duties and properly perform the tasks of the positions to which they have been assigned. The initial results that it has achieved have helped the Quyet Thang Corps gain some experience in the training and education of the corps of young officers.

1. Correctly evaluating the corps of young officers.

This is a matter of special importance, a matter that has a direct bearing upon the effort to train and utilize young officers in a manner consistent with their capabilities and strengths within each field. A correct evaluation also helps the various command echelons develop a closer relationship with the lower echelons and gain an understanding of the thoughts, feelings and aspirations of the young. This creates the conditions needed to help and train them to become good cadres, become officers who are dedicated to their work, enthused about their occupation and close to their unit and the army. The realities of the corps have shown that evaluating the corps of young officers is not a simple matter. Agreement is readily reached concerning the historic mission of the corps of young officers as successors and the importance of training and utilizing young officers; however, many differing opinions, even opposing opinions, arise when evaluating the strengths and weaknesses of this corps. Some persons fail to give attention to the basic strengths and only see the shortcomings and weaknesses of the corps of young officers, as a result of which their conclusions concerning the successors to our army's corps of officers in the new stage of the revolution are pessimistic. Some persons maintain that today's young officer corps is far inferior to the young officers of the generations that participated in the

August Revolution and the resistance against France. Conversely, other persons stress the basic strengths of the present corps of young officers and, on this basis, conclude that there is no need to discuss the training and utilization of the corps of young officers.

In the face of this situation, the leadership and command cadres of the corps decided that it was necessary to fully resolve the problem of how to evaluate the corps of young officers so that everyone, including the key command cadres of the corps, achieved a correct understanding of the strengths and weaknesses of the young officers corps and reached correct, unanimous conclusions concerning it. To resolve this problem, the corps decided to raise the level of understanding concerning this matter through a variety of measures and forms of education in order to distinguish between right and wrong. In addition to analyzing the reasons behind strengths and weaknesses when teaching politics and discussing work, the corps organized sessions to exchange opinions and meetings to deeply discuss the strengths and weaknesses of young officers. In order to make a highly convincing argument, the corps compiled detailed statistics on the number, quality, development and growth of its corps of young officers.

Through these measures, the corps gradually showed the cadres within its units the basic strengths of the corps of young officers, such as their high cultural standard, their formal school training, their quickness, resourcefulness and so forth. At the same time, the corps pointed out the weaknesses and shortcomings of young officers, such as the fact that their revolutionary spirit and will do not meet the requirements and tasks that they must perform in the new stage of the revolution, their limited leadership and command experience and the fact that they do not have much life experience or been challenged much in life.

Having achieved a correct evaluation of the strengths and weaknesses of young officers, the corps then adopted correct policies and measures for educating and training them. All officers of the corps, from older officers to young officers themselves, are now clearly aware of their guidelines and responsibility in learning, training and improving their skills and revolutionary qualities. The unity and mutual assistance between older officers and young officers have been strengthened. Phenomena reflecting a lack of trust between them have gradually been overcome.

2. Intensifying the teaching of Marxism-Leninism and cultivating communist ideals.

With regard to the corps of young officers, these are jobs that must be performed on a regular basis at all times and places. Because, as mentioned above, one of the weaknesses of the present young generation is that their revolutionary spirit and will are not at the level demanded by the new requirements and tasks of the revolution.

The teaching of Marxism-Leninism to young officers and the cultivation of communist ideals among them must be carried out in a comprehensive manner that yields practical returns. We must develop within young officers unquestioning confidence in the party's line, a firm stand, stable thinking, an unshakeable

will to fight and the spirit of enduring and overcoming every difficulty and hardship.

At present, our country's socio-economic situation is undergoing many complex changes and the negative phenomena within society have had something of an impact upon cadres, especially upon young officers, who do not have much experience. More than a few young officers have expressed concerns about their future, compared their lives, occupations and benefits to those of others and so forth. In the face of this situation, a small number of cadres, having adopted the wrong attitude, maintain that it is impractical and of little use to teach ideals now and that change requires the adoption of policies and regulations that provide material inducements.

The corps harshly criticized this incorrect attitude. On the basis of the actual progress as well as the remaining limitations of young cadres, the corps proved that when times become more difficult and complicated, even more attention must be given to teaching communist ideals, teaching revolutionary will and spirit to cadres. Through actual examples within units, everyone gradually reached the same conclusion.

The teaching of revolutionary spirit and will to young officers is also a pressing requirement of the corps. Because, the Quyet Thang Corps is a mobile unit that has a very large mission and is capable of fighting on many different battlefields, on many different types of terrain, under many different weather conditions, in many difficult, decisive and complicated situations...this demands that education be provided to give each cadre, especially young officers, a thorough understanding of the situation and tasks, give them pride in the tradition of their unit and the corps and make them ready to accept and successfully complete each task under all circumstances.

In order to provide good political-ideological education, the corps put the evaluation and classification of each person under its close supervision; promptly held short-term political and specialized classes; launched an assault emulation movement and a movement to catch up to and surpass model units; held a young officers conference... The divisions, regiments, agencies and units have adopted plans and established specific goals for each person for each period of time. This process coordinates general educational measures with the education of each person, education with administrative measures... The corps has directed its units in conducting monthly and quarterly preliminary and final reviews and promptly praises collectives and individuals who record outstanding achievements in order to build and encourage the spirit of emulation.

In conjunction with political-ideological educational measures, the corps has also given its attention to correctly assigning and utilizing young cadres and providing practical material assistance to those who are encountering many difficulties due to their family economic circumstances. When making job assignments, the commander and the party committee and cadre agencies on the various levels carefully consider and study in detail the legitimate requests and aspirations of young officers. On this basis, the corps assigns tasks and jobs that are consistent with the task of the corps itself and relatively well

suiting to the level of education, skills and aspirations of each person, thereby creating the conditions for molding the thinking of young cadres well. As regards officers who recently graduated from training schools, the assignment of tasks is also designed to enable them to improve themselves, learn more and familiarize themselves with and gain additional knowledge and experience in their work. As a result of assigning tasks on the basis of the level of education, skills and aspirations of each specific person, there have been cases in which it has been possible to assign difficult tasks at the very outset.

Today, the young officers of the Quyet Thang Corps are increasingly expressing intentions to serve in the army for many years. Their stand and thinking are stable and solid. They have absolute confidence in the policies and lines of the party, set examples in their work and daily lives and are close to their units, to the corps and the army. Many young officers have undergone marked change: they are overcoming personal difficulties on their own, actively working to become cadres who possess a high spirit of responsibility, are enthusiastic about and engrossed in their work, are diligent and creative, dare to think and take action and boldly lead their units, as typified by Nguyen Duy Lich, Nguyen Xuan Ho, Nghiem Xuan Khanh, Xuan Soan and others. In particular, the young officers of the Quan Tien Phong Division are engaged in a self-education movement and actively conducting research in order to increase their knowledge of military science and become thoroughly familiar with the modern military technical equipment of their unit.

