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AUSTRALIA

BRIEFS

TALKS WITH EEC--There have been more talks in Canberra between Australia and the European Community seeking new trade and ways to deal with the world farm crisis. Talks between Australian ministers and the European external relations and trade commissioner, Mr (Willi de Clerc), have already made some progress. The Australian side says the talks are going smoothly and some progress has been made on the problems of overproduction and dumping of agricultural product. The European side says agriculture is important, but not a special priority in the new round of multilateral trade negotiation. Mr (de Clerc) repeated the EEC view that agriculture had to be dealt with at the same pace as other issues during the 4-day negotiation round. During the talks, Australia and Europe signed a science and technology agreement.
[Text] [Melbourne Overseas Service in English 0030 GMT 13 Nov 86] /8309

CSO: 4200/136

6 December 1986

LAOS

COLUMN DISCUSSES NEW ECONOMIC SYSTEM

Economic Accountability Central

Vientiane PASASON in Lao 16 Oct 86 p 2

["Learning About the New Mechanism" Column: "The Old Mechanism is Administrative Subsidy; The New Is Business Accountability"]

[Text] We say that the old mechanism is administrative subsidy because it allowed the economy to come under a "strange" management method. It is really a subsidy. A person is qualified to work even though they have no basic knowledge, take vacations of 4-5 months at times without good reason, and still receive a salary as usual. The government has to shoulder everything for the main economic units. The government is also responsible for profits and losses, and compensates for the losses.

On the other hand, the new mechanism is business accountability. The main economic units must be responsible for themselves. Their own work must not only cover production costs, but also generate a profit in order to expand their production. Although it is not possible always to have profits, there must absolutely be no losses. The government will compensate losses only in certain special cases.

The new mechanism uses economics and economic procedures as primary tools along with administrative and training techniques to carry out economic management. Management methods are used to obtain management goals (for working people and labor organizations) via an economic lever for the purpose of promoting their own benefits. For example, we want farmers to grow a lot of tobacco, but we cannot give an order forcing them to do so. Therefore, along with giving them a plan for growing tobacco, we have to set a reasonable purchase price for them. If they believe that they will make more profit from growing tobacco than from other crops, they will voluntarily and enthusiastically grow tobacco. In the meantime the trade or enterprise [sections] must sign a mutual agreement with the farmers to make sure that things go smoothly.

Economic management by means of economic methods is management from afar (which is different from close at hand management by the administrative method). As a result the targets (those who are being controlled) are not forced or obligated. They also liberate the administrative organizations from a situation of "work holding" but where nothing can be done well.

Old System Stifles Initiative

Vientiane PASASON in Lao 11 Oct 86 p 2

["Learning About the New Mechanism" Column: "Harmful Effects of the Protective Subsidy"]

[Text] In the past the authoritarian subsidy management system resulted in much harm. First, it delayed the expansion of regulation and made it irregular. Producers still felt that they worked according to the plan of the government and the higher echelons. They worked for someone else. They did not understand that they worked for their own benefits. Therefore, they did not care as they should about the result of their own labor, and this led to widespread irresponsibility in making a living. Also, the production base and many people did not feel that they owned the means of production. They still felt that it was the government's and it did not matter whether they took responsibility for it or not. They therefore lacked the desire to save, and to take good care of the machinery. As a result, there was much waste in using tools and vehicles in production.

Secondly, the subsidy separated production from circulation and distribution, different production processes were cut off by administrative orders, and producers were separated from consumers, resulting in imbalances and deficiencies. The means of production and the resulting products were not in agreement with the needs of consumers, causing situations where there were surpluses or shortages of goods. It did not matter whether they produced effectively or not. It did not matter whether the goods in storage spoiled or not; factories would stop producing even if they had a shortage and no one accepted responsibility for it. International aid is still being spent irresponsibly and luxuriously. The subsidy system is still being maintained as before. This is a lack of coordination. Also, spending is not yet compatible with the goals. While there has been investment in a lot of construction work, the payoff is still low.

Thirdly, the old mechanism caused budget imbalances, savings failures, deficits and an increase in cash spending.

Fourthly, the old mechanism not only dismantled production but also discouraged economic expansion and rises in the standard of living in many ways that damaged the government. This provided an opportunity for illegal merchants, and caused unhappiness among working people. They become lazier and more careless when they receive payment whether they produce anything or not. No one takes their responsibility seriously.

In conclusion, the authoritarian subsidy system deprived the working people, the main economic units and the localities from their rights, benefits and responsibilities, and brought about discouragement in production and circulation.

We are all agreed that the authoritarian subsidy system was a direct cause of delays in production, shortage of goods, and lack of skill and quality, along

with low efficiency, resulting in the workers being unenthusiastic and unhappy with their tasks. We could say that this old system not only limited and destroyed all the skill and creativity of the masses, but it has also gradually ruined the excellent quality and the diligent work ethic of our people which they have had for a long time. The most dangerous thing is that it has caused the working class to change and gradually lose its quality. All of this will cause the masses to lose their confidence in our fine socialism.

Economic 'Dictators,' Buck-Passing Cited

Vientiane PASASON in Lao 9 Oct 86 p 2

["Learning About the New Mechanism" Column: "The True Appearance of Authoritarian Subsidy System"]

[Text] The general appearance of an authoritarian subsidy is that one man, one dictator, makes all the decisions without reference to economic principles. The economic method is not applied in controlling the economy, but places more emphasis on training and administration. Plans have no relation to the economy, and production was not related to circulation. For example, when we took in paddy for sale we did not figure out where we would sell it, what the people's needs were, how beneficial the products would be for the people, and what political and economic gains there would be. The roles of economic administrative management and business management are still confused, and they do not yet guarantee the right of ownership of the main economic units. It was not clear who set the policy, who the producers were, and who implemented it.

Another aspect of the subsidy system is that the government "must take care" of everyone; the higher levels take care of the lower ones, and rights, duties and benefits are not related to business products. In other words, the production side paid no attention to the economic outcome and there was no economic accountability, or if there was, it was only pro-forma. Thus, they could not meet the "Sam" production criteria. Even straightforward "Sam" production could not be guaranteed. In many cases the government had to compensate. There were many cases where cadres and workers received [payment] even though they did no work. In circulation the government carried out disbursement equally without asking whether those who received it had done anything in return equal to the amount they were paid for. The [cadres and laborers] did not meet the labor distribution criteria. Many of them lost time at work. They continued to receive their normal salary when they went to visit their families for many months. Also, the salary levels did not guarantee the production and labor forces, and the [salary] was still average. The finance system was one of collecting everything and spending everything. The procedure of exchanging goods with the people was not done in accordance with value criteria, and prices were not equal to the value of the goods. The purchase prices were lower than the value of the goods. They wanted to pay a very low price for the people's goods. In some cases it almost seems that the people gave it away for free, besides having already given it free to the government as their obligation. However, both sides should benefit from the exchange. This finally led to the situation, "when the purchasing was done it was as if the people were robbed, and when it was time to sell it was as if they gave their goods away free."

Another actual aspect of the authoritarian subsidy is demonstrated in the handing-over of rights. The situation has changed, and the party and government have the correct policy, but the organizations that are to carry it out have not yet been quick to apply it. They are still far from the real situation. For example, the policy on prices, labor and salary has been modified, but in some cases there is still the situation where they work or not depending on how they feel, yet the rights are still central, and are still applied to them. They were not their own master, and everything was up to the higher echelons. They just waited for the higher echelons. The localities waited for the center, and the factories waited for the ministries to send out the orders. Whatever was proposed to the higher levels could not be carried out unless there were words to the effect, "this came from Vientiane Capital and has been cleared by the higher levels." The organizing machinery is massive and strong, [yet] there are many links and [work units] in it that are unsuitable and have low quality. As for the administrative method, an easy-going method was used instead of the economic method, applying regulations and orders in place of the economic lever policy, and using politics just for mobilization, and ideology in place of economic interest. This is impossible in reality. Moreover, the work method based on the orders of the higher authorities is still in favor. They still favor forms, paper and pencils, and meetings are very long, and are conducted continuously, yet with little efficiency.

All this demonstrates the basic authoritarian subsidy machinery that we all must renounce.

Management Prerogatives in New System

Vientiane PASASON in Lao 14 Oct 86 p 2

["Learning About the New Mechanism" Column: "The Old Mechanism Is Authoritarian Centralism; the New Is Democratic Centralism"]

[Text] The old system was said to be authoritarian centralism because everything was decided by the higher echelons. The lower levels just waited for the orders from the higher echelons regarding production and purchasing to set policies, plans and prices for them, and they waited for the higher echelons to give them money, etc. On the other hand, the new mechanism is democratic centralism which the center firmly grasps, and it sets the plans and collective policies for the whole nation. It is democratic because the localities, the grassroots and the working people all have the right of ownership in using and carrying out the plans and policies set by the center. For example, the center sets policies on prices and salaries, and the localities and grassroots further set prices and salaries in detail.

Here we must clearly understand the unity of democratic centralism. It represents two sides of a single problem which do not contradict each other. For example, it is first centralizing views (the unity within a leading committee). Then it is sent to group centralism for their opinions. (Everyone in the masses has the democratic [right] to give an opinion). Then the opinions will be returned to the centralism opinion once more, after which

it is sent out again to those who shared their opinion to carry it out. After this is carried out it will be returned to the centralism opinion, and thus go steadily back and forth to higher and higher levels. In theory as well as in practice it has been proven that the more correct democracy is, the more is there the possibility for centralism. And the more correct that centralism is, the more will democracy be promoted. Meanwhile, we must recognize that by giving rights and responsibilities to the localities, the grassroots and the masses, we help to broaden democracy, and this is consistent with existing regulations. This is because only the localities and grassroots understand themselves better than anyone else. In setting up levels the responsibilities must be related to the benefits, otherwise production will not be assured. Since every locality and grassroots has high capability and efficiency, it is better to allow that locality and grassroots to carry out things themselves than to let the higher echelons do it for them. If they are given the responsibility, they must also be given the rights and benefits. In other words, any locality, grassroots or person who works well and a lot must be paid a lot. On the other hand, those who do not work well or who work only a little should be paid little. Those who make mistakes must be disciplined, and those who cause damage must pay for the damage. Yet, as in the past, there remains the situation where those who work little and those who work a lot are paid the same. And no one pays attention to or pays for damaged public property.

In the new way, any person who causes damage to goods such as by overcrowding them in storage must be responsible for paying for the damage. If goods are produced but they cannot be sold, [the people involved] must be responsible for this matter themselves, because before they produce anything they must first calculate the quality and outcome and the place for distribution.

In what we have mentioned above, we have pointed out the difference between authoritarian centralism and democratic centralism in order to differentiate between the old system which is no longer consistent with the new, and the new system that is consistent with reality today.

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CSO: 4206/22

MALAYSIA

AIR, TAX ACCORDS TO BE SIGNED WITH MALTA

BK040823 Kuala Lumpur BERNAMA in English 0757 GMT 4 Nov 86

[Text] Kuala Lumpur, 4 Nov (OANA-BERNAMA)--Malaysia and Malta, Tuesday, agreed to sign an air services agreement and another pact on avoidance of double taxation as early as possible.

Foreign Minister Rais Yatim said Malta had expressed interest for a speedier ratification of the two agreements now being worked out by officials. "We agreed with them on this, as both agreements would be mutually beneficial and bring the two commonwealth countries closer," he told BERNAMA at the end of a 2-hour meeting here between Prime Minister Mahathir Mohammed and Malta's President Agatha Barbara.

The discussions took place at the hotel where the president is staying. Rais said Malta also agreed, in principle, to back Dr Mahathir's bid for the chairmanship of the international conference on drugs scheduled in Vienna next June, adding that 51 countries had so far pledged their support.

Rais said Dr Mahathir expressed interest in Malta's offer as a transshipment point for Malaysian goods, particularly palm oil, destined for North Africa, Southern Europe and West Asia. Malta had the shipping and bulk storage facilities that Malaysian palm oil exporters could use for speedier delivery to their markets, he said.

Rais said President Barbara also brought up the possibility of Malaysian joint ventures with Malta or with other third parties based in Malta, as these would enable Malaysia to penetrate the European community as well as other markets in the region. Being an associate member of the EC, Malta enjoyed 100 percent access to the EC market, he said.

Rais said President Barbara suggested projects in rubber- and timber-based industries. The two leaders also agreed on the establishment of a joint commission which would undertake follow-ups and identify specifically the ventures that Malaysia could participate in.

Other matters that were discussed included Malta's offer of its tertiary education facilities to Malaysians and its intention to appoint an honorary consul in Kuala Lumpur. President Barbara arrived Monday at the head of a seven-member delegation for a five-day visit and is scheduled to visit western Melaka State Wednesday.

MALAYSIA

SHIPPING AGREEMENT SIGNED WITH INDONESIA

BK041135 Kuala Lumpur BERNAMA in English 1057 GMT 4 Nov 86

[Text] Kuala Lumpur, 4 Nov (OANA-BERNAMA)--Malaysia and Indonesia today signed a maritime transportation agreement to forge closer cooperation in shipping between the two countries. The new agreement, which replaces the agreement on shipping matters which was signed by both countries in 1973, makes Indonesia the first ASEAN country to have a shipping pact with Malaysia.

The pact was reached after two days of talks here between Malaysia's Transport Ministry officials and their counterparts from the Indonesian Directorate of Marine Communication led by its director-general J.E. Habibie.

Speaking at the signing ceremony, Transport Ministry Secretary-General R.V. Navaratnam said the agreement will ensure that both parties accord fair treatment to both countries' ships and their crew [as received] and ensure cooperation in the event of maritime mishaps in each country's territorial waters.

"It is also to ensure the safety of shipping especially in the Straits of Malacca and Singapore," he added. He said Malaysia has also started shipping talks to establish similar agreements with China, South Korea and Romania, while plans are afoot for such links with India, USSR, East Germany and the Netherlands.

Malaysia already has shipping agreements with Turkey, Bangladesh, Pakistan, Belgo-Luxembourg Economic Union and Sri Lanka.

Habibie hoped the agreement will be enforced in the spirit of cooperation and mutual interest. A joint maritime committee will be set up later to monitor the implementation of the agreement.

The old agreement which came into force in 1973 was merely an agreement in principle without any specific provisions. Habibie expressed confidence the Malaysia-Indonesia pact will lead to similar agreements with other ASEAN countries.

/9738
CSO: 4200/131

MALAYSIA

MINISTER ON ISSUE OF MALAYS, TIES WITH INDONESIA

BK071633 Kuala Lumpur Domestic Service in Malay 1230 GMT 7 Nov 86

[Text] Vice President of United Malays National Organization [UMNO] Datuk Abdullah Haji Ahmad Badawi said today that the Malaysian Chinese Association [MCA] Central Executive Committee should issue a statement to the effect that it does not support a resolution issued by the Selangor MCA chapter last Sunday. At the same time, the MCA Central Executive Committee should also demand the Selangor MCA to revoke its resolution.

He made the remarks to reporters after receiving Indonesian Air Force Chief of Staff Air Marshal Utomo at his office today. He said that such an action is aimed at convincing the people, especially the Malays, that the MCA will believe in the concept of the Barisan Nasional coalition and will not raise issues already agreed upon when national independence was gained years ago. Datuk Abdullah said leaders of the Barisan Nasional component parties must do something more than merely explain the situation and occasion when the agreement was reached. He added that MCA must prove its sincerity to the Malays and the UMNO.

Earlier, he said the Armed Forces of Malaysia and Indonesia should cooperate in the utilization of military facilities to strengthen bilateral cooperation and cut expenditures. Datuk Abdullah said this should include the cooperation between the Royal Malaysian Air Force and the Indonesian Air Force in the use of expensive flight simulators. He added the existing cooperation only consists of training and exchange of military personnel between the two countries. Datuk Abdullah pointed out that the Indonesian Air Force's Hercules C-130 transport planes are now being repaired by the (Aerod) maintenance company in Subang, while the Royal Malaysian Air Force's Albatross planes are being repaired in Surabaya, Indonesia.

Air Marshal Utomo is now on a 3-day official visit to Malaysia.

/8918

CSO: 4213/18

POLITICS

MALAYSIA

UMNO, RCA RIFT OVER INDIGENOUS STATUS OF MALAYS

Chinese Minister Resignation

BK081144 Hong Kong AFP in English 1134 GMT 8 Nov 86

[Text] Kuala Lumpur, 8 Nov (AFP)--A senior Chinese minister has offered to quit the Cabinet to head off a row between Malaysia's largest Malay and Chinese political parties, the president of the Malaysian Chinese Association [MCA], Ling Liong Sik, said Saturday.

Dr Ling, who is transport minister, said that his Cabinet colleague Lee Kim Sai had offered to resign his appointment as labor minister if the MCA, a member of the ruling National Front Coalition, thought it would help heal a rift with Prime Minister Mahathir Mahamad's United Malays National Organization (UMNO).

But BERNAMA News Agency quoted Dr Ling as saying he had rejected Mr Lee's offer because the row over the status of Malaysia's major races, the Malays, Chinese and Indians, had been explained and settled at Wednesday's cabinet meeting.

The Malaysian Cabinet is made up of nominees from the front's 13 parties and the prime minister normally, though not always, consults the heads of individual parties on appointments.

Forty-six UMNO MP's Thursday sent a memorandum to Dr Mahathir demanding Mr Lee's ouster, saying they held him responsible for a resolution adopted by the Selangor State MCA questioning the Moslem Malay right to indigenous status. Mr Lee is chairman of the Selangor State MCA besides being the party's deputy president.

The resolution adopted Sunday called for tightening of the Sedition Act to stop politicians from tagging any community "immigrants" because all Malaysia's major races had come from elsewhere. Top Malay leaders attacked the resolution on the grounds that it deliberately distorted history and the special status accorded the Malays when the country gained independence in 1957.

Chinese leaders said that the frequent use of the word "immigrants" to describe the ethnic Chinese and Indian communities was calculated to bestow an inferior status on the two groups and that this had damaged efforts at forging unity. Dr Ling said Mr Lee had offered to step down "in the interest of peace and stability."

Top UMNO leaders have so far steered clear of any direct attacks on the MCA which has been a member of the front and its forerunner, the Alliance Coalition, since 1957. But diplomats said the two had again highlighted a growing trend towards racial polarisation that could become increasingly difficult to control.

Deputy Home Minister Megat Junid Ayob said Saturday that non-Malays should not question or challenge the status of the Malays, warning that the community would not remain silent. The MCA resolution had not only digressed from historical fact but had insulted all people of Malay origin, he said.

Rift Healed

BK071225 Kuala Lumpur NEW STRAITS TIMES in English 6 Nov 86 p 1

[Text] Kuala Lumpur, 5 Nov--The quarrel between UMNO [United Malays National Organization] and the MCA [Malaysian Chinese Association] over a Selangor MCA resolution was settled at the weekly Cabinet meeting today. MCA President Datuk Dr Ling Liong Sik said in a statement after the meeting that the matter was resolved "quickly and amicably" with great understanding by all sides.

The resolution, passed at the Selangor MCA convention on Sunday, says no race had the right to consider itself indigenous to the country and that all the three major races--the Malays, Chinese and Indians--were originally from other countries.

This triggered a chain of strong responses from UMNO leaders, including Youth leader Anwar Ibrahim, Penang UMNO liaison chief Datuk Abdullah Ahmad Badawi and MP for Kok Lanang Datuk Abdullah Ahmad.

The reaction culminated yesterday with a statement by UMNO Youth executive council member Mohamed Nazri Abdul Aziz that the MCA should leave the Barisan Nasional if it wanted to question issues agreed upon by the various races.

Datuk Dr Ling said today the Cabinet accepted the MCA's explanation that the resolution was not intended to question the special status of the Malays as this has been enshrined in the Constitution. "The explanation was accepted," he added.

He said the Cabinet also agreed that the labelling of non-Malay citizens as pendatang asing (immigrants) should be stopped. "I want to emphasize that husbands and wives also have their fair share of quarrels from time to time," he said. "Very often, the relationship gets closer after peaceful resolutions

of such conflicts. Sometimes, of course, such conflicts lead to divorce. I am glad that this matter has been resolved through great understanding by all sides... quickly and amicably."

Chinese, Indians Not 'Immigrants'

BK060508 Hong Kong AFP in English 0304 GMT 6 Nov 86

[Text] Kuala Lumpur, 6 Nov (AFP)--Ethnic Chinese and Indians, many of whose ancestors settled in Malaysia over the past 200 years, will no longer be called immigrants, a top official said Wednesday. The announcement by Ling Liong Sik, president of the Malaysian Chinese Association (MCA), came as a row on the status of Malaysia's major races threatened to split the ruling National Front Coalition.

Dr Ling, who is also transport minister, said the decision by the front's 13 parties not to use the word immigrants to describe any ethnic group was taken at the weekly Cabinet meeting Wednesday. The row erupted Sunday after the Selangor State MCA moved a resolution calling for a review of the Sedition Act to make it an offense to call any of Malaysia's major races immigrants.

The preamble to the resolution said that since all three races--Malays, Chinese and Indians--originated from other countries, none should claim to be natives.

Top leaders from Prime Minister Mahathir Mohamad's United Malays National Organization (UMNO) which dominates the front reacted angrily to the resolution, claiming it denied history and the special status accorded the Malays at independence.

Mohamed Nazri Aziz, a member of the Executive Council of UMNO's influential youth wing called the resolution "provocation" designed to wreck racial harmony and suggested that the MCA, Malaysia's largest ethnic Chinese party, quit the coalition if dissatisfied. "If the MCA wants to fight these issues it should get out of the Barisan (front) and fight like a man, not bark from within," he told a news conference Tuesday.

Malaysia's first Prime Minister, Tunku Abdul Rahman, joined the fray Wednesday, saying that the indigenous status of Moslem Malays was acknowledged by other races when the then Malaya gained independence from Britain in 1957.

Mr Rahman told BERNAMA News Agency that the status of the Malays could be inferred from the Constitution which provided a special position for the Malays and the use of Malay as the national language.

But MCA Youth Secretary-General Ng Cheng Kuai urged Malay leaders not to play up the affair, pointing out that several resolutions at the UMNO General Assembly in September had also violated the spirit of racial consensus.

The frequent use of the word immigrants by politicians to describe ethnic Chinese and Indians was "unfriendly" and calculated to confer an inferior status on Malaysian Chinese and Indians, he said.

Dr Ling sought to play down the row in a statement Wednesday, saying "husbands and wives have their fair share of quarrels from time to time."

"Very often the relationship gets closer after peaceful resolution of such conflicts."

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CSO: 4200/131

POLITICS

MALAYSIA

TURKISH PREMIER HOLDS TALKS WITH MAHATHIR

BK080929 Kuala Lumpur BERNAMA in English 0852 GMT 8 Nov 86

[Text] Kuala Lumpur, 8 Nov (OANA-BERNAMA)--Malaysia Saturday urged Turkey to promote its expertise and products here to improve the trade balance which has consistently been in Malaysia's favor.

Turkey has said it will take this initiative, Foreign Minister Rais Yatim told reporters at the end of almost two hours of talks between Malaysia's Prime Minister Dr Mahathir Mohamed and his Turkish counterpart, Turgut Ozal.

Rais said Dr Mahathir told Ozal that although Malaysians knew about Turkey, they were not familiar with its products. The subject cropped up when Ozal spoke of the need for Malaysia to import more from Turkey as trade had mostly been in Malaysia's favor.

Trade statistics for the first six months of this year show that Malaysia exported 74.08 million ringgit (about U.S. \$28.49 million) worth of goods to Turkey but imported only 3.2 million ringgit (about U.S. \$1.23 million). For the whole of last year Malaysian exports to that country totaled about 98.29 million ringgit (about U.S. \$37.80 million) while imports came to only 7.93 million ringgit (about U.S. \$3.05 million).

The range of exports has been confined to natural rubber and latex and palm oil while tin has disappeared from Malaysia's export list since 1983. Imports are mainly vegetables, textile yarn, tobacco and spices.

The Malaysian foreign minister said both leaders agreed on the need to have ships playing between the two countries as an effort to increase direct trade and also to have the Malaysian Airline System (MAS) and Turkish Airlines (THY) providing service between the two capitals. Malaysia and Turkey had already signed shipping and air services agreements in 1983 but have not gone beyond that.

Dr Mahathir also mentioned the possibility of Turkish participation in Malaysia's construction industry on a joint-venture basis with local counterparts. Ozal had told the Malaysian premier of Turkish contractors wishing to participate here but was informed that "as times are bad, such participation will only be through joint ventures with local contractors."

Rais said Ozal also expressed a desire to see joint ventures, particularly in margarine manufacturing and other palm oil-related industries, set up in Turkey's free trade zones. Dr Mahathir welcomed this prospect, he said.

The Turkish leader arrived Friday for a three-day visit on his way back to Ankara from Seoul, South Korea and is expected to leave for home Sunday.

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CSO: 4200/131

POLITICS

MALAYSIA

BRIEFS

ASEAN URGED TO CUT ISRAELI TIES--Johor Baharu, 9 Nov (OANA-BERNAMA)--An opposition and socialist-oriented party, Parti Sosialis Rakyat Malaysia (PSRM), urged ASEAN countries that have diplomatic ties with Israel to sever the links Sunday. Abdul Razak Ahmad, deputy chairman of the Parti Sosialis Rakyat Malaysia, said the Philippines, Thailand and Singapore should cut such ties with Israel because of the Zionist regime's violation of human rights in Palestine. He was speaking to reporters at the Johor causeway (leading into Singapore at the southern tip of peninsular Malaysia) where 100 PSRM members staged a peaceful demonstration in protest against Israeli President Chaim Herzog's visit to the island republic from 18 November. Razak urged the Malaysian Government to ensure the Malaysian high commissioner to the republic would not be present at the welcoming ceremony for the Israeli head of state. He also asked the Chief Minister of Johor State, Muhyiddin Yassin, to cancel his two-day visit to Singapore beginning Monday where he is scheduled to meet potential investors. Razak said he would send an official protest letter to the Singapore high commissioner to Malaysia in Kuala Lumpur on Wednesday over Herzog's visit. He said the PSRM condemned the Tel Aviv regime for its action against Palestine which he described as a transgression of human rights. During the demonstration, the PSRM members displayed posters and distributed leaflets about activities of the Israeli regime and the role of Singapore as an alleged tool of Zionism in Asia. Razak said the party would hold similar demonstrations and rallies throughout the country soon. [Text] [Kuala Lumpur BERNAMA in English 1004 GMT 9 Nov 86 BK] /9738

JOURNAL SUSPENSION ORDER REVOKED--The government has revoked the suspension order on the circulation of THE ASIAN WALL STREET JOURNAL with immediate effect. The decision was stated in a letter handed to Justice Datuk Harun Hashim today at a hearing of an application by the publisher of the JOURNAL for [word indistinct] to apply for an order to quash the government's decision on the 3-month suspension of the JOURNAL. The letter, dated today, was signed by the Secretary General of the Ministry of Home Affairs, Datuk Azizan Zainal Abidin. The hearing, which was held in chambers this morning, lasted only 10 minutes. The plaintiff was represented by Mr Mohamed Shafee Abdullah, while the respondents, who are the secretary general of the Ministry of Home Affairs and the home minister, was [as heard] represented by senior federal counsel Miss Zaleha Zahari. Following the revocation of the suspension order by the government, no order was made by the High Court as regards to the

application. However, the plaintiff, Dow Jones Publishing Company (Asia) Incorporated was asked to bear the cost. The government also conceded to ASIAN WALL STREET JOURNAL's correspondent Raphael Pura's application to quash the cancellation order of his work permit which expires in March next year.
[Text] [Kuala Lumpur International Service in English 0800 GMT 13 Nov 86
BK] /9738

CSO: 4200/131

NEW ZEALAND

MEAT BOARD CALLS FOR END OF LAMB MONOPOLY TO U.S.

