

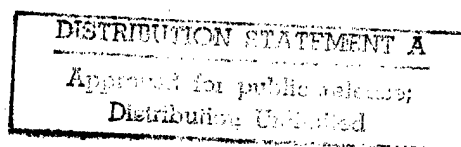
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JPRS 83970

25 July 1983

# Southeast Asia Report

No. 1317



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25 July 1983

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No. 1317

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DOMESTIC ENERGY NEEDS, RESOURCES DISCUSSED

Jakarta HARIAN UMUM AB in Indonesian 20 May 83 pp 1, 3

[Article: "Indonesia Has Discovered 50 Oil-Bearing Basins with a Potential of 200 Billion Barrels of Oil"]

[Excerpts] Bandung, HARIAN UMUM AB--At the present time Indonesia has discovered 50 oil-bearing basins with a potential of about 200 billion barrels of oil.

Subroto, minister of mining and energy, said: "Bringing to the surface all of the oil reserves contained in Indonesian soil is an economical way very much depends on the technology which we possess. With the technology which we have now only about one-fourth of the total reserves can be produced.

"With Indonesian oil production at 1.6 million barrels per day, the potential which we have will be enough for 100 years of additional production. This means that there is not only enough for the present but also for the coming generations."

This was stated by Minister of Mining and Energy Subroto in his recent address on the 28th anniversary of the establishment of the Mining Students Association at Bandung Technological Institute.

Touching on Indonesia's needs for energy, Minister Subroto said that consumption goes up each year, with the result that it is necessary to undertake projections in this sector on a national basis.

For example, Subroto said that in 1982 national energy needs amounted to the equivalent of 208 million barrels of oil. In fiscal year 1983-84 it is expected that this requirement will increase to 235 million barrels of oil equivalent. By 1990 requirements are expected to increase further to 287 million barrels of oil equivalent.

The minister said: "To satisfy these needs, we are taking energy from five main sources: oil, natural gas, hydropower, coal, and geothermal."

In this connection Minister Subroto said that Indonesia was one of the countries in the world with a large potential for natural gas, particularly in the Natuna Islands area.

Other energy sources, such as coal, have been found in substantial quantities. About 15 billion tons of coal reserves have been discovered, particularly in Sumatra, East Kalimantan, South Kalimantan, and Java.

Touching on the success of the Indonesian development program, the minister said that its success will be clear by the time of the 6th Five-Year Plan, after the beginning of the next century.

At the present time Indonesia is meeting all of its needs for energy, although finding the energy has involved meeting major challenges, particularly the challenge of population growth. In the next century the population of Indonesia will reach 2 billion. Compared to the present concentration of population, in the future about 100 million people will live in Java, which only accounts for about 7 percent of the territory of Indonesia, while our natural resources, for the most part, are found outside of Java, Subroto said.

Our present economy is active in the field of mining and energy. It is estimated that by the year 2000 per capita income in Indonesia will reach \$900, or twice the present per capita level.

The minister said that exports of Indonesian mineral products for the most part go to Japan, the United States, Europe, the Philippines, and Korea. With particular reference to Korea discussions are presently being held concerning Korea's interest in purchasing 20 million tons of our LNG [Liquefied natural gas] by 1986. In addition, Indonesian mineral products are also exported to Thailand and Singapore, the minister of mining and energy said.

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CSO: 4213/72

IMPROVEMENT IN COUNTERPURCHASE TRADE SYSTEM NOTED

Jakarta KOMPAS in Indonesian 19 May 83 p 2

[Article: "Implementation of Counterpurchase Trade System Improving"]

[Text] Jakarta, KOMPAS--Up to the end of April government purchasing contracts which had been accompanied by counterpurchase transactions totaled \$564 million. Meanwhile, Indonesian commodities purchased in the framework of the counterpurchase system were valued at \$144 million during the same period of time, or 26 percent of all of the contracts approved under the system.

According to Dr Syukri Alimudin, chief of the Community Relations Section of the Ministry of Trade, who was speaking in his office on Wednesday [18 May], actual purchases of Indonesian products in the framework of the counterpurchase system have improved, compared with the situation at the beginning of April. At that time actual exports of Indonesian products under the counterpurchase trade system amounted to less than 17 percent of the total value of the contracts entered into during the first 3 months of the year. At the time the counterpurchase contracts only amounted to \$531 million.

The increase in exports associated with the counterpurchase trade system means that an increasing number of foreign suppliers are carrying out their obligation. In accordance with the regulations of the counterpurchase system foreign suppliers holding government supply contracts valued at 500 million rupiah and more are required to purchase Indonesian products up to a value determined by the government.

In the Ministry of Trade monthly report for April 1983, it appears that fertilizer is the import commodity using the largest amount of foreign exchange. In order to meet the requirements for fertilizer for the 1982-83 planting season and the 1983 planting season the government, through the Directorate General of Domestic Trade, imported fertilizer valued at \$154.3 million.

The fertilizer, which amounts to 1,157,000,000 tons, is being provided by 12 foreign suppliers from the United States, Japan, Romania, Singapore, West Germany, and East Germany. In addition to fertilizer imported by the Directorate General of Domestic Trade, the SBPN (State Enterprise Development

Staff) also is importing a smaller quantity of fertilizer, about 13,000 tons in all, worth more than \$1.4 million.

Rather large imports are also being handled by the Ministry of Communications. These are intended to build up stocks of railroad rails and procure passenger ships, diesel locomotives, and railway passenger and freight cars. Other goods which it imports include chemicals, medicines, contraceptives, automatic telephone switching systems, generators, wood processing machinery, and a number of other types of machinery. Imports are carried out by various government ministries and services.

Foreign suppliers involved in government purchases in many cases have begun to purchase Indonesian commodities, as they are required to do by law. Indeed, some of them have met all of their obligations to purchase Indonesian commodities or have even purchased more Indonesian goods than required.

For example, Philips Telecommunications Industry in the Netherlands, which had an obligation to purchase \$4.9 million in Indonesian commodities to balance its provision of multiple control equipment, has imported Indonesian commodities valued at nearly \$5 million. This is also the case with the Amitrex Company of the United States, a supplier of fertilizer; the ICEC Company [expansion unknown], also a supplier of fertilizer; and several other suppliers.

However, several other suppliers have not acted in this way. There are still many foreign suppliers which have actually only imported very small amounts of Indonesian goods, compared to their obligations under the regulations. Some time ago the director general of foreign trade explained the reasons for this situation in a discussion with a KOMPAS representative.

According to Suhadi Mangkusuwondo, director general of foreign trade, the reason is that the government supply contract is still only at the contract stage. For that reason meeting a company's obligation to purchase Indonesian commodities can take some time in accordance with the arrival of the goods which it is supplying to Indonesia.

Indonesian commodities purchased by foreign suppliers to meet their counter-purchase trade obligations include rubber, coffee, chocolate, tea, and a number of other traditional export commodities. Nontraditional export commodities which are beginning to be purchased include ready to wear clothing, clothing materials, and some mineral products such as coal.

In the Ministry of Trade monthly report West Germany is mentioned as the country which receives the largest amount of Indonesian Government purchasing contracts under the counterpurchase trade system. About five suppliers in that country are providing a variety of equipment and goods to Indonesia.

The total value of the government supply contracts handled by West Germany, is about \$152 million. These consist of fertilizer supplied by the Fred Leker Company, valued at \$18.4 million; a generator provided by PT Setia Sapta and

the MWM Company [expansion unknown], worth \$756,800; 22 diesel locomotives provided by Thyssen Henschel, worth \$14.5 million; two passenger ships provided by the Joseph L. Meyer Company, worth \$88 million; and a number of contracts for other equipment supplied by different companies.

Japan is in 2nd place with \$147.7 million in supply contracts. Most of the Japanese contracts are for the supply of railroad passenger and freight cars, fertilizer, and other items. Japan has the largest number of companies involved in the counterpurchase trade system.

A number of other countries have signed government supply contracts worth more than \$50 million. These countries include the United States and Romania, with contracts worth \$64.4 and \$64.2 million, respectively. Singapore has contracts worth almost \$45 million. Nine other countries involved in government supply contracts include East Germany, Italy, South Korea, Canada, the Netherlands, France, Great Britain, Sweden, and Mexico.

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CSO: 4213/72

DECISION MADE TO RESCHEDULE LARGE-SCALE DEVELOPMENT PROJECTS

Jakarta SINAR HARAPAN in Indonesian 25 May 83 pp 1, 11

Article: "Projects Using State-Owned Foreign Exchange Rescheduled"

Excerpts Jakarta, 25 May--In addition to the four large development projects which were rescheduled some time ago, that is, the petrochemical plant at Plaju, South Sumatra; the Musi River oil refinery; the alumina plant on Bintan Island; and the Olefin Plant in Aceh, the government has also rescheduled other development projects whose construction involves the use of state-owned foreign exchange or foreign commercial credits.

The government decision on this matter is contained in Presidential Instruction No 13 of 1983 to all cabinet ministers, the chiefs of nonministerial government services, the directors of government banks, and the directors of state-owned companies. In the presidential instruction it is stated that rescheduling will be carried out involving development projects in the areas of responsibility of the respective ministries, services, banks, and companies which involve the use of state-owned foreign exchange or foreign commercial credit, in accordance with the Guide on Carrying Out the Rescheduling of Projects, contained as an attachment to the instruction.

In carrying out the provisions regarding rescheduling of projects, ministers and senior officers of services, banks, and state-owned companies are to consult with and follow the directions of the coordinating minister for economics, finance, and industry and the development supervisor.

Discussions on rescheduling with contractors and discussions of financial questions with financial institutions regarding projects for which contracts have been signed will be coordinated by the Team for the Control of Government Purchases of Equipment and Goods, which was formed on the basis of Presidential Decision No 10 of 1980 and No 17 of 1983.

With special reference to the rescheduling of the petrochemical plant at Plaju, the Musi River oil refinery, the alumina plant on Bintan Island, and the Olefin Plant in Aceh, as provided in Presidential Instruction No 12 of 1983, implementation of rescheduling will be coordinated with the provisions contained in Presidential Instruction No 13 of 1983. In this presidential instruction, it is also stated that rescheduling will be completed no later than July 1983.

In the guide to rescheduling implementation attached to Presidential Instruction No 13 of 1983 it is stated that the rescheduling of projects has the objective of limiting the use of state-owned foreign exchange and foreign commercial credits for financing the projects, so that state-owned foreign exchange and foreign commercial credit can be used as far as possible to strengthen the foreign exchange reserves. The new regulation is also intended to limit the use of foreign export credits to finance projects, in order to facilitate efforts to obtain foreign commercial credit to strengthen foreign exchange reserves and to avoid making the burden of repaying foreign loans too heavy in the future.

Regarding the implementation of rescheduling projects, it is stated that projects for which contracts have been signed and which do not require state-owned foreign exchange or foreign commercial credit for fiscal year 1983-84 and the following years may continue to be implemented in accordance with existing schedules.

Regarding projects for which contracts have been signed and which need financing with state-owned foreign exchange or foreign commercial credits for fiscal year 1983-84 or the following years, steps will be taken to shorten the life of the project, reschedule the implementation of the project, and put off implementation of the project until after fiscal year 1983-84. If the project is already under way at present or the project is so important that its implementation must begin in fiscal year 1983-84, the use of state-owned foreign exchange or foreign commercial credits in fiscal year 1983-84 will be limited as much as possible.

Projects for which contracts have not yet been signed and which might possibly be carried out by private firms will be fully turned over to private companies without the government or state-owned companies taking part as shareholders.

Regarding projects for which there is no contract to provide financing with foreign export credits, but for which finance has been partially arranged through the use of "soft" foreign loans, the following steps will be taken. First, the portion of the project financed with export credits will be kept as small as possible, so that the need for state-owned foreign exchange or foreign commercial credits will also be small. Secondly, the implementation of the project will be rescheduled so that state-owned foreign exchange or foreign commercial credit will not be required for fiscal year 1983-84.

In clarifying the new government decision Prof Dr Ali Wardhana, coordinating minister for economics, finance, and industry and development supervisor, in his statement to directors of the mass media at the Ministry of Information on Tuesday [24 May], said that the policy of rescheduling development projects which use foreign exchange is to protect foreign exchange reserves and the proper implementation of the development program.

In view of the rapidly-changing circumstances at present, including the decline in foreign exchange reserves, if development projects which use large amounts of foreign exchange were allowed to go forward on schedule, it is

possible that by the end of fiscal year 1983-84 there would be no foreign exchange reserves to finance development, Ali Wardhana said.

He stated that if there were no rescheduling of the projects, by the end of fiscal year 1983-84 it is estimated that Indonesia would have a deficit in its balance of payments on current account of about \$9 and \$10 billion. With the rescheduling of the development projects, it is hoped that the deficit in the balance of payments at the end of fiscal year 1983-84 will be limited to about \$6.8 billion, or about the same as the deficit in the balance of payments on current account in fiscal year 1982-83.

If the government had not rescheduled the development projects, Indonesia could go through the same experience as Mexico, Brazil, Argentina, Nigeria, and a number of other developing countries which are experiencing difficulties in their balances of payments and finally may not be able to repay their foreign debts, Ali Wardhana said.

He stated that the action taken in rescheduling the development projects only involves projects which use state-owned foreign exchange or large amounts of commercial credit. Meanwhile, projects which use "soft" loans from donor countries or institutions can continue to be implemented without any further change. Furthermore, projects financed with small amounts of commercial credits can still be continued.

In his statement Ali Wardhana added that to overcome present difficulties the government is not just standing still. At present the government is taking action to find sources of "soft" loans to finance the projects concerned so that it will not be necessary to reschedule them.

He said that under present, difficult economic circumstances, it is not only Indonesia which is rescheduling its development projects but other countries in Asia, Latin America, and Europe are doing the same. Even in Malaysia the construction of hospitals has been rescheduled. There are even countries which have completely cancelled their development projects.

Subroto, minister of mines and energy, on this occasion declared that the Bukit Asam coal project will continue to be implemented, but the scope of the project will be narrowed so that the value of the contract, which was originally set at \$181 million, will be reduced to \$114 million. The same is true of the Ombilin I and II coal projects: the original contract value of \$100 million will be reduced to \$59 million.

The Balikpapan, Cilacap, and Dumai oil refinery projects will also be continued. It is hoped that the projects at Balikpapan and Cilacap will be completed by next July and will be officially dedicated by President Soeharto before 17 August 1983. It is hoped that the Dumai oil refinery project will be completed in the first quarter of 1984.

Regarding industrial projects, Dr Hartarto, minister of industry, said that the construction of all of the cement projects will continue. The development of the Madura I Cement Plant will be turned over to the private sector.

He said that the construction of the fertilizer projects will not be rescheduled. The development of the paper industry projects will also not be changed and the construction of small industrial projects will also not undergo rescheduling.