3. Developing the job skills and increasing the leadership and command experience of young officers through a wide variety of forms and measures.

The majority of the young officers within the Quyet Thang Corps have received from 1 to 3 years training at the various schools. At the officers schools, they learned basic knowledge and received some practical training in the command and leadership work of a detachment commander. However, they have not accumulated much by way of actual experience. Moreover, increasingly high requirements are being faced in command and leadership work within the army, the equipment and weapons of the army are constantly being improved and the majority of soldiers are youths who have received a systematic education. In order to gain the trust of their superiors and the respect of subordinates, detachment commanders must be qualified in science and technology, know their duties and tasks well and possess the talent to lead and command their units in completing each task. Therefore, the young officer must display much more initiative and creativity than was once the case. He must actively seek additional knowledge, give his full participation to practical activities, listen to the opinions of the masses and lead and command subordinate cadres and soldiers well. The scope of military knowledge and theory and the scope of practical experiences gained in combat and the buildup of forces are extremely broad. No one school can teach all of this knowledge and experience to students. After they graduate from school, it is necessary to continue to provide advanced training within the unit to young officers in order to raise their qualifications.

To raise the overall qualifications of young officers, the corps has employed many different forms of activity and measures. Of importance is the fact that the corps has not only identified "weaknesses," but also developed upon the strengths of the corps of young officers in the process of training each specific person in each field and subject, as a result of which it has been able to successfully employ a number of different forms of training, such as the following:

On-going periodic training for cadres: the Quyet Thang Corps provides cadre training under specific plans and targets for each month, each quarter and the entire year for all cadres. In 1983, the corps held 193 training classes for command cadres from the platoon to the regimental, brigade and division echelons and the cadres of the corps' various agencies, in which a total of 6,539 cadres participated. During the first 3 months of 1984 alone, the corps held 49 classes for 2,527 of its cadres. In its training classes, the corps clearly defines the objectives, subject matter, methods and points of central importance necessary for each person. It has assigned each echelon the responsibility of training cadres and established targets for each different echelon, sector and technical branch. As regards cadres from the platoon to the battalion echelons, who are mainly young officers and the persons who directly command the operations of units, the corps has attached very much importance to providing training in practical skills, in organizational and managerial style and experience, in the training and education of troops...

Reports on advanced, model units are also a widely utilized form of training for young officers. This is a practice that develops skills and builds experience; at the same time, it is designed to generate a spirit of enthusiasm and an intense atmosphere of emulation among the young. The Quyet Thang Corps has held a young officer conference attended by comrades who have recorded outstanding achievements in the various divisions, brigades and technical branches. The conference was a place where many typical examples found among the corps of young officers were presented, where young officers presented the results of their study and training, their experiences in managing and training troops... The conference not only praised the achievements of the young, but also provided a place where young officers could meet, exchange ideas with and learn from one another. Good examples and valuable experiences stimulate the growth of young officers. As a result of the young officers conference, the atmosphere within many units has been completely changed. The enthusiasm of the young has been increased and the quality of the work performed by units has markedly improved. Following this conference to report on advanced, model units, the corps launched an emulation movement to study, catch up to and surpass the model units within the corps of young officers and their units in order to establish many other typical examples.

Combining young cadres with experienced cadres is also an especially important form of training, one designed to quickly familiarize young officers with the tasks, duties and the order of priority in the daily jobs of the commander. Moreover, young officers also learn about experiences in combat, learn the knowledge and art of leadership and command from the officers who are senior to them so that they can quickly and creatively apply these experiences in the training of troops. The corps' party committee has asserted: "There must be

coordination between veteran cadres and new cadres, between cadres who have received basic training at schools and cadres trained on the job in order to form many well-established strata of successors."

In order to further raise the overall qualifications and knowledge of young officers, the corps has employed a number of other forms of training, such as sending young officers for short-term training at schools; arranging for lectures on special subjects and current events; organizing young commander forums dealing with the methods of organizing, managing, commanding, leading and training troops...

The forms of training mentioned above are not new in any way; however, of importance is the fact that the Quyet Thang Corps has actively and skillfully employed them in the training of its corps of young officers. The corps selects those forms of training that are best suited to the requirements, task and special characteristics of each different unit and branch instead of automatically employing the same form of training everywhere. Young cadres are more enthusiastic and spirited than older cadres. They understand things quickly and easily learn things that are new but they are also excitable and their thinking is not as thorough or as firmly established as is the thinking of older cadres. In the course of training, the corps has gradually developed upon the fundamental strengths and limited a number of the shortcomings of young officers. By doing so, it has created favorable conditions for young officers to study and learn many of the achievements of modern military science and technology and favorable conditions for quickly implementing the policy on reducing the average age of the cadres of the corps and the army.

4. Full attention on the part of the upper echelon to the corps of young officers.

When there is concern for and attention to the efforts made by young officers, they, themselves, have a desire to display nothing but the best qualities. Command cadres on the upper echelon must not only guide and instruct young officers, they must also inspect young officers on a daily and weekly basis in order to promptly see the progress that they are making or any shortcomings they are displaying in their leadership and command work. Inspections have the effect of stimulating the development of young officers and cause them to waste less time and concentrate on their main job so that they quickly become thoroughly familiar with their task and duties and learn how to perform the duties of their position well. In addition to their main job, the older leaders and commanders on the upper echelon must also concern themselves with the daily activities in the lives of young officers, such as their studies and need for relaxation, thereby enabling them to perform their work with peace of mind. Discussions between experienced, veteran cadres on the upper echelon and young officers concerning the unit's tradition and experiences gained by veteran cadres in commanding, leading and training troops have a very good effect. They not only help young officers learn the experiences of upper echelon cadres, but also strengthen the unity between upper and lower echelon cadres, between older and younger cadres. Upper echelon cadres must adopt plans for encouraging and guiding young officers in the fulfillment of their duties. They must promptly resolve the questions and doubts of young officers concerning their specialty, their occupation or any other necessary matter.

Young officers should not be assigned tasks that exceed their capabilities or are not consistent with their duties as this will affect their leadership and command of their unit. Young officers should not be corrected in a stern, automatic fashion lacking thorough inspections, supervision and guidance nor should any decisions be made or actions taken regarding them without carefully considering the consequences as they could easily lead to complaints and dissatisfaction among young officers, weaken their will to work hard and reduce the quality of their work.

