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27 September 1984

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VICTORIA GOVERNMENT, ALCOA RESUME ALUMINUM PROJECT

\$1.1 Billion Deal Detailed

Canberra THE AUSTRALIAN in English 1 Aug 84 pp 1, 2

[Article by John Lyons]

[Text]

AUSTRALIA'S economic recovery and standing in the international business world was given a huge boost yesterday when the Victorian Government and Alcoa of Australia announced the go-ahead of the mothballed \$1150 million aluminium smelter at Portland in western Victoria.

The Victorian Premier, Mr Cain, and the chairman of Alcoa, Sir Arvi Parbo, said that an agreement had been reached leading to the immediate resumption of construction of the project, which will be Australia's largest and most sophisticated aluminium smelter.

Under the agreement, one of the largest financial deals in Australian corporate history:

ALCOA will take a 45 per cent equity share in the project, the Victorian Government 25 per cent, and the remaining 30 per cent will be available to other equity partners.

THE total cost to the Government will be about \$400 million.

THE smelter will pay a fluctuating price for power, tied to world aluminium markets to keep it competitive during price slumps.

THE State Electricity Commission will receive \$130 million compensation for power it has not sold to the project

while it has been mothballed.

It is believed that one of South Korea's manufacturing and trading giants, Hyundai Corporation, has taken 10 per cent of the remaining equity — and has already signed for it, according to Mr Cain and Sir Arvi, under a Heads of Agreement.

Mr Cain and Sir Arvi said at a joint press conference that during the peak construction year, the Australian gross domestic product would be increased by \$352 million and about 6200 jobs created throughout Australia.

When the first stage of the smelter became operational in November 1986, direct employment would be provided for about 1000 people, and there would be a significant multiplier effect in feeder industries, the generating of exports, the boosting of the value of total Australian production and a strengthening of Australia's balance of trade.

The project, mothballed in July 1982 after the Cain Government and Alcoa reached a stalemate over the pricing of power to the project, will proceed with an electricity tariff of 2.669c a kilowatt hour for the 1984-85 financial year, but this will fluctuate as quarterly adjustments are made in line with world aluminium prices.

The tariff arrangements will apply for 30 years.

Sir Arvi said that features of the agreement on the electric-

ity tariff — which include a base and a flexible component — reflected a new approach for the world aluminium industry.

The base component reflected the cost of supply of electricity to the smelter from the Loy Yang power station, including transmission costs. The flexible component meant that the price would fluctuate over the shorter term as adjustments were made.

The effect of this would be that when the aluminium market was buoyant the smelter would be paying a relatively high price by world standards, but it would be profitable because of the price for its product.

When the aluminium market was in a slump, as in 1982, when prices dropped to below \$900 a tonne, the smelter would be paying a lower price by world standards.

Sir Arvi said that this would enable it to keep operating without shedding employment, because the lower price would give it a competitive advantage.

The State Government will receive its 25 per cent equity in return for an entry payment of \$40 million, in addition to a pro-rata payment of about \$205 million over the next four years to complete the smelter. The Government estimates that its total financial involvement in the smelter should earn a real rate of return of 9 to 15 per cent.

The agreement is for a two-potline smelter with an annual rated capacity of 300,000 tonnes of aluminium. The first potline is expected to be completed by November 1986, and the second by July 1988.

Sir Arvi said the smelter would use the most advanced technology in the world and that this would make it 10 per cent more productive than originally anticipated without increasing the capital cost.

The agreement also includes an "interruptability clause" — expected to become a feature of such government-private industry deals in Australia in future.

Under the clause, the SEC can interrupt supply to the smelter for periods of no more than two hours a day, no more

than five hours a week and no more than 50 hours a year.

An allowance of .034c a kw/h, on June 1982 prices, will be deducted from the tariff, reflecting the value to the SEC of this arrangement.

Mr Cain and Sir Arvi said that in line with the policy of both the Government and Alcoa, the agreement had been negotiated without electricity subsidies or artificial prices.

The agreement provides base tariffs for both the Portland smelter and Alcoa's existing Point Henry smelter.

These are based on the smelters' share of the cost of electricity produced from the Loy Yang power station, plus all transmission costs.

They include the required 4 per cent real rate return to the SEC on investments in power stations and transmission lines.

Alcoa executives said they expected to recoup their investment in the project within 15 years.

The agreement also includes a "fall back" provision — if no third partner is found, which both parties said was highly unlikely, Alcoa would be prepared to take up to 60 per cent equity and the State Government 40 per cent.

This contingency plan, which would be implemented if a third party is not found by June 30, 1985, was essential to ensure that construction began as early as possible.

At present, the price of aluminium is about \$US1225 per tonne. Government officials have estimated that at least \$US1750 will be the average price per tonne over the 30-year life of the project.

Sir Arvi said that Alcoa's largest market for its aluminium was likely to be South-East Asia. The Victorian Government has targeted East Asia, the United States and Europe as its most likely markets.

The total cost to the Victorian Government will be about \$400 million at present prices. This includes the \$205 million equity and \$40 million entry price to cover the Government's share of assets already constructed.

Alcoa has already injected about \$330 million into the project.

A surprise element of the agreement was that the Government has agreed to give full compensation to the SEC for the net cost of deferral of the smelter. It is likely that this payment will be \$130 to \$160 million at December 1983 prices.

The SEC will receive an estimated \$148 million a year in extra revenue when the smelter is fully operational.

Mr Cain said the complex tariff agreement had been reached on the basis that the State already had a de facto investment in the smelter through the Loy Yang power station and the transmission line to Portland, estimated to have cost the Government about \$280 million, and that Alcoa had already invested considerable sums at Portland.

Mr Cain said that in that sense the tariff reflected the risk-sharing nature of the project. "It is important for the State to generate the target rate of return from Loy Yang, which would be difficult without the smelter. Of course, Alcoa also wants to minimise its risk in the project, and this is achieved by the flexible tariff."

The Victorian Government's contribution will be met mainly by borrowings in domestic or international capital markets, and will be inde-

pendent of the Loan Council.

Mr Cain said the World Bank recently published a report on the aluminium smelting industry which supported the judgment that Australia was well placed to provide competitive advantages for the aluminium smelting industry. He said the Government would receive its alumina share from Alcoa's refinery in south-west Western Australia.

The Leader of State Opposition, Mr Kennett, welcomed the announcement that the project would recommence, but said the statements released by the Government raised a number of questions about public equity, costs to the taxpayer and potential revenue and accountability.

Mr Kennett demanded that legislation to protect the taxpayers' interests in the Government's involvement and investment be introduced in the first week of the next sitting of Parliament.

He said the 25-month delay had destroyed investment confidence in Victoria, sent many people bankrupt in the Portland area and damaged many families and investors who had "hung on" in Portland.

### 'Bad News for Japanese Producers'

Melbourne THE AGE in English 2 Aug 84 p 21

[Article by Michael Gill]

[Text]

The decision to recommence at Portland was bad news for Japanese aluminium producers, according to a high level Tokyo source.

"Nowadays, we are thinking in the short term," he said. "And even the prospect of Portland going ahead was dampening metal prices."

"But I guess it's good news for the people of Australia. The long range view is quite reasonable."

The base power price, he said, would put Portland in a favorable position internationally — citing the US Bonneville Power Administration price of 2.68 cents a kilowatt hour. (The Portland base is

2.669 cents a Kwh.)

In documents released by the State Government and Alcoa, marketing emphasis has been on Japan, East Asia generally, the US and Europe.

Pointing to Portland's prospects, he said that 1987 Japanese demand was put at 2 million tonnes of primary metal. (Portland is due to start in 1986.) Of that, 750,000 tonnes would come from Japanese equity in existing projects. Another 540,000 tonnes would come from long-term contracts. About 300,000 tonnes, possibly less, would be smelted in Japan. Which leaves about 400,000 tonnes to come in spot purchases or new contracts.

Further down the track, 1990 demand is forecast at 2.3 million tonnes. Of that, 1.43 million tonnes is committed through equity and contracts. The rest — 870,000 tonnes — would come from local smelting, spot and new contract arrangements.

Portland will begin at 150,000 tonnes a year and add the same amount in 1988 when the second potline comes in.

"Spot metal is always a space for long-term contracts," the sources said. "We try to eliminate spot buying because prices are so volatile — but it is always necessary to have some element in spot buying so as to keep the link with market changes."

As an indication of the difference, he cited recent Japanese

buying. "Our latest spot offer is \$US1235 a tonne," he said. "But customs figures show average import prices in June at \$1513 a tonne. In May, the figure was \$1513."

A further permutation is the difference between imports from developing countries and industrialised countries. June imports from LDCs averaged \$1556 a tonne, while OECD countries supplied at \$1473.

The difference is that exports from developed countries are based on a mixture of long-term contracts based on historically low costs and sales from swing suppliers. LDCs are generally exporting from newer plant with higher operating and capital costs and cheap raw materials.

### Editorial Hails 'Clever Move'

Canberra THE AUSTRALIAN in English 1 Aug 84 p 10

[Editorial: "Neat Compromise on Alcoa Smelter"]

[Text]

THE conclusion of a deal between the Victorian Government and Alcoa which will see the \$1.15 billion aluminium smelter project at Portland go ahead is good news for the heavy engineering industry, and good news for the economy generally.

However, the length of time which the project has taken to get going is disturbing. In December 1981, as Opposition Leader, Mr Cain had severely castigated the previous government for, in his words, "dithering" over the issue for three years. His Government, however, has taken 25 months to bring the project to go-ahead point.

Undoubtedly the negotiations, and the issues involved, were both complex and difficult — involving hundreds of meetings between the Victorian Government, the State Electricity Commission and Alcoa.

This care is understandable, given the financial stakes involved. The project is likely to generate \$17 billion over 20 years, with \$8 billion being spent in Victoria.

However, in projects like this, governments and companies always have different priorities, and the length of time the project has taken to

get under way shows the difficulty often experienced when government involves itself in commerce.

Nonetheless, the final form of the agreement, especially that relating to the central issue of what price Alcoa will pay for electricity, is an innovative attempt to promote commercial considerations, while also providing security for both the Government and the companies.

Initially, Alcoa will pay 2.669c per kilowatt hour. However, when the project is fully operational, the charge for electricity will vary according to the world price of aluminium.

This is a clever move. By tying the price of electricity to the world price of aluminium, rather than any local factor, the Cain Government will encourage Alcoa to maintain maximum international competitiveness.

Thus, the all too familiar syndrome of local factors being allowed to increase costs so a firm becomes uncompetitive internationally, and then has to rely on ever increasing levels of government assistance to keep it afloat, is avoided. At the same time, the main cost factor is directly

related to the international market  
and the firm's ability to pay.

This should impose some self  
discipline on the whole community,  
which will be aware that the smelter is  
not just an endless pot of gold, to be  
milked for whatever we can get out of  
it, but that it needs to remain truly  
competitive. Such self discipline is to  
be warmly encouraged.

CSO: 4200/999

ARTICLE REPORTS RAPID GROWTH OF ANTINUCLEAR PARTY

Canberra THE AUSTRALIAN in English 4-5 Aug 84 p 3

[Article by Sandra McGrath and Jane Button]

[Text]

IT IS only 48 days old. It has no buttons. No T-shirts. No color scheme. Not even a slogan. But the Nuclear Disarmament Party is growing rapidly, with registrations pouring into branches all over the country, according to its organisers.

Ms Janet Kenny, public relations officer for the Sydney branch and an ex-opera singer, says that the response is quite overwhelming.

"We realise that a single-issue party is normally an absurdity", she said yesterday, "but we feel that the absurdity of the somnambulant reaction to the present crisis by our leaders, who have only given token attention to the issue, is so much more absurd that we are forced to take this dramatic course."

Ms Kenny said the party had so far attracted professionals and people in the arts. The Nobel Prize-winning novelist Patrick White unofficially launched it on Thursday with a scathing attack on the Prime Minister, Mr Hawke, for his pro-uranium stand. The author described Mr Hawke as "screaming from under his cockatoo hairdo the platitudes he has got by heart".

Ms Kenny is not prepared to be drawn into any discussion

on the effect the new party will have on future elections. She does say, however, that it is not a question of people defecting from the ALP: "The ALP have defected from the people. We are filling a gap they all have left."

Ms Kenny notes that there are advantages in being a single-issue party. In her view it allows people of all philosophies to concentrate on the paramount problem — the survival of the earth.

The organisation has grown so quickly that Ms Kenny says she is still uncertain of the membership

The founding father of the NDP, Dr Michael Denbrough, a fellow in the Department of Medicine and Clinical Science at the John Curtin School of Medical Research, called the party's first meeting on June 17 in Canberra.

He said that that night the party adopted a platform. The platform is single-minded, and its main aspects all relate to preventing nuclear proliferation.

The party will not be giving its preferences along party lines. It will support candidates or sitting members on the criterion that they support the anti-nuclear movement.

COMPANIES SELECTED TO BID ON REGIONAL PATROL BOATS

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Jul 84 p 113

[Text] The Australian Government has agreed to the selection of 13 companies to be invited to tender for the development of a Pacific Patrol Boat.

An invitation was made to Australian shipbuilders in October 1983 to register interest in the development of such a craft, designed to meet the needs of Regional States for an effective surveillance vessel. The Minister for Defence Support, Mr. Brian Howe, said a total of 47 companies had responded to the invitation. Mr. Howe's department will be responsible in due course for issuing tenders for the project.

The Minister for Defence, Mr. Gordon Scholes, said that since the project was announced at the South Pacific Forum in late 1983, a general design concept for the vessel had been developed and Forum members were now completing details of their requirements. Mr. Scholes said that the surveillance, operational, maintenance and support requirements of the island States would be taken into account in the patrol boat's final design, to be provided under Australia's Defence Co-operation Programme.

'The Australian Government recognises the importance of this project to Regional States', Mr Scholes noted. The management of the project would be unusually complex owing to the number of countries likely to be involved.

'We will do everything possible to ensure that the requirements of individual countries will be satisfied in a single basic design', Mr Scholes stated. When all participating countries had been consulted, the patrol boat's specifications could be

completed.

Mr. Howe said that when these requirements had been met, his department would issue a request for tender to the 13 selected companies based in Queensland, New South Wales, Victoria, Western Australia and the ACT.

He said that the selected companies had demonstrated a capability to design and build a vessel which would be easy to operate, simple to maintain and cheap to run. What was wanted was a total project approach involving the provision of documentation, spare parts, technical support and training as well as the supply of the patrol boats.

Many other Australian companies would become involved in the project as sub-contractors to the successful tenderer. The project was a demonstration of the faith that the Government had in the capability and future of the Australian shipbuilding industry and would contribute to providing employment and maintaining shipbuilding skills in Australia. It was hoped that the project would also create new sales opportunities for the Australian shipbuilding industry. Mr Howe commented.

The following companies were named as those to be invited to tender for the Pacific Patrol Boat project:

- Needham-Clark Associates
- Vickers Cockatoo Dockyard Pty Ltd
- Bundeng Shipyard & Services
- Carrington Slipways Pty Ltd
- NQEA
- EMS Holdings Pty Ltd

- Project 150 Consortium
- NSW State Dockyard
- Eglo Engineering Pty Ltd
- Aust Shipbuilding Industries
- Ocean Shipyards
- Lloyds Ships Pty Ltd
- Shoreline Engineering Pty Ltd

CSO: 4200/999

# TRADE UNIONIST CALLS FOR CER RENEGOTIATION

Christchurch THE PRESS in English 2 Aug 84 p 2

[Text]

A leading Australian trade unionist has called for the urgent renegotiation of the Closer Economic Relations agreement between New Zealand and Australia.

Mr John Halfpenny, who represents Australia's largest trade union, the 180,000-member Amalgamated Metals, Foundry, and Shipwrights' Union, made his plea in Christchurch yesterday at the annual conference of the New Zealand Engineers' Union.