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CSO: 4213/72

FOREIGN, DOMESTIC INVESTMENTS REPORTED

Jakarta HARIAN UMUM AB in Indonesian 18 May 83 p 3

Article: "For the Past 15 Years Japan Has Remained the Largest Investor of Capital in Indonesia"

Text Jakarta, HARIAN UMUM AB--Japan has continued to be the largest capital investor in Indonesia over the 15 year period 1967-82, compared to 28 other countries with investments in the country. The total number of Japanese investment projects by the end of 1982 was 208, with an estimated investment of \$4,344,000,000, according to data obtained by ANTARA from the Capital Investment Coordinating Body (BKPM).

Hong Kong, a British colony, is in 2nd place with 134 projects valued at \$1,193,000,000, followed by the other 8 countries of the 10 largest investors: Canada (5 projects valued at \$863.3 million), the United States (73 projects valued at \$663.7 million), the Netherlands (43 projects valued at \$551.5 million), West Germany (21 projects valued at \$295 million), the Philippines (13 projects valued at \$290.9 million), Great Britain (46 projects valued at \$286.7 million), Switzerland (20 projects valued at \$247.1 million), and Australia (35 projects valued at \$226.8 million).

According to the data obtained by ANTARA, there was not even one socialist country which was interested in investing its capital in Indonesia, although the BKPM provides the same service to investors, whether from nonsocialist or socialist countries.

The Bahamas, Brunei, Suriname, and Liberia are small countries which have used Indonesia's capital investment facilities. In general they have been active in the chemical industry sector and in wood processing.

There were 69 joint investment projects with an estimated value of \$1,788,000 \$1,788,000,000. The projects in which the 29 countries have invested and the joint investment projects total 811 in all, with an estimated investment of more than \$11,777,000,000.

In order to encourage foreign investors to invest their capital in Indonesia, the BKPM has made a number of efforts, including visits to several countries in Europe and to the United States to offer investment in projects which

were still available. It also opened branch offices in Frankfurt (West Germany), Paris (France), and New York (United States).

Although it is not certain that the world economic recession is coming to an end, the ANTARA source at the BKPM stated that it is hoped investment in Indonesia in 1983 will increase by 22 percent, with domestic investment accounting to about 4.5 trillion rupiah and foreign investment totaling about \$2 billion.

The level of domestic investment in 1982 was recorded at 3,861,000,000,000 rupiah, including both new projects and expansions of existing projects, while foreign investment totaled more than \$1,312,000,000.

New domestic investment in 1982 covered 235 projects with an estimated investment of 2,328,000,000,000 rupiah, while foreign investment in 1982 covered 34 projects with an estimated investment of \$1,291,000,000.

Domestic investment in 1982 in the non-metals industry amounted to 754,294,000,000 rupiah; in the chemical industry, 546,801,000,000 rupiah; in agriculture, including estate agriculture, animal husbandry, and food production, 504,788,000,000 rupiah; in mining, 453,606,000,000 rupiah; and in electricity, 418,585,000,000 rupiah.

Meanwhile foreign investment in 1982 was in the metals industry (\$760.9 million), chemical and pharmaceuticals industry (\$470.9 million), office buildings (\$204.2 million), construction industry (\$37.9 million), and the textile industry (\$20.6 million).

The largest foreign investor in 1982 was Japan, with investments of \$683.5 million, followed by Great Britain, with \$163.6 million; Switzerland, with \$95.6 million; West Germany, with \$75 million; and the United States, with \$68 million.

The complete list of countries which invested capital in Indonesia from 1967 to the end of December, 1982, is as follows:

| <u>Number</u> | <u>Country</u>    | <u>Number of<br/>Projects</u> | <u>Investment<br/>(in millions of US\$)</u> |
|---------------|-------------------|-------------------------------|---------------------------------------------|
| 1.            | United States     | 73                            | 663.7                                       |
| 2.            | Canada            | 5                             | 863.3                                       |
| 3.            | Japan             | 208                           | 4,343.7                                     |
| 4.            | Republic of Korea | 16                            | 163.7                                       |
| 5.            | Hong Kong         | 134                           | 1,193.0                                     |
| 6.            | Taiwan            | 4                             | 129.6                                       |
| 7.            | Singapore         | 33                            | 167.0                                       |
| 8.            | Malaysia          | 17                            | 47.0                                        |
| 9.            | Philippines       | 13                            | 290.9                                       |
| 10.           | India             | 11                            | 167.4                                       |
| 11.           | Australia         | 35                            | 226.8                                       |
| 12.           | New Zealand       | 2                             | 0.9                                         |

|     |                   |           |                |
|-----|-------------------|-----------|----------------|
| 13. | Belgium           | 14        | 93.1           |
| 14. | Denmark           | 4         | 34.3           |
| 15. | France            | 11        | 61.5           |
| 16. | Italy             | 2         | 18.5           |
| 17. | Netherlands       | 43        | 551.1          |
| 18. | West Germany      | 21        | 295.0          |
| 19. | Great Britain     | 46        | 286.7          |
| 20. | Switzerland       | 20        | 247.1          |
| 21. | Panama            | 8         | 64.5           |
| 22. | Thailand          | 7         | 21.6           |
| 23. | Lichtenstein      | 4         | 17.8           |
| 24. | Brunei            | 4         | 16.8           |
| 25. | Norway            | 2         | 15.4           |
| 26. | Suriname          | 1         | 6.1            |
| 27. | Bahamas           | 2         | 2.4            |
| 28. | Liberia           | 2         | 0.5            |
| 29. | Joint Investments | <u>69</u> | <u>1,787.9</u> |
|     | TOTAL             | 811       | 11,777.9       |

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CSO: 4213/72

# COLUMNIST BLASTS THAIS FOR EXILES' TERRORIST ACTIVITIES

Vientiane VIENTIANE MAI in Lao 4 Jun 83 p 2

["Talking Together" Column: "Is What You Did Called Friendship?"]

[Text] On 31 May 1983 our Ministry of Foreign Affairs invited Mr Somphong Faichampa, the Thai ambassador to Laos, to a meeting to deliver a memorandum concerning the shooting by Thai military authorities at the Lao side on February 3, March 11, 12, 14 and 19, and May 22-23, 1983.

The incidents in the memorandum are shameless, arrogant, and intentionally threatening and provocative acts by the Thai authorities who insanely plundered the Lao people travelling by boat along the river in Lao waters in Paksan District, Vientiane Province and Khammouan Province, and fired on them with M16, M79, and other weapons. This caused great damage to the people's and government property, including injuries to some people. Their belongings were robbed and their boats were greatly damaged.

Besides the intention to plunder, the memorandum also mentioned that the Thai side unilaterally demarcated the border along the Mekong River by laying wooden bouys along the Mekong River approximately 200 meters from the Lao bank in order to hinder traffic along the river. They also arranged to have 2-3 Thai soldiers checking the area every day, and also small boats travelling up and down patrolling the area. If any Lao passenger or private boats are around this area, the Thai side will immediately fire at them. Along with shamelessly and intentionally provoking incidents, the Thais also permit the exiled Lao reactionaries to use their land along Nongkhai Province as places to set up centers to conduct activities against the LPDR, for example, the Boung Ka center (on the Thai bank) opposite Pak Kading (on the Lao bank), Chaiyaphon (on the Thai bank) opposite Keng Sadok in Laos, Thakai (on the Thai bank) opposite Pak Toung in Laos, Ban Tai (on the Thai bank) opposite Phabat in Laos, the Arong Camp (on the Thai bank) opposite Pak Thouai in Laos, and the Pak Kat and Khammeun centers.

The memorandum also emphasized that these centers for terrorism by exiled Lao reactionaries are all active against the LPDR in many ways. In particular, the Chaiyaphon center commanded by Mr Vivan, an exiled Lao reactionary, with approximately 40 terrorists, is always looting and sabotaging the peace and continuously making the Lao people miserable.

Faced with these shameful situations and incidents with obvious provocative intentions, our people all know very well and see clearly that the Thai reactionaries continuously and stubbornly serve the dirty tricks and insane plans of the colonialists, Chinese expansionists, American imperialists, and the reactionary forces in the region. Their aim is to swallow Laos, Vietnam and Kampuchea, the LPDR and the Lao people. They benefit from the henchmen in Thailand of the Beijing-Washington power holders. This is not the first but the second time this year that the insane firing was aimed at Vientiane Capital by the Thai military authorities, and added up it has been hundreds of times since the young republic was liberated. The border dispute along the Lao bank that was shamelessly and insanely provoked by the Thai reactionaries cannot be forgiven. Our republic and its people have suffered great damage in terms of material, life and government property and also by the blood-stained hands and inhuman acts of the Thai military reactionaries. Our people hate that most of all, because of the fact that the Thai people as well as the Kingdom of Thailand, and our government and its people, have always wished to maintain good relations of fraternity and neighborliness and to firmly believe in the Lao-Thai statement in 1979 which was aimed at turning the Mekong River into a border of friendship and peace. However, this good will of our government and its people has regularly been trampled with the cruel inhuman acts by bandits who are obedient henchmen of the Beijing-Washington power-holders.

Along with these cruel and senseless acts, the mass media propaganda tools of the Thai and Beijing reactionaries have also been continuously propagandizing and slandering our government and its people, distorting the situation from white to black in order to deceive and block the eyes and ears of the Thai people and of the world, and also to cover up their evil acts.

Concerning the situations violating the content of the 1979 joint communique, the threats, the violations of sovereignty, and the shameless threats and provocative acts of the Thai military reactionaries, our people have proposed to the government of the Kingdom of Thailand that it adopt resolute measures to stop these bad incidents immediately. The Thai government and people should disarm and stop all terrorism of exiled Lao reactionaries living in Thai territory and using it as a place to conduct activities against the LPDR, and to immediately remove the wooden buoys along the Mekong River because such an act is not only a unilateral demarcation of the border by the Thai authorities but also an act of senseless people, and it also hinders the traffic along the river. The government of the Kingdom of Thailand must punish the exiled Lao reactionary terrorists who are using Thai territory as their shelter, and must stop the Thai authorities from collusion with the exiled Lao terrorists. In particular, the Thai side must pay for all damages to the Lao people. Our people will resolutely not let the same incident be repeated. If the Thai side still stubbornly tries to scheme so as to serve the dark, insane tricks of the Beijing-Washington power-holders and to violate, threaten and provoke the Lao people again, the Thai side must be held solely responsible for any bad incidents. The Lao people will resolutely punish those stubborn people in a timely fashion and in the most proper manner.

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CSO: 4206/92

COMMENTATOR CALLS SIDDHI PROPOSAL ON SRV WITHDRAWAL 'SELFISH'

Vientiane VIENTIANE MAI in Lao 17 Jun 83 pp 2, 4

["Talking Together" Column by S. Thipthiangchan]

[Text] Recently the Thai Minister of Foreign Affairs Siddhi Savetsila made a unilateral proposal that the Socialist Republic of Vietnam pull its troops 30 kilometers from the Kampuchean-Thai border. The proposal claimed it was aimed at maintaining security along the Thai-Kampuchea border, the happiness of the people and secure peace in this area. On listening to this proposal it appeared to be respectable, but on immediately looking into what is deeply hidden behind it we will see poisonous snakes coiling with their mouths open waiting to spit their venom out at any moment.

What are the poisonous snakes hidden behind this proposal? People must know this well and clearly without having to be told at all. When Siddhi Savetsila opens his mouth and before he says anything, there will be someone who speaks ahead of him, as the old proverb "the chicken sees the snake's feet and the snake sees the chicken's milk". It is not at all strange when Siddhi Savetsila, like the reactionaries in the Bangkok ruling clique, in the past as well as now, are still serving and continue to serve the dark, insane plans of the colonialists, expansionist China and the American imperialists, who once struggled and continue to struggle with many problems which are [all of their own making].

The old play is being acted out as well as a new one whose curtain is being drawn. [These acts] are all so old and so repetitious that the viewers get tired of them. No one can stand to look at them any more because the hero no longer rides on a white horse as in the fairy tale. On the contrary, the hero is riding a lifeless corpse that cannot move. The conductor moves and drags him around in accordance with the set roles. If sometimes the hero does not act as the director wants him to, the director turns to fire with anger, jumps in front of the camera and acts the hero's role himself. The censor sees this and then shouts as loud as he can, saying "No--, no--, Cut!! Cut!!" No one wants to see his acting any more. The viewers are tired of it. Why don't you let the hero act any more when that is what he has already been hired to do? When the hero hears this he gets confused, not knowing whom to listen to. There are many directors, and too many censors. The truth is, sometimes he gets tired of it but he continues to act against his will because he has already been hired to act as the hero.

Speaking of the new play, it is the same because the curtain has not even opened [and] the viewers have already gotten bored. It is too much for them by themselves. Who will be patient enough to watch such a riotous, nonsensical play as this? However, the hero in the story still stubbornly and daringly forces the viewers to watch his show, and they must finish watching whether they want to or not. He forgets that the viewers also have their democratic rights. They cannot be threatened to do whatever he wants.

Likewise with Siddhi Savetsila's proposal; it would not work when the one who is hired to act is himself. And he himself, however, does not respect the viewers, and insults them. When it is like this, who can stand to see his show? The SRV Minister of Foreign Affairs once said that peace and security in this region does not only depend on the two countries Vietnam and Thailand, but it also depends on the Indochinese and ASEAN nations, the same as the Kampuchea, Laos and Vietnam matters which require a sincere discussion between the Indochinese nations and the People's Republic of China. No one can use force or threats. All problems require sincere face-to-face discussion, a sharing of interests, respect for the independence and sovereignty and territory, and non-interference in each other's domestic affairs. As in the proposal of the ministerial conferences of the three nations in Ho Chi Minh [City] and Vientiane, only if we accept the conditions mentioned will there be true and permanent peace and happiness in this region.

This unilateral proposal will not be possible. Look at the tension on the Thai-Kampuchea border as well as on the Thai-Lao border. Who has provoked it? The people of Laos, Vietnam, Kampuchea, and Thailand and also the people who love justice worldwide all know very well that the cause was the reactionaries in Thai ruling circles and in some nations in ASEAN who have become tools and henchmen to serve the Beijing-Washington power-holders in collusion with the reactionary forces in the area, and have created confusion. Even worse is when the Thai reactionaries also permit their own territory to be used as a route for sending weapons from China to the Khmer rebels and to the exiled Lao reactionaries. They let the routed Khmer soldiers and the exiled Lao reactionaries brazenly and openly set up camps in Thai territory as springboards against the LPDR and the PRK. A memorandum of the Lao Ministry of Foreign Affairs stated the case of the Thai military authorities who conducted serious incidents [against] the Lao people along the Mekong River on the Lao side in Khammouan and Vientiane on 22 and 23 May 1983. Those were obvious incidents provoked by the Thai power-holders. The same [thing happened on the] Kampuchea-Thai border in May. In only one month the Thai military authorities conducted as many as 900 provocative acts, including violating borders by planes and battleships, and also by firing mortars into [Kampuchean territory] in order to help the Khmer reactionaries who have been sabotaging the peace and happiness of the Kampuchean people.