Auckland THE NEW ZEALAND HERALD in English 25 Oct 86 p 5

[Text] Wellington, (NZPA)---The United States lamb market should be opened up to those companies prepared to make the tremendous investment needed to win over a difficult market, a Meat Board review has recommended.

The review team chairman, Mr Mervyn Barnett, said yesterday that the review favoured abolishing a monopoly held for the past 25 years by the New Zealand Lamb Company (Devco).

Mr Barnett said the decision was not because of bad publicity about the financial situation and Devco's performance.

Chilled lamb was about to be launched on the North American market and it was important that was handled extremely well.

Up to now New Zealand had relied on frozen lamb exports. But chilled lamb would be a breakthrough, catering for customer preference for fresh meat.

The review team believed freeing up the market to those prepared to market quality products would be the best step.

Mr Barnett said the review recommended a qualitative system of licensing.

Companies would have to submit market plans to the Meat Board. "They have to be able to put the permanent investment into the marketplace," said Mr Barnett.

"We don't want 'in today, out tomorrow' companies."

He believed that there was potential for expansion in the American market. But difficulties such as customers' traditional taste for beef--and more recently chicken and pork--would have to be overcome.

United States lamb producers were becoming more and more protectionist, Mr Barnett said. "It is almost as if they do not care about consumption as long as the prices are high."

Health concerns could be countered by marketing lamb as a pink, low-fat meat, rather than as a red meat.

Devco, owned jointly by the Meat Board and the industry, was granted a monopoly in 1961 to ensure some continuity in supplying North America.

"Devco has done a great job: people know New Zealand lamb. We hope it will still be part of the market," Mr Barnett said.

The review recommended that Devco retain its monopoly in Canada, where it had won 47 percent of the market, subject to regular review.

If the monopoly was abolished, he imagined small entrepreneur companies would be able to gain licences for segments of the market.

"But to service the whole market is going to take tremendous investment."

The report has been circulated to meat companies and other people who were consulted. It will return to the market development committee, comprising Meat Board and industry representatives.

A final recommendation will be taken to the December meeting of the Meat Board.

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CSO: 4200/135

NEW ZEALAND

USSR SALES BOLSTER WOOL PRICES

Wellington THE EVENING POST in English 27 Oct 86 p 17

[Text]

A recent upsurge in wool sales to the Soviet Union is good news for farmers, according to the New Zealand Council for Wool Exporters.

In a wool market preview, the council said forward sales for both crossbred and fine wools are combining with a steady demand from the USSR, People's Republic of China and local mills to keep wool auction prices at record levels.

Auction prices

There is a consensus among exporters that auction prices will remain firm until December at least, though there are so many uncertainties in the marketplace that most exporters are reluctant to make firm predictions into the new year.

Contributing to the uncertainty has been the cancellation of the October 31 Napier wool sale, which had effectively reduced offerings in what is a tight supply month by about 15 percent.

Council executive manager Bill Carter said that pressure from brokers to hold earlier wool sales this year had resulted in "deliberate over-rostering" to maximise the selling opportunities for farmers.

'Strong demand'

"It's been obvious for some time that normal variations in spring weather would give lie to some of the more optimistic rosters. But it is not good market-

ing to have so much uncertainty about supply — particularly since there is such strong demand for good, sound North Island wools."

At the October 31 wool sale in Dunedin, demand will be strong for the better merinos and halfbreds. For the limited supply of crossbred wools there may be something of a scramble — as exporters who had intended to buy these wools in Napier seek to cover contracts for immediate shipment.

The news of the cancelled sale is thought to have been behind the increase of between 4c and 5c a kg for some categories of crossbred wool at the Wellington sale on October 23.

While forward sales will continue to underpin wool auction prices for several weeks, exporters are nervous about a general lack of business in the last week or two. A "topping up" of forward sales contracted a month or two ago has not occurred and this is causing some unease about the state of demand from Western Europe.

Competitive prices

Sales are being made to Europe at competitive prices, but only under protest.

"I've spoken to a lot of people in the European market in the last week," said Richard Mercer of Maircom NZ Ltd, Christchurch, "and they all agreed New Zealand wool is very cheap in terms of their currency. But all were reluctant to

pay the going prices."

It is hard to pin down the reason for this reluctance.

Patrick Desbonnets, of Dewavrin Segard, Wellington, said his contacts in French and Belgian carpet mills were talking of big increases in yarn stocks compared with this time last year. This, combined with extremely low stocks of van wool, was resulting in an uncertain pattern of demand.

In contrast, Brian Sampson of G Modiano Ltd, Napier, said his contacts in other Belgian mills were talking of a dramatic upsurge in demand for woollen carpets from European consumers. The firming of European currencies may have closed their American markets, but this was being more than offset by the effect of lower raw material costs on domestic carpet demand.

Mr Desbonnets said uncertainty in the European market was nothing to worry about at this stage, because there is a market for all the wool New Zealand can produce in the next two months.

"What we have to worry about is the reason for the lack of confidence we are finding in Europe. It is not because of a recession because there isn't one. Could it be the effect of competition from the new generation synthetic carpets?"

"To be honest, we don't know the answer. But then that is the interesting thing about the market — it may always be right, but it sometimes takes a while to make up its mind." — NZPA

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CSO: 4200/135

NEW ZEALAND

ACTIVITIES, IMPACT OF FOREIGN TRADE MINISTER VIEWED

Auckland THE NEW ZEALAND HERALD in English 25 Oct 86 p 6

[News Analysis by Tony Verdon]

[Text]

Described by admiring colleagues as "a modern Marco Polo," the Minister of Overseas Trade and Marketing, Mr Moore, sets off once again today in pursuit of new foreign markets.

But the first full-scale ministerial trade mission to Latin America will be the last of its type led by the often boisterous third-ranking member of the Lange cabinet.

In future Mr Moore will be spending more time at home dealing with international trade issues and overseeing the development of New Zealand's marketing expertise.

Even so, it is unlikely the knack he has developed for self-promotion, and the intense energy with which he tackles his job, will ease.

Opportunities Seized

He brushes aside Opposition taunts that he is the "Minister of Overseas Trips," that his foreign sorties have cost the taxpayer more than \$1 million since he became the minister, and that trade with many countries he has visited has subsequently decline.

And, even in Opposition criticism of him, there is a hint of envy about Mr Moore's undoubted ability to seize opportunities and turn them to his own advantage.

Mr Moore has developed easily the most high-powered and effective publicity machine of any minister, in a Government which has been careful to nurture its communication skills.

But, even allowing for the "hype" which surrounds most of what he does as minister, Mr Moore's exuberance has to be acknowledged.

It is partly this enthusiasm which appears to have won over and kept on side many in the export field even though they are less enamoured with the Minister of Finance, Mr Douglas, and his policies which they blame for holding up the value of the New Zealand dollar.

Exporters are probably not as enthusiastic about

Mr Moore as they were two years ago but, given the fact that then they enjoyed the twin advantages of a 20 per cent devaluation and export incentives, that is understandable.

Disenchanted Areas

Mr Moore's predecessor as Minister of Overseas Trade, the Hon Warren Cooper, believes Mr Moore is still popular among certain sections of the export community, including many in Auckland and Wellington, but that those in smaller firms and in provincial areas are disenchanted with him.

Mr Cooper now has an office in the old Parliament Buildings, just below Mr Moore's Beehive ministerial suite.

He points out that his successor has 12 people on his staff, while he had only six people as minister.

Mr Cooper is amazed at

what he considers is a failure on the part of many to see beyond the public relations showmanship of Mr Moore, to the bottom line on New Zealand's export performance under the present Government's stewardship.

"I think the public has become so cynical now that they appear to be keen on entertainment, rather than performance," he laments.

Mr Cooper points to a drop in manufactured exports of 6.8 per cent during the nine months to June this year. This compares with annual increases of up to 40 per cent in manufactured exports in previous years under National governments.

It has been with a "sense of cynical wonderment" that he has watched Mr Moore become one of New Zealand's most popular politicians in the opinion polls.

But Mr Moore says the bottom line on exports has always been determined by factors which include the Overseas Trade Minister, but which are not solely reliant on him.

"There is no way that I have control over the Australian dollar for example," he says.

The fact that business people continue to support Mr Moore's overseas trade missions, such as the two-week trip to Latin America beginning today, indicates they appreciate his efforts.

But Mr Moore says his general popularity in the export sector rises and falls depending on the

value of the New Zealand dollar.

There has always been a suspicion that the minister is less enthused about the economic path chosen by the Minister of Finance, Mr Douglas, than may of his cabinet colleagues.

But he says he has firmly embraced the present Government's economic policies, and believes they are correct for New Zealand.

He also rejects the suggestion that he will begin spending more of his time in Wellington from now on so he can be closer to the political action.

Many Missions Abroad

Instead, he argues that the priorities he set when he became Minister of Overseas Trade and Marketing in July 1984 have been achieved, and now it is time to move into a new phase in the job.

He has led a series of trade missions to Australia, South-east Asia, China, the Middle East, and in two weeks' time will have also covered Peru, Chile, Brazil, Venezuela and Mexico.

The "door knocking, kicking the door open" phase of the job will have been completed by the end of the current trip, he believes, and from now on he will spend more time on international trade issues such as Gatt, and overseeing the work of the Market Development Board.

There will still be overseas trips, but brief forays to help with more concentrated campaigns such as

the Focus Australia promotion run earlier this year.

On the domestic side, Mr Moore will spend more time with members and staff of the Market Development Board, whose task is to identify export markets with the greatest potential, and study how New Zealand exporters can best take advantage of them.

He managed to persuade his cabinet colleagues this week to increase the board's budget to \$10 million a year, in part to help to offset the phasing-out of the export market development incentive grants.

Different Beast

While the board's activities so far have been given little publicity, Mr Moore says it is beginning to do excellent research work in areas which have been given too little attention up until now.

"The board to me in opposition was a group of top salesmen pushing product," he said this week.

"It is now a different beast than I imagined because history has changed it — it is now developed into strategic planning, thinking areas we have not thought through before."

An example is how New Zealand can benefit through closing the present deficit on "invisibles," such as financial services, insurance, and so on.

The board is also working on a scheme to encourage tourists to spend \$200 more each on New Zea-

land products while they are in the country, a target it aims to achieve by 1990.

Such an increase would increase the country's annual income by some \$200 million by 1990.

In addition, the board has a range of research projects under way, many of them aimed at clearly identifying the markets and products most likely to be matched successfully.

The board's work has also involved attempts to remove bureaucratic and legal blockages inhibiting the development of export markets.

Although there is little sign yet of the Government coming under direct political pressure, next year's election is certain to increase the level of expectation on Mr Moore to show concrete results for his often flamboyant approach to the job.

Reputation On Line

He appears to be placing much of his political reputation on the success or otherwise of the board, which is manned with top-level business people.

Among them is the board chairman, Mr Peter Shirtcliffe, former chief executive of the Goodman Group.

But for a minister who obviously places such a high priority on publicity, Mr Moore claims to be relaxed about his personal standing as a politician.

With characteristic bravado, he says: "I have been a prince and a villain, and I'll be a prince and a villain in the future."

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CSO: 4200/135

NEW ZEALAND

PRICE DISPUTE WITH JAPAN THREATENS INVESTMENT

Aluminium Smelter Electricity at Issue

Auckland THE NEW ZEALAND HERALD in English 25 Oct 86 p 1

[Text]

NZPA Staff Kobe

Japanese businessmen have threatened a boycott on future investment in New Zealand if the Tiwai Pt electricity supply price dispute — between the New Zealand Government, Comalco and Sumitomo Aluminium — is not resolved to their satisfaction.

The threat was made at the end of the 13th Japan-New Zealand Business Council meeting in Kobe by the chairman of Nissho Iwai Corporation, Mr Mitsuo Ueda.

Mr Ueda said Japanese businessmen had been told there was a New Zealand

Government move to increase electricity prices paid by the Tiwai Pt aluminium smelter partners.

"These measures may have a serious effect on Japanese joint ventures in New Zealand," Mr Ueda said.

He was speaking as conference subcommittee chairman for a group of Japanese and New Zealand businessmen who considered issues concerned with raw materials and manufacturing.

If the dispute could not be resolved amicably, the impetus for future investment in New Zealand by Japan might be reduced,

Mr Ueda said.

The situation was being approached "from the viewpoint of stability and comparative advantage."

Last month, Comalco and Sumitomo Aluminium filed proceedings against the New Zealand Government in the High Court at Wellington.

In a statement issued at the time, the two companies said the proceedings sought to protect their rights under existing electricity supply agreements.

Comalco and Sumitomo also gave the Government notice that several matters outstanding in relation to the smelter power agreements were to be resolved by arbitration.

Industry Minister Unbowed

Wellington THE EVENING POST in English 25 Oct 86 p 3

[Text]

New Zealand was a sovereign country that was not going to be blackmailed by Japanese threats to boycott future investment in New Zealand, Trade and Industry Minister David Caygill said today.

Mr Caygill was reacting to reports from Japan that future investments here from that country

would be threatened if the Tiwai Point electricity supply price dispute was not resolved to Japan's satisfaction.

The threat was made at the end of the 13th Japan-New Zealand Business Council in Kobe by the chairman of the Nissho Iwai Corporation, Mr Mitsuo Ueda.

Mr Ueda said Japanese businessmen had been told the New

Zealand Government intended increasing the bulk supply tariff charge for electricity. The tariff went up by 25 percent in April last year.

About the same time the Government said it intended to increase power charges by 52 percent over five years.

The Tiwai Point smelter, which has a 42 percent Japanese shareholding from Sumitomo Aluminium with Comalco, uses a high percentage of power generated in the South Island.

Referring to the proposed bulk tariff increase, Mr Ueda said "the measures may have a serious effect on Japanese joint ventures in New Zealand." That threat came after New Zealand businessmen had made calls at the conference to attract the yen into forestry and tourism ventures in New Zealand.

Last month Sumitomo and Comalco filed proceedings against the New Zealand Government in the Wellington High Court over the issue.

Mr Ueda said that if the dispute could not be resolved amicably the impetus for future investment in New Zealand from

Japan might be reduced.

So far as the threatened boycott was concerned, Mr Caygill said:

"I don't think the Government of a sovereign country can allow itself to be blackmailed in any way. But it is probably also relevant to say the Japanese have not been a major source of investment in New Zealand in recent years apart from Comalco and one or two other projects."

Mr Caygill said that as the matter was before the courts now the legal process had to be allowed to run its course without outside interference.

However, it was unfair to represent the matter as if there had been some unilateral action by the Government. It was the Government's aim to resolve the dispute amicably with the parties concerned, he said.

Mr Caygill said it was also relevant to point out that Comalco had expressed dissatisfaction with some aspects of the agreement it was working under. And it was fair to say that Comalco enjoyed electricity prices that were cheaper than for other commercial users and ordinary consumers.

/9274

CSO: 4200/134

NEW ZEALAND

NATIONAL, BOLGER IN OCTOBER 1986 SURVEY

Lange Economic Policy Support Steady

Wellington THE EVENING POST in English 24 Oct 86 p 3

[Text]

THE Government scores well in the latest test of voter opinion, but the National Party's fortunes are diving.

In an Eye Witness-Heylen poll released last night, Labour recorded 56 percent support, up three points from the last poll. National was down two points, to 42 percent.

National's biggest drop is, however, in the leadership stakes. Only 34 percent of voters approved of Opposition Leader, Jim Bolger — a drop of 11 percentage points.

Approval for Prime Minister David Lange rose one point, to 49 percent.

Mr Bolger's rating as preferred prime minister also dropped — by a point, to 13.5 percent. Ousted leader Sir Robert

Muldoon held his support at 13.1 percent.

The poll also showed the Government maintaining support for its economic performance. Overall, it scored 49 percent approval — the same as in the last poll.

Approval for its performance on handling interest rates rose

On handling the rural sector, the Government's support rose four points, to 34 percent.

A drop of one point is, however, recorded against the Government for its handling of unemployment. This time, it registered 22 percent approval.

The public's approval of Gst was shown at 43 percent — five points higher than in the last poll.

The poll, of 1000 eligible voters, had an error margin of about 3 percent.

Mr Bolger said the poll was "so

far from reality" it was of no relevance.

"It is inconsistent with what I find," he said in an Eyewitness News interview.

Mr Bolger quoted a recent poll in the Labour-held Tasman electorate which he said showed National ahead.

There had been "some confusion" among National Party frontbench MPs over the party's taxation policy, he said, but otherwise the party's message was getting through.

Mr Bolger said he was not threatened by Sir Robert's 13.1 percent rating as preferred prime minister — marginally behind Mr Bolger's 13.4 percent.

Mr Lange, meanwhile, was resting at home. A spokesman said the poll was "self-explanatory." — NZPA

Problems for National Viewed

Wellington THE EVENING POST in English 24 Oct 86 p 3

[News Analysis by Tony Garnier]

[Text]

A post-Christmas reshuffle of Opposition spokesmanships is looming in the wake of the latest opinion polls showing the Government has opened a big lead.

Opposition leader Jim Bolger was today unfazed by yesterday's

Eye Witness-Heylen poll showing Labour had opened a 14 point lead on National. "I can only report on the mood I get, which is positive," he said. And he rejected suggestions that the Opposition team was failing to seize political opportunities. Instead he pointed a finger at the news media.

He believed National had focused on the issue of rising inflation, for example, but this had not been highlighted sufficiently in the media.

Indeed, Mr Bolger showed every indication to political observers that he would respond to this week's unfavourable poll results (Heylen's and the NRB last Monday) by simply putting his head down and toughing out the setback.

Nonetheless political observers note that the two unfavourable poll results had served to sharpen questions already being raised at Parliament about the party's leadership and recent performance.

The leadership of Mr Bolger, and deputy and chief finance spokesman George Gair, had not made the gains many MPs, including some of Mr Bolger's backers, had hoped when elected last March. But the National MPs said emphatically they were in no mood to replace Mr Bolger, or, on reflection, Mr Gair as deputy.

However there is less certainty on the spokesmanships, including Mr Gair's finance job. Well before the poll results, some MPs were privately expressing disquiet about the handling of economic issues and pressure was building for

a spokesmanship re-shuffle.

However, the Post was told today that Mr Bolger would resist any pressure for a re-shuffle until he was ready, and that was unlikely before the New Year.

But it was conceded that Mr Bolger had any number of valid reasons for having a re-shuffle, and which would allow him to escape being labelled as having made a mistake with his initial choices.

Finally, the question was being asked as to whether a re-shuffle would fix anything.

MPs concede that they are in a dilemma with their economic package. The taxation policy is said to be almost ready, but there is a debate under way as to when to release it.

Some MPs want an immediate release, to clear up the public confusion about what National would do about the goods and services tax — replace it, replace bits of it, or what.

However, other MPs are counselling that an early release would give the Government a clear target. The Government could take the good bits from it, they say, and the economic situation could easily change by the time of the election and the party's

credibility would be harmed if it was forced to publicly alter its package.

The post-Christmas spokesmanship re-shuffle will likely see Merv Wellington, the former Education Minister, promoted from his 37th ranking, now that he intends seeking re-election. It is also likely that Birkenhead MP Jim McLay will be dropped back from his number 10 spot, now that he intends to leave politics.

But what Mr Bolger will do with the economic spokesmanships is far from clear. The economic committee comprises, in order of seniority, George Gair, Bill Birch, Warren Cooper, Venn Young, John Falloon, Michael Cox, Philip Burdon, Ian McLean, Bruce Townshend and Doug Graham.

There is some support to have Raglan's Simon Upton and Selwyn's Ruth Richardson in the group. MPs want a sharper attack.

So why not call back former Finance Minister and Prime Minister Sir Robert Muldoon? In response, MPs balk and say they would rather look to the future.

In short, Mr Bolger has no easy answer to any of his many problems.

Impression National Not Performing

Wellington THE EVENING POST in English 27 Oct 86 p 4

[Editorial: "Stalked by the Opinion Polls"]

[Text]

CONTINUING POOR RESULTS in public opinion polls can have a baleful, destabilising influence in politics and there is not much hapless politicians can do about it.

Ask former Labour leader Mr (now Sir Wallace) Rowling. Ask former National leader Mr Jim McLay. Now it is the turn of Mr Jim Bolger, National's third leader since the July 1984 snap election, to respond to poor poll results.

Opposition parties and their leaders have suffered poor public opinion poll results in the months before election year and still romped home election winners. Labour and Mr Norman Kirk demonstrated that.

Public opinion polls should not be

treated as though they are infallible predictors of general election results.

Public opinion polls are something like snapshots. They record responses to set questions put to a particular sample of people on a certain date or dates. All manner of things can happen later to change the opinions of some of those very same people.

For various reasons the people interviewed do not include a host of country and small town residents in marginal electorates. Those same electorates can help decide the fate of governments. Given what has happened to farmers and employment in such areas the views

expressed there are significant election factors.

Opposition parties cannot usually command as much attention as the government of the day. The Opposition was out of favour at the time of the last election. The Government has the power to implement decisions which can affect all of us. The Opposition does not have that power. Debate on a major public issue, inept or unpopular action by the Government, or the proximity of the next general election is when people pay more attention to the alternative government. Until such times any Opposition is at a disadvantage in winning hearts and minds. This is reflected in the polls.

Poor poll results cannot be dismissed for long, even given their limitations. Properly conducted polls do represent trends in the way people, especially in the more populous centres, are thinking on certain issues at a given time.

Qualifications governing the "truth" revealed by public opinion polls cannot stop people reading

messages in the results and reacting accordingly. It is those interpretations and reactions which can become more real than the polls.

Frustration and anger over poor poll results confirming other impressions that National has problems can cause a search for release and change for the better. Since the snap election defeat National has shown readiness to descend to savage infighting. The risk of a renewal of that mood increases with each successive poor poll result until the proximity of elections forces a show of unity. Those people with frustrated ambitions and with what they believe to be solutions can see opportunity when party affairs become unsettled.

What the polls indicate reflects the strong impression that the National Opposition, with a few exceptions, has not been performing well. Or perhaps it is the momentum and nature of Labour's actions which make National seem ineffective by comparison.

Nowhere has this been demonstrated more than in the field of

economics and finance. Confusing different signals on tax policy, and lack of important policy detail do not help National. Labour's implementation of free enterprise and deregulation National espoused but neglected is part of the Opposition's difficulty too.

Mr Bolger complains that not enough attention is being paid to rising inflation, for example. If he is right, that surely says something about the inability of National to make inflation have impact in the public mind or to convince enough people that National's policies would defeat inflation.

Public opinion polls may be bad news for the Opposition for now but the performance and promise of National MPs and the wider party have contributed substantially to the formation of that public opinion. Mr Bolger cannot ignore that.

The polls are not the complete mirror to eventual voting decisions electorate by electorate but they are not so distorted that they can be ignored.

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CSO: 4200/134

NEW ZEALAND

LABOR LEFT LAYS GROUNDWORK FOR ORGANIZATION, POLICY

Auckland THE NEW ZEALAND HERALD in English 23 Oct 86 p 5

[Text]

The "Broad Left" group in the Labour Party has taken the first steps towards forming an organisation and a policy — but is now disclaiming the "Left" title.

A spokesman for the group, the MP for Sydenham, Mr Jim Anderton, said yesterday that the new organisation would be known as the "Economic Policy Network."

Any member of the Labour Party would be entitled to receive the group's proposed magazine and to take part in its other activities.

That means the group will not formally breach the rule laid down the Labour Party president, Margaret Wilson, that there must not be any factions within the party.

Committee

But the group has set up a steering committee in Wellington. It consists of Mr Anderton, Mr Peter Cullen (Hotel Workers' Union), Anne Goodman (Engineers' Union), Mr Peter Harris (Public Service Association), Mr Pat Kelly (Cleaners' Union), Mrs Cath Kelly, Margaret Ledgerton (Correspondence School), and Mr Anderton's secretary, Sally Mitchell.

The steering committee will meet today to consider how to form similar committees at electorate and regional levels.

Letters and background papers setting out the group's aims and asking for donations of \$10 a head were sent out last week to about 1000 potential

supporters, including all Labour Party branch secretaries.

Mr Anderton, a former party president, said he had enough experience of such matters to be confident, on the basis of the response so far, that there would be enough support to provide both the money and the policy ideas that the group needed.

The key policy paper included in the package, made available to the *New Zealand Herald* by one of the people who received it, is written by Mr Harris and is headed "Broad Left Alternatives."

It says the group is opposed to the Lange Government's economic programme because the likely outcome would be:

- ① An unequal society;
- ② Loss of regional balance;
- ③ Loss of economic sovereignty;
- ④ A high degree of external dependence and vulnerability;
- ⑤ Loss of personal dignity (as welfare supports widen);
- ⑥ Loss of essentially New Zealand values;
- ⑦ The Americanisation of New Zealand; and
- ⑧ The growth of the market culture.

Instead, says Mr Harris, the Broad Left advocates returning control over the economy to New Zealanders, giving them more certainty through planning, achieving a regional balance, reflecting New Zealand social values, and extending economic and social co-operation.

He proposes a five-point programme to achieve these ends: "investment planning," a prices and incomes policy, tax reform, a managed exchange rate, and low interest rates.

Mr Anderton said the social objectives such as regional balance could not be achieved unless the Government was prepared to "pick winners" to invest in the regions in exactly the same way as private companies had to pick winners.

Bargain

He said that under a prices and incomes policy, unions and employers would bargain with the Government over the whole "social wage," including housing and welfare measures, in exchange for an agreed general wage increase.

Individual employers would still be free to pay above the general increase if they needed to attract more skilled workers.

Mr Anderton and other members of the Left opposed the introduction of the goods and services tax, and remain opposed to it. He also advocates capital gains and wealth taxes, and a stronger crack-down on tax avoidance.

He believes that the floating exchange rate has been so volatile that it would be better to manage it at a stable level, so that businesses could plan ahead, even at the risk of choosing the wrong level.

He acknowledged that this policy would require reimposition of exchange controls, and probably import controls as well.

He also conceded that a proposal by Mr Harris to keep interest rates down by "more flexible money management" could be inflationary, but said that high interest rates also added to business costs and were built into higher prices.

'Healthy'

Mr Anderton said that while he did not expect the Government to take up the new group's policy in toto, he believed it was healthy for Labour Party members to canvass other options.