Mr. Halfpenny said that C.E.R. had the potential to turn New Zealand into "a Third World reprocessing zone," with a depressed and dependent economy.

The development paths of New Zealand and Australia were at a crossroads, and a choice had to be made between co-operation or competition.

"Workers and the unions are told that the only way to guarantee their future is to be competitive. If we fall for such a confidence trick, workers will not be the winners," he said.

C.E.R. was put in place by two conservative Governments to suit the interests of their conservative supporters. It was not in the interests of the workers of either country, Mr Halfpenny said.

It was important, he said, that trade unions on both sides of the Tasman co-operated to ensure that workers were the winners

and employers the losers.

Mr Halfpenny said he was concerned about a report that up to 250 Australian investment proposals could create 30,000 jobs in New Zealand. Such moves might mean the loss of 30,000 jobs in Australia and lead to a serious conflict of interest between the two countries.

Labour victories in the Australian and New Zealand General Elections showed "a decisive rejection of some of the most evil political forces in the region."

In a reference to the nuclear-free zone issue, Mr Halfpenny said he was pleased that the New Zealand Labour Government was standing firm on its policies, rather than seeking ways to avoid commitments once elected.

Australia's post-election economic summit, on which a proposed New Zealand summit is expected to be modelled, legitimised the right of trade unions to have a powerful say in decision-making, he said.

It recognised that the trade union movement should be given some responsibility for the development of policies which might ease the burdens of recession on workers.

However, he described as totally unacceptable assertions that the trade union movement or workers take any responsibility for the recession.

# POSSIBLE DISCONTINUATION OF BIMAS PROGRAM EXPLORED

Jakarta BUSINESS NEWS in English 3 Aug 84 p 3

[Text]

President Soeharto has asked the Agriculture Department and other institutions to explore the possibility of ending the implementation of the Bimas (mass guidance) program in the production of paddy in 1985, Minister of Information Harmoko told reporters after attending a cabinet meeting on Ekuin (economic, financial and industrial affairs) at Bina Graha here Wednesday.

The production of paddy in Indonesia has continued to increase thanks to the implementation of the Inmas (mass intensification) and Insus (special intensification) programs, the minister pointed out. The production of paddy is projected to reach around 25.057 million tons this year, an increase of around 4.5 percent over the production reached last year, according to Harmoko.

The President stated at the cabinet meeting that the expansion of rice production was thanks to the awareness of the farmers in the implementation of intensification programs. Therefore, the realization of the intensification program must be stepped up in the future, the Head of Government revealed.

He pointed to the lessening in the number of farmers involved in the implementation of the Bimas program. It indicates that the farmers have been able to possess and use production means, he explained. For farmers who still need assistance, the government will provide aid through KUD (village unit cooperatives), he continued.

At the meeting, Minister of Agriculture Ir. Achmad Affandi reported the realisation of intensification programs on ricefields as well as secondary crop and horticultural plantations during the 1984 planting season.

Concerning the production of sugar, Affandi reported that the production of granulated sugar per hectare of sugarcane plantations was up this year. In this connection, President Soeharto suggested greater attention to the implementation of the sugarcane planting system, particularly for 1985 and 1986.

Touching on cement, Harmoko said it was reported at the meeting that the procurement of cement for August & September was sufficient. The consumption & export of cement are projected respectively at 921,800 tons and 50,000 tons in August & 847,000 tons and 32,000 tons in September.

The procurement of Urea and ZA fertilizer as well as paper is also sufficient, according to Harmoko. Concerning the supply of writing books, particularly for elementary schools, Harmoko said it was handled by the Department of Internal Affairs, together with the Department of Industry and the Department of Education & Culture.

ABOLITION OF : All direct levies imposed  
LEVIES by the provincial administrations on 11 commodities will be abolished from October 1, 1984. The 11 commodities comprise rubber, palm oil, rattan, coffee, shrimp, tuna fish, cakalang fish, corn, dry cassava, plywood and sawn timber.

The decision to abolish the levies is contained in the letter of the minister of home affairs No.48, dated July 31, 1984, according to Harmoko.

In this connection, Home Minister Supardjo Rustam has called on all provincial governors to stop all levies not stipulated under regulations of the provincial administrations. He also ordered all provincial administrations not to collect retribution levies. The instruction to stop all other levies, including contribu

tion levies, by the provincial administrations has been effective since July 31, 1984.

Such a decision has been taken by the home minister based on the view that the collection of levies by the provincial administrations is one of factors hindering the promotion of non-oil/gas exports, Harmoko said.

Referring to money supply in Indonesia, Harmoko disclosed it stood at Rp. 8.448 trillion in July this year. According to data obtained from BPS (Central Bureau of Statistics), Indonesia's export revenue and import value in July reached US\$ 1,557.8 million and US\$ 1,450 million respectively.

Thus Indonesia's balance of trade in July this year showed a surplus of US\$ 107.8 million, the information minister pointed out.

CSO: 4200/996

# DEVELOPMENT OF CENTRAL KALIMANTAN DESCRIBED

Jakarta BUSINESS NEWS in English 1 Aug 84 pp 5, 6

[Text]

Lack of communication and transportation facilities and lack of manpower are among factors hindering development efforts in the Central Kalimantan province. Apart from that, the unavailability of complete basic data on the condition and potential of areas has caused the provincial administration to face difficulties in working out development planning.

Surveys that have been conducted in Central Kalimantan have not been able to be used to prepare an integrated & oriented program. Transportation and communication problems faced by the Central Kalimantan administration are mainly due to the fact that the province has a lot of rivers and swamps.

According to the Central Kalimantan administration, the province is in bad need of skilled as well as unskilled workers for the application of technology suitable to areas in the province. The population density in Central Kalimantan was 6.8 per km<sup>2</sup> in 1982.

Development efforts in Central Kalimantan is emphasized on the economic sector, with priority given to the agricultural field and the industrial field, particularly industries which process raw materials into ready-made or half-finished goods.

To cope with difficulties in carrying out development activities in Central Kalimantan, the provincial administration has divided the province into four development areas.

- The four development areas comprise:
- The west development area with Pangkajene as the centre. This area covers Kelai, Arut, Lamandau and Kumai river basins. The main activities given attention in that area include the development of food plants, plantations for commodities, fish breeding, forestry, multifarious industries and small industries. Kumai is the main sea-port of the west development area. The sub-centres of that development area are Kumai, Sukamara, Nanga Bulik, Kotawaringin Lama and Bali Riam.
  - The South development area with Sampit as the centre. The area covers Seruyan and Mentaya river basins. Development activities in that area are emphasized on forestry, plantations, livestock breeding, mining, small industries and base metal industries. The South development area is more populated compared with other areas in the province. Sampit is the main sea-port of the area. Kuala Pembuang, Parenggean, Kuala Kuayan, Kota Besi and Samudra are sub-centres for that development region.
  - The central development region with Palangkaraya as the centre. The area covers Sebangau, Katingan, Kahayan & Kapuas river basins. Development activities in that area are emphasized on food and commodity plantations, fishery, livestock breeding and industries. That area is relatively more densely populated. Palangkaraya, the capital of the Central Kalimantan province, has better transportation and communication facilities. That area has three sea-ports, namely Pulang Pisau, Kuala Kapuas and Pegatan. Sub-centres in that development region consist of Kuala Kapuas, Pegatan, Kasongan, Tumbang Samba, Kuala Kurun & Tewah.
  - The east development area with Buntok as the centre and Puruk Cahu, Muara Tegeh, Tamiang Layang, Ambang and Janamas as the sub-centres. Covering Barito river basin, that area is expected to develop with activities emphasized on food and commodity plantations, livestock breeding, forestry and multifarious

ous industries.

The private sector has developed rapidly in Central Kalimantan. At the end of 1983, Central Kalimantan had 97 domestic investment (PMDN) companies with total capital amounting to Rp 115,702,668,244, compared with only six PMDN companies with investments totalling Rp 2,402,730,924. The 97 PMDN companies employed 17,408 persons, including 497 expatriates.

Besides the 97 PMDN companies, the province had 16 foreign investment (PMA) companies at the end of 1983, with total investments amounting to US\$. 66,101,286. The 16 PMA companies employed 6,965 persons, including 310 expatriates. Those PMDN and PMA companies have up to the present time still operated in the forestry, plantation and industrial fields. Around 93.7 percent of those domestic & foreign investments are found in the forestry and wood processing industry.

The world economic recession has caused the fall of exports from Central Kalimantan, both in volume and value. Non oil/gas exports from Central Kalimantan had continued to increase up to 1980, but began to fall again in 1981.

Central Kalimantan's revenue from non-oil/gas exports reached the highest amount of US\$ 275 million in 1980 & dropped to US\$ 185.5 million in 1981 & fell further to US\$ 132 million in 1982. But thanks to the world economic recovery, the value of non-oil/gas exports from Central Kalimantan rose again to US\$ 160 million in 1983.

## POSSIBLE DISCONTINUATION OF CHEAP CREDITS EXAMINED

Jakarta BUSINESS NEWS in English 13 Aug 84 p 2

[Editorial]

[Text]

The provision of cheap credits constitutes an important part of the government policy so far to assist the growth of the weak business group and low income people, and in this way to reduce the gap between the rich and the poor. But before long, we have noticed a development in recent years that can create doubt with regard to the justifiability of this policy. The President lately instructed the Minister of Agriculture etc. to examine the possibility of abolishing the Bimas credit package, and giving more priority to the realisation of In-mas programs (without credits). This is because of the accumulating Bimas credit backlogs. Similarly, the State Minister for Public Housing Affairs has struck the idea to collect housing instalments door to door, in view of the considerably increasing credit arrears in this field as well.

Such voices are naturally inseparable from the fact that the government capacity to provide such cheap credits as Bimas and housing ownership credits has been greatly reduced as a result of the drop in oil revenues since March 1983. Let alone the shadow of possible recurrence of oil price fluctuations these weeks — though in the last few days the oil prices have calmed down a bit — the granting of cheap credits means a burden that seems to get even more difficult for the state finances to bear.

When funds from oil exports were still abundant, the backlogs in the repayment of these cheap credits could easily be considered "the price one must pay" in the effort to uplift the living standards of the weak economic group. Though the objective of educating this group to enhance their business-like attitude and discipline has right from the start been stressed, in reality if they fail to repay these debts, they are most likely to be just ignored.

Such an approach in essence even undermines the endeavour to implant discipline on the part of the low income group. Because the credit recipients originally pledged to repay the debts, but when the credits are due they are just left without fulfilling their obligation. Hardest hit in this approach are in fact credit recipients observing discipline and obedience, as if they were penalized, though they are not always better off. Possibly they have to work very hard to collect enough money for the repayment of Bimas or housing credits.

In view of this condition, the philosophy adopted in the effort to promote the welfare of the low income people probably has to be changed. It may be worthwhile to consider raising their living standards first, and this can be achieved by injecting the purchasing power into the low income group without expecting to recover the funds spent. Only later, when their wellbeing has slightly improved, can the provision of credits be resumed, but with a higher degree of discipline and strictness.

The problem is that, the injection to increase the purchasing power of the low income bracket can only be realised on a far narrower scale compared with the case when funds are provided in the form of credits that are further expected to be repaid. But nevertheless things will get clearer, and we should unnecessarily face the fact that obedient people are even victimized by dishonest ones.

The greater part of our development efforts involves the upholding of norms and values. The credit affair is no exception.

# COUNTRY TO PULL OUT OF ASEAN JOINT VENTURE

Kuala Lumpur BUSINESS TIMES in English 21 Jul 84 p 2

[Text]

BANGKOK, July 20

INDONESIA will withdraw from the frit venture under the Asean Industrial Joint Venture Scheme.

Chairman of the organising committee of the Asean Chamber of Commerce and Industry Chavarat Charnvirakul said the Indonesian announcement, made at a meeting of the Working Group on Industrial Cooperation on Tuesday, was a surprise since the project had been approved by the Asean economic ministers meeting in Jakarta in May.

Under the project, Indonesia and Malaysia were to hold 10 per cent equity each, Thailand 31 per cent and the third countries 49 per cent.

According to Mr Chavarat, the project would produce frit, a partly-fused substance widely

used in the production of ceramics.

The Indonesian representative told the Asean-CCI meeting of WGIC that his country could not locate the company which intended to join the project, although it had been submitted to the Asean Committee on Industry, Minerals and Energy meeting in Jakarta in May.

Mr Chavarat said Malaysia and Thailand will have to take over Indonesia's share in the project after its withdrawal.

Asean's main suppliers for frit are Japan, the United States and Europe. Thailand alone imports about 12,000 tons of frit annually.

Meanwhile, a paper prepared by Malaysia on the proposal to establish Asean technology

transfer centres has been referred back to the WGIC for fuller study.

The WGIC will report back to the Asean-CCI after determining the extent to which the idea of establishing such centres to promote indigenous technology and expertise among member countries could be implemented.

This was disclosed by Asean-CCI secretary-general Chris Walaen at the end of the 23rd Asean-CCI Council meeting here which was opened by Thai Prime Minister Gen. Prem Tinsulanonda on Tuesday.

The one-day meeting received reports from the WGIC and two other working groups, on trade (WGT) and food, agriculture and forestry, which held their plenary meetings over the last three

days, on matters requiring action.

Mr Walaen said the council accepted the paper but agreed to refer it back to the WGIC as it was a big project which would require government assistance and funds.

"This is a project we need most and it will benefit all of us," he added.

The council also agreed to the proposal for a symposium on trade facilitation put up by the WGT. The symposium, to be held in Kuala Lumpur, will be funded by the United Nations Development Fund.

Following the opening ceremony, the National Chambers of Commerce and Industry of Brunei, the latest Asean member, was formally admitted to the Asean-CCI.

CSO: 4200/1001

# INDONESIA

## LNG PRODUCTION FIGURES

Jakarta BUSINESS NEWS in English 8 Aug 84 p 7

[Text] The production of liquefied natural gas (LNG) from the Arun and Badak LGN plants stood at 12,369,154 cu.m. in the first five months of this year, comprising 6,101,410 cu.m. from Arun and 6,258,744 cu.m. from Badak.

The production of LNG has continued to increase since 1981. It reached 19,372,433 cu.m. in 1981, 20,165,904 cu.m. in 1982, and 21,179,944 cu.m in 1983.

The details of the production of LNG from 1981 till May 1981 is as listed below:

| Year     | A R U N    |                     | B A D A K |                     | T O T A L  |                     |
|----------|------------|---------------------|-----------|---------------------|------------|---------------------|
|          | cu.m.      | 10 <sup>6</sup> BTU | cu.m.     | 10 <sup>6</sup> BTU | cu.m.      | 10 <sup>6</sup> BTU |
| 1981     | 10,517,838 | 255,457,249         | 8,854,595 | 209,411,172         | 19,372,433 | 464,868,421         |
| 1982     | 10,905,589 | 264,874,946         | 9,260,315 | 219,006,450         | 20,165,904 | 483,881,396         |
| 1983     | 11,454,256 | 278,200,970         | 9,725,688 | 230,012,521         | 21,179,944 | 508,213,491         |
| 1984:    |            |                     |           |                     |            |                     |
| January  | 1,300,773  | 31,520,420          | 1,135,971 | 26,886,073          | 2,436,744  | 58,406,501          |
| February | 1,218,230  | 29,520,253          | 1,335,946 | 31,619,080          | 2,554,176  | 61,139,333          |
| March    | 1,247,625  | 30,232,550          | 1,258,862 | 30,433,675          | 2,533,487  | 60,666,225          |
| April    | 1,241,605  | 30,156,094          | 1,426,373 | 33,733,718          | 3,667,978  | 63,889,812          |
| May      | 1,093,177  | 26,492,711          | 1,074,592 | 25,435,352          | 2,167,769  | 51,928,063          |
| Total    | 6,101,410  | 147,922,036         | 6,258,744 | 148,107,898         | 12,360,154 | 296,029,934         |

CSO: 4200/996

# EDITORIAL FAVORS TAX HOLIDAY FOR FOREIGN INVESTORS

Jakarta BUSINESS NEWS in English 1 Aug 84 p 3

[Editorial]

[Text]

Several factors are frequently linked with the reduced interest in foreign as well as domestic capital investments that has of late become press controversy. The most outstanding are the high interest rate -- especially for investment credits -- and the abolition of the tax holiday as an investment incentive.