The same goes for the Vietnam-China border. The Chinese reactionaries continually cross into Vietnamese territory, including firing artillery, and have invaded the territory 160 times. Such activities are all carried out continuously and in close coordination in a two-front strategy. One front is the China-Vietnam border, and the other is the Thai-Kampuchea and Thai-Lao borders. This situation will not end easily because all of them now and in the future have already been planned by the Beijing reactionaries. However, they absolutely will not be able to lie. The new act that Siddhi Savetsila has agreed to play

now is the same; [they] cannot make it new enough to deceive the viewers, for the true nature of this play is riot and repetition, [just] as in the old ones. Suppose this act is to be shown to viewers and we compare this act with 2 rice-fields that are full of beautiful green paddies. The first one is so firmly fenced with wire fence that a cat cannot get in. There is no fence around the other one, and the oxen, buffalos, pigs and goats are let loose all over. When these animals see the rice plants right before their eyes, are they going to leave their delicious food for any reason? Will they eat? And which rice-field will they eat? Let's use our heads to think a little.

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## NEW CALEDONIA

### BRIEFS

PRO-INDEPENDENCE PARTY THREATENS BOYCOTT--One of the major parties making up the independence front in New Caledonia has said unless France starts a sincere decolonisation program they will not attend next month's round table with the French government. In a lengthy press statement, the L.K.S. party liberation Kanak socialist explained its attitude to the Paris talks proposed recently by the Minister of Overseas Territories, Mr Georges Lemoine. The July meeting is planned to group 20 of New Caledonia's Political Leaders for discussions on the proposed statute of autonomy for the territory. L.K.S. said for any change to come about in New Caledonia, France must change her policies in relation to the claims of the Kanak people and also her relations with nations in the Pacific. The statement added that L.K.S. would go to the Paris discussions "If the Kanak problem is dealt with realistically, and not in the same manner of the Giscard Government." [Text] [Honiara SOLOMON STAR in English 24 Jun 83 p 8]

CSO: 4200/687

BRIEFS

JAPAN THREATENS ECONOMIC CUT OFF--The Papua New Guinea Government was considering changing its recent decision not to renew a timber lease to a large Japanese Company. This followed warnings that Japan might cut its economic aid to Papua New Guinea in retaliation. Cabinet announced last month that the Japanese-owned Open Bay Timber Company would not be given a new lease in East New Britain because it had failed to carry out all the requirements of its last lease. However, the Prime Minister Mr Somare said that the matter had not been finally decided. The Company had been operating in New Britain for ten years and the Provincial Government and the Government Forestry officials have become increasingly dissatisfied with its performance. The Japanese had been putting a lot of pressure on the Papua New Guinea Government to change its mind. The Government had been reminded that in the 1970's, Japan stopped giving aid after an agreement with a Japanese Oil Palm Company was cancelled. [Text] [Honiara SOLOMON STAR in English 17 Jun 83 p 8]

CSO: 4200/685

PHILIPPINES

PDP-LABAN-UNIDO MERGER DENIED

Cebu City VISAYAN HERALD in English 31 May 83 pp 1, 2

[Article by Queenie Luz Catingub]

[Text] Former senator Ramon Mitra, a PDP-Laban leader, yesterday denied reports on a PDP-Laban-Unido merger. In an interview with Visayan Herald, Mitra, said that a merger between the two political groups is still "far-fetched."

Mitra arrived here yesterday to talk with the PDP leaders in Central Visayas on the possibility of a coalition between the PDP-Laban and UNIDO.

Mitra said that the public should not confuse a political merger with a political coalition. Mitra stressed that in a political coalition, the political groups concerned do not lose their identities, however, in a political merger they do.

Upon his arrival at the Mactan airport, Mitra was immediately whisked to the detention cell of detained PDP-Laban leader Ribomapi Holganza, Sr. There a meeting ensued.

Mitra presented the proposal of the coalition which also contained the declaration of principles that will form the platform of alliance of the opposition.

The declaration of principles was drafted by members of the PDP-Laban and Unido group in Central Luzon.

Mitra told the PDP-Laban leaders who were present in yesterday's meeting that the coalition was necessary for the opposition parties to produce better effects.

Mitra said, "I think it is about time that we should unite. By doing so, we can put out a good fight against Marcos."

At this point Inday Nita Cortes-Daluz also a PDP-Laban leader, said that the PDP-Laban chapter in Central Visayas is not against a coalition. However, Daluz said that a coalition between the two groups is not easy to reach. Daluz stressed that there are some factors to be considered first before a coalition should take place. However, Daluz did not elaborate on these during the meeting.

Mitra immediately proceeded to the detention cell of detained Mayor Aquilino Pimentel, Jr at the PC Headquarters on Jones Avenue.

Mitra discussed the same matter with Mayor Pimentel.

Asked on his assessment on the outcome of the meeting, Mitra commented: "I am happy of the outcome of the meeting. It's a good thing that we have agreed on principles."

Mitra added that the talks were starting points for the future realization of a coalition.

Mitra concluded by saying that "There are more things that unify us (the opposition) rather than things that divide us."

Some PDI-Laban leaders in Central Visayas expressed skepticisms on the PDP-Laban-Unido coalition proposal.

The proposal was presented by former senator Ramon Mitra who arrived here yesterday afternoon to get the sentiments of the PDP-Laban leaders on the said proposal.

Paul Rodriguez, PDP-Laban education committee member, hinted on the possible reason as to why Unido wanted to coalesce with PDP-Laban. It's because it (Unido) is riding on the popularity of PDP-Laban, he said. Rodriguez disclosed that at present Unido, although has sympathizers, does not have organized members.

"In such a case, Unido or any other political bloc for that matter will never work out," Rodriguez said.

Rodriguez also added that PDP-Laban has gained a strong following in Mindanao, visayas as well as in Luzon. Rodriguez, however, pointed out that he is not against the unification of all opposition groups.

Inday Nita Cortes-Daluz, a PDP-Laban stalwart, likewise expressed doubt on the real purpose of Unido's move for coalition. Daluz feared that many might take an advantage of the coalition, once realized. Saboteurs might infiltrate into the organization and instead of unifying all opposition forces, they might only succeed in factionalizing the group."

"At the moment, PDP-Laban is the only one true opposition party. We should be more careful this time in selecting its members. This is so as to strengthen or maintain the unity of PDP-Laban."

"We all know that the machineries of our enemies are omnipresent and omnipotent. It is easy for them to break us up," Daluz commented.

However, like Rodriguez, Daluz is not against a political unification. Detained PDP-Laban leader Ribomapil Holganza Sr likewise commented on the coalition proposal, Holganza said. "Personally, I have no objection on the PDP-Laban-Unido coalition proposal. I have to subordinate any of my personal feelings to the decision of the PDP-Laban national council." Asked if on the probability that such proposal would be carried out, Holganza answered, "I do not think that the national council will decide otherwise on the proposal made by the Unido." Holganza added that PDP-Laban is a democratic party. However, they also welcome any dissent coming from the ranks to crystallize the issue on the PDP-Laban-Unido coalition proposal, he said.

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EDITORIAL DEPLORES 'CONSPICUOUS CONSUMPTION' AMONG RICH

Cebu City VISAYAN HERALD in English 4-5 Jun 83 p 4

[Editorial]

[Text] The balance of payments deficit of the Philippines for calendar year 1982 was double that of the previous year. The deficit is to the tune of 1.135 billion dollars. This has prompted the President to call for a belt tightening.

What belt tightening does the President contemplate?

It is necessary that the segment of the population being appealed to for belt tightening be identified. It is to be noted that the poor comprise more than half of the population of this country. The percentage of mass poverty hovers around 85 percent, and this part of the society need not be reminded of any belt tightening. The poor have no more to tighten. Their lives are in a horrible mess: barely enough to eat, no decent home, no decent clothes.

Perhaps it would do well to remind the rich and filthy rich to put a stop to conspicuous consumption to put brakes on their propensity to high living and extravagance. In this way we might be able to decrease imports and decrease the drain on dollars by minimizing travels abroad.

Incidentally, the President's daughter is to be wed and the wedding is planned to be the wedding of the century in terms of conspicuous consumption. Viewed in this background, the call on the President becomes ill timed.

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COLUMNIST CONSIDERS KBL AFTER MARCOS

Cebu City VISAYAN HERALD in English 4-5 Jun 83 p 4

[Article by Danny M. Gonzales]

[Text] Ever since Marcos grabbed political power, it's the opposition that has always been divided. Is there a possibility, on the other hand, of a KBL split? The political pundits say not during Marcos' time. When he is gone, perhaps. But not while he is still around.

Opposition From Within

This question is being asked owing to the seemingly hopeless situation the true opposition is in. As Marcos himself once said, the threat to his rule is the emergence of an opposition coming from within the ranks of the KBL.

Possible, Not Probable

Like what most observers say, this split is likely when Marcos is gone. I agree with them. However, a KBL split even if he's still around is possible, but not probable. For FM is still in control of the political situation within the KBL fold. He has the power, lots of concession to offer, and above all, the political shrewdness that keeps his followers in line.

Power Struggle

However, should the President die, expect a power struggle from among his big leaders. And this is when the schism develops. The KBL men shall then be torn in their loyalties. And groupings--which could be more than two--will be formed. And the opposition from within becomes a reality.

What Blocs?

And what will the political blocs within the KBL be? First, there's the Imelda Marcos Fabian Ver combine with the assistance of the Fidel Ramos group--or the latter could pull a surprise with his own political aggrupa-tion. Most obvious is the Enrile Cojuangco bloc. There is also the dark horse--the Ople group. Even a Virata block with World Bank backing could emerge.

## Two Blocs

However, since these groups have resources, the tendency is for the more wily and imaginative to absorb the weaker groups. So the likelihood is that ultimately the rivalry will be narrowed down between two formidable blocks.

## A Possibility

What about a possibility of a disgruntled group within the ruling party making common cause with a genuine opposition group. As it has often been said, anything is possible in politics. For politics makes strange bedfellows. At the moment, unknown to a lot of people, there's a race--an undeclared one--going on secretly among the administration power blocs. Anything can happen anytime. And those enjoying the comforts of power and privilege are not yet prepared to let go of the enjoyable lives they're having now. It's interesting to watch how the political maneuverings will eventually end.

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# FACTIONALISM STALKS MORO CAMP

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English Jun 83 pp 37-38

[Article by Husain Haqqani]

[Text]

The Philippines government is exploiting differences between Muslim leaders in the country's south as a means of bringing the 14-year-old Moro secessionist movement to an end.

Leaders of the Moro National Liberation Front, which spearheaded the Muslim guerilla struggle, have blamed President Marcos's regime for sowing dissension within Moro ranks by using members of the traditional Muslim elite against the new generation of revolutionary leaders. The Moro challenge to Manila has been weakened in recent years by differences over leadership as well as over whether Muslims should demand autonomy or independence. Divergent views within the Muslim world are also reflected in predominantly Muslim areas of southern Philippines, with Iran and Libya giving increasing support to one faction and others looking towards Saudi Arabia for assistance.

The MNLF, led by Nur Misuari, launched the Moro independence struggle in 1969 in the wake of communal disturbances and attacks on Muslims backed by Filipino politicians. Pointing out that the Muslim areas of Mindanao and Sulu were never governed from Manila except after American colonisation of the Philippines, the MNLF made a case for Muslim independence.

Problems of integration between Moros and Filipinos and increased migration of Christians from northern Philippines to the south – leading to economic and social dislocation of the Muslims – served as major arguments for the Moros' right to separate nationhood. In its early years, the MNLF won the diplomatic support of Islamic countries and also made several

gains in the military confrontation with the armed forces of President Marcos.

In 1976, the MNLF agreed to a negotiated settlement of the Moro question and talks between the government and rebels were held under Libyan sponsorship. An agreement was reached in Tripoli providing for autonomy for Muslims and a ceasefire between government and MNLF troops. The Tripoli agreement broke down after the government insisted on a referendum to seek approval of constitutional changes and interpreted several clauses of the agreement differently from the way they were understood by Moro and international Islamic leaders.

Following the breakdown of the Tripoli agreement, factional differences among the Moros emerged. Hashim Salamat, a member of the MNLF central committee, broke away from the main organisation, accusing Nur Misuari of maintaining a "highly centralised system of leadership."

Salamat's group elected him "chairman" of the MNLF and declared its objective to be to seek autonomy for Muslims in the Philippines. In recent years, the Salamat faction has insisted that its main difference with Misuari stems from the latter's "leftist-nationalist" approach. Hashim Salamat himself is from a religious background and declares Islam to be the focal point of the MNLF's ideology – something with which other Moro groups have never publicly disagreed.

The emergence of the Hashim Salamat faction did not disrupt the MNLF seriously as his group and the mainstream MNLF, led by Misuari, continued cooperation in the battlefield. Soon, however, a new organisation

called the Bangsa Moro Liberation Organisation made its appearance in Saudi Arabia.

The organisation is led by one of Mindanao's sultans, Rashid Lucman, who was earlier proclaimed "Paramount Sultan of the Royal Houses of Mindanao and Sulu" under the patronage of the Marcos government. While the BMLO did not deviate from an anti-Philippines government position, its relative moderation provoked allegations that it was inspired by Manila authorities.

Recently, a third group, led by former MNLF field commander and vice-chairman, Dimasankay Pundato, announced the formation of a coordinating council of the MNLF and the BMLO, rejecting Misuari's leadership and calling for autonomy instead of independence.

Pundato had resigned from Misuari's group last year and announced the formation of the MNLF-Reformist Group. His faction, along with the BMLO, has been petitioning the Islamic Conference as well as individual Islamic governments to withdraw recognition of Misuari on grounds that his declared aim of independence is unrealistic and only likely to prolong the suffering of Moro Muslims.

Reports from inside Moroland indicate that Nur Misuari continues to be the most popular of the Moro leaders and commands the allegiance of a large section of the Moro population supporting the armed struggle. As its leadership comprises mainly of Tausugs, it gets greater support from this ethnic or tribal grouping than from among the Maguindanaos or the Maranaos. In fact, most members of the Salamat-Lucman-Pundato axis are either Maguindanao or Maranao and the leadership is derived mainly from traditional Moro nobility and its relatives or associates. These groups have loyalty from their leaders' tribal followers but, by and large, their strength lies more in their international contacts than through mass support.

Differences within the Islamic world are also reflected in the divisions in Moro ranks. Given its Islamic nationalist ideology and commitment to revolutionary struggle, the Misuari-led MNLF has drawn closer to the present Iranian leadership, besides maintaining its original links with Libya and Syria. The other groups have concentrated on activities aimed at attracting support from Saudi Arabia, which has played an active role in pressuring the Philippines government in favour of the Moros, on behalf of the Organisation of the Islamic Conference.