"If you are running a programme which is not working very well in some areas, it is helpful [to have an alternative to turn to]," he said.

He believed the existence of the group would also help to persuade Labour critics of Government policy to stay within the party.

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CSO: 4200/135

NEW ZEALAND

UNEMPLOYMENT SEEN AS ELECTION THREAT TO LABOR

Wellington THE EVENING POST in English 25 Oct 86 p 2

[Article by Political Reporter Tim Grafton]

[Text]

Unemployment will dog the Government here on in to the election.

It is the one weeping sore in Labour's economic policy the Opposition can gnaw at, particularly in the marginal provincial seats. That is where the election is won or lost and that is where the gap between the parties may not be as wide as the opinion polls would have us believe.

Tuesday's release of the September unemployment figures notched up their sixth successive monthly rise. Over 96,000 people are on the unemployment register, or in subsidised work or training programmes.

Despite there being almost 74,000 people on the register, the latest Labour Department estimate reckons only 78,000 will be on it by March. Compiled nearly two months ago, that forecast came before the Whakatu meat plant closure and the imminent wind-up of other works.

Higher tally

Employment Minister Kerry Burke seemed to think this week the officials were underestimating. He indicated that the tally could be 80,000 by March and would not "expand too much" on that.

The chances are, though, that unemployment, traditionally higher during the winter months, will move upward from March through to the latest an election could be held, in September, 1987.

By then, the Opposition should have been able to have made a feast of the figures. And Mr Burke, already under pressure, is showing signs he will find difficulty coping with what will come his way.

For example, the timing of the release of the September figures on Tuesday had been known to the media for days in advance. When they did appear, the usual

accompanying statement from the Minister was absent.

That invited curiosity, so when it finally did surface, and too late for most papers, it came in for closer scrutiny. Specially since he was asking commentators to compare last month's figures with September 1983 and 1984 — no mention of 1985.

The fact was, as his own department had revealed earlier, that the unemployment register in September 1985 stood at 49,151. In other words unemployment had increased by 50 percent in 12 months to 73,678. And that figure, set to climb over the next 12 months, already exceeds the 65,207 on the register when Labour took office in July 1984.

Indeed, forecasts indicate the register will have over 20 percent more people on it by the election than at the last election. Just how convincing will Labour sound on the hustings, specially if it continues to taunt National with Think Big's promise of 410,000 jobs?

If the number of jobs created under Labour is examined, it can be seen that more than half emerged during its first months in office. And that is an achievement National claims was the run-on effect of its own policies.

In May this year, 53,701 more jobs existed than in July 1984. Go back to May last year, just nine months on from the election, and 50,199 more jobs had been created.

Further, the jobs that have been spawned seem to have emerged in the main urban centres.

Of the registered unemployed at the last election, about half were to be found in those regions outside Auckland, Wellington and Christchurch. Last month, that proportion had reached 70 percent with the only drop in unemployment coming from the cities.

Record levels

In 10 regions — Gisborne, Whangarei, Hastings, Invercargill, Napier, Rotorua, Wanganui, New Plymouth, Greymouth and Blenheim — the worst unemployment levels on record are being experienced.

In six other regions — Nelson, Masterton, Hamilton, Palmerston North, Tauranga and Timaru — the worst September figures ever have been recorded. By next year, these regions could have joined the 10 others in the all-time record-high category.

There is more political significance in areas like Gisborne than the fact that one-in-eight people in the work force are on the register. It goes further because with numbers so high, other social problems spring up and in provincial New Zealand it takes next to no time for a general feeling of despondency to get around town.

Out there in those provincial marginals, where to some extent Labour has been traditionally treated with suspicion as an urban party, a good deal of convincing needs to be done. That began on Tuesday when Prime Minister David Lange, Finance Minister Roger Douglas and the hapless Mr Burke kicked off the first of a series of regional development forums in Gisborne.

Balance comments

Just how well the message they were carrying will wash elsewhere, as the months go by remains to be seen. But those attending had to balance two varying comments.

Mr Lange: "It seems clear that economic activity in this region, buoyed by years of subsidies and different changing signals from Government, will not return to levels reached a few years ago."

Mr Douglas: "Our actions today are laying the foundations the regions are going to develop, a strength and an independence and prosperity they haven't had for a long time now."

Perhaps harder to swallow would have been another comment from Mr Douglas that his economic policies were the best thing that could have happened for the development of regions like Gisborne.

Basically, though, the regions are being told they are not going to get bailed out by Wellington. Peeling back the rhetoric, the laissez-faire philosophy says make the best of what you've got — you're not getting much from us.

Among priorities

All this comes after the Government pledged employment would be among its priorities. Its pre-election policy said "Labour's economic policy is aimed at ensuring that the growth of jobs is faster than the growth of people seeking employment."

The question is where is that going to come from when investment is being soaked up by the cities and is heading offshore? And when, out in the regions largely dependent on a farming infrastructure, only marginal improvements are predicted for the farming sector.

At the same time, subsidised work is rapidly being phased out as a "dead-end road" according to Mr Burke. That has not gone down well in the regions.

Young people

Training programmes are the Government's new tack, but the emphasis here is initially on young people entering the system from school. Though this may fill some of the skills shortage around the country, there has been nothing to show this will create jobs, indeed, in Britain for example, skilled and qualified people have found themselves out of work.

Training schemes and their downstream effects will take more time to show than Labour has left to the election. And in that time National will have a lot to feed on, but that will depend on how effective it can sell an alternative policy, which it has failed to do so far.

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CSO: 4200/135

PHILIPPINES

MANILA, KUALA LUMPUR VIEW USE OF ASEAN CURRENCIES IN TRADE

Quezon City BUSINESS DAY in English 3 Nov 86 p 7

[Text]

KUALA LUMPUR — Philippine Trade and Industry Minister Jose Concepcion Jr. met last Friday with his Malaysian counterpart, Minister Tengku Razaleigh Namzah, to discuss the use of national currencies of Association of South-east Asian Nations (ASEAN) member-countries as the medium of exchange for intra-ASEAN trade.

Vice-President Salvador P. Laurel had earlier raised the subject in a speech Thursday before a conference titled, "Towards the making of an ASEAN Common Market," organized here by the National Chamber of Commerce and Industry of Malaysia and the Malay Entrepreneurs Foundation.

In supporting Laurel's initiative, Concepcion said the proposal would not only facilitate greater intra-ASEAN trade but also lead to eventual application to intra-ASEAN investments.

The proposal had been approved in July by the ASEAN Banking Coun-

cil, which has sought the endorsement of the central banks or monetary authorities of the different ASEAN countries.

In a recent resolution, the Philippine Monetary Board has allowed the use of ASEAN national currencies for intra-ASEAN trade of Philippine products.

PLANNING. Meanwhile, Concepcion has challenged the ASEAN to undertake regional sectoral planning to achieve "meaningful increases" in intra-ASEAN trade and investments by the year 2000.

Concepcion said that "while there is as yet no consensus among the ASEAN states on establishing an economic community by the year 2000, there is consensus to consider new initiatives as intermediate steps towards more substantive regional cooperation."

He proposed intra-regional sectoral planning as an intermediate step. He pointed out that the European Common Market (ECM), in its first 20 years of existence, increased intra-ECM trade from 30% to 50% of its total global trade.

The ASEAN, which will mark its 20th year in 1987, imports only about 18% (\$13.9 billion) of its requirements from within the region. About 82% (\$62.3 billion) is imported from non-ASEAN countries, Concepcion said.

Concepcion said the largest category of imports from non-ASEAN countries, accounting for over 31%, consists of machinery and transport equipment.

"Considering the importance of economies of scale in producing such capital goods, which no single national market can provide at present, there is a need for intra-

ASEAN sectoral planning for the next 14 years to tap the combined regional market and achieve meaningful levels of investments and trade within ASEAN," he said.

Concepcion cited the example of Malaysia, whose Proton Saga car can be complemented with Mitsubishi in the Philippines and Thailand. The manufacture of major car components for the whole regional market will not only bring competitiveness due to economies of scale but

also increase intra-ASEAN investments and trade, he said.

In capital goods production alone, he added, there are enough production and market opportunities for ASEAN countries to share benefits equitably.

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CSO: 4200/122

PHILIPPINES

JAPAN COMMITTED TO AID DESPITE KIDNAPPING

HK171543 Quezon City BUSINESS DAY in English 17 Nov 86 p 16

[Text] No matter what happens, Japan is committed to extend economic aid it promised President Corazon C. Aquino during her state visit last week, a Japanese Embassy official said.

The economic package, which could reach to about \$1 billion, including a \$300-million co-financing loan from the Japanese Export-Import Bank, "will not be affected at all even if the rumored coup would take place," the embassy official told BUSINESS DAY.

"We will give what we have committed," the official, who requested not to be named, said. However, he said the prevailing unstable political situation in the Philippines could affect business prospects of big Japanese corporations doing business in the country.

The embassy official's statement came in the wake of an anticipated serious labor disturbance arising from the murder of labor leader Rolando Olalia.

At the same time, the Japanese community in Manila, expressed concern about the reported kidnapping last Saturday of Nobuyuki Wakaoji, general manager of the Philippine branch of Mitsui and Co. Ltd.

Since the February revolution which led to the ouster of then President Marcos, Japan's Sogo-shoshas (giant trading corporations) have adopted a "wait-and-see" attitude.

The tense political situation, after the revolution which was followed by an expose on Marcos's "hidden wealth" accumulated from huge "commissions and rebates" allegedly paid by the sogo-shoshas, temporarily stalled further investments from Japanese firms.

However, President Aquino's recent state visit seemed to alter most of the big Japanese firms' views.

Leading sogo-shoshas have pledged to increase their business ventures in the Philippines even before Mrs Aquino assured them that the new government has dismantled stringent trade rules and regulations prevalent during the previous regime.

During her state visit, the president obtained a 40.4-billion yen loan from the Overseas Economic Cooperation Fund (OECF) for a coal-fired thermal power plant.

She was also assured that OECF's 14th yen package will be definitely higher than the 49.5 billion yen extended under the 13th yen package. The Philippines earlier sought for a 130-billion yen package, but Japanese authorities considered the request "too big."

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CSO: 4200/129

PHILIPPINES

U.S. SEEN AS KEY FACTOR TO ANY MILITARY COUP

HK180053 Manila MANILA BULLETIN in English 17 Nov 86 p 9

[Text] The United States Government is still the key factor in determining whether or not a military coup d'etat can be successfully mounted in this country, a University of the Philippines [UP] official and author said yesterday.

"We have been hearing a lot about military factions contending and maneuvering for power, but the U.S. is still the vital and critical factor given the Philippine military establishment's almost total dependence on it for training its officers' corps, arms and logistics and spare parts," Prof Roland S. Simbulan noted.

Simbulan is executive director of the UP's Inter-Disciplinary Forum and author of the book "The Bases of Our Insecurity." He is now finishing another book on the Philippine defense establishment and its politico-military-economic strategy for counterinsurgency.

Any military faction's strength is relative to U.S. support which will be decisive, he stressed.

No faction can possibly dare seize power without clear signals of support from the U.S. he said, since the U.S. Government has "institutionalized control over the Armed Forces through the RP-U.S. military assistance agreement and the Pentagon's JUSMAG which has access to all levels of our Armed Forces from the strategic planning level down to the combat level."

Even if the strongly rumored coup does not push through, the rumors could be effectively [word indistinct] the Aquino government toward [word indistinct] and right tendencies and give in to more and more [words indistinct], foreign policy, Tlwmbulan said.

He added that the U.S. cannot support coup plotters at this time although they are "echoing exactly what the U.S. wants" because the U.S. hopes to use President Aquino as an effective political weapon against insurgency.

"They had 20 years of Marcos to test the mailed-fist policy which has failed miserably," the professor pointed out.

He pointed to a faction in the military which "has now forgotten that they were the ones saved by million of unarmed civilians while they were waiting to be annihilated by loyalist armed forces in Camp Crame."

"It was not the other way around as they would like us to think," Simbulan said.

After the February revolution, some military factions now think of themselves as a possible independent political force, a "decisive one at that," he added.

"They are toying with the dangerous idea that since they are the most disciplined, biggest and most organized institution in Philippine society today with 250,000 strong and well-armed and well-trained men, they can seat or unseat kings or queens, according to their liking," he indicated.

When they rebelled against the Marcos regime which was the civilian authority, they broke away from the constitutionally based military tradition of civilian supremacy over the military.

"Some military minds now believe that they are power brokers, arbiters for political-elite intramurals, if not a distinct, independent political force by itself," Simbulan said.

He deduced this is probably why they think of themselves as a separate political force in "coalition" within the civilian elements of what had been the anti-Marcos opposition.

Simbulan said the real bone of contention will be the negotiations for the retention of the U.S. military bases which will start in 1988.

"It is here where the pro-U.S. Philippine military establishment will be effectively used as a card, a lever for the U.S. in trying to bargain with the Aquino administration," he said.

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PHILIPPINES

LAUREL SUGGESTS NSC PROBE ALLEGED COUP BID

HK141118 Quezon City BUSINESS DAY in English 14 Nov 86 p 16

[Text] Vice-president Salvador H. Laurel yesterday suggested that the National Security Council [NSC] should look into the reports of an aborted military coup d'etat last week.

He also called "speculations" talks about a government plan to investigate Defense Minister Juan Ponce Enrile's link to the coup plot.

Asked by newsmen about reports that the government has organized a committee to investigate Enrile in connection with the alleged coup attempt, Laurel said he did not know anything about this.

In any case, any such investigation of Enrile should not be done without first clearing it with President Corazon C. Aquino, he said.

"That's a matter we should first take up with the President before we jump the gun on anybody," said Laurel.

He said the Cabinet or at least the National Security Council which includes key Cabinet members should discuss the issue.

Laurel said, "The NSC is the proper forum for this because it pertains to security, if at all there is a committee to grill Enrile."

"But these are all speculative. If ever there is an investigation, it should be conducted by the NSC," he added.

Laurel also told the newsmen there is nothing irregular about the controversial arms shipment that arrived recently consigned to him.

"There is above board [sentence as published]. All is on paper, on record, with the approval of the Armed Forces and the taxes were paid by the Office of the Vice President last November 12," he said.

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PHILIPPINES

AQUINO-ENRILE RIFT DECREASES MARKET PRICES

Quezon City BUSINESS DAY in English 3 Nov 86 p 10

[Excerpts]

A heavy cloud of uncertainty hovered over the stock market last week, dragging down share prices across the board.

Defense Minister Juan Ponce Enrile's open confrontation with the Aquino government over matters of policy and questions about his own political agenda turned jittery investors into panic sellers and transformed securities analysts into nervous political watchers.

The spate of bombings and bomb threats further fed fears and added to the general climate of uncertainty.

Although by Wednesday, the market had settled and share prices were on a broad upturn, analysts pointed out that political developments will continue to exercise a dominant influence.

"Last week's market behavior indicated that a continued bullish performance is still very much hinged on political stability and confidence," said a securities analyst.

The market opened weak Monday, a spillover effect of the previous Friday's downturn.

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LESS DRAMATIC. By Tuesday, prices continued to decline but on "a less dramatic magnitude," noted one analyst.

Noel de Luna of First Pacific Securities Phils. Inc. pointed out that the reduced volume during the downtrend showed that "there is no panic going on in the market and speculators are taking the correction in stride."

De Luna believed that the downturn softened up "what was otherwise an extremely overbought market." He pointed out that speculators, though, "do not see this point and instead blame the market behavior solely on the pastening political situation from the ongoing trouble between Defense Minister Juan Ponce Enrile and President Aquino."

JITTERY. Most brokers contacted by *Business Day* indicated that most of the institutional and foreign investors held on to their shares during

the rumor-filled week and it was mostly jittery individuals who sold shares to cut their losses in anticipation of a continued downtrend.

The main beneficiaries during the two days were speculators and short-sellers who predicted that the market would soon go on an upturn.

By Wednesday, recovery took place. De Luna attributed this to the improvement in the price of gold. "The market went on a technical rally as world gold prices gained \$1 in London and New York. With that positive development, the three-day losing streak came to a halt and sent prices up across the board on a week rebound."

De Luna, however, said that there was still an "underlying nervousness" in the market, highlighted further by the official statements of the United States expressing concern over the Aquino-Enrile word war.

Total volume traded for the week dropped 48% to 1.43 billion shares from the previous week's 2.8 billion shares. Peso turn-over was halved to ₱217.01 million from the previous week's high of ₱447.95 million.

PHILIPPINES

TWENTY-FOUR ARRAIGNED FOR AQUINO MURDER RETRIAL

HK171112 Hong Kong AFP in English 1104 GMT 17 Nov 86

[Text] Manila, Nov 17 (AFP)--Twenty-three soldiers and a businessman are to be arraigned before a court here Tuesday for the retrial of the 1983 murder of opposition leader Benigno Aquino, the chief prosecutor in the case said Monday.

Prosecutor Raul Gonzales also said that at least one cabinet minister under deposed president Ferdinand Marcos could later be included among the accused in a separate arraignment.

He said that about 15 people were being "seriously investigated" as possible additional accused in the assassination of the opposition leader, whose widow Corazon Aquino was swept to power by a popular revolt in February.

"I don't think that we will be indicting all of them," he said.

Asked if those to be indicted would include at least one of the two Marcos cabinet ministers under investigation, he said, "I would think so."

He said the prosecution had up to December 1 to expand the list of accused. The arraignment of the 24 had been twice postponed.

Prosecutors have been looking into the alleged involvement of former tourism Minister Jose Aspiras and former information minister Gregorio Cendana in an alleged plot behind the slaying. Both denied any links to the murder.

They were placed under investigation on the basis of an air force general's testimony that indicated they monitored Mr Aquino's return from U.S. exile from an air base near Manila Airport, where the assassination took place.

The supreme court ruled in September that the December 1985 acquittal of the original 26 accused in the case was void, saying Mr Marcos manipulated both the prosecution and the trial court to ensure a verdict of not guilty.

Former armed forces chief general Fabian Ver and an air force captain, both of whom fled the country during the February revolt, cannot be arraigned because Philippine law bans trial in absentia, court officials said earlier.

Mr Gonzales said Tuesday's arraignment would technically start the retrial, but he would request the court to move the actual hearings until after the December 1 deadline.

"For purposes of expediency we should just wait so that we could have one trial for all of them," he added [word indistinct]. Asked if the prosecution, [words indistinct] had twice asked for a postponement of the arraignment in order to gather evidence, now had enough proof to convince the accused, he said: "Yes, well, maybe not for all."

The assassination sparked a political crisis that undermined Mr Marcos's 20-year rule and thrust Mrs Aquino to the leadership of the opposition.

A military-led revolt occurred while the results of the February presidential election between Mr Marcos and Mrs Aquino were in dispute.

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PHILIPPINES

MINISTRY CLAIMS DROP IN NUMBER OF STRIKES

HK180045 Manila MANILA BULLETIN in English 17 Nov 86 pp 1, 14

[By Olaf Giron]

[Text] There was a consistent drop in the number of strikes from last April to October, according to the Ministry of Labor and Employment [MOLE].

From an all-time high of 78 strikes in April, the strikes dropped to 18 by the end of October. There were 73 strikes in May, 75 in June, 58 in July, 47 in August, and 46 in September.

The Labor Ministry has so far handled a total of 537 strikes, 16 of which were carryovers from the previous year.

Ongoing strikes declined from 84 in June-July to 59 in October. Of the strikes, 29 were in the national capital region.

The major strikes were at the Pantranco North Express with 2,000 workers involved; Pioneer building administration, 314; Rosewood Processing, 300; Mabuhay Textile Mills, 280; Island Cement, 270; La Tondena, 250; Filtrade, 200; Phesco, 200; Vinyl Products, 200, and Philippine Rabbit Bus Lines, 199.

Notices of strike filed with the ministry from January to October numbered 1,510 and involved 263,750 workers.

The number of strike notices disposed of during the period was 1,208, leaving 302 notices pending in the Bureau of Labor Relations (BLR) and regional offices.

(Arbitration cases pending at the National Labor Relations Commission (NLRC) as of October were 8,917, with 7,434 in the arbitration branches and 1,285 in the main offices.

Meanwhile, the MOLE's labor statistics service (LSS) reported a total of 2,287 labor organizations with a membership of 4,825,642 registered from January to October compared to last year's 1,954 organizations with 4,780,604 members.

Collective bargaining agreements during the January-October period reached 2,352 covering 322,738 workers as against 2,007 CBA's covering 266,537 workers in 1985.

On the employment situation, the LSS reported a labor force of 21,852,000 as of July as against 21,064,000 in July last year.

The number of terminated workers this year decreased by 49.7 percent from the number in the same period in 1985. Local placements declined by 11.5 percent, but overseas deployment was 4.7 percent above the 1985 level.

Local placements from January to September reached 12,236 compared to 13,824 in the same period last year, while overseas placements this year numbered 311,616 against 297,580 last year.

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PHILIPPINES

COLUMNIST ON PALACE CIVIL MILITARY COMMITTEE

HK141509 Manila the PHILIPPINE STAR in English 10 Nov 86 p 4, 6 (tentative)

["By The Way" column by Max V. Soliven: "'Saving the Queen' by Rumour, gossip")

[Excerpt] One accomplishment of the well-advertised "coup" is that a special civilian-military "access" committee has been hastily formed to enable the president to confer directly with Armed Forces representatives without their having to go through Executive Secretary Joker Arroyo. (Why, don't they trust Joker? Don't answer that question.)

The tentative members of this committee are NAFF [New Armed Forces of the Philippines] chief of staff, Gen Eddie Ramos; Lt Gen Jesus M. Vargas (ret.), former chief of staff and former SEATO [Southeast Asia Treaty Organization] secretary-general Brig. Gen Manuel T. Flores (ret.), chairman of the New Armed Forces Anti-Graft Board; Brig Gen Luis Villa-Real (ret.), head of the National Intelligence Coordinating Authority; businessman Ernesto Lichauco; and Lesus "Chito" Ayala, presidential adviser. Chito Ayala, who left for Tokyo last Friday as a member of Cory's "advance team" is supposed to be the civilian liaison and coordinator of this group.

I really cannot tell if the tension has really been defused. His Eminence, Jaime Cardinal Sin must think so--he is scheduled to leave for Rome today to attend a conclave. What? Nobody left behind to summon those "people power" battalions in case of emergency? That's either Faith or Too Much Faith.

In the meantime, U.S. Ambassador Stephen Bosworth has been quietly meeting with some generals and retired generals. Take that three-hour luncheon a few days ago in "L. Orangie" restaurant in Makati, hosted by Bosworth and attended by the two top-drawer CIA agents in town. (CIA does not mean "certified Ilocano Agency.")

Nevertheless, the Americans are playing it very "cool." My spy in Subic Bay informs me that there is no unusual military activity--no U.S. Navy vessels steaming into the harbor, glistening with rockets and cannon. My spy, of course, is a bar hostess. Those Olongapo ballerinas and hospitality girls are always the first to know about the clandestine movements (reported to base in coded messages) of the Seventh Fleet. They know by name and complement of men, days earlier, which aircraft carrier, cruiser, destroyer or gunboat is coming to port. The Soviets don't have to infiltrate the naval base, merely send their best-looking KGB and GRU agents to patronize the honky-tonks around it.

All that talk, admittedly, has made the population jumpy. I hope that nobody (like a friend of mine did during crisis rumors in 1984) stocks up on a 3-year supply of toilet paper.

The Armed Forces "Strike Force" and National Capital Region Command troops have been practicing maneuvers lately, devising all kinds of "signs and counter-signs." Four nights ago, helicopter gunships with searchlights criss-crossing on the ground, whirled circles around Nagtahan near Malacanang Palace. Was it a "coup?" Worried policemen rang up the Palace.

"Relax," an officer informed the callers. "It's only the presidential guards on maneuvers, going through the motions of protecting the palace." When the next maneuver takes place, everybody will believe it is just an exercise.

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CSO: 4200/129

PHILIPPINES

MILITARY AUTHORITIES IDENTIFY ELECTION 'HOT SPOTS'

HK180031 Manila PHILIPPINE DAILY INQUIRER in English 17 Nov 86 p 3

[Text] Military authorities yesterday tagged six areas as probable "hot spots" in the coming voters' re-registration and plebiscite due to the presence of armed groups who might disrupt the proceedings.

As this developed the Commission and Elections [Comelec] yesterday directed the Armed Forces to provide ample security to all voting centers needing it.

Named critical areas were Lanao del Sur, Lanao del Norte, Maguindanao, Sulu, Tawi-Tawi, the first district of Cebu and the Cagayan Valley provinces. The military said these are traditional trouble areas.

In a resolution, the Comelec deputized the Army, Air Force, Constabulary and Navy for peacekeeping duties in the voters' listing on December 6, 7, 13 and 14 and the plebiscite on February 2.

The directive also said that the military is to crackdown on armed groups in any area of the country committing acts of terrorism.

In addition, they will, provide security to Comelec personnel and other government employees performing electoral duties during the voters' registration.

The military was also asked to make periodic reports on critical areas and recommend measures to be adopted by the Comelec.

Other major services of the AFP [Armed Forces of the Philippine] will assist the Comelec enforce the ban on carrying of firearms outside residence, the ban on policemen and provincial guards acting as bodyguards and regulate use of armored vehicles, water and aircraft.

They are also required to make available land, air and water facilities, communications systems and other equipment when requested in connection with the delivery of registration forms, supplies and other plebiscite paraphernalia.

Meanwhile, three armed men held up the Tagaytay Development Bank of P321,000 Friday, according to Camp Aguinaldo.

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CSO: 4200/129

PHILIPPINES

WEEKLY REVIEWS OUTSTANDING LAND REFORM ISSUES

Quezon City NATIONAL MIDWEEK in English 22 Oct 86 pp 22-23

[Article by Jo Clemente, PNF: "A Festering Problem Up North"]

[Text] Land concentration has long been a problem in the Cagayan Valley--a three-province region (Isabela, Cagayan, and Nueva Vizcaya)--and in Kalinga-Apayao.

Sixteen percent of the 900,000 hectares of land in these areas is devoted to agriculture, but 73 percent is said to be owned by only 128 families as against the remaining 27 percent farmed by 139,000 peasants.

One of the biggest land holdings in Cagayan is the 3,000-hectare Madrigal Estate. Farmers of the Kilusang Magbubukid ng Pilipinas (KMP--Farmers Movement of the Philippines) narrate that since 1950, they have been tilling the land, transforming it from a wilderness into a viable agricultural center. In 1952, however, armed men led by one Leuterio Dinulos, laid claim to their farms and attached them to the Madrigal Estate managed by Susana Realty, Inc.

Since then, the farmers had to share their harvest with the hacienda. During harvest time, permits had to be secured so their products could be milled or sold. Otherwise, the hacienda police confiscate their palay.

In 1972, Marcos placed the entire country under land reform. The Madrigal Estate was not excluded. In 1973, the farmers received their Certificates of Land Transfer (CLT), but some documents necessary to the completion of ownership transfer were missing. The CLT's remained pieces of paper.