The factor that stands out in the Quyet Thang Corps is that all responsible agencies are concerned with young officers. All responsible agencies of the corps give attention to assigning, utilizing, teaching, training, encouraging and assisting young officers in order to enable them to make progress. As a result, the corps has been able to constantly develop upon the basic strengths of young officers, gradually enable them to successfully undertake the tasks of commanding and training troops and maintaining combat readiness and has gradually achieved relatively good results in correcting their weaknesses as well as negative phenomena.

7809

CSO: 4209/462

MILITARY AFFAIRS AND PUBLIC SECURITY

EXAMINATION SUBJECT STEALER-SELLER PUNISHED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 29 Jul 84 p 4

[Article by H.B.: "Ngo Minh Chi Is Sentenced to 5 Years in Prison for Stealing and Selling Examination Subjects"]

[Text] SAIGON GIAI PHONG--On 25 July 1984, the Municipal People's Court tried the case of Ngo Minh Chi and 10 other culprits on charge of "divulging state secrets for personal profit."

Ngo Minh Chi, Nguyen Thanh Vinh and Nguyen Quoc Tien were students of the Municipal College of Medicine and Pharmacy. Chi was once assigned by the college to the team responsible for printing subjects of entrance examinations to the College of Medicine and Pharmacy in 1981, 1982, and 1983. Chi and Vinh failed in their attempt to steal the 1982 examination subjects. In 1983, Vinh, Chi and Tien decided to proceed with the theft after carefully exploring the location and working method of the examination subject printing room. On the night of 13 July 1984, these three culprits successfully stole a mathematic examination subject and asked Le Van Si, Vo Thanh Tuong and Phan Ngoc Rang to work out its solution. Chi, Tuong and Rang sold each copy of the examination subject (with the solution) at the price of 5,000 dong. Chi also got in touch with Nguyen Vung and Ho Minh Tam and sold them the examination subject for 2 taels of gold so that the latter two might reprint the subject for further sale. After buying the examination subject from Ngo Minh Chi, Nguyen Vung contacted Pham Ngoc Quang, Tran Van Phuoc and Duong Van Thanh, asked them to sell it and shared the money with them.

The Municipal People's Court sentenced Ngo Minh Chi and Nguyen Thanh Vinh each to 5 years in prison and each of the other culprits from 1 year of imprisonment with suspended execution of sentence to 30 months in prison.

9332

CSO: 4209/5

MILITARY AFFAIRS AND PUBLIC SECURITY

CRACKDOWN ON SMUGGLING, ILLEGAL TRADE REPORTED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Aug 84 p 4

[Article by T.H.: "Illegal Trade Checked, Goods Worth Millions of Dong Confiscated"]

[Text] SAIGON GIAI PHONG--To contribute to the struggle for market stabilization, the public security forces in precincts and districts recently intensified their activities against smugglers and illegal producers, dealt with many cases of lawbreaking and retrieved several million dong worth of goods.

At Pham The Hien Pier, the 8th Precinct public security agents confiscated hundreds of meters of fabric and many kinds of illegally imported goods worth hundreds of thousands of dong from Nguyen Thi L. and Phan Ngoc An who were members of a long-haul smuggling ring originating in the western region. In the Saigon Port area, the Waterway Traffic Police Bureau followed and caught an organization specialized in illegal commercial dealings with foreign sailors and confiscated more than 800 electronic watches, thousands of Honda spark plugs and large quantities of other machines. Acting in conjunction with the military forces, public security agents of the 15th Ward, Binh Thanh District, arrested four military impostors using fake documents to smuggle lumber from the provinces to the city and confiscated 2 taels of gold, tens of thousands of dong, a pistol and many fake recommendation letters. In the 1st Precinct, public security agents of the 5th Ward intercepted the transport of smuggled goods and retrieved 1,470 packs of cigarettes of the "475" trademark and 255 meters of foreign cloth. In the 3rd Precinct, public security agents of the 17th Ward cooperated with the market management force in dealing with a case of illegal storage of therapeutic medicines at the Nguyen Thong market and confiscated more than 300,000 dong worth of medicines of various kinds.

9332

CSO: 4209/5

MILITARY AFFAIRS AND PUBLIC SECURITY

BORDER CADRES, YOUTH SAID VULNERABLE TO PRC PSYWAR

Vientiane PASASON in Lao 30 Aug 84 p 3

[Article by Dabannavong: "Lang Son and Ha Tuyen Provinces Encourage Production and Prepare for Fighting: (On the Occasion of the August Revolution and the 39th Anniversary of Vietnam National Day)]

[Text] It has always been true that the Beijing expansionists and hegemonists have been carrying out a war of aggression against Vietnam and destroying its people, especially in the border areas. Besides using military force they also send spies into Vietnam and seek every way possible to incite unrest and to destroy the ranks of cadres. They also use psychological warfare to bribe cadres who believe easily and youth who have lost their true identity in order to use them as their tools. The Chinese hegemonists also use an extensive wired-radio network to propagandize, distort, condemn, and slander Vietnam in every way and in many languages. They continue to send in books, newspapers, leaflets, and movies to propagandize, hoping to dismantle the firm beliefs of the people of ethnic groups. Heavy emphasis is placed on the youth to divide them and to break up the armed forces and the people. They also opened stores at the border and engaged in other black market trade in order to attract greedy cadres who try to make a profit in order to harm the local economy.

Not many months ago China used an escalation policy by firing different kinds of artillery at five cantons in Lang Son at the Vietnamese-Chinese border and at a number of villages many tens of kilometers away from the border. On some days they fire artillery 5 to 6 hours at a time and cause great damage to houses, livestock, and the people's lives.

Under the correct leadership of the party and local administrative committees, the Army and the people in these two areas have maintained their heritage to unify themselves to fight against the Chinese reactionaries and have scored many achievements in battle. Other cantons in the rear have organized their own representatives to mobilize and admire these achievements.

Localities that were destroyed by the Chinese reactionaries are continuing to increase production. Even though facing difficulties in living, the people did not flee from their homes to go elsewhere. They followed the slogan that says, "We will not leave our place by even an inch."

Along with border defense the people in this area also engage in agricultural and forest production. The basic achievement they scored in defending and owning their land is that they planted trees to make a forest on 67,544 hectares and they planted trees at various places over 55,633 hectares. Forest slash-and-burn is decreasing each year. They also carry out agricultural and forest production together. From now to 1990 they plan to plant trees on 475,200 hectares of empty land (bare hills) in order to insure the supply of raw materials for paper production, lumber for construction and firewood for the center and localities.