The abolition of the tax holiday is contained in the new package of tax law, which reflects the policy that tax will not serve as a means to stimulate or hamper investments. Tax only constitutes an instrument to collect state receipts.

In the context of investments the law relies on the lowering of tax rates from the maximum of 45% to 35% as a main attraction. Therefore according to this package the tax holiday is no longer necessary. Based on the old system the tax holiday can vary between 2-6 years, depending on the locations of investments, the risks being faced, the sizes of investments are realised in very remote areas without infrastructure, the tax holiday can be added by one year.

In the explanations given by the Minister of Finance and his assistants concerning the new tax law, it is among others stated that in the long run the tax rate reduction will finally be more profitable than the tax holiday if the old tax based rate of 45% (for the corporate tax) is followed. It is because the tax

holiday is only enjoyed in the first years of operation, when investors generally still suffer losses and with this alone they indeed do not have to pay tax. Hence, so the argument goes, the tax holiday is not much significant to investors.

On the other hand, for a good number of investors the tax holiday is apparently still considered a very important incentive. Furthermore, they continue to enjoy the tax holiday in their neighbouring countries when they make investments there. The attraction of the tax holiday as an incentive is possibly more psychological in nature. But in economic activities such a psychological factor is not to be neglected, because in the final analysis it also determines the final decision whether or not to invest. The most famous example of this is that when the public expect inflation to happen, their behaviour will be such that inflation will actually take place. They will e.g. tend to buy up goods for fear of price hikes the next day, which increases demand and thus raises prices.

The figures and calculations presented by the Minister of Finance and his assistants to prove that the tax rate reduction eventually is more profitable than the tax holiday are certainly fairly well founded, though the situation seems to vary according to the field concerned. But if the tax holiday is really considered so important by would-be investors, and they become reluctant to make investments as a result, it may be necessary to also look at the argument from the reverse angle. It means that since in the first years, as shown by the government, investors do not pay tax because they still suffer losses, the government therefore will not lose too much if the tax holiday remains valid. This in fact may imply reduced tax receipts to the state treasury for quick yielding investments, as the tax holiday is granted together with the tax rate lowering. But the reduced tax receipts are still better than the reluc

tance on the part of would-be investors which seems to be due to the grip of the psychological factor. Because over the long term such reluctance will also reduce tax revenues, coupled with the other negative impacts that are more vulnerable, like the contraction of employment and so forth.

CS0: 4200/996

## RICE PROCUREMENT FIGURES

Jakarta BUSINESS NEWS in English 1 Aug 84 p 7.

[Text] The procurement of rice/un-husked rice in Indonesia for this year is expected to reach 2.5 million tons of rice equivalent till August-September this year. The realisation of rice/unhusked rice procurement up to July 23, 1984, had reached 1,064,463 tons of rice equivalent.

The realisation of rice/unhusked rice procurement in Java is still bigger than that outside Java. South Sulawesi and West Nusatenggara have so far been the biggest rice producers outside Java.

The contract for the procurement of rice/unhsuked rice in the country in 1984/85 is 2,383,290 tons of rice equivalent, as against 1,405,617 tons in 1983/84.

The contract and realization of rice/unhusked rice procurement in the first seven months of 1983/84 and the first seven months of 1984/1985 in various areas in Indonesia are as follows:

| PROVINCES/AREAS     | 1 9 8 3 / 1 9 8 4<br>(tons of rice equivalent) |             | 1 9 8 4 / 1 9 8 5<br>(tons of rice equivalent) |             |
|---------------------|------------------------------------------------|-------------|------------------------------------------------|-------------|
|                     | Contract                                       | Realisation | Contract                                       | Realisation |
| WEST JAVA           | 288,940                                        | 178,946     | 449,362                                        | 342,147     |
| CENTRAL JAVA        | 177,622                                        | 120,208     | 449,288                                        | 385,491     |
| YOGYAKARTA          | 8,795                                          | 5,693       | 34,790                                         | 30,753      |
| EAST JAVA           | 585,984                                        | 364,268     | 938,486                                        | 800,583     |
| THROUGHOUT JAVA     | 1,061,341                                      | 699,115     | 1,871,926                                      | 1,558,974   |
| ACEH SPECIAL REGION | 4,742                                          | 1,060       | 23,341                                         | 21,512      |
| NORTH SUMATRA       | 3,451                                          | 29          | 38,014                                         | 29,842      |
| SOUTH SUMATRA       | 9,304                                          | 6,827       | 28,145                                         | 27,931      |
| L A M P U N G       | 50,815                                         | 37,559      | 65,241                                         | 53,004      |
| SOUTH SULAWESI      | 88,785                                         | 50,698      | 174,651                                        | 148,027     |
| B A L I             | 44,368                                         | 20,941      | 39,680                                         | 28,470      |
| WEST NUSATENGARA    | 125,046                                        | 51,968      | 108,660                                        | 71,147      |
| TOTAL OTHER AREAS   | 17,765                                         | 3,954       | 33,632                                         | 25,556      |
| OUTSIDE JAVA        | 344,276                                        | 176,036     | 511,364                                        | 405,489     |
| INDONESIA           | 1,405,617                                      | 842,151     | 2,383,290                                      | 1,964,463   |

IRIAN JAYA: THE EAST TIMOR OF THE FUTURE

Sydney THE SYDNEY MORNING HERALD in English 28 Jul 84 p 13

[Article by Peter Hastings]

[Text]

This article is a shortened version of a paper given by Peter Hastings, the *Herald* Foreign Editor, to the Third Australian-Indonesian Conference at Griffith University, Brisbane, last week.

Indonesian and Australian politicians, academics and journalists attended the conference, jointly sponsored by the Australian and Indonesian governments. The first conference was held in Canberra in 1979 and the second in Bali last year.

Last week's conference debated Australian and Indonesian views on regional economic development, ASEAN, Vietnam and Kampuchea, the Pacific Community concept, "sanctimonious" Australian press attitudes towards Indonesia and the problem of Irian Jaya, possibly the East Timor of the future for many Australians.

The suggestion that Indonesia might achieve more by going slower in its *transmigrasi* programs was uncompromisingly rejected by the Indonesian delegation which maintained that it was essential to the process of Indonesian nation building.

The mood of the conference, while occasionally sharp, was better than that of the first conference in Canberra at which an Indonesian delegate described Australia as an "appendix in the abdominal cavity of South-East Asia. You don't know it's there until it hurts."

TO INDONESIA watchers it has been nothing short of remarkable that a half-dozen Irianese have not yet taken a powered canoe or small sailboat from Merauke, in South Irian Jaya, set out for Thursday Island, a mere 250 km away, and asked for permissive residence. It has not happened so far for various reasons, including the fact that historically the mixing of Irianese and other Indonesians, including Javanese, has been more successful in the south of the province than in the north. But political dissidents exist nevertheless and the question remains — if they came asking for asylum would they get it? The Australian Government would review any such request as a

political catastrophe. But if they were genuine refugees in fear of life or liberty there could be no question of returning them.

It could take time to establish whether they were genuine refugees. In the meantime the question of their return would rapidly become a major public issue, with no shortage of people savagely opposing their return, including some in Cabinet, one suspects.

Australia-Indonesia relations, barely limping along in the aftermath of the ALP East Timor debate, would nose dive again. This time it really would be serious. At the moment there is a stand-off between Jakarta and Canberra while each endeavours to forget the strains caused by the ALP's

narrowly passed resolution recognising East Timor as part of Indonesia.

While one hopes this disposes of East Timor as a bilateral issue once and for all, it is not the end of the emotions the subject arouses in many Australians across a wide spectrum of political opinion. These emotions would be likely to emerge again, far more fiercely, if Indonesia and Papua New Guinea had a stand-off over, say, the Irian Jaya-PNG border problem.

It is difficult to make Jakarta realise that Irian Jaya, especially as it affects PNG, could become the East Timor of the future for many in Australia. Jakarta's politicians do not properly appreciate PNG's large political constituency in Australia. A paternalistic interest has remained here which goes far beyond the war generation to the many thousands who have worked, and still work, in PNG's administration, business, hospitals, schools, church missions and numerous other fields.

By the same token, few in Australia appreciate Indonesia's formidable problems in administering, developing and integrating Irian Jaya, culturally and politically, into the republic. It is not helped in that task by uninformed and exaggerated Australian media reports, or frequently hysterical ones in the Port Moresby press. A recent sample headline read: Murder of 200,000 in Irian Jaya.

Some of the blame for this lies with Jakarta. Few Australian journalists are allowed in to report on the province. As far as I know, not a single PNG journalist has been allowed in. As a result reporters have tended in the past to concentrate on whatever they can pick up, no matter how wild or exaggerated, from PNG border stations like Amenab or Wutung.

None of this denies the disturbing evidence of heavy-handed Indonesian policies which not only work against Indonesia's aims of integrating the province as harmoniously as possible but also against Indonesia's relations with PNG, Australia and the South-West Pacific.

Some of the trouble in Irian Jaya clearly lies with the administration. While it contains many good and dedicated men, it contains many who are not — disillusioned or corrupt *camats* (patrol officers), indifferent, time-serving departmental heads far from home and family, junior army officers and NCOs keen on making a fast buck in a godforsaken wilderness, Sukarno-period political has-beens who have learned nothing and forgotten nothing and neurotic remnants

of the late General Ali Moertopo's OPSUS (Indonesia's super-spy organisation) who at every turn see a threat to Indonesian sovereignty. Worst of all, perhaps, is the cultural distaste of the Javanese for the Melanesian.

Publicly, as at last week's third Australian-Indonesian Conference in Brisbane, Indonesians like to place major blame for the province's troubles on the OPM, a small group of perhaps 200 so-called guerillas, perhaps only 20 of them with firearms, split into small, frequently competing bands and operating along the PNG border.

Until recently their main area of activity was north of the central ranges. This year, for the first time, OPM members were able to operate effectively south of the main range causing more than half the record influx of 8,900 Irianese into PNG to come across from areas around Mindiptana and Tanahmerah.

Original OPM members largely comprised the Dutch-trained elite which went bush after Holland's departure from West New Guinea in 1963. They have all but disappeared. Many went to Holland. Many gave up. Others found life too hard in the bush and sought asylum in third countries.

Except that they carry arms, OPM members are young, disillusioned, political activists somewhat similar to those in Sumatra, Java or other parts of the republic. They see their struggle as an internal one. They do not look to Holland for help as did the early OPM. Evidence is growing that some of the more desperate are resorting to terrorism and extortion.

Though small in number, they have the capacity to terrorise border villagers either by taking, or threatening, direct action against them to dissuade them from co-operating with the Indonesians. This, and skirmishes between OPM members and Indonesian Army patrols or fear of Indonesian reprisals, cause the periodic movement of hundreds, recently thousands, of Irianese into PNG.

The OPM's great advantage has always been the ability of its members, when the going gets tough, to flee across the border to seek sanctuary in PNG in the knowledge that no PNG government will risk political unpopularity by chasing them back — not, in any case, an easy thing to do in densely jungled terrain.

To a large extent the OPM is only as good as the Irianese resentment it feeds on. A major cause of Irianese fear

generally, and an underlying cause of the record number of crossings this year, is more than likely the effects of the *transmigrasi* program.

Between 60,000 and 70,000 TM (*transmigrasi*), mainly Javanese, are in numerous settlements in the Birds Head, the north coast and around Jayapura and Merauke. One settlement, Koya-Arso, is right on the border.

At the end of the fourth Five-Year Plan in 1989, Indonesia hopes to move 136,000 TM families, about 544,000 people, into mixed settlements in Irian Jaya. On past performance, the goal of half a million is unrealistic.

But even if half that number is settled in the province during the next four to five years, the impact on Melanesian culture and the Melanesian land tenure system will be shattering no matter how much expert care is taken implementing the program.

Land alone poses problems enough. About 3,000 hectares are required for every 500 people. About 700,000 hectares have already been alienated from Melanesian owners without compensation. In 1989 this will amount to between 1.5 to 3.2 million hectares.

Given Irian Jaya's generally poor soils, steep slopes and swampy terrain this is a far larger area than the figure suggests. Moreover, Melanesian land owners are not paid compensation as the Indonesian view maintains that development of roads, schools and crops is compensation in itself. The failure to pay compensation, even if a reasonable case can be made, must nevertheless create severe tensions in a traditional Melanesian society.

The main purpose of TM is allegedly to help relieve pressure on Java's huge population of 92 million. This is largely delusory because at least 20 million or more would have to move to make any real effect. TM certainly makes a difference to the individual peasants who move. For the first time in their lives they own their land.

TM's positive aspects are clear. It improves Irianese living standards, teaches them technological farming skills and furthers their national integration, creating in them the sense of being Indonesian, of belonging to the great and varied Indonesian family. But questions can be asked about the effectiveness of TM programs.

In the first place TM settlements are designed to integrate non-Irianese (mainly Javanese) and Irianese. President Soeharto has directed that each farming settlement must contain 25 per

cent Irianese. But where do you get them? It will take a generation to make rice farmers or fruit growers out of subsistence, shifting agriculturalists like the Melanesian.

Moreover, under the Five-Year Plan 81,000 families, about 324,000 people, will be moved during the next four to five years into new settlements in Jayapura and Merauke districts both of which are close to the border. The political implications of so many Javanese, or even half the number, being settled close to PNG are alarming, even allowing for the positive aspects of TM programs.

At question is whether the rapid growth of the settlements and their culturally distorting effect on the Irianese will not prove counter-productive. Many Indonesians working in Irian Jaya, including the Commanding General, Sembiring Meliala, think so and have called for a rethink of the program.

The increasing number of settlements, with their implied threat to land and culture, leads to increased sympathy for the OPM, even though its numbers are small, to acts of civil disobedience and to the growth of Irianese nationalism — such as the murdered Arnold Ap represented — rather than to a sense of being both Indonesian and Melanesian which is the most desirable end from all points of view and not least Papua New Guinea's and Australia's.

The fear of being culturally swamped, as well as culturally despised, is an important, underlying motive, among others, for the 1,000 Irianese border-crossers in camp near Vanimo in PNG. These people are different from traditional crossers. They include better-educated Irianese who are members of the Indonesian police force, army and civil service. One or two are teachers from the school system and one, Tom Ireuw, a former close friend of Arnold Ap's, is an academic from Cenderawasih University. Significantly they come from a number of Irian Jaya centres, not just Jayapura.

Some are the only Irianese who can be genuinely called refugees. They do not like the system and will not live under it. Border villagers tend to reflect these attitudes because they are exploited by the OPM. Indonesian Army activities often do not help and the result has been this year's massive number of crossings.

The most explosive aspect of the problem is the effect on PNG, which Jakarta needs to watch. While PNG at last appears to be taking a stand on the repatriation of border crossers and seems willing to take action against OPM rebels, the Government in Port Moresby is restricted by PNG's endemic, widespread anti-Indonesian feeling.

If Indonesian policies in Irian Jaya, especially its *transmigrasi* policies, continue, the result will be increased border problems and a further hardening of anti-Indonesian feelings. This is likely to result in the defeat of any government like Mr Somare's, which has shown itself far more ready than its predecessor, under Sir Julius Chan, or an alternative government under Mr Iambakey Okuk, to understand Indonesia's problems. Indonesia needs the Somare Government.

If border pressures and increasing numbers of border crossers cause PNG to become politically destabilised, it would have political and defence implications for Australia. It would, in fact, affect the whole region.