In 1974, the farmers discovered that Don Vicente Madrigal, a former senator, was claiming the property. This prompted the farmers to refuse to share the harvest with the hacienda which promptly filed ejectment cases against them. Preliminary investigation of the cases has been going on since 1976.

The farmers believe they rightfully own the land. The group's research revealed that Madrigal's title to the hacienda was fake. The farmers also claim that land titles in Madrigal's name do not include the Estate in question. The farmers obtained a certification from the Register of Deeds indicating that Survey No 407, said to be that of the Estate, was for land in Imus, Cavite, not in Cagayan.

The Bureau of Forest Development has already certified that the Estate is public and alienable land. Should the Estate be parcelled out for free, some 2,000 farmers stand to benefit.

In Isabela, a similar case prompted farmers of the 13,000-hectare Hacienda Sta. Isabel-San Antonio (HSISA) to organize their own group.

HSISA was carved out of swamplands by the forebears of the present tillers. During the Spanish period, the Tabacalera (a Spanish-owned tobacco monopoly) leased the developed lands from the colonial government, with the proviso that these would be distributed free to the farmers after 100 years.

In 1980, the ANCA Corporation owned by Eduardo Cojuangco Jr. and Antonio Carag moved to buy the hacienda. The farmers successfully prevented the attempts to take over the hacienda's management. The Land Bank of the Philippines (LBP) finally took over.

The LBP claimed that the takeover was preparatory to the eventual sale of the lands to the farmers. The latter however insisted on free distribution, claiming that the rent they had been paying for centuries, if summed up, would be 20 times the land's value.

The LBP had priced the hacienda's first class areas at P11,000 per hectare, to be amortized in 15 years with an annual interest rate of 18 percent. Such areas, according to one farmer, yield a maximum of 50 cavans of rice per hectare per harvest--which is only once a year because of lack of irrigation.

"We cannot even send our children to secondary school," said one farmer, "much less pay for the land."

In Kalinga-Apayao, land is still the major issue. Families displaced by the aborted Chico Dam Project (a World Bank-Marcos regime development plan) want to regain ownership of the land.

The National Power Corporation (NPC) took over some 2,500 hectares for the dam. However, the Marcos regime scrapped the project in the face of resistance from tribal groups in the area. Today, say the farmers, big portions of the land have been given to military officials and favored farmers willing to share 15 percent of their harvest with the NPC.

Government banking policies have made farming virtually a non-viable economic undertaking. In the matter of loans, for instance, the farmers claim that before these are granted, they are required to use only seeds of the high yielding variety (HYV). These entail high production costs while loans require collateral.

"Since we do not own the land, what collateral can we give?" the farmers ask. "The use of the HYV's tie us to bank loans. Our produce is already mortgaged even before harvest."

They ask that bank rates be lowered to only 12 percent and land rent to 5 percent.

Aside from outright ownership of the land, the farmers want to be free to choose their own seed stock--preferably, one not dependent on imported fertilizers and high-tech farm equipment. They also want the right to form their own agricultural cooperatives.

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CSO: 4200/137

PHILIPPINES

JESUIT 'CALL TO ARMS' IMPLIES IDEOLOGICAL RIFT IN CHURCH

Manila MR. & MS. (Special Edition) in English 26 Sep-2 Oct 86 pp 16-17

[Article by Bernardo V. Lopez: "The Jesuits' Call to Arms"]

[Text]

JESUITS ASK U.S. TO CONTINUE ARMS AID". A month before this and other similar headlines hit the front pages of newspapers Sept. 15, 1986, a group of "American missionaries in the Philippines" were calling for the exact opposite, protesting U.S. intervention in Philippine internal affairs.

What we are seeing before our eyes is an ideological rift that is presently plaguing the Philippine Church. This phenomenon is the same for many Catholic-dominated Third World countries throughout the world. It is perhaps a natural tendency or evolution in a situation of extreme poverty and political tension. Just like the Church, the Jesuits in the Philippines may be in a process of a deep splinter never before seen in its history.

There is an old American myth which believes in arms and the superiority of arms as the way to peace. This is some form of superpower mentality. The myth of "deterrence" in the

American mind was born in Hiroshima and Nagasaki. By bringing the Japanese to his knees through the first nuclear bombs, the American believed that, from then on, the superiority of arms was a deterrent for future wars. The birth of the atom bomb thus saw the decay of American thinking, believing the myth of the deterrence factor. It never occurred to the American that it was *ALSO* a catalyst to war, as in the Korean and Vietnamese Wars, as in the ongoing nuclear arms race which has developed into a ridiculous potential "war without winners". With the arrival of more U.S. arms here, the rebels will mount intensive "*agaw armas*" campaigns until every nook of the Philippines will be flooded with arms. Then the Filipinos will kill each other in behalf of American interests (the U.S. bases) with the sophistication of American weaponry. The vicious circle of escalation will be endless while the real issues and causes of war have not been

threshed out or even addressed. This Jesuit call to arms is one step closer to carnage. If the military has discovered new-found allies among a few American Jesuits and their Filipino supporters, then it may be a repeat of the supreme alliance of priest and warlord of Spanish colonialism. The Jesuits may build a fort yet more ominous than the one in Zamboanga centuries ago. The vicious *entradas* of Spanish *conquistadores* are puny compared to today's high-tech wars of American origins and machinations.

Of the 17 Jesuits who signed the call-to-arms letter, 11 have non-Filipino names (presumably American). Their letter seeking arms that will eventually kill Filipinos stands in utter contrast to the Jesuits of Nicaragua, who, on the day the U.S. House of Representatives approved the U.S. aid to the *contras*, wrote a letter condemning Reagan's "war of aggression". The Nicaraguan Jesuits wrote: "In this conflict, the

aggressor is the United States government and the victim are the people and legitimate government of Nicaragua. This is war forced on us (notice that they are Nicaraguan Jesuits, not American) by the violent response of the United States to the decision of Nicaraguans to build a sovereign nation and a just society . . . Because Jesus revealed that God is on the side of the poor and little ones, . . . we take our stand with the people . . . against the government of the United States."

The contrast is almost amusing, but it is rather disturbing. Even the Jesuits in the Philippines are split among themselves. There are those who toil in labor circles and there are those who teach existentialism. There are the pacifists and the hawks. The Philippine Jesuits, in contrast to the Nicaraguans, said: "To cut off military assistance will necessarily weaken the government's position in its dialogue with the CPP-NPA-NDF." On the contrary, to bring in U.S. arms now means the rebels will surely walk out of the truce talks. The letter adds, "To cut off outside support at this time would be either to hand the country over to the CPP-NPA-NDF or to abandon it to anarchy." There is no more government position to strengthen. The Jesuits want war, plain and simple. They talk of "gains" rather than reconciliation.

A Guatemalan prelate,

knowing the Latin American situation where the phenomenon of this split in the Church is prevalent, offered some history and background. His first example was the Church of France, which he termed "the Church without a people". He stated how the Church hierarchy in France ever since the turn of the century has always supported the ruling class that has not serviced the needs of the masses. Alienated, the people made a mass exodus from the Church.

The Guatemalan prelate gave an overview of the Latin American situation. The most progressive and dynamic elements of the Church today thrive in the poverty-ridden Latin American countries, which happen to be Catholic-dominated because they were ex-colonies of Spain like the Philippines. In most of these Latin nations, the situation is the opposite of France. The birth of the controversial Liberation Theology, in Latin America is proof that elements of the Church are not insulated or indifferent to the plight of the poor majority. Without Liberation Theology, the Churches in Latin America today will not be enjoying the support of the masses. The Churches in Latin America are mostly dynamically-populist rather than elitist, with a few exceptions.

The Nicaraguan Church, which has a deep split, is one exception. Many Church

elements claim that Reagan has been pressuring the Vatican to give moral support to his *contras* project. This may be evident from the expulsion of Bishop Pablo Antonio Vega from Nicaragua by the Sandinista government. A group of bishops in the Nicaraguan Bishops' Conference are ostensibly polarizing toward Reagan's financial aid to the *contras*, a right-wing rebel group. To the eyes of the Sandinista masses, the move was a sign that the Church was openly supporting American imperialism. In July 1986, Vega justified the approval of the \$110 million aid by the U.S. legislature to the *contras* in its role to sow terror in Nicaragua. Vega referred to the *contras* as "my people (who) . . . are defending their human rights". The Jesuits and the Bishops thus polarize against each other in a huge split, the same that can happen in the Philippines in the next few years. The pro-American Jesuits in the Philippines may yet drive a wedge to split the Church.

The Spanish Jesuits were the most militaristic among the Spanish *frailes*. They built the biggest fort in Philippine colonial history in Zamboanga. To demonstrate the key role of the Jesuits in Spanish colonization, Julian Dacanay writes: "The government as well as the Visayan Jesuits set up defensive measures, such as organizing armed galleys to patrol the interisland seas,

building watchtowers, training and arming militia (predecessor of today's CHDF). The Jesuits went as far as fortifying their mission compounds to serve as citadels for their flock . . . The Jesuits stayed to minister to the garrisons and to begin the conversion of the "moro". (Filipino Heritage, p. 1221) The Jesuits were historically the epitome of the Church-State bond of Spanish colonialism.

The American Jesuit, the so-called intellectuals of the Church today, in contrast, is the product of the best elite education of the American academe. Their militarism lies in the realm of scholastic pursuit, not in building forts. The Irish-American Jesuit ivy-league flourished in New York. At the turn of the century, Spanish Jesuits conceded their missions to the American Jesuits. The Philippine Jesuit mission was initially, until the '60s, under the New York Province. It is not surprising that the cream of American educators in the Philippines emanated from the Jesuits. It is also not a surprise that this cream was elitist in nature. For

American elitism had its place in America which was growing by leaps and bounds after successive industrial revolutions. New York bred the best minds in the Church, spearheaded by the Jesuits. But in the Philippines, which was hopelessly wallowing in a semi-feudal agriculturally-based economy, minds bred by the thriving industrialism of New York had no place. At least for a while, for it took time for the Jesuits to adjust to the totally new situation.

In the beginning, their primacy was education of the elite. It had its place then. The Ateneo bred the best politicians, lawyers, priests, and *entrepreneurs*. As the Jesuits stuck to elite education, offering the best and most liberal America could give, other religious sectors were beginning to realize the primacy of the masses. The trek to the barrio took a while for the Jesuits.

THE JESUIT AS LIBERATOR. Its gradual Filipinization helped radicalize the Philippine Jesuits. The first to prove that the American Jesuit was not a god was the Filipino Jesuit. The ethnic conflict the Jesuits had was American

versus Filipino. It was in the nature of Jesuits to produce rebels, and this they did in their own ranks.

A few American Jesuits are also anti-imperialists. The best anti-Americans are Americans. It was the American missionaries who first initiated the conflict by rooting against American imperialism.

In the late '60s, Rockefeller came up with a report to the President in 1969 stating that, "the Catholic Church has ceased to be an ally in whom the United States can have confidence". The report echoed an earlier report of President Theodore Roosevelt in the '30s — "I believe that it will be a long and difficult task for the U.S. to absorb these countries (Latin American nations) as long as they remain Catholic". In those lines lie the overt quality of imperialism and the inevitable role of the Church in politics. The secrets of Fatima revealed a great cataclysm that will descend on humanity. The sign of its coming will be heralded by a huge split within the Church, according to the secrets. Is this split now perhaps in process?

PHILIPPINES

PRIESTS MEET, CONTINUE 'STRUGGLE FOR JUSTICE, FREEDOM'

Quezon City VERITAS in English 2-8 Oct 86 p 21

[Article by Jack Walsh: "Mindanao--Priests in the Provinces"]

[Text]

TWENTY two priests, meeting in consultation from all over Mindanao, expressed deep concern that, since the February political revolt in Manila (Philippines), "not much has really changed." Their meeting was held from Sept. 15 at Tubigan, Initao, Misamis Oriental some 600 miles south of Manila.

The priests met on their own initiative — not as official delegates of any diocese or religious community. Their objective was expressed "... as a group of deeply concerned Clergy, we seek to understand and clarify our role and responsibility to our People in their ongoing struggle for true justice and freedom ..."

In a prolonged sharing of their experiences in urban and rural apostolates from faraway Tawi-Tawi to mountainous Bukidnon, the priests concluded that "not much of substance has changed since the highly publicized civilian and Church-backed revolt of Feb. 22-25 which brought about a change of Government."

Most of the participants told of ongoing reports of ceasefire negotiations but, in reality, there is an increase of military operations. In the Ipil Diocese of Zamboanga, the diocesan-wide petition for disbanding the Civilian Home De-

fense Forces and the removal of military units was answered, in fact, by a marked increase in militarization.

There are also continued human rights abuses by armed fanatical sects or so-called "religious cults." While formerly denied, the military now admits their arming and use of these groups in their "counter-insurgency" operations. They also admit introducing a new group called "SPMF"/Special Para-Military Forces composed of rebel Moro Fighters who have surrendered.

In Kidapawan, the clergy participants reported that the people still live in fear of the notorious Manero brothers and their gang. This group is mostly composed of those formally indicted for the murder of Fr. Tullio Favali, PIME. Even though imprisoned and under military custody while the trial is in progress, the Manero gang still is feared by the people. It is widely believed that they "have backers/supporters in high places, especially within the Military and among civilian politicians ..."

In Midsalip, Zamboanga, church workers experienced initial success in their efforts to organize a Community Based Health Program (CBHP) among the many BECs (Small Ecclesial Communi-

ties) in the hinterlands of the parish. However, within weeks, there was a marked drop in the number of participants. Why? "Because the people were warned: *"bantay kamo kay subversivo kining pamaagi; mao ra'g Kummunist"* ("beware — be careful because this methodology is highly suspect; it's like the Communists' way"), so reported the priests and sisters in the Midsalip area.

In Agusan Sur, priests decried the "show case surrender" of 50 members of the notorious "Lost Command" under Col. Charles Lademora. While expressing much emotion over the reception supposedly given to him and his men, the Colonel refused to surrender his group's weapons: "I'll surrender my weapons when and if the New People's Army surrenders theirs!"

The Agusan priests also told of the presence of armed fanatical groups in their area, supplied with weapons by the military. Contrary to the wishes of the government officials throughout the Agusan provinces to disband the CHDF, the military commanders insist on recruiting more CHDF members to assist in their ever increasing operations and so-called "combing operations" in the rural areas.

THE clergy from Agusan del Norte told similar stories of NPA initiatives for ceasefire negotiations and military insistence on increased patrolling of the countryside. They also told of the August 18 "bombing" of Buenavista township. Military officials denied the use of planes to bomb the area. The priests clarified that, while it was true that no planes were used, the areas in question were hit by cannon and mortar fire.

When confronted with empty shell casings and rolls of machine gun clip belts, the Agusan military commanders admitted the veracity of this clarification. They insisted, however, that the bombardment came from the military forces in nearby Bukidnon.

"It really makes no difference where the shells come from," said the Agusan priests, "the reality is that the people of Buenavista were forced to live in caves for more than a week to survive the indiscriminate shellings."

In Davao, tagged by local and foreign media as "the killing fields," priests reported as "highly suspect" the official press releases of the military which insist that the rate of crime and killings has drastically diminished.

"The terminology has changed," said one participant to the consultation; "formerly those killed in military and para-military encounters were almost always tagged as 'suspected members of the NPA Sparrow Unit or urban guerrillas.' Now the usual jargon is that those killed are 'alleged criminal elements who, instead of surrendering peacefully, chose to shoot it out with the arresting police patrols'..."

It is also a fact that, in Davao City, most of the radio stations and newspapers which formerly kept tally of the daily killings, assassinations and "salvagings"/summary executions, now no

longer do so. When asked why, the usual reply is "we are lacking staff members for such documentary reporting..." Admittedly, there is pressure on the media people to minimize reports of violence in order to "create a better atmosphere for attracting investments — especially foreign capital!"

The clergy members present for this consultation also expressed concern regarding the preparations for the forthcoming MSPC VI (6th tri-annual Mindanao-Sulu Pastoral Conference) now convened by the local church hierarchy and scheduled to be held in Zamboanga in late October.

The concern centers on what some call the "in-house" approach to the evaluation being prepared for the October conference. One priest from Cotabato insisted that the evaluation did not even mention the situation of "our Moro brothers and sisters." Others from Zamboanga expressed the same concern: "It's as if there is no Muslim-Christian problem."

Several others admitted that in their respective dioceses, the distributed evaluation form was ignored as being "irrelevant to our present situation." Their bishops are reported to have chosen to use the reports and recommendations from other non-related MSPC conferences and consultations. One bishop was reported as stating publicly that he preferred the reports and recommendations of the BCC-CO (Basic/Small Christian Community-Community Organization) consultation held recently in Davao City.

For the priests, there is a pressing need for the MSPC VI to give more attention to socio-economic projects to alleviate the severe economic problems of the grassroots Christian Communities throughout Mindanao.

As a group, the clergy partici-

pants expressed their disappointment at what they considered the "unwarranted or exaggerated silence" of the majority of the bishops regarding many government and military actions since February.

While acknowledging the bishops' official stance to deal with the Aquino government by the use of what they are calling "aide memoir" or "private memos" instead of public statements, the priests nevertheless feel that this is being used by many bishops as an excuse for their silence over many happenings in their respective dioceses.

For themselves, the clergy resolved to continue their efforts at strengthening the organization of their people to have a more effective voice in the decision making of both the local church and government. They condemned the obvious and active presence of US Embassy representatives at the deliberations of the Con-Com proceedings.

They called for a more effective Seminary and Religious Formation Program that is "truly in tune with the present reality of our people." They also challenged their Hierarchy to open their collective eyes to the deep-rooted convictions of the grassroots communities.

"Instead of accusing our grassroots people of being infiltrated and Communist-tinted," they urged, "our bishops must see that our people are acting from a love of God and their Faith. They are moving towards the Church — not away from it. They are the People of God on the move and the bishops run the risk of being left behind instead of being in the forefront..."

The consultation participants also renewed their resolve to continue their efforts to organize the clergy and religious sector which possibly has been overlooked in the sectoral organizing of recent years. — JACK WALSH

PHILIPPINES

NPA-CPP DISUNITY REFLECTED IN REPORTS OF COLONEL'S MURDER

CPP-Linked Weekly Urges NDF Probe

Quezon City NATIONAL MIDWEEK in English 22 Oct 86 pp 3-11

[Article by Jose F. Lacaba: "Four Men Came for the Colonel"]

[Excerpts] Loretta Lichauco, widow of the late Lieutenant Colonel Rex Baquiran of the Philippine Constabulary, does not recall when her husband started spelling his name with a double-R. It seems he had belatedly discovered that his name had been misspelled in his birth certificate; and probably because deliberately misspelled names had become fashionable among the numerology conscious, he had decided to change from plain Rex to Rrex.

At one time in his military career, his fellow soldiers had called him Rebel Rex. For he was something of a dissenter and a noneonformist.

He became a plebe in 1963, the same year as Victor Corpus, the lieutenant who would later defect to the New People's Army. Corpus, who came to Baquiran's wake at Camp Crame, says he knew Rrex in those days, but they belonged to different sections and were not particularly close. Both men, however, apparently came under the influence of nationalistic military officers such as Dante Simbulan and Cesar Pobre, who were PMA professors in those days.

It took Rrex seven years to complete the four-year PMA course. Another 1963 plebe, retired Colonel Victor "Boy Vic" Ramos, now security administrator of the Ayala Corporation, says the reason was "partly academics, partly conduct." Rrex was the type who asked questions, who expressed opposition to such expressed opposition to such time-honored military traditions as hazing or to the applicability of the West Point system to the Philippine situation. "So," says Boy Vic, "He did not have a pleasant relationship with some officers."

Rrex did not join Honasan's group, the Reform AFP Movement, but throughout his military career the non-drinking, non-smoking Rrex was a zealous reform-minded officer. In Mindanao, as district commander of the Constabulary Highway Patrol Group based in Cagayan de Oro, Rrex organized the rattan gatherers and helped them transport their rattan past military checkpoints notorious for extortionist activities. In civilian attire ("he was hardly ever in uniform," recalls Loretta), he would sit quietly in the rattan gatherers' jeep, "very

humble, very ordinary, and he'd wait until the abusive troopers showed their true colors"--and then he would introduce himself and get the troopers' names. "That," says Loretta, "was the only time he would use his rank, if it would help in stopping these abuses."

Transferred later to Davao, he uncovered a racket involving the changing of engine numbers for public utility buses and the issuance of license plates with the same numbers. He filed charges against the suspected racketeers and their military protectors, who filed countercharges against Rrex. The case is still pending, and Loretta recounts that, the last time Rrex went to Davao for a hearing, sometime after the February uprising, "he staged a picket in front of the courthouse, demanding among other things that his superior officer should be relieved rather than retired."

Vic Corpus describes Rrex Baquiran as progressive; his superiors considered him radical. In March of 1972 he was arrested by the AFP Intelligence Service for allegedly "rousing" PMA cadets in Baguio City to defect to the NPA. He was detained for six months. The daily press bannered he would be courtmartialed, but the evidence was flimsy, and in the end Rrex was merely charged with being AWOL. When martial law was declared, he was still under detention. Former Olongapo Mayor Dick Gordon, whose sister was Baquiran's UP contemporary, remembers seeing Rrex under house arrest at the AFP's civil relations office.

Judging from the stories told about him, Rrex was indeed a radical, but a radical of the late-Sixties counter-culture variety, a non-programmatic, non-ideological, non-organizational New Left flower child. He was the type who liked wearing Igorot headbands and serapes with his Levi's jeans, who decorated his wall with pictures of Chairman Mao and the Chinese flag, who would enter a military mess hall wearing a "Kumander Dante for President" T-shirt. He was in short, the type who enjoyed "shocking the bourgeoisie"--the bourgeoisie in his case being the military establishment--but who, at the same time, had such gentleness in his soul that he would never really seriously entertain Maoist notions of how to deal with the bourgeoisie.

Rrex himself exercised such freedom with great gusto. Boy Vic says Rrex was open in his opposition to the purely military solution to the insurgency: "He believed we should strike at the roots of the insurgency, we should try to eradicate or minimize the causes of the insurgency, by checking on the people's livelihood and on the injustices that they experienced." Rrex thought nothing of visiting political detainees in Bicutan, bringing his wife on exposure trips to NPA camps, or attending the founding congress of the left-leaning Partido ng Bayan, where he was photographed raising a clenched fist.

The irony is that Rrex chose to be a flower-power radical while remaining in the belly of the beast. "He stayed in the military because he felt he could do more from the inside," says Loretta. "He believed that if you were going to criticize the military, if you were a military man your criticism would have more weight than if you were outside."

The military establishment didn't quite know what to do with its rebel child. In 1971, according to a brief biodata prepared by the AFP after his death,

Rrex had a very brief stint with UIOG--which, if one remembers correctly, meant United Intelligence Operations Group--but after that he was shunted off to what Loretta describes as "safe assignments, not political, not anything": administrative work, the Media Advisory Council, Highway Patrol, civil relations.

Rrex was with Highway Patrol in Cagayan de Oro when he met his wife. Loretta comes from a nationalistic ilustrado clan that includes economist Alejandro Lichauco and columnist Hilarion Henares; she herself, before and during martial law, was active in cultural work that brought her in close contact with national democratic radicals, for whom she did not hide her sympathies, although she was a sister identified with the Marcoses.

It was, by all accounts, a happy marriage. "Many of the qualities I was looking for in people in the movement, I found in him," says Loretta. "His being a military man seemed just accidental." But in the climate of martial law, she couldn't help worrying about her husband's military status. She spoke to him of her fears: "You know, in this kind of work, people don't make distinctions. If you're military, you're enemy." And she told him of the suspicions and the hostility of some of her radical friends. "I was the one who felt bad. But to him it didn't matter. 'They will know me eventually,' he said. But what about the people who didn't know him? That was my greatest fear all the time."

Her fears, it turned out, were not unfounded. In the end, if reports are to be believed, people who didn't know Rrex well enough and who couldn't make the necessary distinctions between unavoidable generalization and unique particularity, may have been responsible for his untimely, brutal end.

Although happy-go-lucky on the surface, Rrex may not have been entirely pleased with the way his career was going. When his graft-busting activities in Davao had become too irksome to the local powers that be, he had been sent off to a conference in Bangkok, then to post-graduate studies at the AFP Command and General Staff College. Loretta says he welcomed these assignments because they increased his chances of promotion, but he must also have felt that the military establishment was trying to get him out of harm's way.

A Partido ng Bayan member who engaged Rrex in conversation during the party's founding congress says he detected a note of dissatisfaction in the colonel's voice when Rrex spoke of being bypassed by junior officers in the matter of promotions, of getting "no decent assignments," of having no command and no major staff position. This same note of dissatisfaction with his current situation crept into a brief autobiography that Rrex wrote for the general staff college yearbook, which he edited and in which he reprinted a poem by then political prisoner (now Partido ng Bayan secretary-general) Alan Jazmines.

This is what Rrex wrote of himself:

"'Rex,' who grew up in Itogon, Benguet (then part of the Mountain Provinces), wishes to return to the remote hills where he was actually born--Kalinga, overlooking the tributaries of Cagayan River. Educated at the religious St Louis

High School, the military PMA, and the stately UP, he is a young man of principle. He is more at home in the mountains where he loves to propagate the customary respects men have for one another than he is in the cities where he despises intrigues and deceit. 'In the mountains, the word is man himself.'

No source is cited for the last quoted sentence, but it sounds suspiciously like Regis Debray, who in his book *Revolution in the Revolution* wrote that the cities bourgeoisify the proletariat and the mountains proletarianize the bourgeois. Something of the same feeling must have moved Rrex Baquiran to retrace his roots in the mountains of Kalinga-Apayao.

"He had wanted," Loretta recalls, "to get the provincial command, so that he could put into practice all his ideas. He wanted peaceful coexistence, not worry about all these lines of division, the politics and all that. 'Let's concentrate on trying to improve the livelihood of the people,' he liked to say."

Typically, Rrex tried to get the official blessings of General Fidel Ramos--who, says Loretta, replied that this was okay by him but that Rrex should likewise talk to Governor William Claver--as well as the unofficial approval of the NPA. Sometime last April, according to Loretta, Rrex met with a Ka Junjun and a Ka Sinsin, NPA cadres who had earlier expressed an interest in the colonel who was helping the barrio folk get better prices for their coffee.

"Rrex explained his coffee project to them, and he also mentioned that he was interested in becoming provincial commander there, but if they didn't approve of him, he wouldn't push it. They seemed to accept him, but they also warned him, 'If you're coming in, give a password, or if we're around, then it's all right, but just take care of other groups who are not under our jurisdiction.'"

Sometime in May or June, Rrex, Loretta and some of the people working for them on the coffee project met with another NPA unit in a remote barrio of Balbalan town. Though the dissidents knew Rrex was a colonel, they welcomed him and even posed for pictures with him and his group. Again, Rrex talked of his coffee project, and again, it was accepted and endorsed as a pro-people activity.