Critics of Nur Misuari believe that the MNLF's intransigence is leading the Moros nowhere and that their only hope lies in winning concessions from Manila over autonomy.

This they hope to do with a combination of restricted military struggle and Islamic world pressure against the Marcos regime. They also seek to associate with the liberal, political opposition to President Marcos inside the country. Although they differ slightly on the extent of involvement in Philippines politics, they are more or less in agreement over working within the framework of the Philippines' sovereignty and nationhood. Some of them have also indirectly participated in the government-sponsored "autonomy" by letting some of their relatives hold official positions.

At the heart of the factional struggle is the conflict between traditional Moro elites and the new breed of idealists who consider the nobility equally responsible, along with the Filipino authorities, for the suffering of Muslims. The traditionalists seek to re-assert their domination through institutions of autonomy created under the Philippines framework and backed by a strong Manila government. It would be impossible for them to keep their positions if independence or autonomy was attained through a radical mass movement.

The Marcos government, too, feels that it can deal with the old guard leaders in rebellious Moroland and wants to squeeze the dynamic Misuari group out of its pre-eminent position. The Misuari group has failed to make much headway in the armed struggle or to cope with the problems of factionalism by offering its terms of compromise with other Moro parties. This has enabled the Philippines government and non-MNLF Moro leaders to proceed with a campaign of vilification against the movement.

Misuari's decision to throw in his lot with regimes like Iran, Libya and Syria has also helped his critics in their attempt to discredit him with the rest of the Islamic world.

So-called Moro moderates recently held a conference in Karachi, Pakistan, under the auspices of the Motamar al Alam al Islami (World Muslim Congress) and called for the resumption of autonomy talks in the light of the Tripoli agreement. The conference also put forth a ten-point charter of demands, detailing the framework for autonomy acceptable to the Muslims. Attended by several prominent Muslim individuals from the Philippines, the conference was boycotted by the Misuari-led MNLF.

The MNLF's information department, the Bangsamoro News, termed the conference an attempt to "internationalise a Marcos government ploy." According to the MNLF, the Tripoli agreement was unilaterally renounced by the Marcos government because it did not implement its provisions and therefore there

was no question of resuming talks on its terms.

The conference resolutions, said the MNLF, were aimed at providing a basis for legitimising the fake and superficial autonomy granted to two regions in the predominantly Muslim southern Philippines. The MNLF criticised, by name, several of the Muslim leaders whom it accused of collaborating with the government. Issued from Teheran, the MNLF statement was perhaps the harshest criticism of other Moro groups. Other MNLF factions, as well as the BMLO, have previously engaged in equally rough verbal attacks on Misuari and his associates.

The Philippine Muslim Solidarity Conference of Karachi is likely to be a watershed in relations between different Moro groups. Both the MNLF and its Moro critics seem to have rejected compromise. Although both agree that disunity will only harm the Muslim cause, neither seems likely to give up its position in the immediate future.

Weakening of international support as a result of manoeuvres by the rival groups will reduce the effectiveness of the MNLF, whose

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IMPACT OF MILITARY TRAINING IN UNIVERSITIES DEBATED

Bangkok SU ANAKHOT in Thai 12-18 Jun 83 pp 7-13

[Article: "Soldiers Occupy the Universities. Is the 'Food for Thought' Position?"]

[Text] "All national defense forces must be united, and cooperation between the defense forces and the sovereignty of the nation must be promoted. Thus, national defense is the duty of every Thai citizen. And so that the people can participate in defending the country, it is essential that they know and understand their duties in defending the country. Thus, the Ministry of Defense is considering teaching military science to the youths of the nation by asking for cooperation from various institutions of higher education. It will ask that military science be included in the curriculum at these institutions."

The above is the introduction to a document on military science by General Prem Tinsulanon in his capacity as minister of defense. This is a new subject that was introduced in the universities this school year in accord with a resolution passed at the 1978-1979 conference of the National Defense College Council. [This resolution] established a joint committee of the Office of State Universities and the Ministry of Defense to discuss and formulate a military science curriculum. Initially, this subject will be taught at three places: Thammasat University, Chulalongkorn University, and Srinakharinwirot (Prasanmit) University. It was stressed that this was being done "in order to narrow the gap between soldiers and civilians and for the security of the nation."

Details of the Curriculum

Concerning the details of the curriculum that has been formulated, the code name for the subject is "Sociology 213," a three unit course that lasts about 48 hours. The course is composed of four main topics:

(1) National security, 12 hours: The objective is to study national security, national strategy, the structure of and relationship between national security and national strategy, national interests and safeguarding national interests, the strength of the nation, the development of national

security policies, the relationship between the military power and the other types of power of the nation and examples of how to solve the problems in the present world situation, with the stress being on Southeast Asia.

(2) Military basics, 18 hours: The objective is to provide information concerning the management and implementation of military tasks from the level of the Ministry of Defense, army, navy and air force to the main combat units of each branch on the battlefield, the allotment of territory, the operational principles of each branch, the duties and responsibilities of commanders and administrative sections, techniques in solving military problems and decisions by commanders.

(3) Military development, 15 hours: The objective is to provide information on the stages and changes in the arrangement and activities of the Thai armed forces from the past to the present, the relationship between military and civilian activities, the relationship between military activities and the scientific and technical developments, general characteristics of military leaders, the development of weapons and general principles of war. Information will also be provided on the paramilitary forces of various countries, particularly those in Thailand.

(4) Extracurricular activities, at least 12 hours: [Students] will engage in military drills and visit various military units in order to see how units are arranged, and to gain an understanding of the value of military training, military administration and the lives and activities of soldiers.

These various subjects will be taught by professional soldiers since the universities are not yet ready. But in coming years, the goal is to have instructors at the universities take part in providing instruction too.

#### Thammasat University--The Green Light Is On

After the Office of State universities presented the curriculum to the universities, the instructors who teach at the various universities had differing views. Some were uncertain about the real purpose of providing this curriculum at the BA level. Others felt that this would be good because it would expand the knowledge [of the students].

However, of the three universities that will be the first to provide such instruction, Thammasat University has not made any objections. At Chulalongkorn University, initially, there was an adverse reaction on the part of some instructors, especially from the Faculty of Political Science. "This goes against the intentions of the university and amounts to teaching just one point of view. Having students study military science in high school is sufficient to help the nation," said one political science instructor at Chulalongkorn University concerning why he is opposed to teaching military science.

This instructor also said that the Faculty of Political Science had made a friendly proposal. That is, it proposed that if it was desired to have lectures on security and the military, it would be glad to hold temporary seminars that anyone could attend. This would be done in order to help reduce the conflict. But after this adverse reaction on the part of the Faculty of Political Science, it appears that "military science" appeared in the general academic program around last April, and the university made it a general basic elective. "The rector could not refuse and so he passed it on to the program committee," said the same instructor.

As for Thammasat University, Montri Chenwithakan, an instructor in the Faculty of Political Science and one of the members of the Faculty Council who took part in the discussions, said that this would provide a good chance to have students study and understand military thinking since soldiers are like professional government officials who have their own duties and tasks. But concerning those who get sidetracked, "only a tiny fraction get involved in politics."

As for Srinakharinwirot University, Prasanmit, Anan Chiemcharoen, the dean of the Faculty of Social Sciences and the coordinator for this new subject, said that, at Srinakharinwirot University, at first, this was to be included as an elective in the Political Science Department of the Faculty of Social Sciences. But because the university has eight branches, this idea fell apart and no conclusion could be reached. And so the Department of Political Science has not included this in the curriculum.

"The curriculum concerning politics and the military includes many subjects. The dean himself participated in the conference. But the department knew nothing about any of this. It found out only after the curriculum had been formulated and was asked to accept this. We refused to accept this because this tied our hands. It was contrary to the system. Thus, they went to the Department of Sociology instead," said one knowledgeable instructor at Srinakharinwirot University about what was behind the problem. As for why military science was included in the Department of Sociology, Sukhum Sriburin, the head of the Department of Sociology, said that "this is a form of generating social order. There will be more knowledge about this. Its better than studying military science in high school where the students just practice using weapons. This is a real subject. We once thought about having a course on military sociology. There must be various forms of education.

#### Will It Really Be Indoctrination?

Based on this, it can be seen that even though "military science" has been included in the curriculums of these three universities, the views expressed by different factions are at odds. The major point of the group that disagrees is the "fear that the military will indoctrinate the students." Concerning this problem, Instructor Montri observed that people can be brainwashed or indoctrinated in two ways. One way is to twist lies so that they seem like the truth. This is really brainwashing. The other

is to talk with a person who originally had little knowledge or understanding in order to increase his knowledge. This is considered to be promoting understanding rather than [brainwashing].

But other instructors disagree. One told SU ANAKHOT that "this probably originated with the ISOC. Its one concrete step in a movement."

As for officers at the National Defense College, one officer said that this amounts to joining arts and sciences. These subjects are all taught in the developed countries.

"Military science is one of the nation's tools. Few civilians have much knowledge about this. I think that this will help increase the knowledge of civilians because in the future politics will gradually become more democratic and the military will withdraw. The systems will meet. At that moment, civilians will be in full control of the government. If they lack knowledge about the military, how will they be able to administer things? If they are knowledgeable about all the other ministries except defense, there will be problems," said another officer who teaches at the military institution in a reproving manner.

However, the views of students at all three institutions are very similar. They feel that, looked at superficially, this will broaden students' knowledge. But looking at this more deeply, it can be seen that this is the first step in an attempt by the military to create a sense of sympathy and fairness among the students. They will then take further steps in accord with the stages that have been planned since everyone knows that the military will try to involve itself in everything.

#### From Elective to Required Course

Concerning teaching military science in the initial period, about which the Ministry of Defense has approached these three universities, considered from another point of view, it can be seen that these institutions have all played a large role in outside social movements in recent times. In particular, Thammasat University is considered to be an important center for students throughout the country.

Thus, the involvement of the military at these institutions is considered to be a direct hit on the target. Even though it is claimed that this is being done "in order to narrow the gap and generate understanding between the soldiers and the civilians" by offering military science as a basic elective course, from another standpoint, there has been talk about the future plans of this curriculum. This can be seen in Appendix A, which discusses methods of formulating a military science curriculum and which discusses the steps in providing instruction in Stage 2: "This should be a compulsory subject in the faculties of political science and social sciences. It should be an elective in the other faculties as appropriate."

"I think that the first 3 years will just be an experiment at these universities. After that, this will probably be taught throughout the nation," said Instructor Pricha Hongkraihoet, the coordinator at Chulalongkorn University who recently became a training and planning expert with the Ministry of Interior, to SU ANAKHOT.

Concerning the above situation, it is clear that "military science," which the military has forced on the universities, will not be accepted easily. This is because the military's present role in the country is one of power and influence over everything, particularly university affairs. Thus, it is only natural that people are afraid that the military will stipulate academic roles too. Because in the past, the role of the scholars and students has been quite free from the power of the military, and scholars and students have frequently had opposing views.

Thus, concerning the claim that this is being done in order to "reduce the gap" between soldiers and civilians or to [promote] security, some have asked whether there isn't some other way to do this. And some have questioned how important it is to reduce the gap using this method. Some instructors feel that if the military would conduct itself like it should, with soldiers acting bravely and not acting like political soldiers or soldiers who try to use their power and prestige for the benefit of themselves and their own group, the "gap" referred to would disappear by itself and it would not be necessary to use this method to narrow the "gap."

Dr Phongphen Saguntaphai, Department of Administration, Faculty of Political Science, Chulalongkorn University

"This should not be taught. This should not be put in the curriculum, regardless of whether there is freedom [of choice] or not. My reasons are: (1) Students have already studied military science in high school. That's enough to help the nation. (2) The proposed subject will discuss security. I disagree because this subject will be taught from a single point of view. Based on the intention of the university, education should be broad. Instruction should not be provided by people from military institutions. Because if instruction is like this, the students will be exposed to a single point of view only. This is not in line with the purpose of the university, which is to throw light on the problems for the members of society. Thus, in providing instruction, all points of view about the various problems must be studied.

Take security, for example. This can be studied from the standpoint of the military and from the Marxist and democratic points of view so that the students form their own opinion about which is best.

[I am not saying this] because I am anti-military.

Dr Anan Chiemcharoen, Dean of the Faculty of Social Sciences, Srinakharinwirot University, Prasanmit

I think that this is important to the security of the nation. Thus, I do not object to this being taught in any faculty. It can be taught in any faculty. If it is taught in the Faculty of Social Sciences, it can be taught in any department. I think that this is important for all Thais. It isn't only university students who should learn about what the real situation in Thailand is at present and how we can take part in developing society. In the West, the universities teach this for 4 years; we provide only 3 hours. This subject is taught throughout Southeast Asia. Thailand is very backward in this respect. Our country needs educated people who have such knowledge so they can take part and help increase knowledge about this. If people do not study very much about this, this knowledge will not reach the masses.

Dr Likhit Thirawekhin, Dean of the Faculty of Political Science, Thammasat University

"This would be beneficial from the standpoint that the military is constantly involved with Thai democracy. At Chulachomklao Royal Military Academy, the cadets study political science and economics. But we do not know anything about military matters. I think that this would enable us to analyze the Thai people better.

What I am afraid of is that this will result in our following the military. In studying at Thammasat or Chulalongkorn, students in other programs must study many subjects. If only one subject were taught and people all followed behind, the university could be closed. The university is a place that teaches people to think and make decisions. Just teaching one subject and having people follow blindly overlooks the human intellect.

I think that the benefit to be gained is that we will gain a better understanding of what the military is like. This is knowledge. The instructors who supervise the instruction, particularly Dr Montri at Thammasat University, will not allow just the military to provide the instruction. Concerning their being the only ones that will provide instruction, I am not worried about that since I think that students have been taught to think. Take even the instructors at Thammasat. If students follow them blindly, this represents failure. No one would dare to brainwash anyone.

1. People have brains and can think. If people are brainwashed, this is an insult to the human intellect.

2. No one will be forced to study this. It will be an elective subject. No one has to study this. If someone wants to study this, it shows that he wants to gain knowledge. This should be beneficial.

3. After instruction has been given for 2 years, the results will be evaluated to see how beneficial this has been and to determine whether this should be continued or revised.

4. Those who teach will be scholarly soldiers. They will lecture from an academic point of view and from the standpoint of how things are organized. They will not teach military propaganda. I do not think they will do that. And if they do, people would not accept it. That would be difficult for them to do. And the atmosphere at our universities is against that. There shouldn't be any problem.

[Question] Is this curriculum part of Policy 66/1980?

[Answer] From one point of view, it cannot be denied that teaching military science in the universities is an attempt to close the gap between civilians and soldiers. I have the feeling that the military likes to interfere in politics and that it likes to use force. This may be right or it may be wrong; I do not know. This may be correct at times. But there are also times when this is incorrect. There are good things and things that must be corrected. I think that this is one goal. This cannot be denied. And I think that we are aware of this goal and that this goal does not involve any loss. If we want to close the gap, let's close it. Because actually, there are soldiers who study at Thammasat University. There are several soldiers from the Chulachomklao Royal Military Academy who are working on their MA here.