**I**t would concern New Zealand, whose new Labour Government will take a far more radical view of neighbourhood events than Sir Robert Muldoon's. New Zealand has considerable influence in PNG and in the South Pacific Forum and its views will carry considerable weight with the small forum countries which, although

mini-states, have votes in world and regional organisations and already view Indonesia's Irian Jaya policies unfavourably.

Potential anti-Indonesian feelings are not restricted to the independent island countries. New Caledonia's Kanaks, bargaining for their independence with the French, might follow the lead of Vanuatu's Melanesian leaders and come to see Irian Jaya in terms of a colonial struggle.

One should not underestimate the capacity of Indonesians to rethink policies and, when they have to, change them. I believe Jakarta is rethinking its Irian Jaya strategies and programs. But, as an old Indonesian friend put it, this will take time like an ocean liner takes time to change course. But by reason of its contiguity, size and resources, Indonesia knows it has a constructive role to play in the South-West Pacific and not least in relation to its Melanesian neighbours.

The course that relationship takes depends to a large degree on how it handles its relations with PNG. This in turn depends to a large degree on the course of events in Irian Jaya.

Jakarta needs to remember that Irian Jaya is not East Timor. The Timorese have no border to cross and must eventually come to terms with their future as part of the Indonesian Republic. Unlike the Timorese, the Irianese can "vote with their feet" for they have a border they can cross.

## LPG PRODUCTION FIGURES

Jakarta BUSINESS NEWS in English 10 Aug 84 p 8

[Text] The production of liquefied petroleum gas (LPG) in Indonesia reached 377,486 tons in the first five months of this year, with the Ardjuna field as the biggest producer, followed by the Santan and Cilacap fields respectively as the second and third producers.

The production of LPG from six productive fields in Indonesia stood at 514,198 tons in 1983, showing an increase compared with 468,508 tons in 1982 and a decline as against 560,358 tons in 1981, the highest production so far.

The table of LPG production from 1981 till May 1984 is as follows: (ton)

| Y e a r   | P r o d u c t i v       f i e l d s |        |            |         |         |         | Total   |
|-----------|-------------------------------------|--------|------------|---------|---------|---------|---------|
|           | Rantau                              | Mundu  | Sei Gerong | Arjuna  | Santan  | Cilacap |         |
| 1981      | 15,255                              | 25,589 | 39,550     | 369,135 | 110,829 | -       | 560,358 |
| 1982      | 19,195                              | 16,675 | 36,199     | 296,074 | 100,365 | -       | 468,508 |
| 1983      | 16,421                              | 24,333 | 36,986     | 331,835 | 94,401  | 10,222  | 514,198 |
| 1984 :    |                                     |        |            |         |         |         |         |
| January   | 1,291                               | 2,115  | 2,974      | 44,086  | 20,011  | 7,512   | 77,989  |
| February  | 598                                 | 2,017  | 2,218      | 48,694  | 19,500  | 6,758   | 79,786  |
| March     | 1,100                               | 1,694  | 3,144      | 57,035  | 18,742  | 8,227   | 89,942  |
| April     | 1,782                               | 2,134  | 1,426      | 49,933  | *)      | 7,892   | 63,167  |
| May       | 1,625                               | 1,715  | 4,079      | 47,997  | *)      | 11,186  | 66,602  |
| T o t a l | 6,396                               | 9,675  | 13,841     | 247,746 | 58,253  | 41,575  | 377,486 |

\*) Not yet quoted.

CSO: 4200/996

PRIVATE BANKS TO JOIN EXTENDING CREDITS TO FARMERS

Jakarta BUSINESS NEWS in English 13 Aug 84 p 5.

[Text]

Private banks are included in the extension of credits to farmers in the realization of the intensification program and Bank Indonesia provides funds to help private banks which need money to be supplied to farmers.

The maximum funds provided by Bank Indonesia for private banks participating in the extension of intensification credits is 75 percent, and the remaining 25% to 30% should be made available by the private banks concerned, Ir. Dudung Abdul Adjid of the Bimas Supervisory Board disclosed here recently.

The government will continue to arouse the interest of private banks in participating in the extension of credits to farmers taking part in the intensification program, according to Abdul Adjid. He pointed out that one of difficulties in the extension of intensification credits was that private banks generally operated in big towns, whereas farmers, would be borrowers, lived in the villages.

It has been reported, however, that regional development banks have begun to participate in extension of intensification credits in the agricultural sector. These banks has given credits to farmers under KIK/KMKP (small investment/working capital credit) schemes.

CREDITS THROUGH : The government has supplied credits to farmers taking part in the Bimas program for paddy through KUDs (vil

lage unit cooperatives). The extension of credits to farmers through KUDS has been running since 1982 as a pilot project in five provinces in Java and Bali.

Seventy KUDs were involved in this pilot project in the 1982 planting season, and the number of KUDs involved soared to 500 in the 1982/83 planting season, but drastically fell to only 45 in the 1983 planting season and dropped further to only seven in the 1983/84 planting season.

The fall in the number of KUDs taking part in the pilot project is mainly due to the implementation of the June 1/1983 policy by the government, which stipulates more selective extension of credits. With the implementation of that policy, a lot of cooperatives have discontinued their involvement in the pilot project, Abdul Adjid explained.

Before the implementation of the June 1/1983 policy, KUDs received 3 percent of the interest of Bimas credits of 12% collected from farmers participating in the Bimas program. Part of the interest was then given to KUDs as incentive. But with the realization of the June 1, 1983 policy, no incentive is given to KUDs.

The government once initiated the extension of credits through farmer groups. In cooperation with the field agricultural guidance officials, farmer groups can submit applications for Bimas credits. The extension of Bimas credits through farmer groups has been running well in three consecutive years.

The production of rice is expected to increase to around 25 million tons this year, 82 percent of which is thanks to the realization of the intensification program, according to Abdul Adjid.

The realization of the intensification program on paddy covers an average of around 7 million ha a year, whereas paddy harvest all over the country more than 9 million ha.

The productivity of ricefields cultivated under the intensification program reaches 3 tons per ha, compared with only 1.5 tons/ha for non-intensification ricefields.

GRANTING OF GROUP CREDITS TO FISHERMEN WEIGHED

Jakarta BUSINESS NEWS in English 10 Aug 84 p 7

[Text]

President Soeharto has stressed the need to give credits to fishermen in groups to help them improve their welfare, Development Secretary Solihin GP disclosed after he met Vice President Umar Wira hadikusumah at the Merdeka Selatan State Palace here recently. The amount of credits, according to Solihin, is around Rp. 25 million to Rp 26 million for each group.

Fishermen have so far received credits under the KIK (small investment credit) scheme amounting to Rp 4 million and Rp 6 million. The modernisation of facilities to help fishermen under KIK credits has been satiated and the production of fish has become limited.

The decision to give bigger credits is aimed at helping fishermen increase their fish production by expanding their operational areas to the nusantara waters and exclusive economic zone (EEZ), according to Solihin. The expansion of the operational areas is also important for the conservation of coastal fishing grounds, he added.

The medium credits will be extended to fishermen who have paid off debts, and who have been able to increased their production. They are expected to be able to exploit the potential of fishing grounds in the Indonesian waters in view of the fact around 80% of the potential has not been utilized, he explained.

The modernization of facilities for traditional fishermen has been running smoothly and the supply of credits to traditional fishermen amounted to Rp 54 billion in 1983/84, exceeding the target of Rp 28 billion.

Concerning the realization of the presidential stipulation No. 39 to ban the operation of trawlers in the Indonesian waters, Solihin said it had much reduced the number of trawlers operating in the Indonesian waters.

Concerning the plan to abolish the Bimas (mass guidance) program on paddy, Solihin said the main target of the realisation of the program had been met, as the farmers concerned had been able to increase the productivity of their paddy fields. He admitted however that the productivity of farmland in Java needed further enhancement, particularly in view of the fact that the ownership of farmland by farmers in Java was at present at an average of only around 0.26 Ha.

On the occasion, the development secretary also reported to the Vice President the encouragement of the use of local products. The illegal imports of foreign products have hindered the effort to promote the use of local products, he said. He pointed out the issuance of special import permits did not support the campaign for the use of local products.

The Vice President gave directives to the development secretary for the eradication of all deviations to pave the way for the promote of the use of local products in Indonesia.

# CONSTRUCTION OF WADESLINTANG IRRIGATION PROJECT

Jakarta BUSINESS NEWS in English 10 Aug 84 pp 5, 6

[Text]

The construction of the Wadaslintang irrigation and hydropower project in central Java had been 30 percent completed up to the end of July this year. The project is also expected to support forest conservation as well as natural and environmental conservation.

The building of a diversion tunnel for the dam was completed recently & the construction of a diversion dam in the project is expected to be completed before the rainy season this year. The completion of the diversion dam will be followed by the construction of the main dam.

Minister of Public Works Ir. Suyono Sosrodarsono said when he opened the diversion tunnel to channel water from the location of the main dam earlier this month that the Wadaslintang dam was expected to irrigate around 31,000 ha of farmland in the Kebumén and Purworejo regencies. As a multipurpose project, the Wadaslintang dam, which is built on the Bedegolan river, will also generate electricity with a capacity of 2 x 8 MW.

Besides irrigating farmland & generating electricity, when completed the project will also function as a flood control project, support land and water resources conservation, provide drinking water, and boost the development of the fishery sub-sector in the surrounding areas. The multipurpose project, which is expected to be entirely completed by 1987, started with the rehabilitation of irrigation networks and drainage system in

1979, and the construction of the dam started in 1982.

The Wadaslintang project is one of projects for the development of river basins and water resources in the district of Kedu Selatan with the main purpose of securing the procurement of water for irrigation and for consumption in the district.

Apart from that, the construction of the Wadaslintang dam constitutes the continuation of the Sempor irrigation project, also in the Kedu Selatan district, which was completed in 1978. Altogether, the Sempor and Wadaslintang irrigation project will irrigate around 37,600 ha.

The two projects also include the generation of electricity. The construction of hydropower plants in the Sempor & Wadaslintang dam is now underway. When completed the Sempor and Wadaslintang hydropower plants will generate electricity with a capacity of 1 x 1.1 MW and 2 x 8 MW respectively.

In their function as flood control projects, the Sempor and Wadaslintang dam will prevent several areas in the Kedu Selatan district from routine floods during the rainy season and support the utilization of ponds in the Telomoyo and Wawar areas covering around 7,000 ha.

CSO: 4200/996

# CONSTRUCTION OF CIRATA POWER PLANT

Jakarta BUSINESS NEWS in English 8 Aug 84 p 9

[Text]

A project of hydropower plant with an underground power house now being handled in Cirata, Bandung regency, is the big gest such a project.

According to Cirata project leader Ir. Soetomo Siswamidjono, another big hydropower plant with underground power house is found in Iichi, Japan. The Cirata project is handled at a cost of US\$ 600 million, partly derived from the World Bank.

For the construction of the dam, some 442,750 m3 of stones are at present being removed from the Cantayan hill. Apart from that, 37,530 m3 of concrete liquid is needed to build the dam.

Turbines for power generation will be located in a power house around 100 m from the land surface. The underground power house will be 253 in length, 35 m in width and 50 in height.

In the first stage, four units of power turbines with a total capacity of 500 MW will be installed in the power house, and the capacity of the power plant will be installed in the power house, and the capacity of the power plant will be increased to 1,000 MW in the advanced stage.

For the vacation of land which will be inundated by water of a lake to be created by the dam, around 10.101 families in the Bandung, Purwakarta and Cianjur regencies have to be resettled in other places. Up to April this year, 1,283 families have been resettled.

RAILROAD SERVICE CAPACITY IN NORTH SUMATRA STEPPED UP

Jakarta BUSINESS NEWS in English 13 Aug 84 p 4

[Text]

The PJKA Indonesian state railways will continue the effort to further increase the loading capacity of trains in North Sumatera to countervail the increase in the production of plantation commodities as well as the development of other sectors in the province.

The spokesman of the North Sumatera PJKA disclosed in Medan recently that the North Sumatera PJKA would buy 250 units of new tanker coaches in Pelita IV (fourth five-year development plan) with a transport capacity of 27.4 tons each.

The chassis of the new tanker coaches are produced by PT. Industri Kereta Api, a railway industrial plant in Madiun, East Java. Some 200 units of the tanker coaches have been assembled by PT. Atmindo Medan in Medan, capital of the North Sumatera province.

Besides buying tanker coaches from PT. Industri Kereta Api Madiun, the North Sumatera PJKA has also ordered 187 units of various train coaches from Romania, each with a loading capacity of 27.5 to 30 tons. Those coaches will be used to transport mainly bulk commodities, such as cement and fertilizer.

To meet the need for more locomotives, the North Sumatera PJKA will buy 13 units of locomotives of large and medium types. Three out of six units of big-sized locomotives ordered by the North Sumatera PJKA have arrived in Medan, and the

remaining three units are expected to be delivered soon.

The North Sumatera PJKa at present operates 38 units of diesel locomotives of various sizes and types, 10 units of old steam locomotives, 34 passenger carriages, 246 freight wagons and lorries and 667 tanker coaches.

The railway transport of passenger and goods in North Sumatera reaches an average of 92% and 74% of the available capacity respectively.

CSO: 4200/997

BUKIT ASAM COAL MINE EXPANDS PRODUCTION CAPACITY

Jakarta BUSINESS NEWS in English 1 Aug 84 p 9

[Text]

PT. Tambang Batubara Bukit Asam, a coal mining company operating the Bukit Asam coal mine in South Sumatra is at present endeavouring to increase the production capacity of the coal mine from only 250,000 tons/year in 1983 to 2.5 million tons in 1986 and 6 million tons in 1989.

The expansion of the production capacity by PT Tambang Batubara Bukit Asam is the biggest ever done by a coal mining company in Indonesia. The purpose of the enhancement of the production capacity is to meet the need for thermal power plants in Indonesia for coal as an energy source, particularly for the Suralaya thermal power plant in Merak, West Java. The capacity of the Suralaya thermal power plant will be increased to 3,100 MW in 1989.

Around 2,000 workers with various skills are needed for the installation of equipment used in the expansion of the production capacity. Some 13,400 tons of mining equipment from West Germany and Japan has arrived at the Bukit Asam coal mine since June 1, 1984. The expansion project needs around 103,943 tons of mining equipment worth US\$ 139,857,571. A number of 600 persons, including 42 expatriates, are working in the project at present. Fifteen national private companies are involved in the handling of the project as sub-contractors.

The sending of steam coal to the Suralaya thermal power plant started in the beginning of this year. The first supply of steam coal to the plant came from Tan

jung Enim and was sent by train. Some 30,000 tons of steam coal will be sent to Suralaya from Tanjung Enim every month. Coal from Tanjung Enim will be used to operate unit I of the Suralaya thermal power plant which will be inaugurated in October this year. In the first stage, the power plant will operate with a capacity of 400 MW.

The domestic sales and exports of coal from the Bukit Asam coal mine stood at 107,904 tons. Coal production from Bukit Asam reached 122,548 tons during that period. The domestic sales and exports of coal from Bukit Asam last year stood at 178,028 tons, higher than that in the previous year.