The coffee project involved buying the product direct from the growers and bringing it straight to buyers in the province and in Manila, bypassing the Chinese middleman who had established a monopoly in the area, was keeping prices down, and went to the extent of using defective scales. For Rrex, the coffee project was both a business venture and a way of improving the people's livelihood. Unfortunately, it was the kind of thing that was likely to create enemies--or arouse suspicions.

Rrex had begun doing business in Kalinga-Apayao November last year. At that time he was officially connected with the Civil Relations Service (CRSO, but was hardly reporting at headquarters, according to Loretta: "He was sort of floating, almost AWOL." He didn't want to get involved in the forthcoming snap elections; he was afraid he would be assigned to do something against his conscience. So he went into a little family business, buying up bananas and then, in partnership with a cousin and a brother-in-law of Loretta's, branching out into the coffee trade,

Loretta says Rrex spoke of other plans: planting Chinese apples, putting up a hamburger stand (perhaps a concession to his daughter's fondness for burgers), establishing a small printing press. "He wanted to bring work. There's nothing to do there, no industry, no nothing, just jeepney driving." But then, seeing the possibilities of coffee, he had conducted extensive research and had then prepared a project proposal for setting up a cooperative. Loretta says the proposal was submitted to the Philippine Business for Social Progress, which had approved it in principle and was willing to extend a loan. It was this proposal that Rrex was going to present to a meeting of a bodong (peace pact) federation in Kalinga-Apayao last month.

The colonel spent the week in Pinukpuk town, where he had been thinking of settling down. On September 13, another Saturday, he went out with one of his helpers, Julie Bignalen, to attend the bodong federation's meeting.

Julie, 22, slight of build and blind in one eye, is a native of Abra who started working with the colonel shortly after the February uprising. She relates that she and Rrex--whom she refers to as simply Rrex, or Kuya Rrex, or the Colonel--left Pinukpuk Junction at 10 a.m. and reached Katabugan 30 minutes later. They had coffee at the house of a Mrs Benya Dangiwan, a coffee buyer, after which they took a jeepney to Ammacian. The jeepney was owned by a certain Andoy, also a coffee buyer, and one who apparently had close ties with the Chinese middleman.

Rrex and Julie arrived at Andoy's place in Ammacian at 12 noon. Without bothering to take lunch, the two of them started to hike toward barangay Wagod, where the meeting of the bodong federation was already in progress. On his back, Rrex carried his favorite pasiking, a Kalinga knapsack made of rattan.

About half a kilometer away from Andoy's place, a young man caught up with them, saying, "Come back, the NPA wants to talk to you."

Loretta says Rrex was a "basically trustful" person: "He always gave people the benefit of the doubt, and if he was proven wrong in his trust, he would simply say, 'Well, now we know about him,' or, 'We know how much to trust him, how much not to.'"

Not suspecting anything, since he had cordial relations with the NPA, Rrex went back to Andoy's place with Julie and the young messenger. Julie says that when they got there, they were met by four men in their twenties, armed with M-16s and M14s. She would later be informed that they were lowland NPAs and that they went by the noms de guerre Ka Region, Ka Allen, Ka Anas and Ka Eddie. They were accompanied by unarmed YMs--members of the Youth Movement--led by a certain Ka Gorio.

The armed men were decidedly hostile. "Putang ina mo," said one. "So you're the Colonel Rrex Baquiran who's pretending to buy coffee. You've got a lot of nerve coming here, knowing this is a Red area."

Julie says Rrex did not reply but looked relaxed. Rrex had been a champion debater in school, he had talked his way out of a court-martial, and he probably

felt he could talk his way out of this situation. Two of the armed men then took Rrex inside the house, "for investigation," while the other two stayed guard over Julie outside, about 20 meters away from the house.

After a while, one of Rrex's interrogators came down and told Julie that Rrex had admitted being with the CIS (he must have misheard GRS) and being assigned by General Ramos to Kalinga-Apayao. Julie denied the allegations, spoke of the project proposal to be presented to the bodong federation; but they wouldn't listen to her.

After a few more minutes, the fourth armed man came down and told Julie they could go. Julie went up to the house but didn't see the colonel. She saw only his pasiking backpack lying in a corner. She went down and asked about the colonel and was told, "How should we know? We left him sitting upstairs. He must have gone away."

Julie was sure the colonel would never leave her behind. She decided to get the pasiking and wait for Rrex outside the house, but when she went up again, the pasiking was no longer where she had last seen it, and Andoy said he had not seen it and nobody else had come into his house. Julie then asked some kids to fetch Ammacian's barangay captain, a certain Condaya, who was attending the Wagod meeting of the bodong federation.

It was five in the afternoon when Condaya arrived. The bodong meeting had been adjourned when news of the colonel's disappearance arrived. Condaya told Julie not to worry, they would get the colonel back. By this time, the four armed men had gone and only the YMs remained with Julie.

Condaya and Julie waited until 11 p.m. that Saturday in Andoy's house. Still there was no news, but there were reports that 11 unknown armed men were seen roaming around, and fear began to spread. Condaya decided to hide Julie for a while, and it was not until Monday morning, September 15, that Julie was able to return to Pinukpuk. She reported the incident to the 48th IB detachment then proceeded to Tabuk to give a second report to the provincial commander, then went on to Dagupan to ask for Governor Claver's help.

Claver was out. Julie spent the night in Dagupan. The following morning, Tuesday, she had an audience with the governor, who asked her: "Do you believe it was the NPA who abducted the colonel?" Julie said she didn't really know: "Ewan ko, Governor, hindi ko alam, kasi hindi ko kilala ang mga mukha ng mga iyon." Claver said, "If they're NPA, don't worry," and he sent a note out to the YM and the NPA in the area.

But when Julie got back to Pinukpuk that afternoon of Tuesday, she learned that the colonel was dead. A search parties of the bodong federation had found his body in a shallow grave in Ammacian.

Loretta learned about her husband's death on the morning of September 17. She hadn't even known that he was missing. Rrex had never given the military his Manila address (the Lichaucos' old Spanish house in Santa Ana, beside the Pasig River), and it seems his office had a difficult time getting in touch with the widow.

It was Rrex's brothers who identified the body. They decided to spare Loretta from the gruesome sight, but she has listened unflinchingly to the descriptions and can repeat the gory details to interviewers, softly, matter-of-factly:

"He had so many stab wounds in the back, plus they had put something sharp on his knees, maybe to make his kneel, and they broke his teeth. They may have made him dig his own grave, because his fingernails were all worn out. Two of his fingernails had been pulled out. They cut off his ear, gouged out an eye. They really tortured him."

Some news reports add that he had been scalped and that his genitals had been cut off and stuffed in his mouth. Loretta can only say, "I hope he was dead by then."

Who could have been responsible for such unspeakable practices, unnatural acts?

Says retired Colonel Vic Ramos: "The earlier theory that it was an NPA group from the lowlands tends to gain more credence. However, there are indications also, according to the military report itself, that businessmen who were affected by his livelihood programs for the natives of the area may have been involved, although they may have been involved, although they may have used NPAs from the lowlands to do the job for them."

Students of the insurgency and of the military mind, basing their judgment on track records, find it difficult to believe that the NPA was responsible for the atrocity. Rrex Baquiran's torture and death, they say, are reminiscent of military salvaging methods, as in the case of rebel doctor Johnny Escandor, whose jockey briefs were reportedly stuffed into his open skull. According to these theorists, military zombies of DPAs (deep penetration agents) masquerading as NPAs may have been the culprits.

Loretta herself admits that the upland NPA's standard operating procedure is not evident in her husband's killing: "It is said that, if the NPAs take someone, they usually bring him before the people and say, 'What do you have against this man?' They didn't do it in this case." But at the same time, she has heard of the reputation of lowland NPAs as trigger-happy killers who have been known to cut the soles of their enemies' feet. She says she also has a letter from Governor Claver, stating that Ka Yukan--said to be Cesar Baronia, the highest-ranking NPA in the area--has admitted that the NPA killed Rrex because they suspected him of being a military spy.

There is no hiding Loretta's anguish at being a victim of a cause she has been sympathetic to. "People are people," she says, "and when they have guns, they have to use them. Maybe this is getting out of control. This is not what those who joined the movement before have given up their lives for. I don't think this was the vision that they saw."

Revolutions, it is true, are not conducted with kid gloves. They are not refined and restrained dinner parties. But there are surely limits beyond

which even the most ardent revolutionist should fear to tread. Even if Rrex Baquiran had been a spy, and this is disputable; even if in the eyes of his captor he was deserving of capital punishment, and this is arguable--even then, there can be no justification for the torture that he suffered. If the Baquiran affair is indeed the NPA's doing, then perhaps, as one fellow traveler suggests, it may be time for the National Democratic Front to set up its own human rights commission. The complexities of the struggle require something more than what Loretta calls "a black-and-white attitude towards military men."

For Loretta herself, the brutal death of a beloved husband has become an occasion, not for a cry of vengeance, but for an appeal for peace. At a press conference on the day typhoon Oyang is battering the city, she expresses the hope that Rrex's fate will not be used by combatants of both sides as "a reason and justification for more irrational, indiscriminate and widespread violence."

That may be too much to hope for in these troubled times, in this class-divided society, but the hope springs eternal in the breasts of the flower children of the Sixties.

"I just hope," says Loretta, "that something good will come out of all this, just as something good came out of Ninoy's assassination."

Something good may mean a ceasefire, peace in our time.

NPA Contradicts 'Alleged' CPP Head

Baguio City THE GOLD ORE in English 18 Oct 86 pp 1, 2

[Article: "NPA Explains 'Execution' of Baquiran"]

[Text]

THE New People's Army (NPA) has justified the brutal killing of Lt. Col. Rrex Baquiran to barangay residents in Kalinga-Apayao.

About 150 armed NPAs entered barrio Ammacian in the municipality of Pinukpuk last September 29, almost two weeks after the brutal slaying of Lt. Col. Rrex Baquiran on September 13. This was learned by a fact-finding team that travelled to the area recently.

According to residents in the area, the purpose of the NPA "visit" was to explain the reason for the killing of Lt. Col. Baquiran.

Four points were given to justify their action:

1. They believe the colonel

to be a spy for the Criminal Investigation Service;

2. He was a military officer and all military men without exception are "enemies";

3. He was a business rival;

4. He had been reportedly leading operations against the NPA.

This account contradicts a statement of Ignacio Capigisan, alleged Secretary-general of the Communist Party of the Philippines, earlier this week denying NPA involvement in Baquiran's abduction and murder.

Residents also reported that the NPA then berrated the barangay captain for having led a search party which later discovered Baquiran's body badly battered and mutilated in a shallow pit nearby. The

barangay captain was ordered by the NPA to resign from his position.

Since the communists' visit last September 29, armed men and women claiming to be CPP/NPA have been conducting "teach-ins" three times a week among residents of Ammacian, forcing attendance, especially of the youth.

Meanwhile, reports also stated that the residents of Ammacian are no longer going to Pinukpuk town proper. Even jeepneys previously plying the route have stopped doing so because of fear of vengeance as allowed by the terms of the peace pact between the two areas. The late Lt. Col. Baquiran was a native of Pinukpuk.

The disappearance of a person believed to be connected to the murder — one Andoy Sicagan, owner of the house where Baquiran was interrogated — was also reported. Sicagan is believed to have left Ammacian and is now in hiding.

Asked to comment on this latest development regarding her husband's case, Loreta

Lichauco Baquiran said that the evidence pointing to the NPA as the killers of her husband are too strong to be discounted or covered up. She said, "Either the CPP/NPA leadership have their lines crossed or they are trying to disassociate themselves from the crime, at least in the media, because it hurts their image".

She continued, "If indeed their forces in the area have descended to savagery in the name of revolution; and if the CPP is sincere in espousing the ideals of protecting and serving the people, then they must accept, if need be, responsibility for the atrocity of Rrex murder and move decisively to stop any such aberration from happening again. Better still, they should stop fighting and arousing enmity and instead do some soul-searching without delay".

"That the NPA in the Cordillera are justifying the torture and killing of my husband to the people is itself a frightening augur for the future", said Baquiran's widow. *CNA/10.17/01

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CSO: 4200/148

PHILIPPINES

BALWEG'S LINKS TO NPA FUNDING, TIES TO FAITH DISCUSSED

Quezon City VERITAS in English 2-8 Oct 86 p 20

[Profile by Bert Clemena: "Conrado Balweg--Still a Man of God?"]

[Text]

IN THE mountain ranges of the Cordillera where he freely roams, some people still call Conrado Balweg, a Catholic priest, "apo padi." The reverential address has stuck, even though he has long since been acknowledged or branded as a leftist, a radical, a rebel, a liberation theologian, a Marxist, a vagus. Most, though, just call him by his *nom de guerre*: *Ka Ambo*.

But add a new tag to this list — a peacemaker — and Balweg becomes an enigma.

For Fr. Balweg or *Ka Ambo*, the wanted man who preached the violence justified by Karl Marx and Mao Tse Tung, who led heavily-armed troops of the New People's Army (NPA) of the Communist Party of the Philippines (CPP), recently signed a peace pact with President Aquino whose government the insurgents seek to discredit and destroy by force.

For forming the Cordillera Bodong Association (CBA) and thereby breaking its ties with Balweg and supporters have become the object of a massive and coordinated hate campaign in the media. Ironically, the campaign is waged by the same people who once gave him arms and trained him as a soldier soon after he abandoned his Church and the vows he took in 1971 as a missionary priest of the Society of the Divine Word (SVD).

Top northern Luzon rebel leaders Ignacio Capigsan, alias William "Bill" Bil-ig, Cesar Baroña alias *Ka Yukan*, a *Ka Benjie* and a *Ka Andres Fernando* recently called for a rare interview with selected newsmen from Manila where they repeated their charges against the CBA and the Cordillera People's Liberation Army (CPLA) which

Balweg and another rebel SVD priest, Bruno Ortega, jointly command.

Capigsan or "Bill" Bil-ig, the new general secretary of the CPP central committee, dismissed his former comrade-in-arms as "an opportunist who has now sided with the military by surrendering and later becoming the new leaders of the government-funded and abusive civil home defense forces (CHDF)."

Ka "Bill" said that the pact between the government and the CBA/CPLA is "not that extensive" because Cordillera remains a stronghold of the CPP/NPA which he claimed has more arms than Balweg's rag-tag band of untrained Igorots and Ting-gians.

"Sour grapes and childish," the rebel priest Balweg snapped back.

In an interview somewhere in the Cordillera mountains — his first since the historic Mt. Data peace pact or *bodong* with the government — Balweg told *Veritas*: "We reach out to Cory (Aquino) and the world to establish a society where there is no war, no oppression. . . create a just society in the Cordillera where there is no violence. . . only peace."

He added: "In President Cory we see the sincerity, the symbol of what a government should be. So why fight her? Besides, by holding a dialogue with no less than the President herself and some of her cabinet members and top-ranking military officers, we have shown to them and to the Filipino people our maturity in dealing with our problems unlike the CPP/NPA who insist on unjust war and unnecessary killings."

"We in the Cordillera are opposed to unjust war and what we have been doing

was to engage in such an unjust war. This must end and the time is now," Father Balweg stressed.

Military intelligence reports documented Balweg as having led armed NPAs in ambushes. He was projected openly as a mouthpiece of the movement, espousing revolutionary violence as necessary and "simultaneously just and sinful." He posed for television and print photographs, firing his high-powered arms at unspecified targets. His recent statements on peace and justice and his opposition to war completely contradict to his image as NPA warrior and propagandist.

Will the real Conrado Balweg or *Ka Ambo* please stand up?

"Well, what really happened," Balweg explained, "was that I evolved and by doing so, I became a better Christian witness in a radical movement, abler to see the needs and feel the pulse of the people, rather than impose on them what I alone think, feel is right for them."

What people did not know and understand, especially my former superiors in the SVD, was that it was merely a recourse I had to take reluctantly. I was forced by events as well as people including my confreres in the religious congregation to which I belonged and who should have supported me in the first place," Balweg recalled.

This time, Balweg was forgiving and even spoke of God's divine intervention in all events in his life. Maybe the presence of an SVD missionary, Bro. Charles Semaña made him adopt a different posture and thinking. Brother Semaña had come all the way from Manila to "seek a long lost brother." He was visiting Balweg's camp in the Cordillera — the first successful attempt ever made by an SVD to contact Balweg personally in his hideout since he left the priesthood to take up arms.

According to Father Balweg, he wanted to share with his people what he learned in the seminary — "community life, peace and sharing, love and concern, joy and discipline in work."

But he was quick to admit that it was

not easy and things, he said, did not all turn out as he wished. He said he was overtaken by events and overwhelmed by the pressures from many sides: the people, the military, confreres and the leftist elements.

Balweg took to the hills quietly in June 1979, setting aside a divine calling to take up arms for what he believed a more meaningful way of performing his mission in life.

Then Father Bruno, inspired by what he called "Balweg's heroic decision," followed suit, leaving his parish in Luba, Abra and marching to an NPA camp where he was promptly initiated and given the name *Ka Nestor*.

Fr. Nilo Valerio, another SVD and classmate of *Ka Nestor*, also walked into the hideout. He was called *Ka Inggo*. A nephew of Bishop Simeon Valerio of Calapan Diocese in Mindoro, he was confirmed killed and beheaded by government troops during last year's sustained military drives in northern Luzon to flush out Balweg for whose capture, dead or alive, the military offered a reward of P250,000. Balweg came out alive and untouched during those campaigns, but Valerio was set up by a government informer and shot dead along with three others while eating a late supper in a barrio in Banaue.

The last SVD priest to follow the trail of Balweg, Bruno and Nilo was Fr. Cirilo Ortega, a Tinggian like Balweg and Bruno. Ordained priest by Cardinal Sin on June 12, 1976, he became a member of the "rebel priests club" in Cordillera under the influence of *Ka Ambo*, *Ka Nestor* and *Ka Inggo*.

What appeared to be a "holy" alliance between Balweg and company and the CPP/NPA lasted six years. It was a symbiotic relationship: while the NPA forces stalled the full operation of the CRC and the construction of the proposed four Chico river dams, Balweg and his group helped the NPA's with ample propaganda campaign in no small measure.

For Balweg and the three other priests were fully utilized by the NPA in the

media blitz, creating a myth around their personalities and turning them into bankable NPA celebrities.

In interviews made by both foreign and local media, they were told what to say, how to pose, as in those famous pictures of the priests carrying and shooting with their guns. They paid handsomely, but their fees filled up not their pockets by the coffers of the communist organization. Not only did they earn through Balweg and company, they also got good mileage in terms of propaganda and media exposure.

Balweg said he was aware of all these arrangements. He even mentioned that in his recent television interview with a woman TV-radio personality, he allowed himself to face the "lights and camera" once more although he already had broken up with the NPA and that the money would just go to the CPP/NPA anyway. He said he was forced to appear in that TV show because the central committee reportedly saw it necessary to be able to counter the fresh image of the New Armed Forces of the Philippines under Gen. Fidel T. Ramos following the February Revolution.

"Pabongga dirr tayo, Ka Ambo," the central committee appealed to Balweg. And he consented, only to regret having done so because, according to him, it was not professionally made.

The rebel priest estimated that the NPA received a hundred thousand pesos for that interview alone.

The Balweg CPP/NPA connection appeared headed for a break beginning early this year. He told of heated arguments over policies and interpretations of Karl Marx' ideas which he described as sometimes bordering on the comical. Those tense discussions usually led to the cocking of automatic weapons by their bodyguards, Balweg said.

But the rebel priest blamed the rift on irreconcilable differences, including what he termed as the "dictatorial" policies and attitudes of the CPP/NPA hierarchy.

Balweg admitted that the communist system was not the right solution to the Cordillera problems. According to him what is needed is the adoption of what are inherent principles, strengthening them and giving them a chance to work.

It was gathered from Balweg that while negotiations are going on, the CBA/CPLA would launch what he called an economic rehabilitation program in the Cordilleras. He revealed that the reward money for his capture would be rechanneled as an aid by the government to the people.

If there is another gift that Balweg possesses, it is that of faith, which he said saw him through all those difficult times he had experienced.

To illustrate, he sang a psalm he used to sing during Sunday vespers in the seminary:

I look up to the mountains,
From where shall come my help.
My help shall come from the Lord,
Who made heaven and earth...

Pointing to the mountains around, bare and covered with cogon grass but from afar looking like a well-laid green carpet, he said:

"In these mountains, I feel safe and secure as if every part of them embrace me to protect me from harm. Here, too, my faith grew. I know help will continue to come from the Lord as I look up to these mountains."

The priest in Balweg remains, it would seem, the one constant influence in his life.

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CSO: 4200/137

PHILIPPINES

MILITARY OFFICIAL FAVORS CPLA RECRUITMENT EFFORTS

HK101151 Manila Far East Broadcasting Company in Tagalog 1000 GMT 10 Nov 86

[Text] Brigadier General Manuel Avila, Regional Command 2 chief, said that he is in favor of Conrado Balweg's proposal to increase recruits for the CPLA [Cordillera People's Liberation Army]. Balweg is head of the CPLA. Balweg's proposal comes about in view of the preparation for the implementation of government's plan to grant autonomy to the mountain provinces. Avila stressed that Balweg is on the side of the government and that the latter need not worry about increasing number of soldiers for the CPLA.

At the same time, Avila denied that there are two kinds of army in the country, namely the CPLA and the New Armed Forces of the Philippines.

In related development, Brigadier General Manuel Avila praised Colonel Ruiz of the provincial PC-INP [Philippine Constabulary-integrated National Police] of the Kalinga-apayao for the reduction of [words indistinct] in the area. However, he also expressed sadness over the people's continued defiance of government authorities in settling or squatting in government and private lands. According to Avila, Kalinga-apayao is in a state of anarchy where law is disregarded by the people.

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CSO: 4211/9

PHILIPPINES

CORDILLERA GROUPS LIST MORE DEMANDS

HK111135 Manila Radio Veritas in Tagalog 1000 GMT 11 Nov 86

[Text] A meeting was held by different groups of the cordilleras recently. Based on a report to Radio Veritas, the meeting discussed the demands to be presented to the government when leaders of the Cordillera People's Liberation Army [CPLA] meet with government negotiators. It was said that the groups consolidated their demands at the meeting held at the Baguio convention center. The CPLA-Government meeting is expected to be held at Mount Daza on 15-16 November.

According to Mr Pablo Mercado of DZWX Radio Bombo-baguio city, taking part in the said Mount Daza meeting are Butz Aquino as head of government negotiators and Father Conrado Balweg of the CPLA panel.

[Begin Mercado recording] Here in Baguio, all cordillera groups including the Cordillera Bodong Association [Cordillera Blood Pact Association], Cordillera People's Alliance, as well as the CPLA have united to state their demands. Apart from the earlier demands presented by Conrado Balweg to Agapito Aquino last September, 10 more have been added and one of them is the lifting of rewards for the arrest on top CPLA leaders and instead, the funds will be used for other infrastructure projects in the Cordilleras. It also urged that such projects provided by the national government be channelled first through the Cordillera Bodong Association and the CPLA. At the same time, it called for building of more roads to municipalities in the Cordilleras. [End recording]

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CSO: 4211/9

PHILIPPINES

MUSLIM OFFICIAL DOWNPLAYS INSURGENCY IN SOUTH

HK170713 Manila THE MANILA TIMES in English 14 Nov 86 p 12

[Text] Lamitan, Basilan--Chairman Ulbert Ulama Tugung of the Western Mindanao autonomous government said the other day the people should not be alarmed over the secessionist or insurgency movement in Southern Philippines.

Instead, Tugung said, the people should rally behind President Aquino in the quest for economic development and progress since these are the keys to solving the insurgency problem.

In a meeting with Barangay and town officials here, Tugung said the people should ratify the proposed Constitution since its approval could help stabilize the country.

Tugung said that as far as autonomy or any other form of autonomy proposed in the new Constitution is concerned, nothing will be imposed on the people except that which the people themselves want.

Commenting on the secessionist movement of the Moro National Liberation Front (MNLF), Tugung said that it took years for the republic to be integrated and become united as a country and "it will not be easy to dismember it," said the MNLF wants.

Tugung also said the new Constitution already provides for autonomy in Mindanao.

The form of autonomy will have to be voted upon by the people in Mindanao, he said.

Therefore, if the people in some provinces or cities would not like to join an autonomy like the kind proposed by the MNLF, they can simply vote against the proposal, he said.

Tugung also said that the form of autonomy that will be implemented in Mindanao after the approval of the charter will be spelled out by organic law passed by Congress.

The present autonomous government existing in Western Mindanao and Central Mindanao are governed by provisions of Presidential Decree 1978 which came about after the signing of the Tripoli Pact.

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CSO: 4200/129

PHILIPPINES

LEFTIST WEEKLY SUGGESTS NDF ERRED IN TALKS

Quezon City NATIONAL MIDWEEK in English 22 Oct 86 p 1

[Editorial: "Ceasefire Blues"]

[Text] The arrest of Rodolfo Salas, a.k.a. Kumander Bilog, alleged chairman of the Communist Party of the Philippines until his recent reported demotion, has thrown a monkey wrench into the ceasefire talks between the Corazon Aquino government and the National Democratic Front.

At this writing, meetings between the negotiating panels have stopped. The NDF has made the release of Salas a condition for the resumption of the peace talks, but the government has made it clear that this is out of the question.

Meanwhile, a growing number of the populace, led by no less than Jaime Cardinal Sin, have been raising a demand, that was an American counterculture chant at the height of the Vietnam War: "Give peace a chance!"

But does peace have a chance in the present situation? Is there a way out of the current impasse in the peace talks?

Insurgency watchers are beginning to wonder whether the NDF may not have made another "tactical error" when it did not immediately agree to the 30-day conditional ceasefire that the government was proposing before President Aquino went to the United States. It seemed reasonable then to demand guarantees and security arrangements, but could these not have been put on the agenda for discussion during the proposed 30 days of truce?

The advantages of an immediate temporary cessation of hostilities may be seen in the Muslim parts of Mindanao. In order to hold consultations with his followers, Nur Misuari of the Moro National Liberation Front goes in and out of the city of Marawi in battle fatigues and with gun in holster, accompanied by 1,000 fully armed bodyguards--and he gets away with it. Salas, on the other hand, goes for treatment to the most public of public hospitals, unarmed, accompanied only by his wife and one bodyguard, both likewise unarmed--and he and his companions are immediately arrested and clamped in jail.

The NDF may be justified in claiming that Salas was a consultant in the peace talks, but since it had not officially demanded a safe-conduct pass for him, the government may be equally justified in believing that any dissident found entering government-held territory is fair game.

At any rate, what's done is done. What remains to be done, some insurgency watchers are convinced, is for the NDF to resume negotiations first--and then make an exchange of prisoners the first item on the agenda.

Then perhaps Salas can do a Misauri with impunity. The next time he goes to a Manila hospital for a checkup, he can bring along several armed battalions of New People's Army guerrillas and sparrow units. But then, would the Commie-crazed military be as lenient towards the Red chief as they have been towards the Muslim bossman?