The Army and the people of ethnic groups in these two border provinces have raised their revolutionary consciousness high and have decided to fight to defeat the war of aggression of the Chinese expansionists and hegemonists, to defend the country, and to join the armies and the people in the border provinces and the Vietnamese people throughout the country in carrying out the two strategic duties: to construct socialism and to defend and strengthen the nation.

9884

CSO: 4206/1

INTERNATIONAL RELATIONS, TRADE AND AID

VIETNAM-USSR COOPERATION IN PRODUCTION-EXPORTATION INTENSIFIED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 28 Jun 84 p 3

[Article by M.T.: "Vietnam-USSR Long-Term Cooperation in Producing and Exporting Vegetables and Fruit"]

[Text] For many years, our people have taken advantage of favorable natural conditions to produce many kinds of vegetable, fruit and condiments for export. The USSR is a vast, stable consumption market for the vegetables and fruit exported by our country and its fareastern region's need [for these commodities] is especially great.

Vietnam's exportation of vegetables and fruit to the USSR has, on the average, increased at the rate of 50 to 60 percent per year and even more than 100 percent in some years. In 1983, the volume and value of vegetables and fruit exported to the USSR were four times greater than in 1981.

However, our production and exportation of vegetables and fruit to the USSR are still based on a small-scale patchy production system with many unstable sources of goods and thus have neither clearly reflected the great potentials of our country's tropical agriculture nor met the customer's demand. One of the principal reasons is difficulties with the material-technical conditions required for creating vast zones of concentrated and specialized cultivation and production and for building processing and packing installations, warehouses and transport means used in exporting vegetables and fruit.

The long-term program of cooperation in the production of vegetables and fruit in Vietnam for supply to the USSR is under way. The USSR will assist Vietnam in the following fields: Creation of industrial-agricultural federations to produce, preserve, process and transport vegetable and fruit products; expansion and modernization of the existing processing, canning, refrigerating and drying enterprises in Vietnam and construction of new ones; supply of technical materials to rapidly increase vegetable and fruit production capacities; production of modern kinds of packing to preserve vegetable and fruit quality in the handling and long-haul transport process; building of a network of special storehouses, bridges and harbors; improved organization of cargo handling and setting up of industrial teams to handle vegetables and fruit; organization of a USSR freezer fleet specialized in receiving and transporting these products; scientific-technical research and application in

all stages from production to processing and exportation in order to achieve higher economic effectiveness. The USSR aid will also include capital, materials, equipment, foreign specialists and cadres' training. This is one of the major cooperation programs between the two countries. Through this program, the volume of vegetables, fruit and condiments to be exported to the USSR during the 1986-90 period will increase sixfold as compared with that in the 1981-85 period.

The composition of vegetables, fruit and condiments to be exported by our country to the Soviet Union will be highly diversified and will include the following products to meet the USSR consumption needs: Pineapples, bananas, segmental fruit (such as oranges, lemons, tangerines, grapefruit...), watermelons, mangoes, rambutans, mangosteens, custard apples, guavas, cabbage, carrot, kohlrabi, potatoes, violet eggplants, French beans, cauliflowers, cucumbers, tomatoes, onion, pepper, garlic, capsicum, ginger, galingale, saffron, etc...

Most of these export vegetables, fruit and condiments are produced by short-term crops. This is an advantage which can quickly bring about a result from the cooperation program the implementation of which will, however, meet with many difficulties because it will take time to delineate and build vast zones of specialized cultivation and to build uniform processing and material-technical facilities to promote the exportation of these products which are hard to preserve and transport. The USSR aid in capital, equipment, technique and materials necessary to production and purchase has relieved the present principal difficulties and will certainly create conditions to develop strongly the production and exportation of vegetables and fruit to the Soviet Union.

9332

CSO: 4209/5

INTERNATIONAL RELATIONS, TRADE AND AID

ANNIHILATION OF POL POT BANDITS BY VIETNAMESE TROOPS NARRATED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 28 Jun 84 p 2

[Article by Nguyen Van Chu: "For Complete Happiness"]

[Text] The night was drawing to the wee small hours but Sec Lt Pham Van Ben, of C.3, D.6, Group X of the Vietnamese volunteer troops stationed in Battambang, Kampuchea, did not yet fall asleep. He felt lighthearted because in a few hours, he would take his home leave, meet Tam and... Suddenly, he smiled in the dark night. Time went by so fast and they had not seen each other for more than 3 years. They had exchanged many letters, now moody and then passionate. Finally, tomorrow morning he would take his home leave and relatives on both sides would prepare the happy day for the two of them. Tam returned home more than 3 months ago after finishing her technical study in a friendly country. Twice Ben had notified her of his impending home leave but had to postpone it the first time because he missed his unit's transport vehicle and the second time because he had to perform an unexpected mission; so much so that Tam wrote in her latest letter to him: "Tam would love you all the more if you were really busy with your job. But how is it that you have been so often busy with unexpected missions? Or else..." Alas! How bitter the words "or else" sounded to him as the sentence was left unfinished!...

All of a sudden, a scream echoed from the edge of the forest. Acting by reflex Ben jumped out of his mosquito net, grabbed his AK rifle and dashed into the night. In his judgment, malefactors should have surely been hanging around because recently the local people reported that the crop products of their slash-burn upland fields had been stolen sometimes and that a small girl called Thia-ri had lost a calf while pasturing her cow herd. In all probability, some wicked remnants of the former Pol Pot regime should have been hiding somewhere in this region. In this border village as in the Battambang Province hinterland, after several study campaigns, a number of astray persons had-- either out of self-enlightenment or following the people's detection--rallied one by one to the people's side while others were arrested. There remained only some stubborn elements who fled to Thailand. The latter had surely returned home but were forced to do wrong because nobody wanted to give them shelter. If this was true, the Dau Voi cave should be the only place where they might take refuge. The first victim should be the family of an old woman called Xi-det because her house stood out at the other end of the hamlet and because there was no man in her family.

With that in mind, Ben headed for the house of old Mrs Xi-det. With circumspection, he climbed the stairs of the stilted house. He heard only feeble groans. Realizing that the criminals had already fled, he pointed his flashlight inward and saw broken, scattered utensils and rice and salt sprinkled all over the house. Old Mrs Xi-det had her arms and legs tied up, a scarf used to shut her mouth slipping down to her neck. She had been stabbed several times and her shirt was blood-stained. Beside her lay her grandchild, aged 4 or 5, stabbed to death. The child's mother was not there, perhaps kidnapped by the bandits.

At that moment, our troops, the friendly ones and the villagers came to the spot. Ben hastily untied the old woman, handed her over to the first-aid unit nurse and waved to some soldiers to accompany him to the Dau Voi grotto.