Since the military is bold enough to follow a civilian curriculum and is not afraid of being brainwashed by civilians, we should not be afraid of being brainwashed either. I think that both sides will benefit.

[Question] Is there really a gap between soldiers and civilians? And if there is, what does this refer to?

[Answer] There is a problem from the standpoint of training. Liberal soldiers and civilians in general view problems differently. For example, political scientists tend to think that disorder arises from laborers and farmers demanding their rights. They think that this is a political movement aimed at bringing about justice or at demanding justice.

Some groups of soldiers, but not all, feel that this is just a disturbance. They feel that a good society is an orderly society. They feel that these people are causing trouble and that this problem must be dealt with resolutely. While we may agree that problems should be dealt with resolutely, this should be done within the framework of what is legally right. These views are not the same. This refers to some groups; I am not referring to everyone. There are some differences of opinion since people's backgrounds are different.

In today's society if it is essential to mobilize society and push it forward, I think that, sometimes, soldiers with political ideals will be better fighters. Take the Korean War, where a victory was won, there was little training but there was one thing that sustained [the soldiers] and that was their ideals. This can be seen clearly in the case of the Vietcong and the Americans.

There are two types of idealistic soldiers. There are patriotic soldiers who are professionals and who are willing to do anything, even sacrificing their life. The other type are those who get involved in politics. Actually, this is not a matter of ideals. They just want to be "big-shots." They have political ambitions. This is perfectly normal. But if they become so ambitious that this gives rise to disorder, this is not correct. Personally, [I do not think] that you can say that soldiers shouldn't have political ambitions. This goes against human nature. But if they are ambitious like that, that is not fair. They should resign [their commissions] and then engage in politics. They shouldn't use their positions. That is not right, unless it is a system that they accept. Some societies are like that.

[Question] Some people are worried about ideological indoctrination. What are your views on this?

[Answer] The more that we need to know, the more reason there is to study military science. That is, if you become frightened easily, this indicates a lack of confidence. I am not afraid. Let 10 chiefs of staff come give lectures. I am not afraid because when I listen to someone, I am skeptical. Students should be skeptical, even of instructors at Thammasat. They should not believe everything that someone says. This is contrary to educational policy. People must think for themselves. If there are satisfactory reasons, then you can believe the person. There can be arguments. This is just the opposite because if we are afraid, we can stop things. I do not think there will be any problem.

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CSO: 4207/131

CARTOON LAMPOONS CGDK DISUNITY

Bangkok PATINYA in Thai 20 Jun 83 p 6

[Cartoon]



[Text] Caption: "Give us 30 kilometers on the border so that the three Khmer [coalition] groups can fight it out."

Key:

- |             |                  |                |
|-------------|------------------|----------------|
| 1. Sihanouk | 3. Khieu Samphan | 5. Sitthi      |
| 2. Son Sann | 4. Thach         | 6. Thai border |

11943 CSO: 4207/131

THAILAND

NEW COMBAT FORCE TO BE FORMED

Bangkok SIAM RAT in Thai 15 Jun 83 pp 1, 12

[Article: "'Athit' Forms New Combat Force; the Force Is Huge; Phichit Is In command"]

[Text] Athit has rushed to form a new combat force that is larger than an army area. Its status is equivalent to that of any army area. Phichit Kunlawanit has been put in command. The matter is waiting on the 1984 budget. There have been comments that this force was formed to compensate the "Big Tiger" [Phichit] for his help on the political front. Also, it is a huge force to go along with [that of] "Big Chieu" [Chawalit Yongchaiyut], the heir to the RTA CINC. It is said that this new force will be filled with elite generals.

An army news release informed SIAM RAT that, at present, the army is rushing to form another special combat division. It is expected that this will be completed by this October. One special combat division will be composed of five special combat regiments and one support regiment. Each special combat regiment is composed of three battalions. Altogether, a special combat division will have 15 combat battalions, which does not include the support regiment.

Prior to this, Colonel Narutdon Detchapradit, the secretary of the army, told SIAM RAT that the formation of another special combat division is being done in accord with the plan to develop the army and in harmony with the Fifth Economic Development Plan. At present, work on forming this force is being carried out urgently. It is expected that this will be completed by the beginning of the 1984 fiscal year.

As for the 1st Special Combat Division, it was formed last year. Major General Wimon Wongwanit, an officer who is a member of Class 5, Chulachomklao Royal Military Academy, is the first commander of this division.

The news report stated that once the 2nd Special Combat Division has been formed in accord with the program, the two special combat divisions will be combined with the Special Warfare Center and made subordinate to the Special Warfare Operations Center that will be established. It is expected that this too will be completed before October.

The report said that the commander of the Special Warfare Operations Center will be a lieutenant general and that there will be three deputy commanders with the rank of major general and one chief of staff with the rank of major general.

"The Special Warfare Operations Center will control the forces of the two special combat divisions and the Special Warfare Center. Once the forces have been combined, the Special Warfare Operations Center will be larger than an army area," said a news source. He said that the special combat divisions will be responsible for countering unconventional warfare.

However, the Special Warfare Operations Center will also have another special regiment under its command that is not subordinate to the special combat divisions. It will be an air logistics regiment, or A.L. regiment for short. This regiment will be composed of three battalions. When these are added to the battalions of the special combat divisions and of the Special Warfare Center, the Non-Commissioned Officers Cadet Battalion, the Psychological Operations Battalion and the Service Battalion, there will be about 40 battalions subordinate to the Special Warfare Operations Center.

As for who will be the first commander of the Special Warfare Operations Center, it is expected that this position will go to Major General Phichit Kunlawanit, the commander of the 1st Infantry Division. This is because he was an important figure in formulating the structure of the Special Warfare Operations Center. Besides this, Major General Phichit is a paratrooper and a direct embodiment of the paratroopers. "Phichit is building a house and will return home," said a news source.

At the same time, an analyst of military roles said that the formation of this new force is compensation that General Athit, the RTA CINC, is giving to Major General Phichit for his help on the political front during the change of government. This also serves to divide the forces and duties between [Phichit] and "Big Chieu," Lieutenant General Chawalit Yongchaiyut, whose duties and future concern his being the heir to the position of RTA CINC after General Athit in the event that General Athit leaves this position or retires.

As for the reports that Major General Phichit will become the commanding general of the Third Army Area, the news source said that that is probably not true. Because in the Third Army Area, there are several people there who are waiting to become commanding general. These include Major General Ruamsak Chaikomin, Major General Prayat Rotphothong and Major General Thiep Kromsuriyasak, all three of whom are serving as deputy commanding general.

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CSO: 4207/131

EDITORIAL CALLS FOR ASEAN-SRV COMPROMISE

Bangkok MATICHON in Thai 11 Jun 83 p 4

[Editorial: "Compromise Is the Way Out"]

[Text] Concerning the visit by Nguyen Co Thach, the Vietnamese minister of foreign affairs, it was very good to hear that when he met and talked with Air Chief Marshal Sitthi Sawetsila, the Thai minister of foreign affairs, the atmosphere of the discussions was good and that it does not seem that the two sides will have any great difficulty reaching an agreement on the Kampuchean problem, about which the two sides have been so at odds that it did not seem possible that they could get together.

The good thing that has resulted from the visit by Nguyen Co Thach is that Thailand and Vietnam want there to be peace among the countries in this region. Both sides have agreed to have contact and discuss things in order to help solve the Kampuchean problem. And Vietnam welcomed Thailand's proposal to have Vietnam withdraw its forces 30 kilometers from the Thai border. This agreement is considered to be a good principle that will reduce the recent tension.

However, the fact that the two sides have been able to reach an agreement in principle definitely does not mean that Vietnam and Thailand will be able to get together immediately to solve the Kampuchean problem. Even though Thailand and Vietnam have the same goal, that is, to have Kampuchea become an independent and neutral country that does not lean toward any side, this does not mean that Thailand's and Vietnam's interpretation of this and the methods they use to reach this goal will be the same.

Something that both Asean and Vietnam must be reminded of is that standing firm based on one's own methods and ideas will just make things more difficult rather than providing a good way out. What Asean must realize is that the Coalition Government of Democratic Kampuchea has shown that it cannot unite firmly. The three groups are arguing and fighting among themselves, of which Sihanouk's [threatened] resignation is a good example.

As for Vietnam, it must realize that it cannot be arrogant over the fact that the three Khmer resistance groups do not have the power necessary to fight and push its troops out of Kampuchea. Because at the same time, Vietnam's troops cannot completely wipe out the forces of the Khmer Rouge or Khmer resistance groups. This will result in Vietnam becoming bogged down in a war. Thus, the best way out is to compromise and allow the United Nations to come supervise the situation in Kampuchea and allow all Khmer factions to have a voice in Kampuchea.

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CSO: 4207/131

THAILAND

ROCKETS TO BE USED FOR RESEARCH

Bangkok DAO SIAM in Thai 14 Jun 83 pp 3, 5

[Article: "Rocket Institute Established for Scientific Purposes"]

[Text] The National Institute of Rocketry for Scientific Research has formulated a long-term plan for carrying out a rocket research and development project for atmospheric surveys. It is expected that this project will get underway next year (1984).

In his capacity as the administrator of the National Institute of Rocketry for Scientific Research, Mr Chumphon Sawatdiyakon, the secretary-general of the National Research Council, pointed out the benefits to be gained from this project. He said that besides being the leader in atmospheric research in this region, this will enable Thailand to obtain data that can be applied in various activities in the fields of communications and meteorology and in various branches of science. This will have a direct effect on the development and security of the country.

Prior to this, the Institute of Rocketry conducted various small-scale projects as part of the national rocket project for scientific research in order to apply the results to benefit national development and security. In 1983, a rocket project is being conducted for use in artificial rainmaking activities in order to alleviate the troubles of the farmers who lack sufficient water for farming and who live in localities that do not get enough rain. This artificial rain rocket project amounts to applying new technology to help reduce the expenditures and the danger to technicians from the present methods used and to enable rain to be produced in the areas that need it.

Furthermore, the Office of the National Research Council has established the National Institute of Rocketry for Scientific Research for the purpose of mobilizing the knowledge, talent and experience of Thai scholars to conduct research on the development of rockets so that the knowledge gained can be used in science and national development and in other activities.

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CSO: 4207/131

## WESTERN SAMOA

### BRIEFS

CHINA DELEGATION DISCUSSES UNUSED AID FUNDS--A delegation from China is visiting the Western Samoan Capital of Apia for talks with the Government on the use of aid funds. They will discuss the use of the balance of a \$6 million interest-free loan which China made to the Western Samoa Government several years ago. The loan was granted for a vegetable growing project and the building of a gym and sports centre at Apia Park. These projects have virtually completed and there is still a substantial amount of the loan money left over. The talks will centre on future projects which could be funded with the money. [Text] [Honiara SOLOMON STAR in English 17 Jun 83 p 8]

CSO: 4200/686

## PARTY ACTIVITIES AND GOVERNMENT

### POLICY ON RECEIPT OF MONEY, GOODS FROM NON-SOCIALIST COUNTRIES DETAILED

#### Council of Ministers' Decision

Ho Chi Minh City CONG NHAN GIAI PHONG in Vietnamese no date given

[Text] The Council of Ministers, on the basis of the Law on the Organization of the Council of Ministers dated 4 July 1981 and in consideration of the aspirations of Vietnamese who have settled in foreign countries and their families within Vietnam,

Hereby decides:

Article 1: the state welcomes and encourages Vietnamese residing in countries outside the socialist system (hereafter referred to as foreign countries) to send money to help build the country. Families, with the exception of persons who are being prosecuted for or have been convicted of counter-revolutionary crimes, that have relatives residing in foreign countries may receive money and goods from them.

The receiving of money and goods must comply with the regulations of the state.

The use of money or goods sent from foreign countries for the purposes of profiteering, disrupting the market or sabotaging national security is strictly forbidden.

Article 2: there is no limit to the amount of foreign currency that may be sent through the State Bank; foreign currency will be converted into Vietnamese currency at the exchange rate plus an appropriate bonus rate stipulated by the State Bank.

Persons who receive foreign currency will withdraw their money in the form of Vietnamese currency in order to spend it. Withdrawing money to help build the country, to pool capital with the state in a business or to pool capital with others to establish a small industry or artisan cooperative is encouraged and the amount that may be withdrawn is unlimited. There is a limit to how much money may be withdrawn for the purpose of personal consumption: this limit is to be set by the State Bank in consultation with the Ministry of Finance. To

make withdrawals that exceed this limit, it will be necessary to have a legitimate reason, one that has been verified by the local government.

Persons may deposit foreign currency over and above the ceiling on these deposits in the State Bank in the form of interest bearing foreign currency (interest paid in foreign currency) or interest bearing Vietnamese currency (interest paid in Vietnamese currency), depending upon the desire of the depositor and the special regulations of the State Bank.

Article 3: as regards the delivery and receipt of goods, the state encourages the sending and the receiving of goods that are instruments of production in accordance with the sectors and localities within the country. The number of times that goods may be sent and received during the year and the quantity of goods sent and received each time are unlimited. Each family may receive consumer goods three times each year; if the goods that they receive are on the list of products and if the value of the goods received each time lies within the limits set forth in the regulations on gifts promulgated by the Ministry of Foreign Trade, they are exempt from taxation. Goods that exceed the limits set forth in the gift regulations are subject to the non-commercial import goods tax. Contraband will be confiscated.

When the number of times that goods may be sent has been reached, the state will purchase at stipulated prices all goods sent thereafter.

Article 4: if persons who receive money or goods use the money or goods that they receive for purposes of speculation, disrupting the market or sabotaging national security, they will be considered unqualified to receive additional money or goods or be prosecuted under the law, depending upon the seriousness of the violation.

Article 5: the State Bank, the Ministry of Foreign Trade, the Ministry of Finance, the Ministry of Interior and the concerned functional sectors must promulgate, at an early date, specific regulations on the procedures for certifying that persons are qualified to receive money and goods; exchange rates and the bonus rate; the limit on the amount of Vietnamese currency that may be periodically withdrawn to meet daily needs; the receipt of gifts; the non-commercial import goods tax table...; they must also provide instructions in and organize the sending and receiving of money and the sending and receiving of goods well.

Article 6: a circular providing detailed instructions concerning the implementation of this decision will be issued.

Article 7: this decision only applies to families who have relatives that are permanent residents in foreign countries; the persons referred to as relatives who have permanently settled in foreign countries do not include cadres, manual workers or civil servants of the state who have been sent to foreign countries to work, study, receive practical training or work as a laborer or specialist or students sent by the state to study overseas. Separate regulations will be promulgated concerning these persons.

Article 8: the articles of Council of Ministers' decision number 32-CP dated 31 January 1980 that are contrary to this decision are hereby cancelled.