/9365

CSO: 4200/137

PHILIPPINES

EDITOR SUMMARIZES, ANALYZES POLITICAL SITUATION

HK180054 Manila THE MANILA CHRONICLE in English 16 Nov 86 pp 1, 2

[By Editor-in-Chief Amando Doronila]

[Text] The murder of the militant trade union leader Rolando Olalia has pushed the Aquino Government to the edge of the most explosive political crisis it has faced since taking office 8 months ago.

In the aftermath of the murder, politics has rapidly taken a confrontational course with the following ramifications:

--Olalia's Kilusang Mayo Uno [KMU - 1 May Movement] has called a general strike and has demanded, among other things, the removal of Defense Minister Juan Ponce Enrile from the Cabinet, a thorough investigation of the complicity of the military in the murder, and the reforms in the armed forces.

--The backlash against the murder threatens to wreck the already tortuous negotiations for a cease-fire with the Communist insurgents.

--The outrage provoked by the murder has brought back to the streets not only the cause-oriented mass organizations but also moderate groups, that do not agree with Olalia's politics or didn't even know him to protest against the brutal deed.

--The murder has introduced a new element in plans to revamp the Cabinet--the dismissal of Enrile is now being considered seriously, partly in response to pressure from the streets.

Obviously, those responsible for the murder under-estimated the reaction. If the assassination was intended to warn against militancy, it did not intimidate its members of the Left. The murder did not follow the ideological conflict line. It has become a human rights issue, as well. Groups with centrist leanings have reacted to the brutality by joining the outrage in the streets. It has humanized both the Left and the Center.

Centrist groups with moderate tendencies--who are the main constituency of Mrs Cory Aquino's "yellow army"--are slow to mobilize but one of the quickest ways to send them to the streets is to provoke them with an outrage like

assassination of Benigno Aquino in 1983. The Olalia murder is, on a smaller scale, August 1983 repeated.

The demands of the RMU backed by the more moderate trade unions, put them on a collision course with the military. The Armed Forces are not inclined to accept demands for internal reforms coming from outside sources--much less from the unions. And even if the unions believe that only a small group in the military is responsible for the murder, it would require extremely sensitive handling by the military leading [words indistinct]. An investigation could touch festering wounds opened up by coup plots prepared by some military actions.

It is apparent that the Armed Forces Chief of Staff, General Fidel Ramos, is trying to distance himself from the crime. He not only offered his sympathies to the Olalia family. More importantly, he pledged the resources of the armed forces in the effort to go to the bottom of the murder.

On contrast, Enrile has reacted by saying that the murder is a mere "police" case.

Whether or not General Ramos can control irresponsible members of the Armed Forces from creating further trouble is problematic. The mass demonstrations and general strike planned to begin next week are potential flash points for public disorder.

In this charred atmosphere, the Aquino government faces the most crucial test of its ability not only to manage and defuse [words indistinct] but also to prevent the collapse of her government.

The murder has quickly transformed the question of Cabinet revamp. President Aquino, upon her return from Tokyo, hinted that she was considering a revamp in response to Enrile's demands that she rids the Cabinet of allegedly Left-leaning ministers.

Negotiations have, indeed, been under way to find a face-saving formula for the change. But that consideration has now been transformed.

With Enrile now being the center of the storm over the Olalia murder, pressure was quickly built on the president to dismiss him or on Enrile to resign. The main source of the pressure comes from the street. At the demonstration of about 25,000 people on Friday, there were many placards demanding his removal from the Cabinet. But also within the Cabinet, some ministers are considering seriously a move to urge the president to drop Enrile.

The president cannot ignore without political costs the demands for Enrile's resignation. She could alienate part of her People Power. From the point of view of timing, the widespread backlash of public opinion against the Olalia murder offers the president possibly the right psychological moment to dump Enrile.

Enrile is on the defensive. This is not to say he is responsible for what has happened to Olalia. There is no evidence to link him, but public perception does not favor him. It is like the Aquino assassination in which most of the public already made their own conclusions, regardless of the evidence.

The president is standing on high moral ground by condemning with conviction the Olalia murder. Her condemnation and the vigor in which she demonstrated her decision to investigate the murder puts her on the side of public conscience and sense of justice. She stands on unassailable ground.

With the streets coming alive again--the streets being her natural constituency--she can now respond to demands to revamp her Cabinet that would include the replacement of her controversial Defense Minister, as well as other ministers. If she does not act now while public opinion is on her side, she may not have another opportunity.

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CSO: 4200/129

PHILIPPINES

COLUMNIST CRITICIZES GOVERNMENT 'SHORTCUTS' IN ARMS IMPORTS

Quezon City BUSINESS DAY in English 5 Nov 86 p 4

["My Cup of Tea" column by Ninez Cacho-Olivares: "Of arms, pots and kettles"]

[Text]

Customs Collector Alex Padilla was reported by the *Manila Chronicle* to have revealed that since July, the defense ministry has brought into the country shipments of high-powered weapons, ammunition and military equipment that allegedly lacked official procurement documents.

On nearly 10 occasions, Padilla reportedly said, the defense ministry had imported 200 Uzi mini-submachineguns, FNC assault rifles, 12,000 rounds of ammunition, 200 pieces of Uzi magazines, nightscopes, camouflage uniforms, knives, bulletproof vests and primer powder for reloading bullets. Moreover, he revealed that the consignees were Defense Minister Juan Ponce Enrile and his chief security aide, Col. Gringo Honasan.

Standard procedures were apparently ignored since the shipments were not covered by an authorization from the Constabulary Firearms and Explosives Unit (FEU). Neither did they carry a tax waiver document from the Ministry of Finance tax exemption division.

What Col. Honasan, one of the consignees did, in the case of two shipments of 100 Uzis each, according to the report, was to "merely send him (Padilla) a letter requesting the release and waiver of taxes and duties on the items," adding that Gringo asked for the shipments to be released to one Herman C. Malonso, the MND liaison officer at Customs.

Each Uzi gun was estimated by Mr. Padilla to have a market value of P70,000, and taxes, going through the regular mill, would have ranged anywhere between P30,000 to P40,000 per Uzi.

What was surprising was Malacañang's reaction. Executive Secretary Joker Arroyo reportedly said that the Palace just has "to assume and give full faith to what the minister of defense or any other minister says for that matter, that the shipments were official procurements."

Why should the Palace assume that the shipments were official procurements when standard procedures were ignored and bypassed? Official procurements should logically go through the official route, and, as procedures require, these official procurements should have been covered by an authorization from the Constabulary's FEU office, accompanied by a tax waiver. Then too, if the shipments went through the regular route, there would have been no need for

a consignee to ask the Customs collector to waive the tax and release the shipment to a liaison officer.

Apart from all that, one must ask why shortcuts are being taken by the defense ministry. Why do we have a Constabulary Fire Explosives Unit if ministers are allowed to import weapons without that office's authority anyway? Why do we have to have rules governing official procurement of guns, if these can be dispensed with?

But perhaps the Palace had no option but to react in such a manner. The Palace cannot deplore the defense ministry's shortcuts nor order an investigation, nor demand an official explanation from the defense ministry. The Palace, you see, is just as guilty of same act. If the Palace as much as condemned the shortcuts taken by the Defense Ministry, wouldn't it then be a question of the pot calling the kettle black?

Not too long ago, the Palace did much the same thing. Without going through the FEU for authority, it ordered Customs Commissioner Wigberto Tañada to release shipments of smuggled guns to the Palace. It ignored the FEU and went directly to Customs. Can the Palace now denounce the Ministry of Defense for taking "shortcuts?" The Palace, after all, does set the "example." Ministries follow the leader, right?

And what about the nation? Why, while the Palace, the government ministries and offices spend taxpayers' money on weapons to replenish and fill their arsenals, the nation will be kept in the dark.

The old private armies have not been disbanded, and new ones reportedly have been sprouting. There is an alarming number of loose and "registered" firearms in this country, and the national leadership just shrugs off gun shipments brought in, in clear violation of existing regulations as a question of "good faith."

What the heck, the kettle and the pot deserve each other.

PHILIPPINES

FEEDMILL STRIKES ENDANGERING FOOD SUPPLIES

HK141400 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 14 Nov 86 pp 1, 7

[Text] Strikes have hit four major feedmills and livestock firms and could result in short supplies of poultry, pork and eggs.

Currently strike-bound are Universal Robina Corp., [URC] San Miguel Corp. poultry dressing plants in Cabuyao and Balintawak, General Milling Corp., and RFM Food Corp.

Agriculture and Food Minister Ramon Mitra Jr. said yesterday he would appeal to the Kilusang Mayo Uno, [KMU-1 May Movement] which spearheaded these strikes, to reconsider its position so that farmers and consumers can be protected from adverse consequences.

Labor Deputy Minister Franklin Drilon said he will soon order the striking workers to return to work and allow non-strikers to enter plant premises so that work can continue.

Drilon said the injunction order will be enforced by the police.

Drilon also welcomed Mitra's invitation for a dialogue to thresh out the problems that spurred the strikes.

Johnson Go, an executive of URC, said the strike at the Robina farm and plant was initiated by 200 KMU members in the administration department. Although the farm workers, affiliated with the Federation of Free Workers, are themselves not involved, they have been unable to work because of barricades set up by the strikers.

Go said the strikers, who started barricading the plant last Saturday in a "runaway strike," prevented animal feeds from being brought to the compound and barred perishable goods such as eggs and dressed chicken from being delivered to the markets.

Go said that unless the situation is remedied, deliveries of eggs and chickens to the markets will be disrupted, likely causing an increase in prices. He said that URC supplies 20 percent of eggs sold in Metro Manila.

Mitra said he was more concerned about the adverse effects of the strikes on the farmers, who are now harvesting corn and palay.

Farmers may end up with no market for their produce, thus dampen the prices of cereals such as yellow corn and rice, Mitra said.

Mitra said that the strikes in the "Big Four" feedmillers and livestock growers would deprive farmers of 80 percent of their market for yellow corn and rice brain.

The Philippine Association of Feedmillers Inc., headed by Augusto de Leon, also president of the RFM Food Corp., appealed to Mitra Wednesday to assist in the settlement of these strikes.

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CSO: 4200/129

PHILIPPINES

INVESTMENT ANALYSTS RAISE MANILA'S RISK RATING

Quezon City BUSINESS DAY in English 5 Nov 86 p 2

[Article by Carol E. Espiritu]

[Text]

The Philippines has shown the "biggest change" among Asia-Pacific countries this year and is now "a much safer place to invest in terms of political risk," according to the risk rating by Hong Kong-based Asia Letter Ltd.

The change in government in February has quieted down fears and uncertainty over the political future, says Asia Letter, which has given the Philippines a risk rating of 8.2 points, sixth highest in the Asia Pacific region. The rating is on a scale of from one to 10, with 10 as the best rating.

Rated safest for investments in the region are Japan with 9.5 points, followed by Australia with 9.1, New Zealand with 9, Singapore with 8.6, and Hong Kong with 8.2.

JAPANESE VIEW. A separate survey by Asia Letter Ltd. of among 100 leading Japanese

businessmen rated 76 countries worldwide in terms of political risk. Asian countries fared "remarkably well." However, the Japan-based risk rating put the Philippines at the 36th among the 76 countries.

It shows that the Japanese find the United States as the safest country for investments on lendings, followed by West Germany, Switzerland, Canada and the Netherlands.

The US was given 8.99 points in a scale of from one to 10. Australia, which topped the list in the Asia-Pacific region, scored 7.81 points, New Zealand 7.33, Singapore 7.30, Hong Kong 6.76, Malaysia 6.26, Taiwan 6.07, Indonesia 5.61, South Korea 5.54, Thailand 5.25, and China 5.05 points. The Philippines scored 5.01 points.

The lowest rating was given to Afghanistan, 1.78 points.

Factors considered by the Japanese businessmen in assessing political risks included stability of government, currency,

capability of servicing foreign debts, inflation, natural resources, energy resources, economic growth potential, and infrastructure.

The Asia-Pacific region has been turning out to be "remarkably safe for foreign private investment since the end of World War II," says Asia Letter said. Despite natural calamities, political upheavals and a wide range of political turmoil, it said "losses suffered by private investors have been relatively light."

In devising the formula for rating political risks, Asia Letter considered the kind of political leadership, its power base and popular support, and support of military and security forces. The political opposition was also taken into account, whether strong and well organized, and whether there is an insurgency problem.

Asia Letter noted that although the Philippines still faces uncertainties, including the problem of a leftist-led insurgency, "the Philippines is a much safer place to invest now in terms of political risk."

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CSO: 4200/122

PHILIPPINES

CENTRAL BANK DEPOSITS UP 11 PERCENT

HK141132 Quezon City BUSINESS DAY in English 14 Nov 86 p 6

["Economic Indicator" Column: "Deposits in CB Up"]

[Text] Total deposits in the Central Bank [CB] stood at P115.13 billion in September, up 11.02 percent from a year-ago level of P103.70 billion, according to CB data.

Increases were registered in all accounts--foreign currency deposits, money due to foreign financial institutions, deposits of the National Treasury, deposits of banks and savings and loan associations, and deposits of other financial institutions.

Foreign currency deposits accounted for 38.7 percent of total deposits, rising 3.47 percent to P44.55 billion from P43.06 billion in September last year but down 1.14 percent from P45.06 billion last August.

Cash deposits due to foreign financial institutions jumped 46.76 percent to P22.5 billion from P15.33 billion.

A sizable increase was likewise recorded in deposits of the Treasury, 52.7 percent to P11.27 billion.

The combined deposits of banks, savings and loan associations amounted to P18.19 billion, up 24.98 percent from P14.56 billion.

Total deposits held by the Central Bank rose at a monthly average rate of 1.97 percent from January to September.

Deposits in the Central Bank

September 1985 & 1986

(in million pesos)

	1986	1985	Percentage Increase
Deposits	115,126	103,702	11.02
Banks & savings & loan associations	18,191	14,555	24.98
Treasurer of the Philippines	11,274	7,383	52.7
Due to foreign financial institutions	22,502	15,333	46.76
Foreign currency deposits	44,552	43,057	3.47
Other financial institutions	18,607	23,374	20.39

Source: Central Bank

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CSO: 4200/129

PHILIPPINES

ANALYSTS SAY 1.5 PERCENT GROWTH 'TOO AMBITIOUS'

Quezon City BUSINESS DAY in English 5 Nov 86 p 2

[Article by Stella Marie R. Tirol]

[Text]

The Philippine economy is expected to record, at best, a modest growth this year, according to a third-quarter assessment by Wardley Investment Services Ltd., investment arm of the Hongkong Bank group and the biggest manager of discretionary funds in Southeast Asia.

The Wardley report says official forecasts of a 1.5% increase in the country's total output of goods and services are "too ambitious." Wardley has revised its own projection from 2%, estimated early this year, to 1%.

A major reason for its revision appears to be "the inability of the government to launch a set of ambitious reflationary packages."

The report also says confidence in the economy has also been affected by labor unrest, which it says has further depressed the outlook.

However, Wardley says it remains optimistic about the country's outlook.

It says the major factors that will determine growth in the coming

quarters will be "the speed at which government can distribute funds already budgeted and how quickly monetary policy is eased."

"There is still room for allowing the money supply to grow and interest rates to fall, it says. It adds that consumer prices have dropped although the International Monetary Fund's latest standby credit agreement allows an inflation rate of 6% to 8%.

Wardley predicts interest rates will fall further in the coming months.

Assessing government policy during the past months, Wardley says officials have tried to move quickly in reorganizing the government's finances and in launching a reflationary program, but "substantial difficulties have been encountered."

The third-quarter report noted questions on the extent to which foreign ownership would be allowed, and in which sectors of the economy, by the Constitutional Commission and on the negotiations with the IMF and the World Bank

over this year's budget deficit. The latter question contributed to the relatively slow disbursement of government funds, it said.

For the closing months of 1986, Wardley foresees a substantial increase in government expenditures and a corresponding boost to the gross national product (GNP).

However, it says a rise in government spending, combined with depressed tax revenues in a sluggish economy, will cause the budget deficit to exceed the target 4.4% of the 1986 GNP.

Wardley believes a smaller deficit is possible if "government achieves even a modest degree of success in limiting the budgetary drain of supporting state-owned firms."

Financial support for government-owned corporations this year is expected to reach P28 billion, enough to cover last year's deficit.

A privatization program has been launched, aiming to sell or liquidate 122 non-financial state enterprises. The restructuring of the Philippine National Bank and the Development Bank of the Philippines is further ex-

pected to improve government finances. These two banks cost the government P19 billion this year.

Wardley believes less than one-third of the deficit's financing will come from the IMF, the World Bank and the US government, and the remainder from domestic sources.

"There are fears that government's call on the domestic economy for up to P20 billion will reverse the downward interest rates," the report says, but adds it is "doubtful" that domestic financing of the deficit will interrupt the slide in interest rates. It says interest rates, in real terms, remain over 10%.

It says "The September decline in reserve money, which threatens an upturn in interest rates, caused by the issue of government notes and bills, is likely due to operational difficulties and does not signal a change in policy."

Wardley believes that government's financing needs can be accommodated without raising interest rates because the country's current account surplus, according to its projection, will exceed last year's \$8 million.

It also notes that the banking system is currently "awash with liquidity" and loan demand is low.

"The issue of government debt provides a ready outlet for commercial banks' excess funds," the report says.

It also notes that government has negotiated with the IMF for a substantial easing in monet-

ary policy during the second semester.

"With growth at best only slightly positive and consumer prices falling, it is becoming difficult to justify double-digit interest rates ... Given this easing in monetary policy and with inflation currently nonexistent, it is inevitable that interest rates will continue to fall," the report says.

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CSO: 4200/122

6 December 1986

PHILIPPINES

BUSINESS DAY COLUMNIST LAUDS DBP HEAD

Quezon City BUSINESS DAY in English 5 Nov 86 p 5

["Bottom Line" column by Gary Manalac: "A financial Rambo?"]

[Text]

I mentioned in yesterday's column that businessman David SyCip once told me that he thought there was something about joining government service that affected the sanity even of the best recruits from the private sector.

I tend to agree with SyCip, but as in any rule, there are exceptions and an outstanding one is Dr. Jesus Estanislao who first challenged madness when he took over the job of rehabilitating Associated Bank, and subsequently opted for more punishment when he assumed the chairmanship of the Development Bank of the Philippines.

UNFLATTERING. I really believe that Estanislao has not only managed to preserve his sanity but his government stint has sharpened his wits even more. I am certain Estanislao does not mean to pick a quarrel with any of his financial colleagues in government, but his private views (if there is any such thing) are not flattering to the official line.

No, Estanislao is not a financial Rambo, just a down-to-earth manager who has successfully melded economics with practical business, and believe me, that is an extraordinary feat.

THE HUMP. At last week's monthly Manager's Forum at the Intercon, Estanislao came up with some finan-

cial observations that could have bowled over our monetary managers but must certainly have been music to the businessmen's ears.

We are definitely not over the hump and it will be a good eight or nine months more before something solid begins to show, Estanislao said. Moreover, he did not care much for what the IMF or the WB had to say. What we need, he said, is a 5.5% to 6% growth in 1987, and that means reviving up the internal economy.

NOT MOVING. The problem is, according to Estanislao, industries are not moving because they have not come to terms with their bankers, and until they do, there is really no point in projecting even a 5.5% growth. So consumer industries simply have to be revived.

But the only way to do that under present circumstances is through an internal massive restructuring of industries and through massive pump priming. Industries just have to clean up their books.

IMPLICATION. What Estanislao was implying was that industries should in effect get the same restructuring break that both the DBP and the PNB are getting. Only by cleaning up their books can they once again become viable, but that will need the cooperation and collaboration of industry's bankers.

The burden, of course, is not solely on the industries and their bankers

but on the monetary managers as well. Estanislao was emphatic that current interest rates at 12% or 13% are still much too high. So are deposit rates even at 6%. Both have to be reduced even more if industrial viability is to be accomplished.

RATIONALIZATION. Bank spreads are also too high and there is no longer any use for agri-lending requirements, gross receipt taxes and high bank reserves. Estanislao wants to see bank reserve requirements down to about 10%. Inflation, deposit rates, and bank rates have to be rationalized.

What about Central Bank rediscount rates? Why not 1%, or even less. And pump priming funds at P3.9 billion? Certainly not enough. Proportions have to be massive.

SIGNIFICANT. Frankly, I thought I was listening to proposals from the banking sector or from organizations like the PCCI and I found myself stammering while trying to keep up a running exchange with him during the open forum.

Coming from Estanislao, however private he might want his views to be, I think they are extremely significant because they obviously were the result of his experience and involvement in two distressed financial institutions, one of them representing at least one fourth of the entire resources of financial institutions.

As I closed the open forum, I commented that if Estanislao's brand of monetary and financial management were to become effective recovery factors, that would happen only when and if he became CB governor.

Heavy applause.

PHILIPPINES

BRIEFS

GAINS POSTED BY BANKS--Private development banks and stock savings and loan associations posted gains in their operations, the Central Bank reported. Private development banks registered a 12-month growth of 10.2 percent in total resources. As of September 30, the combined assets of private development banks stood at P5.2 billion, P487 million more than year-ago's P4.8 billion level. Deposits, which increased by P529.0 million during the period, largely financed the total asset expansion. Additional borrowings of P13 million augmented the amount. Combined resources of the country's stock savings and loan associations also registered a 7.1 percent jump during the third quarter of 1986--the highest quarterly growth rate posted yet during the year. The period's increment pushed up the total asset level of this segment of the thrift banking system to P3.6 billion as of September 30, 1986. Funds generated during the quarter reached P272 million, of which 66.5 percent or P181 million was provided by new deposits. [Text] [Quezon City BUSINESS DAY in English 17 Nov 86 p 7 HK] /8918

NPA MEMBER EXECUTED BY NPA--Camp Villamor, Abra--A group of New People's Army rebels shot to death another former NPA member in Tineg, Abra last October 19 to demonstrate how they treat former comrades who return to the fold of the law. Lt Col Enrique Cuadra, Abra Provincial PC commander, identified the slain NPA "returnee" as Francisco G. Cadio, 32, a farmer of Tineg town, a remote area near Kalinga Apayao. Cadio, according to a belated report reaching the command was murdered by a group of NPA terrorists led by a certain "Ka Rondon [Comrade Rondon]." Cadio's brother Agabas was earlier liquidated by the same group after he escaped from the NPA organization last September 12 to rejoin his family in compliance to the call of peace by the government. Witnesses on Cadio's murder told authorities that "Ka Rondon" and his armed men abducted their victim from his house and let horrified residents in the town witness his execution. Cadio was unarmed that time, his carbine rifle issued by the NPA was surrendered when he submitted himself voluntarily to authorities in September last year. According to Cuadra, this is the first violent incident that happened in the province since normalcy was restored after the February revolution this year. [Text] [Manila THE MANILA CHRONICLE in English 16 Nov 86 p 7 HK] /8918

PLIGHT OF FILIPINOS IN SABAH--About 500,000 Filipinos are in deep trouble in Sabah, our neighbor to the south, where many of our countrymen fled to get away from the Mindanao conflict. To their great prejudice, a number of the compatriots were accused of joining violent demonstrations against the Sabah

government last March. As a result, they have all been barred from employment and threatened with deportation. Their plight has been brought to the attention of the Philippine Government. One of the courses of action is to have the Filipinos in Sabah repatriated under the auspices of the Malaysian and Philippine governments and the United Nations High Commission for Refugees. The rescue plan could not come sooner for the Filipinos in Sabah, many of whom have been thrown out of work and are in grave danger of suffering from mass starvation. [Unattributed Station Talk] [Text] [Baguio City Mountain Province Broadcasting Company in English 0240 GMT 15 Nov 86 HK] /8918

EMPLOYERS' GROUP ON CHARTER--The Employers Confederation of the Philippines (ECOP) declared yesterday that a constitution worth ratifying must guarantee that private enterprise will flourish with the least interference by government. ECOP President Raoul M. Inocentes said that on this principle, the business community must have an "awareness" of the implications of the provisions of the new constitution. "This is of great importance to all Filipino and foreign businessmen and entrepreneurs having a common interest in the economic growth of the country and prosperity for the people," said Inocentes whose group, ECOP, represents 38 major trade chambers and industry association members and more than 400 corporate members. [Excerpts] [Manila MANILA BULLETIN in English 14 Nov 86 pp 1, 10 HK] /8918

ANTICOMMUNIST GROUP IN COTABATO--The citizens of the different towns of south Cotabato organized a movement called Alsa Masa [raise the masses]. The aim of the movement is to suppress communist propaganda and communist activities in the province. This anti-communist movement is supported by citizens of towns which have already been infiltrated by the rebels. These towns are: Koronadal, Madungaon, Maasim, Kiamba, Surallah, Tibuli, Tupi, and Tampakan. Alsa Masa strongly condemns the abuses of the rebels such as forced taxation, threats, and causing difficulties to those citizens who refuse to cooperate. [Text] [Quezon City Radyo Ng Bayan in Tagalog 0600 GMT 17 Nov 86] /8309

PANIC BUYING DENIED--The Fti [Food terminal incorporated] today denied that rumors of an impending coup had caused panic buying. Here is Jojo Ismael for the details. [Begin Ismael recording] Earlier, a morning paper published news of panic buying activities by metro Manila housewives due to rumors of an impending coup against the present government. [name indistinct] said the alleged report of panic buying may be the work of the same group which spread news of a coup. He added that there are people who take advantage of such occasions to raise commodity prices, notably prices of food. At the same time, Kadiwa [cooperative stores] store management assured the public of continued low prices for food items in the stores. [end recording] [Text] [Quezon City Radyo Ng Bayan in Tagalog 0700 GMT 14 Nov 86] /8309

FOREIGN SHIP ORDERED RELEASED--In Dumaguete City, the Bureau of Customs has ordered the release of a foreign owned cargo ship that was detained by the government for carrying ammunition. This was learned from Lawyer Crescencio Paras, head collector of Dumaguete City. However, there was a problem in the release of mv [motor vessel] cargo trader, according to Paras, because the military is carrying out its own investigations on the ship's cargo. The trader was arrested on 2 November in a private harbor of the Nobel Philippines incorporated in Negros Oriental while it was unloading 900 [word indistinct] ammonium nitrate. Paras said the customs bureau's decision was issued by customs commissioner Wigberto Tanada based on the recommendations of the Dumaguete customs board's legal staff. [Text] [Quezon City Radyo Ng Bayan in Tagalog 0900 GMT 14 Nov 86] /8309

NDF NEGOTIATOR REGRETS STALEMATE--National Democratic Front [NDF] negotiator Antonio Zumel expressed regret over the stalemate in the peace negotiations to arrive at a cease-fire accord. In an interview with People's Television 4 [PTV 4], he said that the government negotiators' rejection of the 100-day cease-fire offer is contrary to President Aquino's wish for a longer period of peace. He also noted that the government took a long time to decide on the NDF's position on safety and immunity guarantees. He added that had the issue been resolved in 3 months the cease-fire could have been in effect already. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 7 Nov 86 HK] /8918