CS0: 4200/996

## BRIEFS

NORTH SUMATRA'S COFFEE EXPORTS--The exports of coffee from North Sumatra in the first and second semester of this year stood at 21,015,095 tons, slightly below the quota of 22,719,512 tons allocated for that province in the same period. The destination of coffeee shipment from North Sumatra during that period consisted of 24 countries, according to data obtained from AEKI (Indonesian Association of Coffee Exporters). The North Sumatra branch of AEKI now has 42 members, around 12.5 percent of the number of coffee exporters registered as members of the association as a whole. Coffee exported from North Sumatra consists of Robusta coffee and Arabica coffee. Coffee exports from that province in the first quarter of 1983/84 reached 9,376,595 tons, below the quota of 11,010.822 tons. [Text] [Jakarta BUSINESS NEWS in English 1 Aug 84 p 4]

IRIAN JAYA PLANTATIONS OPEN--The opening of rubber plantations is given priority in Irian Jaya. Besides rubber plantations, oil palm plantations will also be opened on a large scale in that province. According to the Agriculture Department, preparation for the opening and development of rubber as well as oil palm plantations is at present underway in Irian Jaya. In the first stage, rubber and oil palm plantations will be opened soon in Kepala Burung (bird head) region, and from that region the plantations will be expanded to other areas in the province. The main purpose of developing plantations in Irian Jaya is improving the livelihood of the local people, beside increasing the production of export commodities. [Text] [Jakarta BUSINESS NEWS in English 1 Aug 84 p 6]

EAST JAVA'S INDUSTRIAL DEVELOPMENT--The value of production in the industrial sector in East Java continued to increase every year in Pelita III (1979/80-1983/84), reaching Rp 6 billion in the 1983/84 fiscal year. The industrial sector in this province created foreign exchange amounting to more than US\$ 700 million in 1983/84 and gave a total contribution of over Rp 2 billion to the gross regional domestic product in the same fiscal year. The head of the East Java Office of the Industry Department, Ir. HA Rachman Karim, said here recently that the East Java administration had initiated the development of basic industries in the province to reduce the dependence upon imports in the procurement of basic materials for industries. Thanks to the implementation of that policy, base chemical and base metal industries begin to grow rapidly in East Java. The amount of new investments in the sub-sector of multifarious manufacturing industries has increased by 20 to 60 percent this year compared

with that last year. In the sub-sector of small industries, East Java now has 940 units of small industrial centres with a number of 1,466,741 craftsmen/workers. [Text] [Jakarta BUSINESS NEWS in English 3 Aug 84 pp 7, 8]

PALM OIL EXPORTS--Indonesia's revenue from the exports of palm oil has been up and down since 1979. The earnings from palm oil exports reached US\$ 204.5 million in 1979, US\$. 254.7 million in 1980, US\$ 106.9 million in 1981, US\$ 96.2 million in 1982, US\$. 111.5 million in 1983 and US\$ 6.9 million in the first quarter of this year, according to data obtained from BPS (Central Bureau of Statistics). The volume of palm oil exports stood at 17,846 tons in the first quarter of this year, sharply declining compared with that in the corresponding period last year. [Text] [Jakarta BUSINESS NEWS in English 8 Aug 84 p 8]

MADURA OFF-SHORE OIL FIND--A new oil field has been struck in the off-shore area of Madura, around 2 miles north of the Sepulu island, Bangka lan regency, East Java, Governor of the East Java province Drs. Soeparmanto disclosed when he recieved the visiting South Korean Junior Minister of Energy & Natural Resources, Ki Bong Cho, here recently. The governor expressed the hope that the discovery would help the East Java people in the creation of more job opportunities now given serious attention by the East Java Administration. In connection with the finding of the new oil field, the Korean minister stated the hope that the East Java Administration would participate in solving problems that might be faced by the South Korean contractor, Kodele Energy Company Ltd, in the drilling of oil wells and installation of rigs and in the development of thenew oil field. [Text] [Jakarta BUSINESS NEWS in English 10 Aug 84 p 4]

EAST JAVA'S NONOIL EXPORTS UP--Exports of non-oil/gas commodities from East Java in the first semester of this year stood at US\$ 207 million, head of the East Java Trade Office Ir. Didi Ab dulrachman disclosed here recently. In 1983, East Java's revenue from non-oil/gas exports reached US\$ 325.3 million, showing a sharp increase as against US\$ 277.1 million in 1982. Thanks to the rupiah devaluation, East Java's non-oil/gas export earnings rose from US\$ 198.5 million in 1978 to US\$ 313 million in 1979. But in 1980, non-oil/gas exports from this province dropped to only US\$ 259.4 million. Non-oil/gas exports from East Java in Pelita II (1974/75-1978/79) covered an average of around 4.98% of national exports, and in Pelita III (1979/1980-1983/84), the percentage rose to 5.89%. [Text] [Jakarta BUSINESS NEWS in English 10 Aug 84 p 10]

CSO: 4200/998

## JOINT PANEL TO BOOST TRADE WITH AUSTRALIA

Kuala Lumpur BUSINESS TIMES in English 10 Aug 84 pp 1, 24

[Article by Charles Chan]

[Text]

MALAYSIA has agreed to an Australian proposal that the two countries set up a joint trade committee to strengthen trade ties and iron out any issues that might crop up.

This positive outcome of a one-and-a-half hour meeting Datuk Seri Dr Mahathir Mohamad had with the Australian Prime Minister Mr Bob Hawke clearly indicated that the two leaders were getting along well — and producing results in their efforts to strengthen bilateral relations.

Although details of the committee have yet to be worked out Mr Hawke made an official announcement of it in the evening at a dinner in honour of Dr Mahathir.

Yesterday's meeting between the two leaders was described as "very friendly and warm, business-like and satisfactory" by both Australian and Malaysian officials.

An Australian official said the two leaders have established close rapport, respected each other and were "fair dinkum" in their approach to resolving bilateral issues.

The Prime Minister had arrived in Canberra in a Malaysian Airline

System jet, which touched down at the Royal Australian Air Force base, where more than 100 Malaysians, including students and families, gave him a warm welcome.

Mr Hawke said he had suggested the committee so that there would be a formal mechanism for

the two countries to look into various issues and areas of trade cooperation.

He was deeply appreciative of Dr Mahathir's support. He said contacts of this kind would only be productive if they took place within a framework of adequate policy approaches at national level.

He indicated that Australia would pursue conducive open international trade and at its domestic level concentrate its resources on activities in which Australians were most productive.

Dr Mahathir's support for Mr Hawke's initiative was reciprocated by the Australian leader who responded positively to Dr Mahathir's request that Australia carries out a technical study into ways of lowering intra-island shipping cost.

Mr Hawke said Australia certainly had the expertise to carry out such a study and gave an assurance that it would

look into Dr Mahathir's request.

Dr Mahathir had broached the idea first at Port Moresby where he attended the Commonwealth Heads of Government Regional Meeting (Chogrm) and had a brief discussion with Mr Hawke.

He explained that intra-island shipping costs were too expensive. For example, shipping costs between Sabah and Port Klang were almost equal to that between Port Klang and New York.

Perhaps, he said, this could be because development of small-scale shipping in the islands had been neglected as shipping lines had concentrated on bulk carriers.

The two Prime Ministers also agreed that Australia and Malaysia should look into ways of increasing the share of their respective national lines in the carriage of goods in bilateral trade.

At present, ships owned by other countries dominated the carriage of goods between the two countries.

According to a Malaysian official the two Prime Ministers agreed that there should be a joint venture involving

Singapore to increase the shipping share of the countries.

Other subjects discussed at the meeting were:

■ THE possibility of Malaysia buying coal and iron from Australia. Negotiations on this were under way.

■ AUSTRALIA had agreed to drop the proposal to increase tariffs on Malaysian manufactured air conditioners.

■ THE two countries should look into the possibility of counter trade.

The progress made in trade discussions was matched by equally positive results in discussions on educational matters.

Mr Hawke agreed not to undertake any unilateral action regarding admission of foreign students into Australian universities.

This was because Australia values the presence of Malaysian students in the country.

Australia also raised the possibility of Malaysia expanding recognition to other universities in the country. At present, most Malaysian students were concentrated in Melbourne and Sydney.

CSO: 4200/1026

GOVERNMENT DENIES SUBSIDIZING TEXTILE EXPORTS

Kuala Lumpur BUSINESS TIMES in English 16 Aug 84 pp 1, 24

[Article by Khalid Jaafar]

[Text] There is no basis for allegations that Malaysian exports of textiles and garments to the United States are subsidised, Director of International Trade Division, Ministry of Trade and Industry Encik Asmat Kamaluddin, said yesterday. The ministry, he added, will refute such allegations.

Malaysia was among 13 developing countries alleged by the US textile manufacturers and workers of illegally subsidising textile exports. The other countries listed were Argentina, Colombia, Indonesia, Mexico, Panama, Peru, the Philippines, Portugal, Singapore, Sri Lanka, Thailand and Turkey.

Encik Asmat told Business Times that this was not the first time such a charge was made against Malaysia's exports to the U.S. Similar charges were levelled against the country in 1979.

Encik Asmat, however, said the ministry has yet to receive queries from the US Department of Commerce which was investigating the validity of the allegations filed by the American Textile Manufacturers Institute and two textile workers unions.

Industry sources also agreed that there was no basis for the allegations and said the move was aimed at protecting the interest of the US textile industry.

If the charges were upheld, textile imports from the countries listed would be subject to tariffs equal to the subsidised amount which, according to the charges, was 50 percent of the export volume of some of the products.

Business Times understands that the Malaysian Textile Manufacturers Association (MTMA) and officials of the Trade and Industry Ministry held several meetings this week to discuss appropriate action.

Sources said measures could include effort to defeat lobbies by the US textile industry to further reduce textile imports from developing countries.

Third World textile producing countries meeting in Karachi recently agreed to launch a campaign to end restriction imposed by industrialised nations on their exports. Eight of them signed a pact to establish the International Textiles and Clothing Bureau in Geneva.

Malaysia's textile industry was concerned over the move by the US to restrict textile imports as the US was the single largest buyer of Malaysian textile products.

Last year, the US imported about \$250 million worth of Malaysian textile products representing about 26 percent of the industry's total export value of about \$1 billion.

Increased protectionism on the part of the US could abort the recovery of the industry which experienced negative growth in the last three years. Among reasons identified for the negative growth was reduced demand as well as trade restriction from the importing countries such as the US.

The government was concerned with the decline of the industry which provides substantial employment within the manufacturing sector. Sixty two out of 300 textile companies which were members of MTMA employed about 40,000 workers representing about 13 percent of total manufacturing employment.

Up to 1980, textile was considered as one of the most successful industries. As measured by the index of industrial production, output of industry grew by more than 200 percent during the 1970-1980 period. This was equivalent to an annual growth rate of about 13 percent.

Over the same period, textile, clothing and footwear exports rose from \$40 million in 1970 to \$806 million in 1980. Adjusted for inflation over the decade, this was equivalent to an export growth of 169 percent overall and to an annual growth rate of 10.4 percent.

CSO: 4200/1026

EXPORTS UP, IMPORTS DOWN IN FIRST 4 MONTHS OF 1984

Kuala Lumpur BERITA HARIAN in Malay 24 Jul 84 p 8

[Text] In the first 4 months of this year the value of national exports rose to M\$11,824 million, up 24.4 percent from the M\$9,502 million recorded in the first 4 months of last year.

Minister of Finance Encik Daim Zainuddin said in a written message that the increase was due to the economic recovery of the industrial nations in North America and Western Europe.

Imports increased by only 3.2 percent, as compared with 12.6 percent in the first 4 months of last year.

Consequently, the national trade account shows a surplus of M\$1,657.5 million. In the same 4-month period last year it showed a deficit of M\$350.9 million.

In response to a question from Encik Karpal Singh (Democratic Action Party, Jelutong), the minister said that if the international recovery can be sustained this year then it is estimated that the national economy will continue to improve and a growth rate of 6.7 percent will be achieved this year.

Commercial imports will increase only 9.6 percent. This is less than the rate of increase experienced at the end of the 1970s and beginning of the 1980s, and is due to the reduction in government expenditures and the effect of past budgetary measures.

As a result of this growth, the nation will record a surplus of M\$3,700 million in its trade account this year.

The minister also said that latex production reached 410,763 metric tons in the first quarter, up 12 percent from the 365,620 metric tons produced in the first quarter of last year.

The output of the mining sector also increased with the production of crude oil reaching 451,608 barrels a day during the first 5 months, or 23 percent more than the 366,984 barrels a day produced in the corresponding period last year.

Factory production was up 11 percent during the same period and there was also an increase in activity in the construction sector.

The minister said that loans to the construction sector reached 6.4 percent in the first quarter of this year as compared to 5.3 percent in the same period last year.

It is estimated that the gross national product, which increased 5.8 percent last year, will increase 6.4 percent this year.

There has also been a gradual improvement in the national inflation rate. The inflation rate was 4.8 percent for the first 5 months of this year while the annual rate for 1980 was 9.7 percent.

These positive developments are the result of more careful management of national demand, of the government's budget and of national monetary policy. Also, the strengthening of the Malaysian dollar is checking imported inflation.

The minister said that despite the gradual recovery in the national economy, as compared to performance in 1982, the nation is still faced with a problem in its balance of payments, particularly in the area of invisible payments.

In 1983 the nation showed a deficit of M\$8,295 million in its invisible payments account and it is estimated that this figure will increase to M\$9,531 million in 1984.

With the improved performance of the trade sector this year, the deficit in the current account--after computation of invisible payments--is put at M\$5,800 million, which is somewhat less than the M\$6,700 million deficit of 1983.

The unfavorable position of the invisible payments account is attributed to an increase in payments for shipping and foreign operations and on the national debt.

Actions have been taken by the government to reduce these payments and other actions will be taken to ensure that the deficit is reduced even further.

It is believed that the satisfactory economic performance that has been achieved to date can be maintained, and that it may even be improved if the international economic recovery continues.

5458

CSO: 4213/264

OFFICIAL COMMENTS ON RELATIONS WITH COMMUNIST COUNTRIES

Kuala Lumpur BERITA HARIAN in Malay 21 Jul 84 p 3

[Text] The House of Representatives was told last night that as of now the government has no strong reason to sever diplomatic relations with any communist country.

Deputy Foreign Minister Encik Kadir Sheikh Fadzir said that one of the basic principles of Malaysia's foreign policy is to maintain good relations with all nations, regardless of their ideologies.

His comment was made in response to a question from the Barisan Nasional (National Front) member from Pasir Puteh, Wan Najib Wan Mohamad, who wanted to know if the government would sever diplomatic relations with a communist country if it had a bad impression of that country or vice versa.

In answer to a question from Wan Ibrahim Wan Abdullah, the Hamim (Hizbul Muslimin Malaysia) member from Pasir Mas, the deputy foreign minister said that Malaysia did indeed have diplomatic relations with Cuba.

And in answer to a question from the DAP (Democratic Action Party) member from Sandakan, Encik Fung Ket Wing, Encik Kadir said that the maintenance of diplomatic relations with communist states was consistent with Malaysia's non-aligned foreign policy.

"Even so, the government definitely does not recognize illegal regimes that are established with the support of foreign armies, such as Kampuchea and Afghanistan,

"The government does not encourage contact with the people of or visits to communist countries because of concern that unhealthy elements will use these contacts as an opportunity to act in a way that is not compatible with the security of our nation.

"And the government does not approve of uncontrolled contact with the people of the People's Republic of China because of that nation's continuing support of the Communist Party of Malaya," he added.

5458

CSO: 4213/264

## INVESTMENT CORPORATION ESTABLISHES PACIFIC REGION BRANCHES

Kuala Lumpur BUSINESS TIMES in English 15 Aug 84 p 1

[Text]

THE Malaysian Overseas Investment Corporation (MOIC) has established seven branches in the Pacific region as part of its moves to invest in developing countries.

Prime Minister Datuk Seri Dr Mahathir Mohamad who disclosed this here tonight said the corporation formed jointly by 13 companies in Malaysia after his return from an official trip to South Pacific countries some time ago was making satisfactory progress although it might be a bit slow in securing substantial investments.

The corporation had also signed a joint venture agreement for the building of a multi-storey hotel in Suva and was in the process of negotiating for the development of a tourist project in Papua New Guinea.

The Prime Minister was replying to questions raised during a dinner in his honour by the Asean-Australia Business Council here.

About 300 leading Australian businessmen, bankers and investors attended the dinner at a hotel.

He said the idea behind the setting up of the corporation was to promote better links with developing countries in the Pacific region as well as in other parts of the world, particularly in economic and trade matters.