The morning sky was brightening up. The path leading up to the grotto became more tortuous. The grotto entrance was precariously located midway on the rock mountain slope and there was only one way uphill. Bang! A bullet fired down from the grotto entrance just missed Ben's shoulder. Everyone lay down flat on the ground. It was impossible for them to move further in this situation; otherwise, there would be heavy casualties. No matter whatever the numerical strength, further advance on this path would be impossible. Taking advantage of the terrain, the bandits could check an entire battalion's advance by posting one or two shooters who would alternately show up and disappear at the grotto entrance. Would it be wise to retreat and let them continue to wreak death and sufferings? One of the soldiers proposed tight encirclement, which would starve the bandits and force them to sally out. But would they go out by the main front path, wouldn't they? There were certainly many secret alleys diverging from this cave which would help them escape. For the time being, if we did not quickly launch an attack, the child's mother would become another murder victim. But this plan would not go right either. Biting his lip, Ben pondered intensely while observing the terrain very carefully. Then he ordered two soldiers to hide carefully and to fire sporadic shots to keep on the alert the two bandits guarding the grotto entrance. He and the other soldiers would go back to the hamlet to take ropes, hooks and grenades. Nothing else could be done except walk around to the rear of the mountain, use ropes to climb on its top wherefrom secretly move down to the grotto entrance, suddenly annihilate the two sentinels and quickly and unexpectedly break into the grotto. That would be the only solution but doing so would take more time and incur great danger... A thought suddenly crossed Ben's mind: He would miss his home leave again just because of this new unexpected mission but this would not matter because "Tam would love you all the more if you were really busy with your job"!

On arrival at the mountain peak, Ben ordered his men to go down two by two and follow him, to keep secrecy, to act swiftly and accurately, to avoid bloodshed and especially to ensure safety for the child's pregnant mother still detained by the bandits.

When coming near the grotto entrance, Ben saw the two bandits pointing their

fingers at our soldiers at the foot of the mountain and laughing contentedly. Closing in on them at a distance of only 1 meter approximately, Ben gave his companion a nod and both used a well-trained wrestling method to knock the two bandits on their heads when these were being nodded in self-contentment. Both of them collapsed without uttering a sound. Slipping softly into the grotto, Ben saw four bandits eating on a piece of stone at the center of which was placed a lamp which shed a dim light. Drawing nearer, Ben suddenly stood up and shouted in Cambodian: "Hands up all of you and don't move!" Startled, the bandits rose up but one of them leveled his pistol in Ben's direction. Ben had barely enough time to pull the trigger of his rifle when its barrel was being pointed at that bandit; then Ben felt giddy and slumped. His companions rushed in and caught all the bandits. Mrs Thi-da, the daughter in law of old Mrs Xi-det was rescued from danger: Had our men come a few minutes later, the bandits would have finished their meal and behaved like beasts toward her before killing her.

Everyday Ben's comrades in arms and the local people came to visit him and take care of him at the medical treatment center. Ben's face brightened on hearing that the fight won complete victory and that the hamlet and village people no longer suffered any loss of personal property. He smiled and told the visiting unit commander:

--Please ask anyone going on home leave to take along the "cro-ma" scarf-- a gift offered me by the Kampuchean villagers--and deliver it to Nguyen Thi Thanh Tam at the address I have already mentioned and to tell Tam that I am again busy performing an unexpected mission and cannot yet take my home leave this time. Please remember to say that I am busy with an unexpected mission!

9332

CSO: 4209/5

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

GIFT TO ZOO--After a long journey over stormy oceans, the GDR ship Hai Ka-pa-le [Vietnamese phonetics] has arrived at Saigon Port, carrying a gift offered by Leipzig City to the sister Ho Chi Minh City to add a number of rare animals to the latter's zoological garden. This gift includes rare birds and animals such as giraffes, ponies, wild goats, long-furred monkeys, swans and hedgehogs which the Ho Chi Minh City people have so far known only through books, newspapers or motion pictures. To receive these precious animals, a ceremony was held on the afternoon of 27 July 1984 at the zoological garden in the presence of Nguyen Van Nam, vice chairman of the Municipal People's Committee, Ma-tit Trot [Vietnamese phonetics], GDR acting consul general to Ho Chi Minh City, and a number of representatives of the two sister cities. The above-mentioned animals have been put into cages and sheds and taken care of for the enjoyment of zoo visitors. [Text] [Tr. B., of SAIGON GIAI PHONG] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 29 Jul 84 p 1] 9332

CSO: 4209/5

ECONOMIC PLANNING, TRADE AND FINANCE

NGHE TINH DISTRICT FISHING, INDUSTRIAL PRODUCTION

Vientiane PASASON in Lao 24 Aug 84 p 3

[Article by Vilaivan: "Nghì Loc District in Nghe Tinh Province Of The SRV Combines Economic Construction And National Defense"]

[Excerpt] In the evolutionary process of combining the economy and national defense which is the primary work of Nghì Loc District, Nghe Tinh Province of the SRV, it has attentively guided and readopted planning and production in all work branches in all work areas. Even though it has been carried out for only a short period of time, in its first phase Nghì Loc was able to score certain achievements that it can be proud of.

Nghì Loc is constructing an area to grow just rice and for four areas in intensive agriculture. In the rice-growing area of 14 co-ops over 9,000 hectares there are materials and technical bases assuring intensive agriculture. They built 70 large, medium, and small water reservoirs and 13 water-pumping stations with 24,000 cubic meters capacity per hour. In the area of peanut-growing for export there are 10 agricultural co-ops on 2,000 hectares, and by now 1,500 hectares have been planted. In the tobacco-growing area there are 7 co-ops and 1,000 to 1,500 hectares of which [5000] hectares have been put into production. In the area of hot pepper-growing for export there are 5 co-ops, and 500 hectares of which 200 hectares has been converted to production.

Besides these four cultivation areas, Nghì Loc District is putting emphasis on building two sugarcane-growing areas and also two honey, sugar, and alcohol factories.

Light industry has been growing by the improvement and construction of various production units. This has provided 18,000 jobs and income for those who were previously unemployed or unstable. They raised the value of production from 6 million to 17 million dong districtwide. In the coming years they will try to increase production from 30 to 50 million dong. This will not only ensure the standard of living of the people, but will also be able to save some for the [fixed logistics department] and ensure the district military forces' getting ready to fight and defeat the [enemies].