ENRILE, RAMOS MEET U.S. PACIFIC COMMANDER--U.S. Military Commander for Pacific Affairs Ronald Hayes met with Defense Minister Juan Ponce Enrile and Armed Forces Chief of Staff General Fidel Ramos. No details of the meeting were released by the ministry spokesman nor by the U.S. Embassy. However, the meeting is considered a routine courtesy call. The meeting followed days of political tension due to rumours of coup against the president the president who is expected to arrive today after a 4-day visit in Japan. The U.S. Embassy said that Admiral Hayes is in Manila to attend the two countries' regular meeting on mutual defense board at the Subic Naval Base. [Text] [Quezon City Radyo Ng Bayan in Tagalog 0700 GMT 13 Nov 86 HK] /8918

MILITARY EXERCISE IN METRO MANILA--Police and military personnel are expected to carry out a military exercise in Manila in order to prepare for any possible attack launched by enemies of the government and military. Brigadier General Isidro Agunod, assistant defense minister for plans and programs, said the military exercise is held regularly in order to cope with insurgency. He added that the people have no reason to panic over the exercise, which is due to begin any day now. [Begin Agunod recording] Periodically, there will be a military exercise to check the troops' reaction time. Things like this. This is part of a modern exercise which we must conduct with proficiency in order to protect the people. [preceding three sentences in English] so that the people in Metro Manila will know that this exercise is also aimed at safeguarding them in case the NPA starts something like an assault of the city. [End recording] At the same time, Agunod stated that the military has long suspected the NPA of being behind the Plaza Miranda bombing in 1971 where nine people were killed and scores of others injured. Agunod was commenting on the reported revelation of renegade Lieutenant Victor Corpuz that Jose Maria Sison, former chairman of the Communist Party of the Philippines, was behind the Plaza Miranda bombing. Agunod added that Corpuz would know the true story behind the incident because others who were aware of the plan were killed one by one. [Agunod recording indistinct] [Manila Radio Veritas in Tagalog 1000 GMT 7 Nov 86 HK] /8918

CEBU OFFICIALS SUPPORT AQUINO--Cebu's provincial officials declared their support for President Aquino's government in the face of coup d'etat rumours against the administration. The declaration of support was contained in a resolution passed by the provincial government. It said that any coup attempt should be stopped by the people and by a united nation ready to make sacrifices for the preservation of freedom and democracy. It supported measures taken by President Aquino to fight attempts to undermine her legitimate government. [Text] [Quezon City Radyo ng Bayan in Tagalog 0900 GMT 12 Nov 86 HK] /8918

PANGASINAN INSURGENCY WORSENS--Pangasinan will soon catch up with Ilocos Norte in terms of insurgency problems. This is the statement of Brigadier General De la Cruz, regional unified command 1 [RUC 1] chief. In an interview with reporters in Dagupan, De la Cruz said that Ilocos Norte has the worst insurgency problem, followed by Pangasinan. According to him, it was in Pangasinan where five government soldiers were murdered last 1 November, and among the victims was the police station commander of Dasol in western Pangasinan. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 11 Nov 86 HK] /8918

MISUARI NEGOTIATIONS--A political leader in the south says that cease-fire negotiations between the government and the MNLF rebels may be totally stymied. Former M.P. [member of Parliament] Ruben Canoy said Nur Misuari is running out of patience because of continued military operations in the south. Misuari may cancel plans to go to Manila to meet with President Aquino because of continued battles between the military and the MNLF. Canoy added that the MNLF is hardening its stance because of the military's hostile acts in the face of the peace negotiations. [Text] [Quezon City Radyo ng Bayan in Tagalog 0300 GMT 14 Nov 86 HK] /8918

ONLY AQUINO MAY DISMISS PIMENTEL--Local Governments Minister Aquilino Pimentel Jr said today that his retention in the cabinet is a matter to be decided only by President Aquino. Let us listen to Joy Montero for the full report. [Begin Montero recording] Pimentel made the announcement amid reports that Defense Minister Juan Ponce Enrile's group wants to remove him and other so called left-leaning ministers from the Aquino administration. Pimentel was interviewed after his arrival from a nine day visit to London, Brussels, Bonn and Amsterdam. He said that he is not clinging to his post and added that Aquino need only to tell him whether she wants to dismiss him or not. In addition, Pimentel said that the four countries he visited expressed concern over rumours of coup d'etat in the Philippines. However, he remarked that the rumours did not affect the European countries' willingness to extend financial assistance to the Philippine Government. Pimentel also said that the Netherlands is ready to provide more than (?nine) million pesos of economic aid to the Philippines. In another development, Pimentel said he will allow the reinstatement of some OIC [Officers-in-charge] governors and mayors in the next few days. [End recording] [Text] [Quezon City Radyo ng Bayan in Tagalog 0700 GMT 12 Nov 86 HK] /8918

SABAH FILIPINO PLIGHT DENIED--The Ministry of Foreign Affairs today denied reports that Filipinos in Sabah are facing arrest, deportation and hunger as alleged in a letter by Mohammad Jan Indanan to President Corazon Aquino. In a report from Consul Jose del Rosario of the Philippine Embassy in Kuala Lumpur, he denied reports of Filipinos suffering in Sabah. He said that Filipinos arrested were charged of crimes committed under the Malaysian laws and that so called political refugees were only a handful. Report said Filipino refugees moved there from Mindanao [words indistinct] were still under the custody of the United Nations High Commission for Refugees. [Text] [Quezon City Radyo Ng Bayan in Tagalog 1000 GMT 14 Nov 86 HK] /8918

CSO: 4211/9

SINGAPORE

DAILY VIEWS OPPOSITION MP'S LOSS OF SEAT

BK141539 Singapore THE STRAITS TIMES in English 14 Nov 86 p 24

[Editorial: "How It Looks With Jeya Out"]

[Text] The exit of Workers' Party [WP's] Secretary-General J. B. Jeyaretnam from Parliament five years after his Anson by-election triumph came in a manner few had anticipated. With party Chairman Wong Hong Toy, Jeyaretnam is in jail and has been fined for making a false statement on the party's financial affairs. The case would not have been so noteworthy if the two had not been leaders of an opposition party. That they are has thrust it into the forefront of public attention.

Jeyaretnam's departure from the House, if not from active politics, is likely to evoke strong emotions among his supporters and those who have admired his performance in Parliament. But lest they think that the Workers' Party MP has been hounded out of office, the facts of the case show otherwise. The two Workers' Party leaders were convicted after more than four years of exhaustive legal proceedings in our courts and even the Privy Council in London. Justice, it should be remembered, cannot be anything but blind to the status of the man in the dock. If anything, the moral standards expected of those in high places, especially those who hold public office, should be even higher.

Still, it is unavoidable that there will be political repercussions following Jeyaretnam's departure from Parliament. His entry into the House in 1981 provided impetus to demands for a more responsive and participatory style of government. The electorate wanted more accountability from government. The question now raised is what lies ahead in the political scene. Jeyaretnam did inject much life into parliamentary debate. His tenacity kept the government on its toes, though his posturings and sometimes irresponsible statements did nothing to raise the quality of debate.

It would be presumptuous to believe that in the absence of the former Member for Anson, the House will become dull and somewhat lacking. The remaining opposition MP, Mr Chiam See Tong, now shoulders a heavier burden and will be under pressure to do much better. PAP [People's Action Party] MPs are not likely to be taking it easy. They can be expected to use some of the time that Jeyaretnam will no longer have, to ask questions that their constituents expect

to be asked. For they know that with political awareness, the expectations of Singaporeans have been raised.

As for the Workers' Party, it faces a clouded future. With the loss of its parliamentary seat, prime-time television exposure will be lost. Jeyaretnam out of the House is likely to command less of a following than before. It is too soon to say if strong leaders will emerge within the WP. Nor can one say with any certainty how the jailing of Jeyaretnam will impact on the electorate. It may lead to a clearer polarisation of views between those supporting the government and those opposing it. On the other hand, it may lead to the emergence of a more discerning electorate who, having experienced the emptiness of mere political rhetoric, will now place greater emphasis on substance. Will attitudes towards opposition policies be reshaped? Will feelings towards the government change significantly? Or will voters' memories prove to be shortlived, as has happened elsewhere and on other occasions? Is it possible that more Jeyaretnams will emerge from the ranks of the opposition? The answers to such questions are unclear. But it should be clear to those voters who chose Jeyaretnam that voting is a choice which has to be made with utmost care, for Jeyaretnam's premature departure from Parliament is a useful reminder that a political leader needs not just appeal but also substance and integrity too.

/9274

CSO: 4200/145

PEOPLE'S REPUBLIC OF KAMPUCHEA

KPRP STRUCTURE, SECURITY NEAR PHNOM PENH DESCRIBED

Vientiane PASASON in Lao 20 Sep 86 p 3

[Article by Noi Meaungsam: "Phnom Penh District in Cambodia Is Making Progress"]

[Excerpts] As one of the districts making up Kandal Province, Phnom Penh is of political, military and economic importance. It is located 22 km south of Phnom Penh Capital and has a total area of 12,706 hectares, 8,900 hectares being in cultivation. The primary occupation of the people in this area is growing rice, and they also produce sugar by the traditional method.

In meeting early this year with Comrade Saovanthai, district assistant party secretary and chairman of the district administrative committee, he was sincere in telling us that "Phnom Penh is an outstanding district in Kandal Province." On their way to building a new life over the past 7 years, the 56,531 people throughout Phnom Penh District have worked together to overcome obstacles and to withstand the actual situation, and they finally achieved all around victories. While at one time it was an area where communism was suppressed, and the people throughout the district had scattered and gone into hiding to escape the genocidal regime, it has now become a district with strong organizations, and its strong national defense and security forces have limited the destruction of the new regime by the enemies. There are now 16 cantons and 307 villages in this district that have organized 867 solidarity labor exchange units with 25,798 primary laborers from 11,028 families. They built up the guerrilla forces in the villages and cantons, and they also have a dual-purpose company and the district military gloriously succeeded in their duties. As a result the people have confidence in them, and feel free to make their living.

As for the training of party members and youth organization members throughout the district, there are now 80 party committee members in 18 party chapters, organizations and production bases. The district has taken care in setting up and improving 41 youth union units and 68 groups of [permanent teachers]. Although it was dry, the district mobilized the people to solve the agriculture problem by engaging in broadcast sowing and by growing secondary crops. They also opened an additional 58 hectares of new farms. Agricultural production therefore exceeded the plan by 89.76 percent.

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

COVER-UP OF CRIME BY OFFICIALS CRITICIZED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Sep 86 p 4

[Article by Ben Nghe: "On the Newspaper Article 'A Strange Meeting'"]

[Text] An article entitled "A Strange Meeting" appeared in the right-hand column on page 8 of the 16 September 1986 issue of CONG AN. This short article (about 400 words) appeared in the "Short Chat" column.

After reading all the other articles in the newspaper, the one that I thought about the most was that article in the "Small Chat" column. I have discussed this article with many other readers and they all agree with me.

That article can be summarized as follows: A cooperative in Subward X, Ward Y, sold cloth to dishonest merchants in order to profit the price differential. The subward public security forces arrested people and seized goods, but the subward party chapter secretary promptly arrived and "ordered" the head of the subward public security forces "not to report this matter to the ward public security forces." Seeing that the security chief was perplexed, the secretary also "instructed": "If you want to report this to higher echelons, you must first hold a meeting with all cadres and warriors to obtain their collective opinion." The subward security chief had to obey. The result was that for one reason or another, two-thirds of the cadres and warriors ignored the matter. After relating this, this short article, which was signed by Dong Doi, said the following to Ward Y: "I am certain that the Ward CPV Committee will examine the instructions, which were totally incorrect, given by the Subward X party chapter secretary." As for the Subward X public security forces, the article asked: "How could you not know that one of the pressing socioeconomic tasks put forth by the city is to resolutely reestablish order in commercial production? Why have most of the subward public security forces helped conceal the illegal business formulas of this consumer cooperative? We are grateful for the concern shown by the party committee and subward committee for the lives of the cadres and soldiers. But that is no excuse for allowing something that is contrary to the policies of higher echelons."

Most readers agree with CONG AN and the author of the article, Dong Doi. With my position, that is as much as I can say about this matter. But as for the masses, the reason why many people are concerned (very concerned) and want

to discuss this further (instead of glossing things over) is that they consider this to be a serious problem. In order to overcome the difficulties that people are facing today, the Municipal CPV Committee mentioned four pressing measures, one of which is to reestablish order in distribution and circulation. But the subward party chapter secretary abetted and protected this consumer cooperative. He is no longer worthy of being the "housekeeper" of society. He intentionally helped dishonest merchants disrupt the markets, engage in speculation to raise prices, and increase the difficulties in the lives of the laborers. Many people have asked: Have the party member qualifications of the secretary of Subward X been checked? Has the Subward X CPV Committee reviewed the matter, because it bears responsibility? Has the board in charge of the Subward X cooperative been prosecuted? Have lessons been learned on the activities of a collective commercial organization in supporting production and life? How do the Subward X public security forces compare with the six points taught by President Ho on carrying on a resolute struggle within and building pure and strong units? It's good to know that one-third of the Subward X public security forces did not approve of this. It is hoped that they will continue to uphold bright revolutionary quality and not let themselves be corrupted regardless of the difficulties and dangers. A thorough review must be conducted concerning those who ignored this for one reason or another.

I am sure that Ward Y and the public security sector will investigate this matter carefully. Because if there is a "cover up," people will become very upset. This is important. It is not a trifling matter. If "minor" matters like the one that occurred in Subward X take place in other places, what will happen to party discipline, the state's laws, and our work? This can serve as a lesson in the present situation. At this point, we must ask ourselves: "Did this cause any damage?" The answer is that it did. CONG AN did not mention the name of the subward or ward because of all the "entanglements." Readers sympathize with the newspaper but hope that in view of the tendency to make changes, the paper will make changes, too. It is hoped that the paper will report everything honestly and frankly as long as that does not harm the common good.

11943
CSO: 4209/82

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

COMMON INDOCHINESE SOCIOECONOMIC STRATEGY ADVOCATED

Hanoi NGOAI THUONG in Vietnamese Jun 86 pp 14-17

[Article by Truong Son: "Some Thoughts on Socio-Economic Strategy and Expanding Total Economic Relations between Our Country and Laos and Cambodia"]

[Text] We are presently conducting exchange research on economic and social development during the period of transition to socialism aimed at preparing for the sixth congress of the party. The themes of socio-economic strategy are extremely broad, including one extremely fundamental and indispensable issue, that of economic association between our country and the fraternal countries of Laos and Cambodia.

This is a new and difficult but extremely important issue, so important that without it, there would be no strategy. Consequently, I wish to emphasize a number of initial thoughts for your consultation.

During the present era, due to international relations and the development of science and technology, economic association in many forms and degrees has become a common occurrence in the world, especially association between nations with similar social systems such as the association between socialist countries in Vietsovpetro and capitalist countries in the European common market.

Such is association in general and regarding the three countries (Vietnam, Laos and Cambodia), because there are common characteristics:

--All three are located on the Indochinese Peninsula, have extremely important strategic positions and are outposts of the socialist system in the region of Southeast Asia.

--In the history of a long struggle for national liberation, the three peoples have constantly maintained a close solidarity and that solidarity has ensured the successful revolution of the three countries.

--All three countries, peoples and parties have the same objective of advancing to socialism and the revolutions of the three are in the initial phase of the transitional period. First of all, they all have two strategic missions: to build socialism and to protect the fatherland, and also have a common foe that is seeking to surround them, undermine the economies of all three nations, and divide the special solidarity of the three peoples.

--In natural geography, the territories of all three are closely connected, their geology is one structural unit, and there are many common features of similar development in their biological and mineral environment. The climate, hydrology and forest vegetation between the three countries have a mutual effect and all have an important influence on the economic sectors (agriculture, industry, communications and transportation, hydroelectricity, etc.).

--All three countries originate from a backward agriculture and small and dispersed production, have experienced a long war, and are advancing straight to socialism without passing through a period of capitalist development.

With these characteristics, the desires of the three nations to exist and develop are inseparable and relations are necessary, moreover the special relations such as set forth in party resolutions. In the economic aspect, these relations are expressed as follows:

--The three nations of Indochina must have a special economic relationship.

--Economic relations between the three nations have both an external and an internal nature and consequently problems dealing with special relations must be resolved.

--In these special relations, each country must truly consider the undertakings of its friends as its own, and moreover, primarily its own. Vietnam, because a few more conditions are available, must consider help to its friends as work for itself and therefore must constantly reserve the better things for the friends and place work done for the friends at a higher level or at least on a par with that done for itself, not following the style of "doing things in the house before going outside," because our friends are in the house and not on the outside.

To achieve the spirit above, the three countries must join in research for a common strategy in socio-economic development. This common strategy consists of strategic objectives and strategic positions aimed at strongly developing the capabilities of each nation and allowing the three nations to develop uniformly in successfully building socialism and firmly protecting the fatherland.

The strategic objectives are probably:

The three countries assisting each other in basically completing national industrialization during a permissible period and at the conclusion of the transitional period, to achieve qualitative and quantitative objectives as follows:

1. In living conditions: Every individual a warm and full life, a wholesome cultural life, and a beautiful way of life in a civilized society. Living conditions in the rural and urban areas and in the lowlands and highlands that do not differ from each other. Specifically, a per capital national income of about 1,000 dollars, 500 to 600 kilograms of grain and 10 to 15 meters of cloth. In housing, an average of 4 to 5 square meters in the urban area and nearly all families in the rural area with well-constructed wooden homes.

2. In production forces and the economic structure: Basically socialist large-scale production with a rational economic structure; and uniformly developed central and local economies. Industry closely connected with agriculture and occupying a major proportion of the national economy.

+ A totally developed agricultural sector with high productivity and a large commodity rate, answering the grain and food requirements of society and providing raw materials for small industry and agricultural products for export.

+ A forestry sector developed in the direction of coordinated agriculture and forestry with total business, composite use, achievement of the two protection and supply functions, and creation of an important basis for national industrialization.

+ A light industry sector with a widespread network from the central to the local area, from large industry to small industry and handicrafts, from state and collective operation to the family, and producing a large part of the consumer goods required to support daily life and export.

+ A developed heavy industry sector to supply sufficient energy and a majority of the raw materials, supplies, tools, equipment and spare parts needed for national economic sectors and to answer the general requirements of national defense.

+ A communications and transportation and posts and telecommunications sector to achieve the role as the infrastructure of production. A network throughout the country with balanced means and rear services facilities to ensure the requirements of production, construction, national defense and the lives of the people.

+ An industrialized construction sector able to build the material and technical bases of socialism and the cultural and welfare projects of the people with increasingly higher quality.

3. In production relations: A national economy that is truly socialized and economic elements that are rationally applied following the orbit of socialism. A socialist economy occupying a majority of the total social product and the national income, and a family economy ensuring an important part of the income of the farmer and worker.

4. In culture, ideology and education: Marxism-Leninism becoming the ideological system of society. A culture of a national, modern, rich and wholesome nature, closely connected with the economy and national defense. Concerning education: a general secondary level.

5. In economic relations: total and profound association between the three nations to form one common strategy and one common market, closely connecting stimulation with development.

The period of transition in the three countries will probably be longer than in other countries and extreme effort must be made to save time but not to hurry the period.

The common strategic positions are probably:

1. Have a human strategy: This is the most important issue, a strategic issue of strategy, comprised of primary themes such as: population planning consistent with the economic development situation and requirements. Educational reform must be achieved with the purpose of educating, bolstering and building the new man from birth to maturity; Have correct human and ethnic minority policies; rationally distribute and utilize social labor forces; and provide elementary training for cadres and workers.

2. Construct an infrastructure

An infrastructure in a broad sense is a combination of economic and cultural sectors supporting production and life.

An infrastructure and production are like a ship and water; only when the water rises does the ship rise. Therefore, to develop production, it is first of all necessary to give concern to building an infrastructure.

The theme of building an infrastructure consists of primary tasks such as: Developing communications and transportation and posts and telecommunications; giving priority to the development of energy; rationally exploiting and using sources of water; protecting and building the forests; transforming and building fields; protecting resources and the environment; developing culture, education and public health; and building the service network.

3. Develop production

--Applying the formula of small and medium-level work is primary, working in a concentrated, urgent and effective manner in constructing production facilities and coordinating investment in depth as well as breadth.

--Coordinate transformation with construction, widely and rationally using economic elements in production along a course of developing the supervisory role of state economy, developing and raising the quality of collective economy, properly utilizing privately operated and individual economy, and developing family economy.

--Develop agriculture and forestry in accordance with a formula of coordinated agriculture and forestry, enabling the fields to provide additional lumber and the forests to provide additional food. Develop agriculture along a course of total intensive and specialized cultivation. Consider grain as the center of importance and stock raising a primary production sector and create a number of leading industrial crops. Protect forests, build forest assets, and further spread forest vegetation over the entire territory, advancing toward an average coverage throughout the country of 50 to 60 percent. Swiftly shift from the period of lumber business to one of total business with comprehensive use of the forest reserves.

--Closely connect industrial development with agriculture and exports and imports into one production structure, creating models of associated production between agriculture, industry and exports-imports, like a tripod.

Widely develop light industry and food industry with a relatively complete structure. Rationally develop heavy industry. Give priority to the development of energy and raw materials. Emphasize the machine industry. Strive to develop local industry and small industry and handicrafts.

--Give extreme emphasis to product quality, gradually creating a tradition of "only do good work, don't do bad work, rather few but good."

4. Expand foreign economy

Foreign economy is an extremely important support of industrialization and without it, industrialization is not possible. Our strategic principle in foreign economy is: to develop relations with nations in the socialist system, especially the Soviet Union, and on that basis to expand relations with all countries following the principle of mutual benefit for both parties.

Two basic issues in foreign economy that must be firmly grasped are: to increase exports in order to import, and to expand the forms of production and business cooperation with other countries.

The export course is: to strive to export everything exportable in order to "reap the whirlwind" while simultaneously formulating a plan of establishing a number of high volume, high value and good quality goods in order to capture the world market.

--To expand foreign economy, it is necessary to perform three important tasks: to provide elementary and advanced training for the ranks of cadres engaged in foreign economy; to organize research and information on foreign economy; and to renew working methods, properly fulfill pledge clauses, eliminate troublesome procedures, and establish civilized and cultured behaviors and attitudes in international trade.

5. Renew economic management

Development strategy and management strategy have a close mutual relationship. Without the proper management strategy, a development strategy would be impossible to achieve. In order to achieve a development strategy, it is necessary to renew management in a decisive direction, eliminating bureaucratism and state subsidization and shifting to socialist economic accounting and business practices.

The salient issue of the management mechanism is to clearly differentiate between two management functions: state management and business management. State management does not force business management to run on the two "rails" of state management but allows it to travel the "corridor" of management. On that basis, achieve a mechanism of business autonomy for economic units, expanding the autonomy and developing the creativity of local areas and sectors.

To achieve the strategic objectives and positions above, the three countries must conduct research to establish a general outline of production force distribution and development aimed at most effectively exploiting and using the labor and resources of each country and within each territorial region. For example:

--When studying the problem of clothing, a general study must be conducted of the 60 to 70 million people of Indochina now and 100 million in the future, each requiring a few dozen meters of cloth, and consequently, how many textile enterprises are needed and in what country should they be located for efficient production and supply for all three countries.

--Similar study must be conducted on other products: which products would it be rational for each nation to have production facilities for self-supply; and which products would it be more favorable for one or two nations to produce and supply the three nations. Which products can two or three nations conduct co-operative production for common supply, etc.

--The three countries must have one common foreign relations strategy with the purpose of implementing economic and export-import cooperation with fraternal countries and other countries and international organizations in the most favorable manner. For example: two-country projects cooperating with the third country to achieve. Products with one country acting as an agent to export or import for two or three countries.

--Broad and favorable management policies are necessary between the three countries, such as expanding labor cooperation between Vietnam and Laos in order to exploit resources for supplying common requirements. In the exchange of goods between the three countries, import and export duties may be waived. Travel between the three countries could require no passport or if one is required, procedures should be improved aimed at making travel easier and quicker. Travel between the three countries, except for a small number of groups that must be greeted in accordance with diplomatic ceremonies, should be considered as going to work in country.

Widely develop forms of economic association or partnership between sectors, local areas and enterprises to assist each other in construction, production, imports-exports, science and technology and management experience.

Even higher is to organize joint enterprises between two or three of the countries in order to exploit and produce definite products such as joint lumber processing enterprises, joint enterprises for the growing and processing of rubber, coffee, etc.

So, between the ministries, local areas, corporations and enterprises of the three countries, correspondence could be sent as if in country in order to promptly exchange necessary issues without going through the regular diplomatic procedures.

--Economic association between the three countries is not only expressed in development strategy but also must be expressed in management strategy. This means that all three countries must renew economic management, abolish bureaucracy and state subsidization, shift to socialist business practices, and assign economic organizations of the three countries (corporations, enterprises, etc.) achievement of association policies with a business formula and business mechanism before achieving effective returns and stable association.

To change the statements above into reality, the basic problem is the need to organize achievement research. It is necessary to streamline the economic and cultural cooperation committee of each country and on that basis to form a common economic and cultural cooperation agency for the three countries of Indochina in order to organize research or to serve as a center for studying and supervising strategy achievement. Promptly establish an institute to conduct research on the common problems of Indochina. This institute could be located in Hanoi but must have cadres from the three countries. Organize tri-nation subcommittees such as a communications and transportation subcommittee, an agriculture and forestry subcommittee, an industry subcommittee, a foreign economy subcommittee, etc. to study specific plans on economic association between the three countries.

2. Promote the study of a number of cooperation programs with targets consisting of two types: programs presently having a nature of widespread relations between many sectors and developed over the entire territory of all three countries; and point programs encompassing more than one region or one definite field.

It is possible to have six point programs:

A program for the cooperative development of agriculture and forestry. A program for the cooperative restoration and development of industry. A cooperative program for expanding communications and transportation and posts and telecommunications between the three countries. A program of coordinated basic investigation and scientific research. A program for the cooperative elementary training of cadres and skilled workers. A program for the cooperative development of foreign economy.

The thoughts above may be correct to a small or a great degree or may not be correct at all. It is hoped that the correct ideas will be accepted and examined by responsible agencies for assistance in turning them into reality.