"Although we are not an advanced country, we feel we have certain expertise and experience and we can contribute to the developing countries in the region in the interests of both," he said.

Datuk Seri Dr Mahathir made it clear that it was not the government's intention to encourage the corporation to invest in developed countries in the region such as Australia and New Zealand.

On his perception of Australia's role in the Asia-Pacific region, the Prime Minister said it was Malaysia's hope that being one of the two developed countries in the

area, Australia could provide the guidance to less developed countries while providing a good market for the products of these countries.

"If Australia is ready we will provide other supporting industries and in this way both countries will gain in terms of cost benefits," he said.

Datuk Seri Dr Mahathir also answered questions on Malaysia's Look East policy, the privatization concept and Australia's future role with regard to Asean.

To a question on whether he saw the possibility of Australia becoming an Asean member one day, given the present understanding between Australia and the regional grouping, the Prime Minister said he did not see the possibility of such a development.

"As it is now we have rejected applications from some developing countries in the region for membership of Asean." — Bernama

CSO: 4200/1026

## ESTATE WORKERS TO BE BROUGHT IN FROM INDONESIA

Kuala Lumpur BERITA HARIAN in Malay 18 Jul 84 p 4

[Text] Employers and estate owners will not be faced with the problem of finding workers when the Department of Immigration begins accepting applications from them for Indonesian workers. Applications will be accepted in the near future.

When Datuk Abdul Jabid Mohd. Don, the director general of the Department of Immigration, was contacted today he said that a special committee is now drafting regulations on the admission of Indonesian workers to Malaysia and that the regulations should be completed before the end of the year.

The regulations cover admission requirements, contractual obligations in Malaysia, qualifications that must be met, and place of employment.

He said that an announcement will be made when the regulations are completed and that estate owners can then submit applications to the Department of Immigration.

He said that each application will be carefully studied and that employers will be interviewed to ensure that the Indonesian workers they employ are treated fairly.

The workers will be brought into Malaysia to work on estates, particularly oil palm and rubber estates.

He said that the number of workers to be brought in will depend on existing needs and demand.

As was explained in the House of Representatives last night, the orderly importation of Indonesian labor is intended to prevent them from entering the country illegally, he said.

It is also intended to prevent the occurrence of undesirable situations, such as social problems and the oppression of workers, he added.

With regard to the illegal entry of Indonesian workers, he said that the Immigration Department is making a continuous effort to overcome the problem.

"Indonesian workers who are detained will be immediately sent back," he said. He added that last year some 16,000 Indonesian workers who entered the country illegally were sent home.

#### Beggars

Datuk Abdul Jabid also said that the Smuggling Prevention Unit is continuing to improve security along the Thai-Malaysia border in order to prevent the entry of beggars from Burma.

He said that the number of beggars entering Malaysia from that country was reduced after security controls were tightened.

The attitude of the Malaysian people is changing and they are no longer giving money to the beggars and are helping the government overcome the problem, he said.

He also said that as of now the Immigration Department does not believe that any one group is responsible for bringing the beggars into Malaysia.

5458

CSO: 4213/264

FORMER RELIGIOUS TEACHER DETAINED UNDER INTERNAL SECURITY ACT

Kuala Lumpur BERITA HARIAN in Malay 18 Jul 84 p 1

[Text] Ghazali bin Hasbullah, 43, who was once employed by the government as a teacher of religion at Sungai Choh, Serendah, Selangor, was detained today under the Internal Security Act (ISA) on suspicion of making defamatory statements capable of misleading the Muslim community.

According to an announcement issued by Bukit Aman Police Headquarters this afternoon, Ghazali frequently preaches in Selangor, the Federal Territory and Perak but is not active in any political party.

Ghazali was arrested early this morning at his house at Mile 34½, Jalan Kuala Kubu Baharu, Hulu Rasa, Selangor under Section 73 (1) of the ISA.

This is the fourth arrest this month under the act. Three leaders of the Pas (Islamic Party) Youth Council were arrested early last week.

Ghazali, who is better known as Ustaz [Religious Teacher] Ghazali, is from Sungai Sumun, Hutan Melintang, Teluk Intan, Perak and is a former teacher of religion.

According to the announcement, the statements made by Ghazali created doubts among and misled the Muslim community.

"The arrest was made as one means of preventing activities which can disrupt racial unity and harmony and also threaten public order and the security of the state," the announcement said.

On 9 May last Ghazali was arraigned before the Islamic Court in Ipoh on charges that he preached at the mosque in Kampung Manjoi Lama near Ipoh on 20 April without the permission of the Perak Islamic Affairs Council.

A trial date for that case has not yet been set.

5458

CSO: 4213/264

UNIVERSITY GRADUATES SHOULD CHANGE THEIR ATTITUDE

Kuala Lumpur BERITA HARIAN in Malay 21 Jul 84 p 8

[Editorial: "Unemployment Among University Graduates"]

[Text] The increase in the number of institutions of higher education in this country has resulted in an increase in the number of graduates produced each year. It was formerly the case that persons who graduated with degrees were sought out by employers, but the situation is different now. Many graduates are no longer able to choose the jobs they want, nor should they be able to do so, for the time has come for them to adopt a realistic attitude toward the changing conditions in the working world. If they do not change their attitude then it is they who will be faced with problems, or forced to remain jobless, and this too should not be.

This was the message contained in remarks made yesterday by the new minister of education, Datuk Abdullah Ahmad Badawi, when addressing the House of Representatives on the subject of unemployment among university graduates.

We must recognize that unemployment in this sector of the economy bears no relation to the degree an individual holds. University graduates must realize that some of them will be forced to remain jobless for some time, especially if they hope to find employment with the government.

The situation of today's graduates would be quite different if they did not depend so greatly on the public sector in their search for employment. They should look on the education they have received as a foundation that equips them to become pioneers in other sectors of employment. It would be better if they could go into business for themselves and use the knowledge they have acquired to create products needed by the public in daily life.

Their predisposition to become administrative or diplomatic officers in the government or executives in the private sector must be completely eliminated. Like it or not, we are forced to follow the course of developed nations, where the system of higher education does not provide graduates with a passport to hunt for high positions.

The authorities should not restrict the opportunity to enroll in universities even if their graduates who are unemployed. Rather, enrollment opportunities should be expanded so that the graduates that are produced will compete among themselves and thereby further develop their creative powers. Furthermore, a well-organized manpower planning program can reduce the number of graduates who are unemployed, but it would be impossible to eliminate unemployment in their ranks.

5458

CSO: 4213/264

## NEW COCOA GRADING SYSTEM STARTS

Kuala Lumpur BUSINESS TIMES in English 11 Aug 84 p 1

[Article by Ahiruddin Attan]

[Text]

EXPORTS of Malaysian cocoa will soon command more respect in the world market when the Standard Malaysian Cocoa (SMC) grading scheme is launched next week. Minister of Agriculture Encik Anwar bin Ibrahim will officiate the ceremony to launch the SMC next Thursday at Port Kelang's Cocoa Grading Centre.

With the scheme fully in operation, the present discrimination against Malaysian cocoa in the world market based on acidity and other quality considerations would have to be discontinued.

Presently Malaysian cocoa was being traded as fair average quality (FAQ) with varying specifications in overseas market. Hitherto it was graded as either "fair" or "average" in quality. This, together with the lack of standardised grading and packaging had denied Malaysian exporters the prices or the markets they deserved.

The grading scheme

was devised to improve the quality of Malaysian cocoa beans meant for export. The beans would be inspected and graded at three main points, Port Kelang, Pasir Gudang and Seberang Perai.

There would be two main grades of cocoa beans under the scheme, SMC One and SMC Two. The two would be further divided into A, B and C, depending on bean count. Another sub-group would be classified as the standard grade.

The beans would then be packed into bags of 62.5 kg for export. At this stage the beans were expected to be reasonably free from live insects, broken beans, alien matter, and fragments or waste, and contain less than 7.5 per cent moisture. A certificate of grade would be issued for each consignment.

The strict quality control means that the quality of Malaysian cocoa would be consistent and guaranteed. And looking

at the stiff competition in the international cocoa market, this guarantee was absolutely necessary so as to retain the much-deserved market and price.

It was learnt that the grading scheme had already been activated on a trial basis in Peninsular Malaysia. However, Sabah and Sarawak are yet to implement the scheme due to the lack of logistic and infrastructure facilities. Ironically, these two states account for 68 per cent of the total acreage under cocoa.

The cocoa industry would also be ensured of a continuous, strong and viable development with the government's decision to set up a National Cocoa Board in Sabah.

The board would take over research related to biological and agronomical aspects of cocoa currently being undertaken by the Malaysian Agricultural Research and Development Institute (MARDI). In addition, it would give emphasis to

control diseases and pests such as cocoa moth.

Attention would also be given to improving processing quality of cocoa to meet the requirements of consumers and to assist in market production. Besides that, the board would monitor market development, price trends and economic development that had a bearing on the overall planning and development of the cocoa industry in the country.

Cocoa is Malaysia's sixth largest export earner and has been developing considerably in the past few years. The country is expected to be one of the world's chief cocoa producers by 1988, with production expected to be in excess of 100,000 tonnes. Last year production was estimated at 54,000 tonnes. Total area under the crop covered 180,000 hectares last year, representing an annual increase of about 26 per cent over the previous decade.

## RUBBER TRADE MISSION TO EAST EUROPE PLANNED

Kuala Lumpur BUSINESS TIMES in English 11 Aug 84 p 1

[Article by Hardev Kaur]

[Text]

THE Malaysian Rubber Exchange and Licensing Board (MRELB) is organising two rubber trade missions this year, one to Eastern European countries and the other to East Asia.

The first mission, covering the USSR, Poland, Hungary and East Germany, is scheduled to leave in early September while the second to China, Japan and South Korea is scheduled from October to November.

Primary Industries Minister Datuk Leong Khee Seong said the mission to East Asia comprising members from the trade and various government bodies would be led by MRELB chairman Datuk Ahmad Sabki Jahidin.

The Minister pointed out that Eastern Europe had always been an important market for Malaysian natural rubber. In 1977, the USSR, Poland, Hungary and East Germany collectively imported 150,983 tonnes or 9.1 per cent of total Malaysian natural rubber

exports. However, this figure had dwindled to 114,631 tonnes or 7.3 per cent of total Malaysian natural rubber exports last year.

Datuk Leong said the average market share for Malaysian natural rubber in these four countries had also gone down from 47 per cent to 34 per cent during the same period due to aggressive competition from other countries.

As for the second mission Datuk Leong said that China had always been a "valued client" of Malaysia while South Korea had become a major consumer of Malaysian natural rubber in recent years.

Japan, too, had increased its offtake in 1983, thus becoming an important customer of Malaysian natural rubber.

The total direct exports of Malaysian natural rubber to these countries had increased from 196,900 tonnes or 11.9 per cent of total Malaysian natural rubber exports in

1977 to 280,000 tonnes or 18 per cent in 1983.

However, the average market share of Malaysian natural rubber to these countries had gone down from 41.3 per cent in 1977 to 38.9 per cent in 1983, due also to aggressive competition from other countries.

The main objective of the mission to these countries was to establish closer rapport with a view to foster more direct trade and restore Malaysian market share.

It was hoped that a long term contract could be signed when the trade mission meets the Chinese National Chemical Import and Export Corporation in Beijing.

Datuk Leong added that the mission would also take the opportunity to thrash out some trade matters with the South Korean and Japanese consumers.

In addition to the export promotional activities to be undertaken by the Exporters Advisory Services (EAS) parallel efforts would be made to

encourage sales on CIF terms and also the greater utilisation of Malaysian ocean ports.

While there is indication that more Malaysian rubber was being exported direct to the consumers through increasing usage of MRE contracts, most of the NR exported, however, were mainly sold on FOB terms.

Datuk Leong pointed out that the percentage of MRE contracts used in NR exports from Peninsular Malaysia had risen from 26.3 per cent in 1977 to 41.2 per cent last year. Exports of NR from Peninsular Malaysia on C&F terms accounted for 4.1 per cent of total exports in 1977, falling to 1.8 per cent in 1981, increased to five per cent in 1983.

Exports on CIF terms peaked in 1978, accounting for 11.1 per cent of total exports, but since then its share had declined to only 3.9 per cent last year.

AUSTRALIA INTERESTED IN MALAYSIAN RUBBER GOODS

Kuala Lumpur BUSINESS TIMES in English 10 Aug 84 p 1

[Text]

WHILE the world already looks to Malaysia for supplies of raw rubber, a recent trade mission to Australia has helped put Malaysia on the map as a supplier of manufactured rubber products.

Ten local companies, representing a cross-section of the Malaysian rubber manufacturing sector, visited Sydney, Melbourne and Perth in June.

A statement released by the Australian Senior Trade Commissioner in Kuala Lumpur said it was a fact-finding mission to the Australian market for most of the companies. For the Australians, it provided them a valuable opportunity to seek information on the capabilities of the Malaysian rubber industry.

The deputy director of the International Trade Division, Ministry of Trade and Industry, En-cik Abdul Aziz Kassim,

who led the Malaysian team, said the visit was to explore the term prospects in Australia for Malaysia's rubber-based industries.

He said that judging by the response, there was great potential that could be exploited. Presently, Malaysia's share of the market was between two and three per cent and this could be increased to between 10 and 15 per cent.

Displays of product samples ranging from rubber components for the motor vehicles, telecommunication, mining and manufacturing industries to rubber canvas footwear, rubber gloves and floor tiles were held in the three cities.

The centres were funded through the Australian Development Assistance Bureau, which helps developing countries market their products in Australia.

CSO: 4200/1026

## SEOUL BECOMING MAJOR OIL CUSTOMER

Kuala Lumpur BUSINESS TIMES in English 10 Aug 84 p 1

[Article by Adlin M. Zabri]

[Text]

SOUTH Korea, one of Asia's newly industrialised nation, is fast emerging as a major customer for Malaysia's crude petroleum. Efforts are being made to diversify its sources to reduce dependence on West Asian countries for oil.

Malaysia's commercial attache in Seoul, Encik Abdullah Sani Baharin, told *Business Times* in Kuala Lumpur that last year, Malaysia supplied 34 per cent of total oil imports to South Korea. In 1982, Malaysia's share was only 10.5 per cent.

According to statistics published in the latest issue of *Korea Newsreview*, South Korea imported 6.4 million barrels of oil worth US\$187.6 million (M\$431.48 million) from Malaysia during the first five months of this year.

This represented a 7.7 per cent rise compared with the corresponding period last year when South Korea imported 1.5 million barrels worth US\$45.2 million from Malaysia, accounting for 2.2 per cent of total oil imports.

South Korea imported an estimated 82.7 million barrels of oil worth US\$2.3 billion during the first five months of this year. Of this, 56 million barrels worth US\$1.5 billion were from West Asia.

The Malaysian export statistics do not mention South Korea as an importer of Malaysian oil. This could be because the country imports Malaysian oil through third countries such as Singapore.

Malaysia's Statistics Department figures indicate that during the first three months of this year,

Singapore was the leading importer with 902,115 tonnes worth \$514.5 million, followed by Japan with 478,908 tonnes worth \$272.7 million. Thailand was next, taking 365,764 tonnes worth \$208.5 million during the period.

It can be assumed that South Korea will undoubtedly become a major importer of Malaysia's oil, the others being Japan, US, Singapore, Thailand, New Zealand, Philippines and Australia. Encik Abdullah Sani agrees that the South Korean market provides great potential for Malaysia to diversify its market outlets in oil.

The move to increase oil imports from Malaysia was in line with the South Korean government's desire to reduce dependence on West Asian oil. The government's oil import diversi-

fication efforts would continue until a wider spectrum of oil resources were available to the nation.

Nevertheless, the increase should be of some interest to the local petroleum industry especially since the South Korean energy import bill for this year was expected to total US\$6.9 billion (M\$15.87 billion), a rise of 3.4 per cent over last year's expenditure.