In light industrial and handicrafts production, besides reorganizing production in goods, construction materials, agricultural manufacturing, and sea products, Nghi Loc has also built large ships to get ready in case of war so they will be able to provide for national defense. Nghi Loc District has a long ocean coastline. There are many fishing areas that yield 5,000 to 7,000 tons per year on the average. Seventy percent of the fishing boats run by engines. Fishing units are organized as military forces at the same time in order to join national defense on the seas. Each production unit has one company that has been well trained and provided weapons.

9884

CSO: 4206/1

ECONOMIC PLANNING, TRADE AND FINANCE

BEN TRE PRODUCTION, CO-OPS, INVESTMENTS

Vientiane PASASON in Lao 25 Aug 84 p 3

[Article by D Bannavong: "Agricultural Production in Ben Tre" (on the occasion of the 39th Anniversary Of The SRV August Revolution and National Day)]

[Text] Ben Tre is one of nine provinces on the plain along the Mekong shore, where the Mekong River flows into the sea. Rivers divide this province into three large sections and many small islands. It has a total of about 2,800 square km and its population is 1.1 million.

Prior to the liberation Ben Tre faced problems in production because of natural disaster and also heavy destruction from the war.

After the complete liberation the party and administrative committees of Ben Tre have emphasized agricultural production by joining with industry. They also have to improve socioculture and at the same time raise higher consciousness in national defense and security.

Since 1980, particularly after the fifth congress of the Vietnamese Communist Party, agricultural production in Ben Tre has exceeded the expected figures consistently.

Ben Tre has 90,000 hectares of ricefields but only 26,000 hectares [of land in the fresh-water area.] However, they built 10 water-pumping stations that are able to drain water into approximately 30,000 hectares of ricefields. In 1984 the food supply production yielded 360,000 tons. This did not include seedlings and animal feed. One person will receive approximately 300 kg per year on the average.

Now they have 1,500 production units, 7 co-ops and 100 solidarity labor units. This province has 23 cantons and 50 production units that produce 8 to 12 tons per hectare per year.

Animal husbandry has been rapidly expanded. Coconut planting has been extensively improved and expanded along with the interplanting method. In the coconut orchard they also grow coffee beans, and raise bees, shrimp, and fish.

Each year they harvest 100 million coconuts on 22,000 hectares. This province also grows sugarcane which yields 700,000 tons a year. Because of Ben Tre's 65 km of seashore, it is convenient for shrimping and fishing. They catch 50,000 tons of marine life each year and approximately 5,000 tons is shrimp.

Light industry and handicrafts have been expanded from where there was no base at all to many millions of dong income today. For example, in 1981 they had 750 million dong, a billion dong in 1982, 1.4 billion dong in 1983, and 853 million dong in the first 6 months of 1984. The latter alone exceeds the total income in 1981.

From now to 1985 Ben Tre Province will put its effort into increasing production in every way, especially in agriculture. In 1985 they will increase food supply production 510,000 tons and each person will have to produce over 400 kg per year on the average. The land for coconut growing will increase 60,000 hectares which will produce 1,650,000 coconuts per year. They will also increase sugarcane, trees, and [other] industrial production. With firm confidence in the leadership of the Party Central Committee and the administrative committees, Ben Tre continues to score new and bigger achievements.

9884

CSO: 4206/1

ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

SUNDRY CONTRACTUAL PRICES--State-operated Machinery Enterprise "30 April," 104 Nguyen Van Cu Street, 1st Precinct (Telephone No 93-323 and 22-945), is specialized in the production and contractual manufacture of paper clips and book and cardboard-case binding staples, in repairing automobiles and in plating and manufacturing wires on contract. (For the 0.5- and 0.6-mm [gauge] wires used in making export bamboo blinds, the contractual manufacture price will be 14.5 dong a kilogram if the customer provides all the necessary materials such as iron, steel, zinc, FO oil and acids, and 21 dong a kilogram if the customer supplies two principal materials: iron and steel.) The price of a ream of Roneo and copying paper is as follows: White copying paper: 70-80 dong for 21 x 33 [cm] format and 60-70 dong for 21 x 27 format; yellow copying paper: 55-60 dong for 21 x 33 format and 45-50 dong for 21 x 27 format; yellow Roneo paper: 64-70 dong for 21 x 33 format and 60-65 dong for 21 x 27 format; and packing paper: 35 dong a kilogram. The enterprise agrees to sign contracts with and to effect wholesale and retail to agencies and units in the city and provinces. Payments will be made by transfer of funds. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 28 Jun 84 p 3] 9332

CSO: 4209/5

AGRICULTURE

STATISTICS REPORTED ON 1984 WINTER-SPRING HARVEST

Hanoi NONG NGHIEP in Vietnamese 20 Aug 84 pp 1,7

[Article: "Good Winter-Spring Harvests Recorded Throughout the Country: Yield Averages 33.24 Quintals Per Hectare, a 2.12 Quintal Increase Over Last Year; Output Reaches 5,510,900 Tons of Paddy, an Increase of 376,500 Tons; the North Overcame Drought and Has Planted 90 Percent of the 10th Month Rice Required Under Plan Quotas During the Best Part of the Season"]

[Excerpt] Despite encountering very many difficulties caused by natural diseases, the weather and a shortage of materials, the entire country has recorded a good winter-spring harvest. Some 1,657,800 hectares of rice were planted throughout the country, an increase of 0.5 percent, with an average yield of 33.24 quintals per hectare, an increase of 2.12 quintals, and an output of 5,510,900 tons of paddy, an increase of 376,500 tons compared to the 1982-1983 winter-spring season.

As a result of continuing to build water conservancy projects, practicing multicropping, expanding the cultivation of new rice varieties, supplying materials on time and having favorable weather, the southern provinces scored a victory in all aspects of winter-spring production: the amount of area under cultivation, yield and output. The farmers of the South put 628,400 hectares under the cultivation of rice, a 7.9 percent increase, recorded a yield of 39.62 quintals per hectare, an increase of 4.29 quintals, and produced an output of 2,489,400 tons, an increase of 467,800 tons compared to last season.