Hanoi, 31 August 1982  
On behalf of the Council of Ministers  
signed for the chairman  
Vice Chairman  
Signature: To Huu

Editorial on New Policy

Ho Chi Minh City CONG NHAN GIAI PHONG in Vietnamese [nd] p 2

[Text] After 30 April 1975, our people realized their greatest joy when the Vietnamese fatherland became totally independent, free and reunified. All our people have turned their hands to overcoming the aftereffects of the war and made every effort to overcome the difficulties encountered in building the socialist fatherland. However, amidst this sacred feeling of happiness over reunification, today, because of many different circumstances and reasons, some families in our city still have relatives who are permanent residents of countries outside the socialist system.

Recently, the Council of Ministers issued decision number 151/HDBT regulating "the receiving of money and goods by families from relatives of theirs who are permanent residents of countries outside the socialist system." These regulations satisfy the legitimate aspirations of persons who have relatives who are permanent residents of foreign countries because they are humanitarian in spirit and because of the objective need to help these families overcome their difficulties and maintain a normal life. The state welcomes and encourages the sending of money to help build the country, to pool capital with the state in a business or to pool capital with other persons to organize small industry or artisan production in accordance with the current policies and laws of the state; at the same time, the families who receive money or goods are helped to stabilize their lives. The socialist state, although still encountering numerous difficulties, is very concerned with the living conditions of the people, including families who have relatives in foreign countries.

Our city has many families who receive money and goods from relatives in foreign countries. The majority of them make good use of the money and goods they receive to help meet their daily needs in a manner consistent with the wholesome, pure lifestyle of the people and are making every effort to improve their lives through their own efforts. Besides these persons, however, there is a small number of others who have become merchants with the money and goods that they have received and more than a few intermediaries who profit from the money and goods sent from overseas, have an impact upon prices and the market and live lives of luxury, removed from the ordinary living conditions of the masses. Recently, some bad persons and dishonest merchants who have made themselves wealthy through profiteering have spread many lies and distorted the articles contained within Council of Ministers' decision 151/HDBT, thereby causing concern and worry on the part of many families who have received money

and goods from relatives in foreign countries and causing artificial increases in prices on the market.

In order to put an end to this situation, the governments and mass organizations of the various precincts, districts, subwards and villages and the concerned sectors, especially the bank and the customs sector, must widely and thoroughly propagandize and explain the position and policy of the state, provide all the necessary instructions and make it as easy as possible for the people to request permission to receive money and goods from their relatives in foreign countries when and as prescribed by the city. The socialist commerce sector, the outdoor market management committees and the other functional agencies must intensify their activities, struggle to stabilize market prices and serve the lives of the laboring people well and be determined to punish profiteers, hoarders and those who spread damaging rumors and upset public opinion. Manual workers, civil servants and laborers have total confidence in the new policy, a policy that benefits both the country and families. Our people need foreign currency, materials and consumer goods. However, since antiquity, our people have primarily relied upon their own creative efforts to build their lives and defend the country. We need money but always place integrity and love above everything else.

#### Policy Questions Answered

Ho Chi Minh City CONG NHAN GIAI PHONG in Vietnamese [nd] pp 2-3

[Text] Question: What are the procedures for obtaining the passbook needed to receive money from relatives in foreign countries?

Answer: Beginning on 1 April 1983, after receiving the permits issued by the Municipal People's Committee and the list of names of the families permitted to regularly receive money sent by relatives who are permanent residents of foreign countries, the Municipal Bank will transfer the money received by families who have a permit issued by the people's committee to the precinct or district bank at their place of residence as recorded on their permit.

The precinct or district bank will send out notices asking families (specifically, the person whose name appears on the permit) to pick up the passbook that they will need to receive their money.

If the person to whom the permit was issued does not go to pick up the passbook but sends someone else instead, this other person must, regardless of whether or not his or her name appears on the permit, bear a letter of representation from the person to whom the permit was issued, a letter that must be verified by the subward or village government.

The person who picks up the passbook must sign it in the presence of a representative of the precinct or district bank and pay a fee of 50 dong.

Passbooks may be used for many years; when a passbook expires, the person whose book it is should bring the old, expired book to the precinct or

district bank where he or she resides to exchange it for a new one (the old passbooks will be retained by the bank).

Question: Are there limits to the amount of foreign currency or the number of times that foreign currency may be sent to relatives in Vietnam?

Answer: Persons who permanently reside in countries outside the socialist system who send foreign currency to their relatives at home through the Foreign Trade Bank of Ho Chi Minh City are not limited with regard to the amount or the number of times that foreign currency is sent.

Question: How is this foreign currency converted into Vietnamese currency?

Answer: This foreign currency is converted by the city's Foreign Trade Bank into Vietnamese currency for payment to persons within the country at the exchange rate plus bonus established and announced by the Central Vietnam State Bank for each period.

Question: What are the bonus exchange rates for the various types of foreign currency and for how long are these rates effective?

Answer: The following bonus exchange rates for the various types of foreign currency were established by the Central Vietnam State Bank on 1 March 1983 and will remain in effect until a new notice is issued:

|                            |                  |
|----------------------------|------------------|
| One U.S. dollar            | =40 dong Vietnam |
| One Canadian dollar        | =32.878          |
| One Australian dollar      | =31.038          |
| One Hong Kong dollar       | = 6.067          |
| One Singapore dollar       | =15.483          |
| One British sterling       | =61.728          |
| One French franc           | = 5.87           |
| One Swiss franc            | =20.07           |
| One GDR mark               | =16.66           |
| One Dutch florin           | =12.057          |
| One Norwegian krone        | = 4.534          |
| One Swedish krona          | = 4.334          |
| One hundred Belgian francs | =67.652          |
| One hundred Japanese yen   | =17.157          |

Question: How large is the conversion fee that is deducted from foreign currency?

Answer: After the conversion of foreign currency, a 1.5 percent fee is deducted.

Question: Once the 1.5 percent fee has been deducted, how is foreign currency transferred to the recipient?

Answer: After deducting the 1.5 percent fee, the city Foreign Trade Bank will convert foreign currencies into Vietnamese currency at the above mentioned rates of exchange and transfer all of this Vietnamese currency to the State

Bank in the precinct or district in which the recipient resides in order to pay the recipient at the stipulated rate (set forth below); the precinct or district State Bank may not charge an additional fee when making payment to the recipient.

When the precinct or district bank receives the money transferred from the city Foreign Trade Bank, it will quickly send a letter of notification requesting that the person receiving the money come to the bank to receive his or her money (the notification will be sent through the precinct or district post-telegraph office).

A person who is to receive transferred funds must bring the letter of notification from the bank to the bank where he or she resides to receive the funds.

If the person named on the letter of notification does not appear in person, he or she must write a letter giving authority to another person in the family whose name is on the passbook to receive the funds in his or her place; this letter of authorization must be certified by the subward or village people's committee.

Question: How much money is each person permitted to receive each quarter to meet family expenses?

Answer: According to present regulations, the precinct or district banks of Ho Chi Minh City are permitted to pay to persons who have passbooks an average of not more than 6,000 dong (six thousand dong) per person within the family per quarter (calendar quarter) to meet family expenses.

In families that consist of many persons (and whose names are recorded in the passbook), each person may receive this amount. For example, a family of five may receive  $6,000 \text{ dong} \times 5 = 30,000 \text{ dong}$  per quarter.

Question: May large families receive money from many different sources overseas and how many times each quarter may they receive money?

Answer: Large families may receive money from many different sources overseas and may receive money many times during the quarter but only at the rate of 6,000 dong per quarter per person.

Question: What do regulations require if the total amount of money recorded during a quarter on transfer papers exceeds the amount that may be paid by less than 1,000 dong (Vietnam) or more than 1,000 dong (Vietnam)?

Answer: During each quarter, if the total amount of money recorded on transfer papers exceeds the amount that may be paid by less than 1,000 dong (Vietnam) when calculated for the family as a whole, the precinct or district bank is permitted to transfer these funds directly to the family; if the amount exceeds the amount that may be paid to the family as a whole by 1,000 dong or more, the precinct or district bank will transfer this amount to a "money sent from foreign countries transfer account" opened in the name of the person who holds the passbook. The bank will pay 6 percent interest per annum

on the funds in this account. There is no limit on the amount of interest that may be withdrawn from this account.

When a family that receives money has a "money sent from foreign countries transfer account," the precinct or district bank will add the balance held in the account and the amount of money sent from overseas, pay the amount that may be paid each quarter and transfer any balance that exceeds the amount that may be paid to the other "transfer account."

Question: What is the procedure regarding funds that exceed the limit that may be paid during each quarter by 50,000 Vietnam dong or more?

Answer: With regard to funds that exceed the limit that may be paid during the quarter by 50,000 Vietnam dong or more, the recipient may, if he or she does not want to transfer these funds through a "money from foreign countries" account in Vietnamese currency, instruct the precinct or district bank to transfer these funds to the city Foreign Trade Bank in order to open a foreign currency account which will draw interest in foreign currency and from which both principal and interest may be withdrawn in Vietnamese currency in the stipulated amounts; however, these funds may not be sent overseas. The interest rate paid on foreign currency accounts depends upon the type of foreign currency on deposit and the form in which this money was sent from overseas (concerning this point, it is necessary to speak directly with the city Foreign Trade Bank to learn the particulars that apply to each case).

Question: What does a person who has an account for money sent from overseas do when he or she need money for medical treatment, a funeral, a wedding, the repair or purchase of a house and so forth?

Answer: In case of an emergency, a person who has an account for money sent from a foreign country and needs money for medical treatment, a funeral, a wedding, the repair or purchase of a house and so forth must present to the precinct or district bank (where the account was opened) a letter of verification from the agency at which he or she works or the subward or village government; the precinct or district bank will, on the basis of the balance held in the account, transfer the money needed to the depositor, the amount of which shall not exceed 10,000 dong each time, with the number of times not to exceed two per year. If special circumstances make it necessary to request the withdrawal of more money than permitted or more times than permitted, the request must be examined and decided upon by the director of the city bank.

Question: If a person who has a "money from overseas transfer account" wants to withdraw money to help build the country, pool capital in a business with the state or pool capital with others to establish a small industry or handicraft cooperative, is there any limit to the amount that may be withdrawn?

Answer: In the case of persons who have transfer accounts for money sent from foreign countries, there is no limit to the amount of money that may be withdrawn from the account to help build the country, pool capital with the state in a business or pool capital with other persons to establish a small

industry or handicraft cooperative (the establishment of which is authorized). The depositor must present to the bank (where payment will be made) the necessary papers (the decision of the government, the business license and the number of the savings account of the organization receiving the capital) to prove that he or she is a member of the organization in question. The bank at which the account is held will transfer, by check, the capital to the organization receiving it and will, at the same time, inform the local government of this transfer.

Question: How do families who do not receive or send money on a regular basis and have no passbook receive money that is sent to them?

Answer: Each time that families who do not receive or send money regularly and do not have a passbook want to receive money, they must fill out the required general form (three copies) to request permission from the municipal people's committee to receive money from a foreign country. Once they have been granted permission by the municipal people's committee, the bank will make payment to them in accordance with the regulations presented above.

Question: When do the regulations set forth above go into effect?

Answer: With the consent given by the chairman of the Council of Ministers to Ho Chi Minh City and until books are issued, that is, from 1 March 1983 to 15 May 1983, the banks of the districts and precincts of Ho Chi Minh City are permitted to make normal payments of money received from foreign countries at the new bonus exchange rates but there are no limits in effect nor books in which to record payments. The payment of money sent from foreign countries in accordance with the regulations set forth above will commence on 16 May 1983.

#### Procedures for Receiving Goods

Ho Chi Minh City CONG NHAN GIAI PHONG in Vietnamese [nd] p 5

[Text] General Regulations on the Sending and Receiving of Goods

1. Each family within the country that has a relative who is a permanent resident of a country outside the socialist system may be sent and receive non-commercial goods in the form of tax free gifts 3 (three) times each year (hereafter referred to as gifts), provided that the goods sent or received each time are not products whose exportation or importation is forbidden (as set forth in Appendix I and Appendix II attached to this decision) and their value does not exceed 1,000 (one thousand) dong Vietnam (for gifts being sent) or 2,000 (two thousand) dong Vietnam (for gifts being received) based on the prices set by the Ministry of Foreign Trade during each period on the basis of the prices set by the Joint Ministry of Foreign Trade-Finance for tax computing purposes.

2. Families that do not violate the regulations on goods that may not be imported or tax regulations during any of the 3 (three) times that they receive gifts during the year, may receive gifts for a fourth time).

## Gifts Sent and Received in Violation of the Regulations Presented Above

### 1. Gifts received:

a) The recipient of a gift that exceeds the stipulated value must pay a tax (computed on the basis of the prices set by the Joint Ministry of Foreign Trade-Finance for tax computing purposes during each period of time and paid only on those gifts that exceed the value that may be received).

b) When the gifts received exceed the stipulated value and consist of a large quantity of a number of products, the recipient may only take receipt of a certain quantity as determined by the customs department. The remaining goods must be sold to the specialized organizations of the state at the confiscatory purchase prices set by the Ministry of Foreign Trade.

c) Any family that violates Article 1 (Section 2) once during the three times that they receive gifts during the year will, beginning with the fourth time that they receive gifts, pay taxes on and sell all gifts received to the specialized organizations of the state at the confiscatory prices set by the Ministry of Foreign Trade.

d) For the purpose of computing taxes, the prices that apply in Section B and Section C of this regulation are the confiscatory purchase prices of the Ministry of Foreign Trade.

### 2. Gifts sent.

a) Persons who send gifts that exceed the stipulated value must pay tax on those goods that are over and above the value that may be sent.

b) Beginning with the fourth time during the year that gifts are sent, the port customs agency or post-telegraph office (at places where customs organizations have not been established) will not complete the procedures necessary for sending gifts and will return the gifts to the sender.

In the case of an attempt to evade customs procedures, the goods will be confiscated.

## Gifts That Are Instruments of Production

Instruments of production that are received as gifts (machinery, equipment, raw materials and supplies) at the request of sectors and localities within the country are exempt from import taxes and are not limited as to the number of times such gifts may be received or the value of these gifts; however, the agency receiving them must register with the customs agency of the province, municipality or special zone subordinate to the central level in advance and the person receiving them must sell the entire lot of goods to the sector or locality that requested them or to the specialized business organizations of the state at the purchasing prices stipulated by the Ministry of Foreign Trade.

If these gifts are used by the person who receives them, that person must pay tax on them.

Article 4: all gifts sent or received that are among those goods whose exportation or importation is forbidden will be confiscated.

#### Customs Procedures

When completing the procedures for sending or receiving gifts, the head of the family or a representative of the head of the family must present to the port customs agency or the post-telegraph office (at places where there is no customs organization) the RECEIPT BOOK FOR GOODS issued by the customs agency or the post-telegraph office of the province, municipality or special zone subordinate to the central level (at places where there is no customs organization) or, in cases in which gifts are not sent or received on a regular basis, present an approved request for permission from the people's committee of the province, municipality or special zone subordinate to the central level.