7300

CSO: 4209/106

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

SOVIET RUBBER PLANTING ASSISTANCE--Latex extraction has begun in rubber plantations built with Soviet assistance in the southern province of Song Be. Under an agreement on joint ventures in rubber production signed between Vietnam and the Soviet Union, the latter supplied its partner with equipment, materials, and other goods worth 45 million rubles during the 1981-1986 period. It also sent specialists to Vietnam to help train technicians and skilled workers. So far, Vietnam has planted 50,000 hectares of rubber trees. Following the success of the first agreement, the two countries have signed another agreement to cooperate in planting 110,000 more hectares of rubber in 1986-1990 period. [Text] [Hanoi International Service in English 1000 GMT 9 Nov 86 BK] /12232

SOVIET TRANSPORT OFFICIAL DECORATED--Hanoi 10 November--The Ministry of Transport and Communication has conferred Vietnam's Labor Order, Third Class, on B.S. Kozukov, chief of the Soviet Specialist group which has helped the Vietnam's [as received] General Railway Department transform southern Hanoi's railway network. Speaking at the conferment ceremony held here on 8 November, Vice Minister of Transport and Communication Le Kha thanked B.S. Kozukov and other Soviet specialists for their devoted assistance to Vietnam. [Text] [Hanoi VNA in English 1542 GMT 10 Nov 86 BK] /12232

ALBANIA'S ALIA GREETED--Hanoi VNA 10 November--Party General Secretary Truong Chinh today extended congratulations to Ramiz Alia, on his re-election as first secretary of the Albanian Party of Labour Central Committee. The Vietnamese leader's message wishes the Albanian party leader "success in his noble mission." It also wishes the "fraternal Albanian people under the leadership of the Albanian Party of Labour headed by Ramiz Alia still greater successes in their socialist construction." [Text] [Hanoi VNA in English 1529 GMT 10 Nov 86 BK] /12232

ANGOLA'S INDEPENDENCE DAY GREETED--Hanoi VNA 10 November--Vietnamese leaders today extend their warmest greetings to Eduardo dos Santos, chairman of the MPLA [Popular Movement for the Liberation of Angola] Party of Labour and president of the People's Republic of Angola, on the 11th Independence Day of the Republic (11 November). The message is jointly signed by Truong Chinh, general secretary of CPV Central Committee and president of the State Council; Pham Van Dong, chairman of the Council of Ministers; and Nguyen Huu Tho, chairman of the National Assembly. After recalling achievements recorded by the Angolan people in national construction and defense under the leadership of the MPLA-Party of Labour, the message says: "The Vietnamese people rejoice at the successes of the fraternal Angolan people and reaffirm their full support for Angola in its struggle against imperialism, apartheid, Zionism, and other reactionary forces, for peace, national independence and social progress." "May the militant solidarity, friendship and cooperation between our two parties, states and peoples further develop." [Text] [Hanoi VNA in English 1544 GMT 10 Nov 86 BK] /12232

PEACE TORCH ARRIVAL ANTICIPATED--Hanoi VNA 11 November--"Since its foundation in June 1985, the Vietnam Committee for the International Year of Peace has together with the entire Vietnam people striven to step up their common struggle for world peace," said Do Xuan Oanh, secretary general of the Vietnam Peace Committee, in a press conference here today in anticipation of the arrival of the "Torch Run for Peace." "Torch Run for Peace" is a peace parade initiated by the UNICEF. The torch, lit by UN Secretary General Perez de Cuellar on 16 September, is planned to be carried through 45 countries including 65 major cities before returning to New York on 11 December. At the conference, Do Xuan Oanh reported that Vietnam will organize diverse activities under the slogan "For peace and the future of our children" to welcome the "Torch Run for Peace" scheduled to stay in Vietnam from 15-20 November. Taking the floor, Paul Lousi Audat, UNICEF representative in Vietnam, hailed the cooperation between UNICEF and the Vietnam Committee for International Year of Peace and the Vietnam Peace Committee, and the active participation of the Vietnamese people of various strata in activities welcoming the International Year of Peace and supporting the struggle for peace, and the interests of children in Vietnam and the world over. [Text] [Hanoi VNA in English 1522 GMT 11 Nov 86 OW] /12232

RUSSIAN SCHOLAR COMMEMORATED--Hanoi VNA 11 November--A meeting was jointly held here today by the Vietnam Institute of Sciences and the Vietnam Committee for Social Sciences to mark the 275th birth anniversary of M.V. Lomonosov, a well-known Russian scientist in the 18th Century. Vietnam academician Nguyen Van Hieu, director of the Vietnam Institute of Sciences, briefed the audience on the life and great scientific inventions of M.V. Lomonosov. He highlighted a number of new achievements in scientific research and application in the Soviet Union in the past years. He took this opportunity to express sincere thanks to the Soviet scientists for their great and wholehearted support to Vietnam. The meeting was attended by Pham Nhu Cuong, director of the Vietnam Committee for Social Sciences, research workers at the Vietnam Institute of Sciences and others. A.I. Lupa, Soviet counsellor of sciences and technology, and members of the Soviet Embassy staff in Hanoi were present. [Text] [Hanoi VNA in English 1526 GMT 11 Nov 86 OW] /12232

CSO: 4200/115

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

EDITORIAL DISCUSSES TASKS, PROBLEMS AT PARTY CONGRESSES

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Sep 86 pp 1, 4

[Editorial: "The Most Important Problems at the Ward, Precinct, and District Party Organization Congresses"]

[Text] After making points and gaining experience, the precincts, wards, and districts in the city are providing guidance in carrying on party organization and party chapter congresses. At the same time, they are actively preparing to open the ward, precinct, and district congresses. As compared with previous years, with a new revolutionary spirit and with the close guidance of the Municipal CPV Committee, the wards, precincts, and districts have made much progress in preparing the topics for the congresses. Many ward, precinct and district secretaries have said that "based on self-criticism and criticism within the party and based on organizing things to have the people contribute constructive ideas, we have worked hard for several months now in order to prepare a draft report on the situation and tasks for the ward, precinct, and district congresses. But we cannot stop there. Through the realities, we must correct the shortcomings following the recent criticism campaign and carry out the four urgent tasks, the first of which is to gather additional ideas from the cadres and party members at the primary congresses. At the same time, we must learn the lessons in preparing topics based on the Municipal CPV Committee's work with Precinct 1 and Cu Chi Ward in order to check and perfect the contents of the reports...." Many key cadres in the precincts, wards, and districts have stressed that based on past experiences and the experiences in making preparations this time, the quality of the reports of the precinct, ward, and district CPV committees is decisive for the success of the congresses. This idea is in line with the guidance of the CPV Central Committee and the Municipal CPV Committee. The reports must be prepared very carefully, the main problems must be mentioned, the achievements and the shortcomings must be evaluated correctly, and guidelines, tasks, targets, norms, and practical measures must be put forth throughout the term of office and closely related to the pressing tasks. In order to produce a high-quality report that is in accord with the demands of the new situation, people must be straightforward and honest. They must not sidestep the shortcomings and must avoid "achievement-ism," which can obstruct things, limit understanding, and result in an erroneous evaluation of the situation. The viewpoint of using the people as the source and guaranteeing the real ownership rights of the people must be understood thoroughly. Facing the facts

squarely and using the people as the source will help ensure that the congresses are carried on well and that the topics, specifically, the reports on the situation and tasks at the ward, precinct, and district congresses, are of good quality. But that is not all that must be done. At the official congresses, a spirit of responsibility and real democracy must be created and instilled in people in order to have the delegates contribute additional ideas and ensure that the reports are accurate. These must be regarded as action "programs" of the party organizations and people in the wards, precincts, and districts in the coming years.

The election of new ward, precinct, and district executive committees and delegates to attend higher-echelon congresses is a task of decisive importance. The ward, precinct, and district party organization congresses must carry out this task with a lofty spirit of responsibility. Revitalizing the cadre ranks in the wards, precincts, and districts and improving leadership capabilities and economic and social control at the ward, precinct, and district echelon is manifested above all in the election of these committees. Capable comrades who symbolize the new era, who have good quality, new thinking, particularly economic thinking, and new behavior, who are dynamic and creative individuals, who are close to and devoted to the people, and who respect the ownership rights of the people and have the confidence of the people must be elected to the ward, precinct, and district CPV committees. Those who lack capabilities and who do not have good quality must not be elected to the committees or elected delegates to the higher-echelon congresses. On the other hand, younger people who have been trained and who had adequate standards must be elected to the committees. That is a very pressing and important requirement.

The third point is to transform the resolutions of the ward, precinct, and district congresses into specific action programs for each time period and link them to manifesting the strengths, correcting the shortcomings, carrying out the four urgent tasks, and launching an active and practical revolutionary action mass movement in order to step up production, improve living conditions, and strengthen security and national defense. If this is done, this will enable the Municipal CPV Committee congress and the party's Sixth National Congress to achieve success.

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CSO: 4209/82

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

BRIEFS

SEMINAR ON ANTI-FRENCH WAR--Hanoi VNA 6 November--A seminar on party documents governing the Anti-French War of Resistance (1945-54) took place here Tuesday in honour of the 40th day of nationwide struggle against French colonialism (19 November). Many papers presented at the seminar dealt with the Vietnamese people's heroic struggle to defend the young republic, and with all-round victories of the Anti-French War under the party leadership. They highlighted the clear-sighted leadership of President Ho Chi Minh who had led the Vietnamese nation to surmount all difficulties and trials and take the struggle to total victory. The 2-day seminar, co-sponsored by the Institute of Marxism-Leninism, the Institute of Military History and the Su That (Truth) Publishing House, was attended by, among others, Hoang Tung, secretary of the Communist Party of Vietnam Central Committee. [Text] [Hanoi VNA in English 0712 GMT 6 Nov 86 OW] /12232

CSO: 4200/115

TRANSPORTATION AND COMMUNICATIONS

VIETNAM

SRV USSR-AIDED MICROWAVE STATION COMMISSIONED

OW051521 Hanoi VNA in English 1450 GMT 5 Nov 86

[Text] Hanoi VNA 5 November--The Vietnamese General Post Office (GPO) has just put into commission a microwave station at Vung Tau, a young oil-producing centre in southern Vietnam. Together with other functions, the station will facilitate the information and cultural work in service of oil workers and other people in this industrial and tourist complex.

The project, built with the assistance of the Soviet Ministry of Post and the joint Vietnam-USSR oil venture, is a new achievement in honour of the upcoming 6th Congress of the Communist Party of Vietnam and the 69th Anniversary of the Great October Russian Revolution.

It is furnished with modern equipment using integrated circuit (IC) and transistor components. The system of antenna posts for monitoring and transmitting telephone, telegraphy, and telephoto signals is built on top of a hill 184 m above sea level.

Each year when the anniversary of the Russian October Revolution is nearing, the GPO always commissioned at least one major project built with Soviet assistance.

Following the Hoa Sen (Lotus) Ground-Satellite Communication Stations No 1 and 2, and the Hanoi-Northeastern Vietnam symmetrical cable grid, the Vung Tau microwave station is another vivid manifestation of the fraternal friendship and comprehensive cooperation between the peoples of Vietnam and the Soviet Union."

/12232
CSO: 4200/115

HEALTH, EDUCATION, AND WELFARE

VIETNAM

HOUSING SECTOR URGED TO REDUCE RED TAPE, IMPROVE WORK METHODS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Sep 86 pp 1, 4

[Opinions To Contribute to the Party Congress column by Tran Trong Hiep, Nguyen Anh Dung, and Nguyen Thi Lien, Teachers Collective Zone, Thu Duc Technical Teachers College: "The Public Security and Land and Housing Sectors Must Continue To Improve Work Methods"]

[Text] After reading the articles "Four Months of Self-criticism and Criticism in the Press" and "Welcome and Make Proposals" in SAIGON GIAI PHONG, we realize that a number of state agencies, particularly public security and land and housing agencies, have made many changes and greatly reduced the red-tape, which causes problems for people. However, the procedures of the public security and marketing sectors for changing household registrations and the procedures of the Land and Housing Service for transferring a house are still cumbersome. People must spend a lot of time and effort, and management is still loose. This is particularly true for the control of household registrations. Each zone public security force controls hundreds of households and so it cannot monitor each family closely or make regular inspections in order to discover everyone who is residing here illegally. In many cases, people have gone abroad, left to attend school elsewhere, or moved, but for years now, they have kept their household registration. And no one has inquired about this.

Many local public security forces just control people on paper. But no one knows where the real people are living or what they are doing. This mechanical way of doing things has made a mockery of household registration control and not helped the localities maintain security and social order. As a result of the above style of control, many youths have been able to avoid the military draft or engage in illegal activities without the localities where they live having any inkling of this.

We suggest that the public security sector improve its regulations and work methods. Steps must be taken to enable the zone public security forces to keep track of the people whom they control. In particular, control over the collective zones and residential areas must be strengthened, and the regulations of the Ministry of Interior on registering households and on living at a place or being away temporarily must be adhered to correctly. The regulations must be unified. The service must require the wards and precincts

to enforce them. The notices and regulations of the service must be displayed in public places so that the people know about this and act accordingly.

The administrative procedures of the Land and Housing Service are too cumbersome. There is too much paper work involved in buying and selling a house. Of course, there must be house ownership papers, a marketing contract, household registration papers, and identity cards. But there are also matters that the agencies can discuss over the telephone instead of requiring people to make a trip every month to pick up a few papers, such as documents showing that the person has not left the country, does not owe any taxes, and does not have any outstanding bank debts.

It is essential to make accurate appraisals of the houses for tax purposes. Today, reports on houses often contain misleading information and this creates difficulties for the owners. We suggest that the Land and Housing Service publicly guide the appraisal of a house based on the level 3 and 4 styles that the state is selling to the people today. When inspecting a house, a representative from the Land and Housing Service (a specialist), a representative from the people's section, a zone public security official, and the owner of the house must be present. After the inspection has been completed, a record must be prepared to give public notice of the appraisal by the representative from the Land and Housing Service. In the case of houses managed by the wards and precincts, if there are problems that cannot be solved, the ward or precinct must ask for the opinion of the service. The work method in which official letters are posted in concealed places and buyers and sellers are taken to the service must be stopped. As for houses that are managed by the service, the service must solve the problem. It is essential that the service work with the wards, precincts, subwards, and subprecincts. People must not be allowed to grab a paper and run from one house to another.

Today, living conditions are very difficult. The cadres, workers, and civil servants are working very hard. We should not create more problems for them.

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CSO: 4209/82

HEALTH, EDUCATION, AND WELFARE

VIETNAM

WRITER: IMPROVE LIFE BY REMOVING MINOR IRRITANTS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 21 Sep 86 p 3

[Article by Nguyen Thi Thanh Xuan, Social Science Institute: "Story of Grains and Stones"]

[Text] Recently, I went to visit a former professor who is ill. After parking in front of his house on Nam Ky Khoi Street, I looked through a crack in the door but did not see him in his usual chair. I saw only his wife, who was bent over her winnowing basket. Seeing me enter, she stopped working. After chatting together briefly, she suddenly said:

I want to ask a favor--you can call it the crotchiness of an old person or the appeal of a housewife. Remember that you must write this in the newspaper, because spoken words fade away quickly. Unfortunately, I have no literary talent. That is why I am asking you to do this for me.

Before I could ask a question, she continued: I am 80 years old, and my husband is 83. Both of us are old and weak. Just preparing our meals is tiring, and that is without saying anything about the house or visitors. For each meal, it takes 1-2 hours to pick up the paddy and do the winnowing. After awhile, my back begins to ache and I get tired. But I make a great effort. My husband's eyesight is so bad now that he can't distinguish grains of rice from stones.

In the past, I used to take the bad rice and remill it. I used the bran to raise chickens. But now I am too weak and can't go. That rice and bran is lost. The only thing that I can do is buy rice at the market. I pick some. When my grandson, an engineer, returns from work, he picks some. My son, a colonel, picks some, too, when he comes to see his sick father. If we don't, we can't eat. Just think, if each family spends an hour a day picking rice, think how many hours all the people in the city waste in 1 year and in several years. Ask a journalist to help calculate how much working strength is wasted. In the past I pounded rice with a pestle. In my mother's time, they used mortars, too. They used to spread the rice and winnow it. There was rice for daily consumption. Rice was sold to the markets and used for anniversaries and festivals. Rice was saved for the elderly and young. Southern Vietnam was a huge rice bowl. And from the Port of Saigon, rice was exported all over the world. But with today's industrial methods, the new scientific and technical

methods, and the modern mills of this and that country...how much longer will the old phenomena continue? Who is responsible?

Listening to her pour her heart out like this, I suddenly recalled the rice selection scene in my hamlet. That was a daily task that I remember as being a "natural" task in life.

As it grew brighter, a number of elderly women came out and sat in front of their houses with small baskets in front of them. A number of small children sat about busily "picking up rice." In cadre families that work, this "activity" is reserved for the weekends, with enough rice selected to last the entire week. In my hamlet, there have been a large number of suggestions for this work. Dip a small stick in a glass of water and put some on the seeds of the weeds. The shining black seeds that used to be so slippery will be attracted by the stick like a magnet and drop into the glass of water. Or you touch a burning piece of bamboo to the seeds to remove them from the rice.

Returning home, this story about the rice grains continued to obsess me. It was as if there were stones in my head. The result is this very short article. Of what importance is this? Some may know the direct effect that this has on the thoughts, feelings, lives, and health of the laboring people.

In our lives today, how many small matters are there like this that must be given attention and eliminated. Or people must be promised that such things will be eliminated. That will make the people feel better and reduce unnecessary irritations in order to make life happier.

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CSO: 4209/82

POPULATIONS, CUSTOMS, AND CULTURE

VIETNAM

WRITER: GIVE BETTER SUPPORT TO THOSE BUILDING NEZ

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Sep 86 p 1

[Opinions To Contribute to the Party Congress column by Hoang Ngoc, Subprecinct 1, Precinct 1: "Continue To Give Attention to Those Leaving To Build the New Economic Zones"]

[Text] Building new economic zones is an important and correct policy with respect to our country's economy. Many families in the city are participating, and they support this. Some families have sold their houses and gone to build new economic zones. In some cases, only some family members have left. The others have stayed behind to look after the house. All that those who have left to build the new economic zones want is a good piece of land to grow crops and raise livestock. They want to stabilize their lives and switch from the insecure life of merchants or find employment. Also, they are not thinking just of their own interests but of the interests of the entire country. Thus, the party and state must constantly give attention to and help these people. What can be done to enable them to cling to the land and villages forever? The first thing is to give attention to the families in the new economic zones that have suffered losses (because the arable land cannot be cultivated or because the conditions are not right for animal husbandry) and that have abandoned the land and now live on the sidewalks, at the markets, and in the public parks in the city. Among these are not only elderly people and children but also healthy youths. I am certain that they do not want to lead such unstable lives. They hope that the state will help them. Here, "help" means to help them obtain a good piece of land and create conditions in which they can produce. "Birds will stay on good land, people can plow fertile land." If people can make a living, they will stay forever.

A number of families that are still living in new economic zones have sent family members back to the city to work, engage in trading activities, or drive pedicabs in order to help the family survive while waiting for the harvest season. The state should help them obtain jobs on the spot in order to reduce the troubles in their lives.

Besides the problems mentioned above, I would also like to contribute a few ideas on implementing this policy:

1. We must not be in too great a rush or spend a lot of money building things before considering matters carefully and determining whether the land can be worked.

2. Besides organizing administrative, public health, and cultural facilities, people with crop growing or animal husbandry experience must be sent to guide the people.

3. The farm land to be allotted to people should not be limited. We should not be too frugal when it comes to families that can work the land.

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BIOGRAPHIC

VIETNAM

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Nguyễn Văn An [NGUYEENX VAWN AN]

Alternate member of the CPV Central Committee; secretary of the CPV Committee, Ha Nam Ninh Province; he was interviewed by SAN KHAU Journal (SAN KHAU No 7 Jul 86 p 1).

Vũ Hạc Bông (VUX HAWCS BOONGF)

Director of Foreign Relations Office, Ho Chi Minh City; recently he welcomed the Japanese ambassador who made a farewell call. (Ho Chi Minh City SAIGON GIAI PHONG 3 Jul 86 p 1).

Lê Quang Chánh [LEE QUANG CHANHS]

Vice Chairman of the People's Committee, Ho Chi Minh City; recently welcomed the Japanese Ambassador who made a farewell call. (Ho Chi Minh City SAIGON GIAI PHONG 3 Jul 86 p 1).

Nguyễn Việt Dũng [NGUYEENX VIEETJ ZUNGX]

Chief of Cabinet of the National Assembly and the Council of State; on 1 Oct 86 he was present when the Italian ambassador presented his credentials to Nguyen Huu Tho, vice chairman of the Council of State. (NHAN DAN 2 Oct 86 p 1).

Lê Quang Đạo [LEE QUANG DAOJ]

Secretary of the CPV Central Committee; on 24, 25 Sep 86 he attended a conference held by the Central Committee of the Vietnam Fatherland Front. (NHAN DAN 26 Sep 86 p 1).

Châu Khải Định [CHAAU KHAIR DICHJO], Colonel

His article "Develop Garden Economy at Nghia Binh Army Camp" appeared in the cited source. (NHAN DAN 22 Sep 86 p 2).

Nguyễn Văn Hanh [NGUYEENX VAWN HANH]

Member of the Municipal CPV Committee, Ho Chi Minh City; secretary of the CPV Committee of the 1st Precinct, Ho Chi Minh City; on 11 Sep 86 he presented the draft report of the party organization of his precinct at a conference held by the Municipal CPV Standing Committee. (Ho Chi Minh City SAIGON GIAI PHONG 13 Sep 86 p 1).

Lê Hồng [LEE HOONGF], Colonel, deceased

Born in 1927 at Luu Kiem Village, Thuy Nguyen District, Hai Phong Municipality; former commander of the Rear Services School of the 1st Corps; retired; he died on 23 Sep 86 at the 108th Military Hospital. (QUAN DOI NHAN DAN 24 Sep 86 p 4)

Lê Khả [LEE KHAR]

*Standing vice minister of communications and transportation; on 28 Aug 86 he gave a speech at the 41st anniversary of the ministry. (GIAO THONG VAN TAI 11 Sep 86 p 3).

Phan Văn Khải [PHAN VAWN KHAIR]

*Deputy secretary of the Municipal CPV Committee, Ho Chi Minh City; on 11 Sep 86 he attended a conference organized by the Municipal CPV Standing Committee. (Ho Chi Minh City SAIGON GIAI PHONE 13 Sep 86 p 1).

Lê Khoa [LEE KHOA], Major General

Member of the Finance Department, Ministry of National Defense; his article on "The Army and Economic Construction" appeared in the cited source. (QUAN DOI NHAN DAN 17 Sep 86 p 3).

Nguyễn Tửông Lân [NGUYEENX TUWOWNGF LAAN]

Vice minister of communications and transportation; on 28 Sep 86 he attended the 41st anniversary of the ministry. (GIAO THONG VAN TAI 11 Sep 86 p 3).

Lê Văn Nhân [LEE VAWN NHAAN], Colonel, deceased

Born in 1928 at Loc Thuy Village, Le Thuy District, Binh Tri Thien Province; deputy commander and chief of staff of the Binh Tri Thien Military Headquarters; member of the CPV; he died on 6 Sep 86. (QUAN DOI NHAN DAN 10 Sep 86 p 4)

Nguyễn Hữu Tài [NGUYEENX HUWUR TAIF]

*Head of the Vietnam Customs General Department; on 30 Sep 86 he was elected chairman of the 27th Conference of the Customs Departments of Socialist Countries held in Ho Chi Minh City. (NHAN DAN 2 Oct 86 p 1).

Hà Huy Tấn [HAF HUY TAAN]

*SRV ambassador assigned to UNESCO; on 2 Sep 86 he attended a National Day celebration in Paris. (NHAN DAN 24 Sep 86 p 1).

Trần Tấn Thanh [TRAANF TATTS THANH], *Colonel

His article about training at the B.1 Group in the Sep 86 TAP CHI QUAN DOI NHAN DAN was advertised in the cited source. (QUAN DOI NHAN DAN 8 Sep 86 p 2)

Đan Thành [DAN THANHF], Major General

His personal experience in the [Rear Services] General Department was published in the cited source. (QUAN DOI NHAN DAN 11 Sep 86 p 2)

Hoàng Minh Thảo [HOANGF MINH THAOR], Colonel General

His article "Applying Combat Experience to Enhance the Quality of Training" appeared in the cited source. (QUAN DOI NHAN DAN 24 Sep 86 p 2)

Mai Chí Thọ [MAI CHIS THOJ]

*Acting secretary of the Municipal CPV Committee, Ho Chi Minh City, on 11 Sep 86 he attended a conference organized by the Municipal CPV Standing Committee. (Ho Chi Minh City SAIGON GIAI PHONG 13 Sep 86 p 1)

Lê Đức Tiết [LEE DUWCS TIEETS], Colonel

His article "The Military and the Penal Code" in the Sep 86 TAP CHI QUAN DOI NHAN DAN was advertised in the cited source. (QUAN DOI NHAN DAN 8 Sep 86 p 2)

Nguyễn Văn Toàn [NGUYEENX VAWN TOANF], *Colonel, Engineer

His article about the Ordnance Branch appeared in the cited source. (QUAN DOI NHAN DAN 16 Sep 86 p 2)

Lê Trang [LEE TRANG]

Deputy director of the Office of the National Assembly and the Council of State; on 19 Sep 86 he attended the welcoming ceremony for the new Soviet Ambassador; (NHAN DAN 20 Sep 86 p 1).

Đào Duy Tùng [DAOF ZUY TUNGF]

Member of the CPV Central Committee; head of the Central Committee Propaganda and Training Department; on 24, 25 Sep 86 he was present at a conference held by the Central Committee of the Vietnam Fatherland Front. (NHAN DAN 26 Sep 86 p 1).

Đào Tùng [DAOF TUNGF]

Director general of the Vietnam News Agency; on 20 Sep 86 he held a conference to talk about the Socialist Press Conference that was to be held in Ho Chi Minh City from 23 to 25 Sep 86. (Ho Chi Minh City SAIGON GIAI PHONG 21 Sep 86 p 1).

Nguyễn Thanh Tùng [NGUYEENX THANH TUNGF], *Colonel

Deputy head of the Emulation Steering Committee; recently he was the chairman of the Referees Commission at the national reconnaissance contest. (QUAN DOI NHAN DAN 18 Sep 86 p 1).

Nguyễn Hữu Tú [NGUYEENX HUWUX TUWF], Colonel, deceased

Born in 1930 at Phung Chi Kien Village, My Van District, Hai Hung Province; deputy director and political chief of First Military Region Party School; member of the CPV, he died on 1 Sep 86 from an accident. (QUAN DOI NHAN DAN 11 Sep 86 p 4).

Phùng Văn Tú [PHUNGF VAWN TUWUR]

Vice minister of justice; his article on the task of the legal branch appeared in the cited source. (GIAO DUC LY LUAN Jun 86 p 11).

Phan Ngọc Tường [PHAN NGOCJ TUWOWNGF]

Minister of building; his building about capital construction appeared in the cited source. (NHAN DAN 27 Sep 86 p 3).

Hoàng Quốc Việt [HOANGF QUOOCV VIEETJ]

Honorary chairman of the Presidium of the Vietnam Fatherland Front; on 24, 25 Sep 86 he attended a conference held by the Central Committee of the Vietnam Fatherland Front. (NHAN DAN 26 Sep 86 p 1).

Trần Anh Vinh [TRAANF ANH VINH]

*Acting minister of mines and coal; his article concerning problems with the coal sector appeared in the cited source. (NHAN DAN 2 Oct 86 p 2).

Đặng Hồi Xuân [DAWNGJ HOOIF XUAAN]

Minister of public health; his name and title was mentioned in a speech by Chairman of the Council of Ministers Pham Van Dong; (NHAN DAN 27 Sep 86 p 1).

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