In the North, a prolonged cold spell and inadequate sunlight at the start of the winter-spring killed 83,000 hectares of seedlings and rice. In the middle of the season, as many as 256,100 hectares of rice lacked water. At the end of the season, pests, diseases and waterlogging affected rice crops. Thanks to the creative and brave labor of collective farmers, the close, flexible and timely guidance provided by the various levels and the positive support provided by the various sectors, the North transplanted 1,029,000 hectares, 3.6 percent less than planned. In conjunction with expanding the cultivation of new rice varieties, cooperative members used much more fertilizer and put more time into cultivating their rice crops. Each hectare was fertilized with 7.7 tons of livestock manure, an increase of 2 quintals, and 148 kilograms of

nitrogen, a 3 kilogram increase compared to the 1982-1983 winter-spring season. After fulfilling their obligations to the state, some provinces exported agricultural products in order to purchase additional nitrogen fertilizer and supplies for use in the intensive cultivation of rice. As a result, this year's winter-spring rice yield averaged 29.34 quintals per hectare, a 24 kilogram increase compared to last year. The provinces of former Zone 4, overcoming the aftermath of last year's typhoons, transplanted their rice crops on schedule, used a large amount of fertilizer and recorded an average rice yield of 29.68 quintals per hectare, an increase of 5.18 quintals per hectare over last year. The six provinces of Nghe Tinh, Thanh Hoa, Binh Tri Thien, Cao Bang, Thai Binh and Quang Ninh recorded average yields equal to or slightly higher than those of last year's winter-spring season. Thai Binh averaged more than 40 quintals per hectare, an increase of more than 1.5 quintals over last year's winter-spring season. To overcome harsh weather conditions, Thanh Hoa Province had to replant 8,000 tons of seed paddy in order to have sufficient seedlings to transplant 100,097 hectares of rice, as a result of which it achieved an average yield of 32.2 quintals per hectare, a 5.3 quintal increase, and produced an output 10,000 tons larger than last year. Nghe Tinh Province put 127,000 hectares under cultivation, which included 40,000 hectares of high yield rice yielding 40 quintals per hectare. Nghe Tinh recorded an average yield of 29 quintals per hectare, a 4.7 quintal increase, and produced 50,000 tons more in output than during last year's winter-spring season.

During this year's winter-spring season, although the country's paddy output increased over last year, subsidiary food crop output continued to decline. The amount of area under cultivation declined by 42,100 hectares and output fell by 44,900 tons, in paddy equivalent, thereby affecting the rate of increase in grain output. This year, winter-spring grain output, in paddy equivalent, reached 6,208,700 tons, an increase of 311,600 tons over the 1982-1983 winter-spring season.

7809
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HEAVY INDUSTRY AND CONSTRUCTION

OIL DISCOVERED, 2 MORE YEARS OR EXPLORATORY DRILLING FORESEEN

Ho Chi Minh City TUOI TRE in Vietnamese 24 Jun 84 pp 2-3

[Article by Huynh Son Phuoc: "Oil Discovered. When Will It Be Developed?"]

[Text] In early 1978, workers exploring for oil and gas in Vietnam detonated a series of explosions in the waters off Vung Tau, thereby marking the start of what specialists call exploration by the physical shock method. The powerful explosions were like a question sent to the layers of rock thousands of meters below the ocean floor: where is the oil? The reverberations from the rock varied in speed, so, the ship continued to move about, detonate mines and record the resulting sound waves from below the sea bed. And, all of the data compiled from the more than 10,000 explosions provided the first answers as to where exploratory drilling should be conducted and where dome shaped structures that hold the best prospects for oil are located. However, using only the results of physical shock tests, the exploratory drilling ship sometimes drilled "dry" holes and either found no oil at all or only oil in very small quantities and of no industrial value. Seven to ten wells generally had to be drilled to find oil deposits of industrial value (at a cost of 719 dollars per meter drilled into the ocean floor).

Prior to 1975, capitalist contractors drilled at least seven exploratory wells on the continental shelf off South Vietnam. However, before they could reach any conclusions concerning the location of oil deposits, the United States withdrew from Vietnam and U.S. contractors packed their bags and left as well. In 1980, three corporations from the German Federal Republic, Canada and Denmark accepted exploratory drilling contracts but just as they began their work, they were pressured by the United States to support the economic embargo against Vietnam. Yielding to U.S. pressure, they cancelled their contracts and left.

Exploratory drilling was not resumed until the start of 1984 with the arrival of the M. Mirchink Drilling Ship. And, TUOI TRE Newspaper later reported that following 5 months of exploration, Vietnamese and Soviet specialists had discovered an oil deposit of industrial value. At 2100 hours on 26 May, the first gas fire was ignited in the ocean waters off Vung Tau.

Coming at a time when the country lacks energy, when industrialization demands petroleum and we must annually spend billions of dong to import oil, the price of which is rising on the world market (from 4 dollars per barrel, that is, 159 liters, in 1973 to 30 dollars today), the news that oil had been discovered brought great joy to everyone, joy emanating from feelings closely tied to each step taken in socialist construction, from the clear knowledge of the importance of oil's energy in bringing about changes within the country, within the life of each family. Some persons overreacted, feeling that it would not be long before electricity "blackouts" would be a thing of the past within the city and gasoline would be plentiful.

The continental shelf in the South does indeed hold oil and by employing all available technical capabilities and through the strength of Viet-Soviet cooperation, we managed to determine where oil can be developed. However, exploration and development entail a series of highly complex jobs requiring sophisticated, modern equipment. This objective, scientific process must be followed through to its conclusion.

On 26 May, we discovered an oil deposit of industrial value. This event had important implications: first, it provided a clear answer to the questions that had remained unanswered for more than 10 years (at least since 1974): "Is there oil under the continental shelf in the South" and "if there is, can it be developed?" Next, it proved that the scientific-technical cadres and the workers of Vietnam's oil and gas industry, with the tremendous assistance of the Soviet Union, are gradually becoming capable and will ultimately become fully capable of operating the off shore oil industry.

And when will we begin producing oil? The procedure that must be followed now that industrial grade oil has been discovered is for us to continue to conduct exploratory drilling to evaluate these petroleum reserves (at least four more wells must be drilled, each requiring at least 3 months) and collect data for production design projects.

Each of us is awaiting the start of oil production with the hunger of an energy starved country. The Vietnam Petroleum and Natural Gas General Department and the Vietnamese and Soviet workers participating in the oil exploration and development effort are working very hard to achieve success. However, we must also realize that drilling will continue for a couple of more years and that every investment in development will be costly and demand much hard work.

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LIGHT INDUSTRY

STATUS, TARGETS OF HANDICRAFT REORGANIZATION IN HO CHI MINH CITY

Hanoi TIEU CONG NGHIEP-THU CONG NGHIEP in Vietnamese 17 Aug 84 p 2

[Article by Dinh Khuyen, Vietnam News Agency: "Ho Chi Minh City Attaches Importance to Transformation in Order To Step Up Production"]

[Text] The capacity of Ho Chi Minh City's small industry-handicraft sector is very large and has been developing rapidly in recent years under the impact of party and state policies. By 1983, the value of the small industry-handicraft sector's output had risen eight-fold (at fixed prices) compared to 1976, when it only produced 320,000 million dong in goods, 22 percent of the total value of the output of the entire industrial sector within the city, and accounted for more than 55 percent of the total value of local industrial output.