\* The port customs agency or the post-telegraph office (at places where there is no customs organization) will collect the taxes due in cases of gifts sent or received as set forth in Article 2 of these regulations.

The taxes due on gifts being received may only be waived or reduced in cases in which the customs agency or post-telegraph office (at places where there is no customs organization) have certified that goods have lost, damaged or are missing and in certain other special cases defined by the Joint Ministry of Foreign Trade-Finance.

The person who sends or receives a gift must pay a fee equal to 1 percent (one percent) of the value of the goods (based on the prices established by the Joint Ministry of Foreign Trade-Finance for tax computing purposes) to the port customs agency or post-telegraph office (at places where there is no customs organization) each time that the procedures for sending or receiving gifts are completed.

Every Action That Violates These Regulations Will Be Prosecuted in Accordance with the Law

Every action that is in violation of this code of regulations and the use of goods being sent and received for purposes of speculation, smuggling, disrupting the market or sabotaging domestic security will be prosecuted in accordance with the law on the punishment for the crimes of speculation, smuggling, the manufacture of fake goods and the operation of an illegal business as well as current customs laws.

Concerning Relatives Who Are Cadres, Manual Workers or Civil Servants of the State on Assignment in Foreign Countries

The regulations presented above do not apply to families who have relatives who are cadres, manual workers or civil servants of the Vietnamese state who have been sent overseas by the state to work, study, receive practical

training or serve as specialists, students sent to foreign countries to study and persons sent by the state to work as laborers in foreign countries.

The List of Non-Commercial Goods Whose Importation in the Form of Gifts Is Prohibited (appended to decision number 103BNgt/PCHQ dated 3 March 1983)

| <u>Number</u> | <u>Name and Type</u>                                                                                                                                                                                                                                                                                                                   | <u>Notes</u> |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1             | Weapons of all types (including sporting weapons, hunting weapons and ammunition, military weapons, military equipment, explosives and flammable materials).                                                                                                                                                                           |              |
| 2             | Wireless radios, telephone and telegraph equipment and parts.                                                                                                                                                                                                                                                                          |              |
| 3             | Vietnamese currency, Vietnamese money instruments.                                                                                                                                                                                                                                                                                     |              |
| 4             | Precious metals, precious gems, pearls, diamonds, foreign currency, bills of exchange and bank checks.                                                                                                                                                                                                                                 |              |
| 5             | Opium, narcotic substances and the paraphernalia required for their use.                                                                                                                                                                                                                                                               |              |
| 6             | Powerful chemicals, experimental chemicals, and chemicals, poisons, Western drugs or ointments that are unlabelled or are lacking or are inferior in quality.                                                                                                                                                                          |              |
| 7             | Writings in shorthand or in alphabetic or numeric code.                                                                                                                                                                                                                                                                                |              |
| 8             | All documents, copies of documents, drafts, notes, plates, wax-paper copies, music records or tapes, tape or video recordings, films, pictures, books, newspapers and items whose contents are politically, economically or culturally harmful to the Socialist Republic of Vietnam as well as all films that have not been developed. |              |
| 9             | Perishable items and substances that harm general sanitation.                                                                                                                                                                                                                                                                          |              |
| 10            | Tobacco, including loose tobacco and cigars.                                                                                                                                                                                                                                                                                           |              |
| 11            | Pure chemical sugars.                                                                                                                                                                                                                                                                                                                  |              |
| 12            | Used clothing, blankets and mosquito nets.                                                                                                                                                                                                                                                                                             |              |
| 13            | Clothing, cloth and other items on which are printed pictures or words that are not consistent with the morals and customs of Vietnam.                                                                                                                                                                                                 |              |
| 14            | Sealed canned goods (except kinds that can be opened or have see-through packages).                                                                                                                                                                                                                                                    |              |

## Inquiries Concerning New Policy

Ho Chi Minh City CONG NHAN GIAI PHONG in Vietnamese [nd] pp 6-8

[Text] Question: What is the policy of the state concerning receiving money and goods from relatives who are permanent residents of countries outside the socialist system?

Answer: Council of Ministers' decision number 151 states: "The state welcomes and encourages Vietnamese who are permanent residents of countries outside the socialist system (hereafter called "foreign countries") to send money to help build "the country." Vietnamese leave the country and become permanent residents of countries outside the socialist system for many different reasons but everyone is concerned with their family and sending money and goods to help meet the daily needs of their family is a legitimate aspiration that we must help to fulfill. Therefore, the state has stipulated that all families who have relatives in foreign countries may receive support from them in the form of goods or money, except in the case of households in which someone is being prosecuted or has been convicted of a counter-revolutionary crime.

The state encourages families to use the money and goods sent to them by relatives to organize production installations and create additional work for the family in order to quickly establish a self-reliant, legitimate and stable livelihood and give their relatives far away peace of mind.

Question: Are those families within the city who have relatives on assignment in socialist countries or countries outside the socialist system lie within the scope of this policy?

Answer: Article 7 of Council of Ministers' decision number 151 clearly states: the above mentioned policy only applies to families who have relatives who are permanent residents of countries outside the socialist system. The persons referred to here as relatives who are permanent residents of foreign countries do not include cadres, manual workers or civil servants sent by the state to work, study, receive practical training or work as laborers or specialists overseas or students sent overseas by the state to study. Separate regulations concerning these persons will be adopted.

Question: Why does the Council of Ministers' decision limit to three the number of times per year that consumer goods may be sent by relatives in foreign countries but places no limit on the number of times per year that instruments of production may be sent?

Answer: Families receive gifts from relatives in foreign countries for the purpose of helping them in their daily lives, not for the purpose of living a life of luxury that is inconsistent with the present conditions of the country. Our country has recently experienced several decades of war and is still encountering many economic difficulties. Besides accelerating production in an effort to produce more and more wealth for society and gradually stabilize our standard of living, we must practice frugality in consumption. We may not wastefully consume in a manner that exceeds the

production capacity of society or goes beyond the present standard of living of the laboring people. This is a principle of the socialist style of life.

Within our city, facts have shown that among the various types of goods sent by relatives in foreign countries to their families living within the city, there are, besides essential goods and goods of practical value in everyday life, many luxury items that are sold on the market at very high prices. A number of intermediaries who buy, sell and speculate in these luxury goods have appeared on the market and have had an adverse effect upon the effort to stabilize prices and stabilize the market. This is not to mention several types of decadent, reactionary cultural products and printed materials that have been secretly sent into the country in the form of "gifts." Therefore, it is correct and consistent with the consumption policy of our state and the standard of living of our people at this time for this policy of the state to set a specific limit on the number of times per year that consumer goods may be sent as gifts. Specifically, each family may receive gifts from relatives who are permanent residents of foreign countries three times each year to help them in their daily lives, regardless of whether these gifts are sent to the family as a whole or to an individual within the family. If, during the three times that they receive goods during the year, the family does not violate the regulations that ban the importation of certain products or violate tax regulations, they may receive a gift one more time, but not more than four times during the year.

If the goods sent each time comply with the Ministry of Foreign Trade's regulation on the receiving of gifts by families in Vietnam who have relatives who are permanent residents of foreign countries, no taxes are paid on these gifts. If the amount of goods sent or received exceeds the value below which goods are tax exempt (in accordance with gift regulations) set by the Ministry of Foreign Trade for each period of time, taxes must be paid. Luxury goods, if permitted to be imported, are subject to a high tax. Essential goods are taxed at a low rate.

Goods that are sent in excess of the number of times per year that goods may be sent are taxed and must be sold in their entirety to the specialized business organizations of the state at confiscatory purchase prices set by the Ministry of Foreign Trade.

Contraband, if sent, will be confiscated. If contraband is sent because it was requested by a person in Vietnam, the person receiving it can be prosecuted under the law on the punishment for the crimes of speculation, smuggling, the manufacture of fake goods and the operation of an illegal business.

In the sending and receiving of goods, the state encourages the sending and receiving of goods that are instruments of production on the basis of requests made by the sectors and localities within the country. The types of these goods, the number of times during the year that they are sent and received and the quantity sent and received each time are unlimited. When the person receiving these goods sells them, he or she must sell them to a state-operated agency at the price set by the state (primarily for the purpose of preventing

this privilege from being abused in order to sell instruments of production at a profit instead of supporting production).

As mentioned above, the purposes of sending and receiving money and goods as gifts are to help build the country, pool capital with the state in a business, organize production in exact accordance with the policies and laws of the state and help the families that receive the goods or money to improve their lives. For this reason, the use of money or goods sent from overseas as means of speculation, as a way to disrupt the market or disrupt social order and security is illegal. Anyone who commits this violation will be considered unqualified to continue to receive money and goods or will be prosecuted under the law in accordance with the gravity of the offense. The state has issued a list of goods that may not be imported and measures for managing the receiving of money and goods sent from foreign countries with a view toward distinguishing between assistance given to families deserving of assistance and the supplying of means for dishonest persons to violate the law, which must be stopped.

Question: What are the specifics involved in the sending and receiving of money (foreign currency) from foreign countries?

Answer: There is no limit in terms of the amount or the number of times that foreign currency may be sent through the State Bank. This foreign currency is converted into Vietnamese currency at the bonus exchange rates set by the Vietnam State Bank. When the money sent exceeds the amount that may be received each money, the recipient must deposit the extra amount in the bank in accordance with the procedures set by the Vietnam State Bank. The recipient may deposit the foreign currency that exceeds the amount that may be received each month in the bank as interest bearing foreign currency (with the interest paid in foreign currency) or as interest bearing Vietnamese currency, depending upon the desires of the depositor and the special procedures of the State Bank. The withdrawal of money to help build the country, pool capital with the state in a business or pool capital to establish a small industry or handicraft cooperative is encouraged and the amount that may be withdrawn is unlimited. The amount of money that may be withdrawn for personal use is limited. The Vietnam State Bank and the Ministry of Finance, on the basis of the general cost of living, determine the specific number of times that money may be withdrawn during the year (and issue a detailed notice).

The withdrawal of money over and above the limit that has been set for the purpose of meeting emergency needs must be properly documented or certified by the subward or village people's committee as stipulated in the regulations of the Council of Ministers.

Question: When do the new regulations on the receiving of money and goods from foreign countries go into effect?

Answer: According to Joint Ministry of Foreign Trade/Vietnam State Bank circular number 9, the provinces will implement these regulations in the following manner:

--The new regulations on the receiving of money are effective as of 15 March 1983.

--The new regulations on the receiving of goods are effective as of 1 April 1983.

Because the scope of families eligible for this policy is broader in Ho Chi Minh City than in the provinces, the city has been granted permission by the Council of Ministers to implement the policy later so that it has time to make good preparations; specifically:

--The books for receiving money and goods will be issued on 2 May 1983;

--The payment of money and the delivery of goods will begin on 16 May 1983. The specific procedures regarding the money and goods sent during the transitional period will be established by the functional agencies, namely, customs and the State Bank, and posted at the headquarters of these agencies.

Question: Under the new regulations, what are the procedures for requesting permission to receive money and goods from relatives in foreign countries?

Answer: Concerning this matter, see notice number 44/TB dated 12 March 1983 from the People's Committee of Ho Chi Minh City (the appendix). This notice gives specific instructions in how to complete the form and the procedures for requesting the issuance of a book for receiving money or goods and the date scheduled for implementation.

Question: Do persons who have relatives or friends who are permanent residents of foreign countries but do not regularly send money or goods have to complete the procedures required to request permission to accept money and goods as set forth in notice number 44/TB-UB dated 12 March 1983 of the Municipal People's Committee?

Answer: Council of Ministers' decision number 151/HDBT dated 31 August 1982 only applies to those families who have relatives who are permanent residents of foreign countries outside the socialist system who regularly send money and goods to their relatives in Vietnam. Persons who have relatives, friends...who were permanent residents of foreign countries for a long while before sending something to them for the first time (that is, who do not send money or goods regularly) may submit the same application for permission from the Municipal People's Committee that families who have relatives who are permanent residents of foreign countries that regularly send money or goods do or they may wait until they receive notification of the receipt of money or goods to fill out this form. The procedures for completing and filing the application are the same; it is necessary to have verification from the subward or village people's committee and to then contact the branch customs office (number 21 Bach Dang Street, the 1st Precinct) for goods or the branch office of the Foreign Trade Bank of Ho Chi Minh City (number 21 Ben Chuong Duong Street, the 1st Precinct) for money to examine and complete the procedures for permission to receive money or goods in accordance with regulations.

Question: Under the new policy of the state, may families in which someone permanently resides at one place borrow the address of someone at another place to receive money or goods?

Answer: Decision number 151/HDBT does not permit a person who receives money or goods to borrow the address of another to receive money or goods. The general principle is that persons register to receive money and goods in the locality in which they permanently reside.

Question: Are persons who are long-term, temporary residents during this phase allowed to submit requests for books to receive money or goods?

Answer: Persons who are long-term, temporary residents fall into two categories: long-term temporary residents who have no permanent place of residence (who are not registered as residents of another place), whose request must be considered on a case by case basis and whose circumstances and reasons must be presented to the city people's committee for a decision; long-term, temporary residents who are permanent residents of another province, who must return to their place of permanent residence to request permission to receive money and goods.

Question: Must three families who live in the same household and share one census registration paper, all of whom have relatives who regularly send them money and goods, request three separate books for receiving money and goods?

Answer: In this case, one person within the household may complete the procedures for obtaining two books for receiving goods and money to be used by all three families.

Question: May cadres, manual workers and civil servants of the state who have been receiving money and goods from relatives in foreign countries continue to receive money and goods from them under decision 151?

Answer: They may continue to receive money and goods as they have in the past.

Question: Is the number of times that families who have relatives in three different countries may receive goods during the year three as stipulated in the regulations or nine?

Answer: Article 3 of decision 151/HDBT states: "In the sending and receiving of goods, the state encourages the sending of those types of goods that are instruments of production on the basis of requests made by the sectors of the city and our country. The number of times that goods may be sent and received during the year and the quantities of goods sent and received each time are unlimited. Separate instructions will be issued concerning how to send and receive goods that are instruments of production.

As regards consumer goods, each family may receive goods three times each year and these goods are exempt from taxes if the quantity and the value of the goods sent each time lie within the scope of the gift regulations set forth by the Ministry of Foreign Trade.

If both a husband and a wife ask a relative in a foreign country to send them consumer goods, according to the regulations presented above, each family within the country may only receive goods three times each year, regardless of whether these goods are sent to the entire family or to one member of the family.

Question: What is considered to be good compliance with the policy on receiving gifts in order to be eligible to receive gifts for a fourth time during the year?

Answer: Good compliance with the policy on receiving gifts encompasses the following points:

--Not violating the regulations on goods that are forbidden to be imported (a separate notice will be issued containing a list of products that may not be sent).