In addition, the dependence ratio on imports of foreign energy resources was expected to increase 79.3 per cent by 1986, 84.7 per cent by 1991 and 91.5 per cent by the year 2001.

Apart from petroleum, South Korea's domestic demand for liquefied petroleum gas (LPG) and liquefied natural gas (LNG) was expected to rise steeply in the late 1980s.

REPORTAGE ON LABOR PARTY ANNUAL CONFERENCE RESOLUTIONS

Lange Reassurances on ANZUS

BK110130 Melbourne Overseas Service in English 0100 GMT 11 Sep 84

[Excerpts] New Zealand's prime minister, Mr Lange, has said his government will not implement a resolution passed by the ruling Labor Party's annual conference that would result in New Zealand's withdrawal from the ANZUS alliance with Australia and the United States.

The Labor conference adopted a resolution on Sunday, calling for New Zealand's withdrawal from all military exercises and alliances with nuclear powers. However, Mr Lange said yesterday it was not the declared policy of the Labor government or the Labor Party to make a unilateral withdrawal from ANZUS.

MP Comments on ANZUS

BK110619 Melbourne Overseas Service in English 0430 GMT 11 Sep 84

[Text] The visiting head of the New Zealand parliamentary select committee on foreign affairs has said that while New Zealand hoped to renegotiate the ANZUS Treaty following its ban on nuclear warships, the country has little to lose if ANZUS was abolished. ANZUS is the defense agreement linking Australia, New Zealand, and the United States.

(Helen Clark), who also chairs the Parliament's Disarmament Committee, said the New Zealand Government believed the United States would not regard the ban on nuclear warships visiting New Zealand ports as a complete rejection of ANZUS. She said the issue of American warships visiting New Zealand would not rate very highly as one of U.S. defense priorities.

(Helen Clark), who was invited to Australia by the Australian Labor Party, said ANZUS operated on the basis of mutual consultations between the three nations on defense matters rather than on the visible American defense presence near New Zealand's shores.

# New Party President's Views

BK071134 Hong Kong AFP in English 0641 GMT 7 Sep 84

[Text] Wellington, 7 Sep (AFP)--New Zealand's ruling Labour Party started its annual conference here today and seems set to endorse government policy banning visits from nuclear warships. The party's new president, Margaret Wilson, said in a television interview last night that the policy was not negotiable as "it was arrived at after many years of debate and discussion."

Moderates within the party support the ban on visits by nuclear armed and nuclear powered warships but want New Zealand to remain in the ANZUS alliance with Australia and the United States. ANZUS is not specially mentioned in any of the conference documents although several hard-liners among the 900 delegates are demanding big changes in New Zealand's defence commitments.

One motion called for the withdrawal of all New Zealand troops based in Singapore, while another aimed at the U.S. calls for New Zealand to withdraw from all military exercises involving nuclear powers. Nearly 1,500 troops from New Zealand, the United States and Australia will take part in a major exercise in New Zealand next month.

Prime Minister David Lange will discuss nuclear disarmament when he meets the foreign ministers of all the nuclear powers at the United Nations later this month. Mr Lange said today he had arranged the meetings to explain that his government's policy was anti-nuclear not anti-American.

CSO: 4200/1044

BISHOPS-BUSINESSMEN'S CONFERENCE URGES FIRING OF VER, OTHERS

Cebu City VISAYAN HERALD in English 26 Aug 84 pp 1, 4

[Text] Manila, Philippines (AP)--A group of businessmen and Catholic church leaders asked President Ferdinand E. Marcos to fire military officials responsible for protecting assassinated Benigno Aquino, and indicated they would include armed forces chief Gen. Fabian C. Ver.

In a letter dated July 5 but released only on Friday, the bishops-businessmen's conference told Marcos the dismissal of the officials along with the repeal of some of his martial law decrees "will go a long way toward "defusing" the mounting tension in our land."

The association said that irrespective of any possible military involvement in the Aug. 21, 1983 assassination, the officials should be removed because of their "gross incompetence" in preventing the killing of Aquino under military guard had caused Filipinos "untold sufferings" and undermined the country's economic and political stability.

The letter was signed by four bishop led by Cardinal Jaime Sin and six prominent Manila businessmen, including Marcos' former industry minister Vicente Paterno, who make up the association's executive committee.

Aquino was shot in the back of the head after soldiers arrested him at the Manila International Airport on his return from three years of voluntary exile in the United States.

The government claims he was shot by a communist hitman who was himself immediately killed by soldiers. Aquino's family says he was killed by a soldier in an alleged military conspiracy to rid Marcos of his strongest political rival.

A Marcos-appointed board investigating the assassination has ended its public hearings and is expected to announce its finding within a few weeks.

Attached to the letter was a stronger version of a resolution passed by the association's general assembly last January, recommending the dismissal of military officials responsible protecting Aquino.

While the aviation security command (AVSECOM) was given that task, the association noted that AVSECOM was directly under Ver. "The commander is responsible for what unit does or fails to do," the resolution said.

It added that it is only after the military officials are fired that "the people's confidence in responsible military leadership can be restored and the people's faith in the government's sense of justice be prevented from being seriously eroded."

Vicente Barrios, a bank president and a member of the association's executive committee, said in an interview the resolution was sent to Marcos only last month because the committee wanted to wait until after the May elections and it also took some time to reword the original resolution, which made no reference to Ver.

He said it was only coincidental that copies of the association's letter to Marcos were released to the press three days after the first anniversary of Aquino's death. He said they did not make an earlier disclosure "for reasons of protocol and courtesy."

"We have not received any response and after a month and a half we thought now would be a good time to let the public know," Barrios added.

CSO: 4200/1035

BULLETIN TODAY PUBLISHES SALONGA ARTICLE ON OPPOSITION

Manila BULLETIN TODAY in English 24, 26, 30, 31 Aug 84

[Series of articles by Jovito R. Salonga, Liberal Party president: "The State of the Democratic Opposition; a View of the Future"]

[24 Aug 84 p 7]

[Text]

**T**HE MAY 14, 1984 elections only served to confirm the split existing among the leaders of the democratic Opposition. As stated earlier, it was hoped that those who had signed the document, entitled "A Call for Meaningful Elections," published on Jan. 19, 1984, would stand by what they had demanded, and thus put strong pressure on Marcos to yield on at least two demands: the scrapping of Amendment 6 and the repeal of his most repressive decrees. But it was evident that the execution of the document was an expedient show of apparent unity, not an affirmation of a binding covenant. Had it been the latter, there was good basis for believing that Marcos might have yielded to pressure from various quarters, and this could have meant the initial dismantling of the authoritarian apparatus and the holding of truly meaningful elections to the Batasan.

To make matters worse, the two opposing camps — participationists and boycotters—continued their wrangling after the elections. In Metro Manila and other urban areas, Opposition candidates who won ridiculed those who boycotted, and those who lost blamed the boycotters for their defeat. When a little later, the official tally showed that the Opposition had won only around 60 seats, more or less, not the majority that the participation leaders had claimed they would get, some boycott leaders blamed the participationists for their naivete.

Actually, the debate had become moot: both sides were partly right and partly wrong. Boycotters were right in insisting that the elections would only give the US Government, under Reagan, the convenient excuse to justify increasing support to the Marcos government, thus deferring the collapse of the regime and prolonging the agonies

of our people. The post-election assurances delivered by U.N. Ambassador Jeane Kirkpatrick on May 30 to Marcos support this interpretation. Given Marcos' stubborn insistence to cling to his authoritarian powers despite his election "setback," the boycotters could be correct in contending that the new Batasan would not be too different from the old, except that there is now a bigger representation of the Opposition and a greater inclination on the part of some disgruntled KBL assemblymen to distance themselves from the Marcos regime. On the other hand, the fact that most qualified voters chose to cast their ballots on May 14 to express their repudiation of the Marcos authoritarian stand. It is also probable that the widespread frauds and terrorism that marred the elections more rapidly eroded the legitimacy of the regime than a boycott which, had it been widely adopted, would have

dampened the indignation of a defrauded citizenry.

The leaders of the boycott movement correctly point out that the momentum of the mass protests that might have led to the resignation or ouster of Marcos was derailed by the attention devoted to the May 14 elections. On the other hand, there is probably a growing concern on the part of the ruling clique over the potential coordination of Opposition initiatives in the Batasan with the series of mass demonstrations that began with the opening of classes in June 1984.

In any case, the severe economic crisis, the effects of which are being acutely felt by the overwhelming majority of the people, the bitterness and resentments generated in various places by the recently-concluded elections, and the public sense of injustice caused by the Aquino assassination, may well pose a grave threat to the stability

and viability of the Marcos regime.

How about the new Batasan?

Among the Opposition in the new Batasan there are undoubtedly those who feel that the leadership of the democratic Opposition has been transferred to their hands by virtue of the mandate of the people in their respective areas. In their view, perhaps, the situs of Opposition leadership is now in the Batasan. The validity of this view will depend less on the title of "Assemblyman" than on the function and accomplishments of the Assembly as a whole, the conduct and performance of the Opposition, their readiness and capacity to fulfill their pre-election promises, and their ability to translate the aspirations of our people into concrete realities. If the Batasan proves to be toothless, it will cease to

inspire hope, and our people will probably look for leadership beyond its halls. Individual performance and behaviour will shape the people's perception of the Opposition as a whole. If they refuse to yield their allegiance to Marcos and turn away from indefensible compromise, they could prove to many skeptics that the Batasan is no longer the rubber stamp it used to be. On the other hand, if a good number of Opposition representatives in the Batasan allow themselves to be corrupted, intimidated, or coerced by the Marcos regime, they would be a pathetic sight, indeed. As stated in our recent pre-election analysis:

*"They would be required to take their oath of loyalty to the martial law Constitution, invited to Malacañang for 'state functions' and other activities, wined and dined,*

*and, on some occasions, offered the so-called Imelda envelopes. In the desire to preserve their political base, some will be sorely tempted to beg Marcos or his ministers for appointments of their proteges and relatives. A bankrupt regime, now about to fade away, will promise them public works allocations or some kind of concession. Others may be pressed to change their party affiliation. By any standard, this is not the kind of Opposition lawmakers our people demand in a time of grave national crisis."\**

The electorate will expect Opposition assemblymen to take the first steps to cause the repeal of Amendment 6 and the repressive decrees of Marcos which they had talked about during the campaign. If they can do more than this, and get a majority of those in the Batasan to support them in the move to impeach Marcos, not

merely file a resolution to impeach with 40 signatures, their claim to leadership will be vindicated. This is a big task, but it is one that can advance the unity of the entire democratic Opposition in the Philippines.

In the latter part of June 1984, a KBL caucus nominated 68-year-old Assemblyman Nicanor Yñiguez as Batasan Speaker. Yñiguez comes from Southern Leyte and is considered "one of the closest confidants of both President Marcos and the First Lady (MM, June 29, 1984). Yñiguez and Marcos were classmates in the UP College of Law, are fraternity brothers (Upsilon), and were together in Congress for many years. Since the end of the Pacific War, Yñiguez has been the law partner of Roberto Benedicto, Marcos' closest crony.

(To be continued)

[26 Aug 84 p 7]

[Text]

On its part, the Opposition representation in the Batasan chose former Speaker, now Assemblyman Jose B. Laurel Jr., 72, as Minority Floor Leader. Like Yñiguez and Benedicto, Laurel is Marcos' fraternity brother, and had been the latter's key supporter before martial law. By Laurel's own account, it was at his instigation that Marcos jumped from the Liberal Party to the Nacionalista Party in 1964, despite the objections of NP bigwigs such as Amang Rodriguez, Gil Puyat, and Arturo Tolentino. "Indirectly," Laurel says, "I delivered the country into the grips of martial

rule." In 1978, it was also he (Laurel) who "suggested to President Marcos to create an umbrella organization to incorporate political parties such as Laurel's NP. This umbrella came to be known as the KBL." (MM, June 29, 1984). Yñiguez describes his relationship with the Minority Floor Leader of the Opposition "We're practically brothers." (Ibid.)

Whether the cause of the entire Opposition in the Philippines will be promoted or seriously damaged by this web of deep, interlocking relationships so important in Philippine political culture remains to be seen.

This brings us to the essential question of unity.

All Opposition groups want "change" and are apparently united on dislodging Marcos from power. All of them attack the Marcos regime for its record of corruption, cronyism, repressiveness, violations of human rights, and extravagance. But there is little else that unites them. They differ in their view of what is basically wrong with Philippine society, and consequently, in their programs of government.

Many pre-martial law politicians only want to replace Marcos without tackling the root causes

of massive poverty, social injustices, and undue dependence on external forces. By and large, businessmen and their allies believe that clean government, support of IMF-World Bank policies, and collaboration with the United States, would mean the restoration of "freedom and democracy."

On the other hand, nationalists believe that ousting or causing the resignation of Marcos is not enough; the social and economic underpinnings that brought Marcos to power should be exposed and dealt with—including not only our chronic poverty and sense of powerlessness, but also the econo-

mic dependence of our people, and their subordination to the interests and priorities of the metropolitan powers and their institutions. They seek freedom and democracy not for a few at the top, but for the many poor and dispossessed at the bottom of the heap.

Business groups and their corps of technocrats feel they know what ails the nation. In their view, they know the programs that should be adopted by an efficient, no-nonsense government. Progressives and nationalists have their own conception of what should be done to get the nation on the move, but they prefer to submit their program to the people, whose active participation and support they covet, from the stage of planning to the phase of execution, and even afterwards.

But even the nationalists and progressives are apparently divided: one group seeks a democratic, pluralist society, where different views and ideologies may compete; another group seeks to establish the predominance of only one ideology.

Religious leaders assail the Marcos regime for its immoral acts, its corruption, extravagance, brutality, and lack of regard for human rights; but, as a rule, they prefer to leave to others the more complex problems of government and the building of a just and sustainable society.

All these groups have diverse views on armed struggle. The left advocates it as the principal method of achieving its objectives; businessmen are loathe to talk about it; traditional politicians and nationalists are divided on it; many church leaders are against it, except in the

context of a "long-standing tyranny" and under the conditions laid down by St. Thomas Aquinas.

Perhaps, the various Opposition movements and groups can initially contribute to the cause of unity by clarifying and restating their goals, their vision of what Philippine society should be, and their respective programs of government. Hopefully—apart from calling and working for the resignation or removal of Marcos—they can earnestly find new areas of agreement, widen them, and build a working alliance on that basis, subject to the understanding that on fundamental areas of disagreement, the ultimate decision lies with the people. The greater part of the difficulty is in the clash of competing ambitions, personalities, and wills. How to overcome this is a herculean task—but it has to be done if the Opposition is to deserve and keep the people's mandate. If the groups comprising the Opposition do not get their act together, they may unseat Marcos but, in time, they will meet the same fate as the Janata in India—the massive repudiation of the people.

Although various Opposition parties and groups are planning and positioning themselves for the 1986 local elections and the 1987 presidential elections (which could conceivably come earlier), there is no certainty that these will be held as scheduled, given the many imponderables, including the uncertainty about Marcos' staying power, the viability of his regime, and the gravity of the interlocking crises.

In viewing the foreseeable future, there are

certain tentative assumptions that may be made:

1. The US Government prefers a smooth, peaceful transition, primarily to protect its security and business interests. Unless presented with a fait accompli, it will support an orderly transition on the basis of the January 1984 amendment. Whatever the "mix" between military and economic assistance, Congress will most likely provide the aid called for in the 1983 Reagan-Marcos agreement, at least for the first year or more, in light of prevailing circumstances.

2. By and large, the military—anti-Communist, pro-US and Ilocano-dominated—wants to preserve its martial law powers and privileges, and will probably take steps to insure that the system which allowed it to assume a paramount role is continued.