The city has concerned itself with transforming and reorganizing production in order to tap the strengths that lie in the sector's manual skills and dynamism and properly orient the activities of handicraftsmen. More than 1,500 bourgeois and agricultural households and approximately 20,000 private producers have gradually been brought under management through suitable forms of organization, such as joint public-private enterprises, cooperatives and production cooperative teams, and transformed via state capital participating in private enterprises and the business of self-employed persons through the ordering and procurement of goods under contracts. On this basis, the small industry-handicraft sector has established economic-technical sectors and product groups.

To date, the city has established five sector federations of cooperatives encompassing 70 cooperatives, 187 production teams, 13 private installations and 9 handicraft art product groups. The city Federation of Cooperatives has established six product groups within the machine, handicraft art product, textile, tailoring and cultural product sectors consisting of 107 cooperatives, 412 production teams and 60 private installations. In addition, the state-operated enterprises that are directly subordinate to the city's Industrial Service have established many product groups by economic-technical sector, such as the bicycle part product group, the textile, starch and dye product group, the glass product group, the toothpaste product group and so forth, in order to provide management by sector throughout all five segments of the economy. Some small industry-handicraft production installations are

also participating in product groups managed by the central level, such as the paper and paper pulp product group (the Ministry of Light Industry), the rubber product group (the Chemical General Department), etc.

However, due to the lack of a full understanding of transformation, industrial production within the city has, generally speaking, developed unevenly. The value of the output of the state-operated bloc has been increasing in absolute terms but gradually declining as a percentage of total output while the value of the small industry-handicraft sector's output has been increasing rapidly both in absolute terms and as a percentage of total output; however, the value of the collective sector's output is lower than that of the private and self-employed sector. At present, of the 26,104 small industry-handicraft production installations within the city, only 253 are cooperatives and 2,166 are cooperative teams, the remainder are private enterprises and self-employed businessmen. However, most of the cooperatives are still low level cooperatives, their collective ownership is not strong enough to consolidate their socialist production relations, their management is still weak and the quality of their products is not high. Lax management has allowed the private and self-employed sector to spread, thus giving rise to many negative phenomena, such as collusion, skimping on materials, the manufacture of fake goods, the manufacture of poor quality products, etc.

The city is now concentrating its efforts on guiding the functional agencies in endeavoring to complete the planning, transformation and reorganization of the small industry-handicraft sector by the end of 1985 in exact accordance with the following guidelines: those sectors that directly affect the welfare of consumers, such as the medicine, wine, beer, tobacco, textile, starch, dye and printing sectors, the assembly and fitting of ships and barges that exceed 100 tons in capacity and so forth will encompass only two economic segments, the state-operated segment and the joint public-private segment. A small number of other sectors will be comprised of three economic segments (state-operated, joint public-private and collective). Private installations will be allowed to participate in the production of a number of sectors under the guidance of the Small Industry-Handicraft Management Agency. By the end of 1984, cooperativized labor must account for 60 to 65 percent of the labor within the main sectors and trades so that this figure can be raised to 70 percent or more by the end of 1985, with 30 percent of the total number of cooperatives being advanced cooperatives and not one cooperative being weak and deficient. On this basis, at least 80 percent of small industry-handicraft goods must be delivered to the state and the vast majority of products must meet stipulated qualitative standards.

On the basis of the experience gained in recent years, the Federations of Cooperatives of the city and its precincts and districts are conducting a preliminary review of transformation by small industry-handicraft sector and reassessing its labor force and production capacity in order to reorganize production in a manner that meets the objectives cited above and maintains the sector's growth at the annual rate of 10 to 15 percent while employing an additional 20,000 to 25,000 laborers. The city is also coordinating its efforts to guide the implementation of the 1984 production plan with re-evaluating the quality of collective production installations and adjusting their qualitative standards so that guidelines can be adopted for making

appropriate investments in each sector. At present, the Federations of Cooperatives on the various levels are working to improve their plans for transforming and reorganizing production within the 15 primary sectors: agricultural machines, rubber, plastics, paper, pottery and glassware, knitting, wool textiles, sterile cotton bandages, ready-made clothing, art products, electric fans, cane sugar, wrapping paper, exported art products and household utensils.

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POPULATION, CUSTOMS AND CULTURE

RELOCATION OF URBAN PEOPLE IN NEW ECONOMIC ZONES INTENSIFIED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 28 Jul 84 pp 1,4

[Article by T.L.: "In the First 6 Months of 1984, 797 Households Went to Build State Farms"]

[Text] SAIGON GIAI PHONG--In the first 6 months of 1984, the city task of distributing labor and relocating people to settle their life and build new economic zones has made further progress and involved a large number of laborers who lived in the urban precincts but had no stable jobs. That is the assessment by a conference held on 27 July 1984 to review the city achievements in distributing labor and building new economic zones in the first 6 months of 1984. The conference was presided over by Nguyen Vinh Nghiep, vice chairman of the Municipal People's Committee.

In the first 6 months of 1984, the city motivated 797 households with 2,916 laborers and 4,774 members without stable jobs to move out to settle their life and build state farms in the city suburbs, in Dac Nong in Dac Lac Province and in state rubber plantations in Song Be Province. Most people who went to settle their life and build state farms in the city suburbs and other provinces have remained there and stabilized their livelihood. In the city suburbs' state farms, the average monthly income of each laborer working mainly for the state farms ranges from 300 to 700 dong and that of each laborer at state rubber plantations from 700 to 1,000 dong. This achievement is due to the fact that the city and the various localities, committees, sectors and state farms where people have come to settle their life have paid attention to the lodging and boarding conditions of these people and made arrangements to give them jobs. Concerning settlers coming from cities, state farms have not only created conditions for them to draw a fairly substantial income from the farms' economy but have also attentively helped them develop their own household business. However, the city task of distributing labor and relocating people to settle their life and build the city's state farms is still inadequate in certain aspects, which has limited its result. These shortcomings are the slow building of houses, the superficial effect of propaganda and motivation, the shortage of cadres and the fact that precinct and district committees for new economic zones have not yet been strengthened to meet the sector's new tasks.

From now to the end of this year, the new economic sector of the city will urge 625 more households without stable jobs to move out and settle in state farms in the city suburbs and in Dac Nong (Dac Lac) and will continue to motivate jobless people to go to build state rubber plantations in Song Be. The Municipal Committee for New Economic Zones will coordinate with state farms, precincts and districts to concentrate on quickly building material facilities to provide lodging and boarding facilities for settlers on their arrival at the farms.

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END