--Not violating tax regulations.

--If the quantity of goods or the number of times that goods are sent during the year exceed the limits set forth in the regulations, the concerned party must fully comply with the regulation on selling goods that are over and above the specified limits to the agency of the state appointed to purchase them in accordance with policy.

Question: How much money may be received by each person in the family each time? And, why does the state place no limit on the amount of money that may be sent?

Answer: Article 2 of decision number 151 states: "Foreign currency sent through the State Bank, on which there is no limit, is converted into Vietnamese currency at the exchange rate plus an appropriate bonus rate set by the State Bank. The recipient may spend this money by withdrawing it in Vietnamese currency. Withdrawing money to help build the country, pool capital with the state in production or pool capital with other persons to establish small industry or handicraft cooperatives is encouraged and there is no limit to the amount of money that may be withdrawn for these purposes. There is a limit to the amount that may be withdrawn for the purpose of personal consumption..."

In the case of money being withdrawn for the purpose of personal consumption, the limit per person within the family is 2,000 dong Vietnam per month received quarterly (3 months) or 6,000 dong per person per quarter.

For example: 1) family B, a family of five, receives foreign currency from relatives equal to 45,000 dong in Vietnamese currency. According to regulations, family B received 10,000 dong (2,000 dong x 5) per month, for a total of 30,000 during the quarter. The remaining 15,000 dong are deposited in the State Bank and draw interest at the rate set by the bank. Only 30,000 dong worth of the foreign currency sent by the relative is converted into Vietnamese currency. The balance can be deposited by the concerned party in the bank in the form of Vietnamese currency or foreign currency. In case of

an unexpected development, such as a funeral or wedding, family B can request permission to withdraw the necessary funds, provided that the need for these funds is verified by the local government.

--If a relative in a foreign country sends money to family B only once during the year but the total amount when converted is 60,000 dong, family B receives 30,000 dong in one quarter and the remaining 30,000 dong during the next quarter.

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## TRANSPORTATION AND COMMUNICATIONS

### IMPROVEMENT OF NATIONWIDE GRAIN TRANSPORTATION DISCUSSED

Hanoi TAP CHI HOAT DONG KHOA HOC in Vietnamese No 3 Mar 83 pp 40-42

/Article by Vo Huynh: "Organization of Grain Transportation in the Mekong Delta Provinces and between South and North Vietnam"/

/Text/ The task of organizing grain transportation is directly related to several stages: production, purchase and transport organization. In practice, the organization of transportation can be considered only as the last stage of a production process during the course of circulation.

Over the past years, the state has mobilized a certain quantity of grain surplus owned by the people in the Mekong Delta provinces in order to solve all socioeconomic and national defense problems. To date, it appears that this task will have to be carried on for a long time to come, and that numerous experiences will have to be drawn. However, realities have demonstrated that carrying a grain of paddy from the ricefield to the peasant's home and to the state granary, milling it and putting it into gunny sacks with the ultimate purpose of serving the consumer is quite a complex process. Meanwhile, the realities of agricultural production over the past years have shown the existence of many causes having the effect of preventing us from achieving the planned targets. Anyhow, these realities have enabled us to understand ever more clearly the natural conditions and various socioeconomic aspects that affect the promotion and development of production in the Mekong Delta provinces. Concerning purchase, the principal characteristic of production in this region is individual production so that the purchasing task determines the quantity of grain collected for the state and constitutes the basis for the organization of transportation. But the fact that purchasing points are scattered and do not correspond to the warehouse network and the communications and transportation axis has made it difficult to ensure preservation and concentration with the result that the quality of the grain commodity cannot be guaranteed. Since certain localities purchase rice while others purchase paddy, there is a dependence on the milling capacity and the availability of bags. On the other hand, the purchasing task also depends on the pricing policy. There is a great shortage of technical bases essential to the organization of transportation; transportation means are lacking, old and worn out, and spare parts are insufficient; locomotives and cars are few

in number and many of them are out of order; canals, ports and piers have not yet been built, dredged or improved. The transit capacities of the north-south railroad are at a low level.

Concerning the organization of grain transportation from the peasants' houses to the village granaries, the people assume their own transportation and the state sells them gasoline and oil. Transportation from the village granaries to the district ones (from the land to deep waterways) is assumed by the transportation forces of districts. Transportation from the district granaries to the provincial ones, to Ho Chi Minh City and to the mills is undertaken by the forces and means of the provinces, city and responsible principal organs. Concerning the transportation between South and North Vietnam, grain is transported by rivers and roads to Saigon Port and Song Than Railroad Station and concentrated at these two places; afterward, ocean-going ships of the Vosco Corporation come to Saigon Port to load the commodity and head for Haiphong Port, Hon Gai and former Zone 1 to deliver it; as for the railroad sector, it receives the commodity at the Song Than Railroad Station and delivers it at the Giap Bat Railroad Station.

Since many shortcomings still exist in the purchasing and storing process and in the organization of transportation, it is necessary to draw experiences and to seek ways to overcome these shortcomings.

--In view of the fact that transportation means are insufficient, old and worn out and because of a shortage of spare parts and raw materials, etc., it is necessary to build warehouses to organize gradual transportation and to invest in spare parts...to rehabilitate transportation means.

--The transit capacities of ports are low, commodities are loaded and unloaded manually, transportation means have to wait for the completion of loading and unloading at both terminals and there have been instances when these means are turned into granaries.

--The granary network has proven very insufficient, granaries are not uniform and there is a serious shortage of bags and the available ones are, moreover, old and worn out and also of different kinds so that shipping and receipt become difficult.

--The grain standards have not yet been strictly adhered to during purchase, and because the purchasing areas are too vast and scattered, it is very difficult to concentrate this commodity; the waste and loss percentage is high and weighing scales are inaccurate.

--The organization of transportation goes through many intermediary stages and repeated loadings and unloadings with the result that the waste and loss percentage is high. According to a report by the South Vietnam Rice General Corporation, the waste and loss rate in the transportation process in the Mekong Delta provinces was between 4 and 5 percent during the period from November 1980 to November 1981.

--In the organization of South-North Vietnam transportation, the following shortcomings have been found in the use of eight high-tonnage ships of the Vosko Corporation:

a. As a commodity, grain is difficult to concentrate; high-tonnage ships and cargo ships have been used; sometimes, a ship was loaded only to half capacity for the journey or on arrival at a port, had to wait for 3 months without receiving the commodity and had to return unloaded to its point of departure, which was the cause of great wastage.

b. Transshipment has not yet been organized properly and grain has been spilled into the sea when it is transferred by means of snatch scoops from barges to ships and vice versa. Since snatch scoops are cargo handling instruments, it is irrational to use them as measuring apparatuses: They scoop large quantities when the ship hold is full of grain and can pick up only small quantities when the ship hold is near empty. This constitutes a loophole which has given rise to many negative practices in society. Because of these and many other negative practices, the amount of commodity received by the Thanh Hoa Grain Service and delivered by the Voski ships from November 1980 to November 1981 suffered a shortage of 21.69 percent. The Nghe Tinh Grain Service actually received 16.2 percent less than the amount indicated in the dispatch note. The Ship Song Day delivered 44.38 percent less /than indicated in the dispatch note/ and the same thing occurred to the ships "Song Thuong," "Song Giang" and Tra Khuc" with a shortage of 40.9, 19.52 and 21.21 percent respectively, etc.

Following are the reasons for such shortages:

--When purchased, rice was still wet and mixed with much foreign matter; because this commodity was weighed before being handed over to the transportation sector and because it was subsequently passed through suction devices, fans and dryers...when delivered by the transportation sector to warehouses, the shortage rate was high.

--Grain was spilled during many loading and unloading stages and by stevedores at both terminals and it was dropped into the sea when transshipped by means of snatch scoops.

--The owners of various means, stevedores and warehouse keepers cheated during the weighing process while weighing scales were inaccurate.

--Organization and management were not yet tight, the control exercised by leaders was insufficient and the self-consciousness displayed by human beings was not yet high. All this gave rise to all kinds of public property "theft."

--The pricing policy and the material incentive policy were not promulgated in time.

To have a plan to organize transportation in the Mekong Delta provinces and between South and North Vietnam, the Ninth Party Central Committee Plenum, displaying a high degree of unanimity, confirmed the need to concentrate guidance for and make appropriate investments in the exploitation of the great potentials of the Mekong Delta--a number one key area of grain and food production--and to pay attention to implementing this policy at all costs. Therefore, a primary task of ours at the present time is to mobilize the grain surplus among the people and a strategic task is to organize the transportation of this grain so that it is necessary to concentrate efforts on carrying out the immediate tasks and simultaneously to build material and technical bases for long-term purposes. In organizing transportation, investigating and assessing the volume of goods to be transported for the national economy is the first and most important factor. There are many investigating methods to determine the volume to be transported. If we achieve 9 million tons by 1985, we will have to purchase up to between 3.3 and 3.5 million tons (though only 1.3 million tons could be collected in 1981 thanks to a concentrated guidance and a change in some systems and policies.

At present, the volume of goods transported from South to North Vietnam is composed mainly of grain products and commercial merchandise and that of goods carried from North to South Vietnam comprises mainly coal, cement, fertilizer, insecticide, iron and steel.... To achieve a transportation volume of between 60,000 and 110,000 tons per month by waterways and between 10,000 and 15,000 tons per month by railroad, the following transportation methods may be applied:

a. Method No 1: Organizing direct transportation from ports on the Hau River (Hoang Dieu, Tay Son, Tra Noc, Long Xuyen and Dai Nghia) to ports on the Red River (Pha Den, Do Che, A Lu, Dap Cau, Chua Ve and Hon Gai).

b. Method No 2: Carrying goods by rivers and roads from the Mekong Delta and concentrating them in Saigon Port and the Song Than Railroad Station.

After reckoning the economic effectiveness of the above-mentioned two methods, we find that the first one is more profitable. Using an ocean shipping formula, this method will reduce the number of intermediary transportation stages as well as loading and unloading efforts, waste and loss and negative practices while making it possible fully to use the potentials of rivers and canals in both regions. This will be the objective of a long-term and complex struggle because it will involve the building at all costs of river-sea ports on the Hau and Red Rivers and also of a suitable river-ocean fleet in conformity with the dredging conditions at estuaries and ports and on riverbeds.

| 1976            | 1977            | 1978            | 1979            | 1980            | 1981                | 1985                    |
|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|-------------------------|
| 934,000<br>tons | 795,000<br>tons | 448,000<br>tons | 479,000<br>tons | 885,000<br>tons | 1.3 million<br>tons | 3.3-3.5 million<br>tons |

The following conditions are necessary to the implementation of the first method:

--Ports must be built on the Hau River and ports in the Bac Bo Delta reformed and improved; basically, river ports in North Vietnam have been renovated and offer relatively good transit possibilities but only for river transport means. To make these ports accessible to river and ocean-going ships, it is necessary to build and transform them and to organize stevedoring facilities.

--Concerning waterways, the Hai River is an important communication axis with an average depth of between 6 and 9 meters and may be reached by coastal and river-ocean transportation means if the Dinh An River mouth is dredged. At present, the river network in North Vietnam is being used at a depth of 1.5 to 1.8 meters. The latest research conducted while supplying the method of using the Ninh Co estuary has demonstrated the new possibility of using a depth of between 2 and 2.5 meters. This depth may reach 3 meters if efforts are concentrated on transformation.

--There must be a fleet of river-ocean and coastal ships which must fulfill these conditions: safe travel on rivers, ability to withstand winds and waves at sea, and favorable conditions of waterways. But under the present actual circumstances, it is not yet easy to acquire a fleet of river and ocean-going ships each with a loading capacity of less than 2,000 tons and a water displacement depth of less than 2.5 meters to transport the expected amount of 60,000 to 110,000 tons of merchandise. Since we do not yet have the material and technical bases to apply the first method, we must necessarily implement an intermediary method as follows:

1. Part of the first method must be implemented by using 600-700 tonnage ships to load the cargo directly at the Hau River Port and to deliver it directly at the Chua Ve and Hon Gai Ports.
2. The transit capacities of the Hau River Port are still limited. Since the grain shipping capacities are limited (Hoang Dieu Port was built in 1982, the construction of Long Xuyen Port only started in 1983 and Dai Ngai Port will be built after the 5-year (1981-85) plan), the remaining volume of grain must be carried by waterways and roads to and concentrated at Saigon Port and the Song Than Railroad Station. Afterward, the Vosko ships which have carried goods from abroad to Saigon Port and delivered them there will be used to transport grain to Haiphong where this commodity will then be transferred to other places.
3. Railroad transportation from the Song Than to the Giap Bat Railroad Station must be organized possibly by creating the following types of trains: Trains with cars especially used in transporting bulk goods; train with cars equipped with cargo containing boxes; Trains with the existing number of freight cars; Mixed trains having both passenger and freight cars.

Transportation in the Mekong Delta provinces must be organized and cargo concentrating measures taken as follows:

--A project on rationally located purchase points must be drawn up (for each purchasing month) and coordinated with the building of a cluster of large granaries at the provincial level where there are mills, drying yards and a contingent of professional stevedores. Standards must be set for the grain to be purchased and the purchase price must include the cost of gas-line, oil and transportation. The implementation of this plan will help reduce intermediary transportation stages, loading and unloading efforts and negative practices and will make sure that paddy goes from the peasants' houses to the hand of the state. From these granaries, the cargo owning organs will use the principal means and the provincial public transportation forces to carry the cargo to and regroup it at harbor warehouses.

--Cargo owners must assume responsibility for the grain quality standards and the waste and loss percentage according to provisional regulation No 636 of 1 December 1981.

--The signing of contracts, the shipping and receipt procedures, the method of packing in bags and the loading and unloading norms for each type of means must conform to interministerial circular No 8 of 1 January 1982 of the Ministry of Communications and Transportation and the Ministry of Food.

--The Ministry of Food must assume responsibility for delivering and concentrating the cargo according to the interministerial circular issued by the Ministries of Communications and Transportation, National Defense and Food.

--The Ministry of Communications and Transportation must assume responsibility for providing means and organizing the transportation of the cargo volume indicated in the contract.

--The provincial Communications and Transportation and Food Services are responsible for delivering the cargo to the central level according to the state plan norms.

Following are our suggestions:

--It is necessary to change the grain purchase structure and to shift from a form of purchase of an administrative supply nature to one of a more profound economic accounting character.

--Purchasing locations must be planned rationally.

--The weighing system must be revamped, the packing problem solved and the waste and loss rate fixed.

--It is necessary to strengthen the material and technical bases of the river and ocean shipping network in North and South Vietnam, to build and transform the ports of Long Xuyen, Can Tho, Do Che, Pha Den, A Lu and Dap Cau, to dredge the Dinh An and Ninh Co estuaries and the riverbeds in Bac Bo, to mechanize loading and unloading and to build a fleet of river and ocean-going ships.

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END