3. The international banking and financing community, led by the IMF-World Bank, which now enjoys a dominant role in Philippine economy, will prefer a successor that adheres to its views and programs and will project its interests;

4. The Palace ruling clique—close relatives, cronies, and trusted associates of Marcos—will endeavor to remain in power and resist all attempts to hold them accountable for the acts they committed during the Marcos dictatorship.

5. Opposition personalities who are not against the maintenance of US bases in the Philippines and welcome foreign investments, with as little regulation as possible, may be considered "possible alternatives" by the US Government and its institutions. Nationalists

and progressives who stand for a truly independent Philippines and an authentic democracy for the greater bulk of our people may be opposed and branded as "Communists," "leftists," or "radicals."

Among the very first who will probably respond to the gravity of the situation are the members of the Palace ruling clique, specifically the closest relatives and the trusted military officers who enjoy the confidence of the couple. They will probably try to insure their predominance in any conceivable situation. There may or may not be a messy struggle for power within the military establishment following knowledge of Marcos' incapacity or demise. In any case, the military group that prevails or succeeds in the struggle for power may move early enough to present Washington and the international banking and financing community a fait accompli they may not be able to reverse immediately. In such a case, those in power may decide that in view of the prevailing social and political unrest, elections may be deferred indefinitely. If there is a climate of general disorder—whether induced or not—akin to that which obtained in Manila and suburbs in August and September of 1972, it may be difficult to resist the temptation to impose what amounts to a state siege.

In the absence of such a climate, those in power in the Palace may decide to yield to the general demand for elections, in accordance with the letter and spirit of the 1984 constitutional amendment. In such a situation, the office of Speaker will be of pivotal importance.

Elections may or may not be held within the 60-day period provided in the amendment, depending on the wishes and preconceptions of the ruling group. There is enough ambiguity in the language of the constitutional amendment

to permit either of two interpretations: the call and the presidential elections should take place within the 60-day period, or the call may be made within the 60-day period and the presidential elections may be held later.

(To be concluded)

[30 Aug 84 p 7]

[Text]

The outcome of the local elections in 1986 could have a great bearing on the presidential elections in 1987, assuming that the Marcos government has not yet collapsed at that time.

Whether presidential elections are actually held in 1987 or earlier, the following variables, not necessarily in the order of importance, have to be taken into account:

1. Existing economic and social conditions;
2. The participation or non-participation of the military, the paramilitary forces, and the private armies in the conduct of the elections;
3. The US factor;
4. The cohesiveness or non-cohesiveness of the ruling coalition;
5. The unity of fragmentation of the Opposition;
6. The personalities involved in the elections, particularly the candidates for the two highest positions;
7. The interest of the people in the elections and the quality of their resolve to keep the elections free and honest;
8. The extent of insurgency.

Should the elections be marred by wholesale frauds and terrorism, a vicious cycle of mass protests and demonstrations, and ever-escalating repression

would likely ensue, leading to a long period of worsening instability, and—possibly—civil war. Conceivably, this would also be the case if those in power decide to impose, as stated earlier, a state of siege.

But if elections are held, as scheduled, whether before 1987 or in that year; and—against all odds—they are conducted in a free and fair manner. There may be some hope of accomplishing what Filipinos obviously want—an orderly, peaceful transition to a democratic government of their own choice. Whether the new leadership can surmount the formidable problems of transition is something only time can answer.

There is the other possibility contemplated in the Compact document of January 6, 1984 and the Hong Kong Appeal for Unity of April 5, 1984—a series of militant but non-violent mass actions culminating in the resignation or removal of Marcos and the organization by a Preparatory Committee of a Provisional or Transitional Government representing various sectors of Philippine society. The Provisional Government will temporarily manage the affairs of government, maintain peace and order, alleviate the

adverse effects of the economic crisis, dispense justice, restore the basic rights of the people, call a plebiscite for submission to the people of a proposed Constitution, and conduct elections in accordance with the basic law. The Provisional Government will cease to exist upon assumption of office of the elected national officials.

Whatever the method of transition, the problems that will plague the successor government will be tough and complex. But if the transition has popular support, it will have the advantages that the Marcos regime has irreversibly lost—credibility, public goodwill, and a clean slate.

The problems of transition

The transition to a democratic government which can usher in a free, just, and prosperous Philippine society will be difficult and painful, whether the shift is, as we hope, effected smoothly and through peaceful means, or — if the regime makes this an impossibility — through the bumpy, perhaps turbulent, course of armed struggle.

Whether one or the other, the immediate task is to dismantle the structures of "constitutional authoritarian-

ism," the Marcos euphemism for dictatorship. These structures will have to go: rule by decree, a captive media, a puppet assembly, a subservient judiciary, and the various tools and instruments of authoritarian rule. Illegotten accumulations of wealth will be subject to confiscation, to be disposed of according to law. The Liberal Party envisions an open, pluralist society where human dignity is the first article of faith, and the establishment of a democratic government by the direct vote of the people the outline of such a vision and program is found in the next part.

Obviously, the first problem that will engage the attention and energies of the transition government is the economy that is about to collapse or has already collapsed. Where half or more than half of the total export earnings of the country are eaten up by the servicing of the foreign debt, or where the country's external debt is more than half of its GNP, the "debt trap" crisis calls for immediate emergency measures, which should not include the "band-aid" measure resorted to by the present technocrats, namely, the incurring of more debts.

We do not have the

kind of commercial oil resources that Indonesia or Mexico possess, nor the export earnings of our immediate neighbors — Hong Kong, Taiwan, and Singapore — nor, sadly, the industrial base which South Korea has diligently built. A \$30 billion foreign debt for an economy like that of South Korea is not too much of a problem, but it is a crushing burden for a shattered economy such as we have in the Philippines.

The austerity measures imposed on us by the IMF-World Bank could mean inevitable political suicide. In 1983, as a result of the belt-tightening measures imposed by the IMF, food-riots broke out in the Dominican Republic (where 50 people died), Chile, Brazil, and Argentina. But something good has just happened to Argentina: a new democratic government, supported by the people who flatly re-

jected extended military rule, is now in place. Its president, Raul Alfonsin, told the IMF that Argentina cannot submit to its austerity measures without risking the very life of its newly-won democracy, and its creditor banks, as well as other countries, have found it necessary to pitch in and help.

We believe that only a truly democratic government that is credible and supported by the people can stand up to the IMF, ask the United States to match its rhetoric of freedom and democracy with actual deeds, and urge — not beg — that the debt be rescheduled, with repayment installments keyed to a certain percentage (not more than 20 percent in our case) of export earnings, or — in the alternative — proclaim a moratorium on repayment. We can truthfully say that everything is being done or will be done to rebuild the country, but

we simply have no money, and we do not want to borrow just to pay interest charges. After all, it was not only the dictatorship that was at fault; these banks were just as guilty since in the 1970s, they had been engaged in an orgy of competitive lending, despite periodic warnings from the Opposition. The IMF, the United States, and the foreign commercial banks will understand why, for a devastated country like the Philippines, it would be suicidal to export the capital resources we urgently need for our own development. Argentina instituted a de facto moratorium, without incurring the displeasure of the creditor banks. We can do better by telling them the simple truth. We can then begin to rebuild the economy in accordance with a program that should win the approval of the people, because they will have a real voice in its plan-

ning and execution. Food is the No. 1 problem of a hungry, malnourished people. We should develop agricultural productivity, at the same time stimulating the people's initiative by redistributing power of the food producing resources. We must begin building the foundations for a solid industrial base.

The second urgent problem has to do with U.S.-Philippine relations. A servile government, giving the United States the same assurances Marcos had given when he imposed martial law, may please policy-makers in Washington, but it will be exposed and repudiated by a people that now appreciate the meaning and value of independence and national sovereignty. Majority of our 53 million people are the youth who have no sentimental memories of World War II.

(To be concluded)

[31 Aug 84 p 7]

[Text]

The U.S. government must make a choice since it cannot have both: the goodwill and appreciation of the bulk of the nation that, despite its painful experiences during the last twelve years, looks to America — many of whose people are uninformed about the Philippines — as a source of hope and understanding of its long quest for the independence or the preservation of its access to American military bases in the Philippines, regardless of its consequences to our people.

We believe that for its own long-term interest, the United States government should begin

adjusting to the changes that have occurred in the Philippines: the uneasiness over the role of the Philippines as a dumb pawn of the United States in its superpower rivalry with the Soviet Union, the growing concern about having to be exposed to the risks of nuclear extinction in a U.S.-Russian conflict in which Filipinos have no stake whatsoever; the deep-seated resentment among many political moderates over the long years of U.S. coddling and subsidy of the Marcos dictatorship; the widespread feeling among many educated Filipinos that it is the moral

responsibility of the U.S. government to help undo the evils it has helped the Marcos regime to inflict upon an entire nation; and to heed the just demand of the people to freely work out their welfare not as a people controlled by another nation but as a friend to all peoples.

The Military Bases Agreement — which is apparently the focus of attention in Washington — is due to expire in 1991. On the basis of American expert opinion, it will take five or six years to dismantle and transfer the facilities in the US bases to other places. The United States government

should not assume that the successor government will extend, or consent to the extension of, the bases agreement. The better course is to assume that the agreement will expire, as scheduled, begin to dismantle the facilities, all leave it to the sovereign Filipino people to do what they want to do with the bases.

Rather than a myopic policy that alienates an ally and exposes itself to the risk of losing its bases in the foreseeable future, the United States will be better off with a policy that is faithful to its history, is in accord with its cherished values, and respects the independence and the right to survive of other nations.

The third problem is the one that continues to afflict, like a curse of a plague, the poor countries of Latin America and Africa — the unwieldy problem of militarization. It is the one problem that has reduced several countries in Central America to the status of "banana republics" and some states in Africa to no more than "tinhorn dictatorships." Unlike these countries, Filipinos had had a long experience with a functioning, though imperfect, democracy, and a cherished tradition of civilian supremacy. It is now time to return to the processes of democracy and assign the Armed Forces to their legitimate role: to defend the nation from external, not internal, threats. Internal security is within the province of the police, not the military.

Perhaps this can be accomplished with the invaluable help of pro-

fessional military officers, still in the active service, who have not been tainted by twelve years of corruption and brutality, and by retired officers who are regarded with esteem by our people.

The lessons of Argentina are still fresh: the role of the military is not to run the country. If it does so, it becomes a double failure — it cannot manage the affairs of government, and it cannot adequately fulfill its legitimate role of defending the country from external forces. The problems of social injustice, grinding poverty, economic stagnation, and undue dependence on outside forces, do not yield to military solutions.

The Armed Forces must, therefore, be reorganized. The corrupt, the inefficient, and the violators of the human rights of our people, must be weeded out. Only then can the military establishment win anew the respect of our people. A reorganized, compact military force, supported by a citizen army whose loyalty is to the Constitution and the Republic, not to one man or to one family, will no longer be a drain on our economy. Our priorities will no longer be distorted. "National security" will no longer serve as the convenient excuse for the ruthless and the corrupt to remain in power. Promotions will be well-deserved because they will be based on merit and seniority. What is more, we can at last come to grips with the nation's most important objective — the building of a free, democratic, just and prosperous Philippines. We cannot afford to fail.

SUPREME COURT JUSTICES 'SCOLD' MILITARY ON PCO's

Quezon City ANG PAHAYAGANG MALAYA in English 31 Aug 84 pp 1, 2

[Article by Antonio Modena]

[Text] Two senior justices of the Supreme Court yesterday scolded the military for continuing to hold as prisoner by Presidential Commitment Order (PCO) people whose subversion charges have been dismissed by the courts.

Justice Claudio Teehankee and Justice Vicente Abad-Santos said that an acquittal by the courts should result in immediate release from prison of an accused, regardless of a standing PCO.

The two most senior justices of the High Tribunal held that the President does not have a constitutional power to continue to put in jail a man already found not guilty of charges by the judiciary.

Teehankee and Abad-Santos issued the opinion in dissent over the dismissal of a petition for writ of habeas corpus for spouses Aristedes and Laura Sarmiento on the ground of it being moot and academic, since the two have actually already been released from jail.

The Sarmientos were arrested by plainclothes military men on Oct. 9, 1982 in Gumaca, Quezon for alleged subversion and as alleged members of the New People's Army. On Oct. 27, 1982, the Constabulary got a PCO for the Sarmientos, forfeiting their right to bail even when Mrs. Sarmiento was at that time pregnant.

The Sarmientos were charged before the courts for subversion on March 31, 1983, but after a lengthy trial on March 15, 1984 the judge dismissed the case against them for lack of evidence.

In the dismissal, the trial judge even chided the military for its failure to show a shred of evidence showing the Sarmientos' as subversives, despite "the highly efficient intelligence network" of the armed forces.

Despite the acquittal, however, the military refused to release the Sarmientos on the ground that since they are being held under a PCO, only the President can order their release.

Abad-Santos, who, despite his dissent, was assigned to write the majority opinion, said that the court should not have dismissed but resolved once and for all the ineffectiveness of a PCO once an accused has been acquitted.

Abad-Santos said that the military authorities acted in "cavalier fashion" in assessing the evidence against the Sarmientos which proved "so worthless" that it did not even have to be refuted in court. The whole process, from arrest to their continued detention under PCO, was a serious affront to their liberties, he added.

Teehankee said that the Court should rule squarely "on the fundamental issue of the effect of a decision of acquittal upon a PCO, and to hold that a verdict of acquittal entitles the accused to his liberty despite the PCO."

Justice Felix Makasiar, while agreeing with the majority, suggested that the military should look into "whether the President was deceived into issuing the PCO, and who initiated the arrest of the couple without supporting evidence."

This is the second time that the Court dismissed a writ of habeas corpus case on grounds of being moot and academic without ruling with finality on the PCO effect on the acquittal of an accused.

Earlier last Aug. 17, the court dismissed a habeas corpus petition of Renato Canete since his subversion charges had been dismissed and he has been released by the military.

In that case, Abad-Santos and Teehankee were joined by Justice Ameurfina Melencio-Herrera and Justice Lorenzo Relova in calling for a final ruling that would establish the standards that once a case has been filed in court, the President and the military no longer have control and the case becomes a full judicial concern.

Chief Justice Enrique Fernando, who did not take part in the Sarmiento case, but wrote the resolution on the Canete case, was quoted by the other justices in his position that "if and when a formal complaint is presented the court steps in and the executive steps out...the detention ceases to be an executive and becomes a judicial concern."

Teehankee said that for the military to insist on a right to hold prisoner a man already acquitted by the courts because of a PCO is a "subversion of the independence" of the judiciary and abrogates the constitutional allocation and separation of powers.

CSO: 4200/1046

## MUSLIM LEADERS TO OPT FOR SECESSION IN LIEU OF CIVIL WAR

Quezon City ANG PAHAYAGANG MALAYA in English 23 Aug 84 pp 1, 2

[Article by Dennis Fetalino]

[Text]

If the country enters a state of civil war, the Muslim population will not participate; it will secede and build its own Moro nation.

This warning was aired by five Muslim leaders who met the press Sunday night, even as they decried the fast deterioration of the economy, and what they called "the looming certainty of national fragmentation."

They maintained that unless national reunification is achieved and civil war has become certain, the Muslim people will "assert the historical identity of the Moro nation and will not take part in the conflict; instead they will wage their own 'secessionist war.'"

"A Christian-Muslim confrontation will be an irreversible point and will push us to pursue our quest to build our own nation," they said.

They, however, made clear their intention to make peace with their Christian brothers and to do their best to avoid the terrifying consequence of national disunity.

"We are appealing to

President Marcos' sense of patriotism to engage us in a peaceful dialogue," they added.

The group, led by Datu Mamintal A. Tamaño, a former senator and Unido vice-president for Mindanao, and Abul Khayr W. D. Alonto, secretary-general of the Muslim Federal Party, warned against the intensified military operations in the South.

The leaders who said they have just returned from the embattled areas, revealed that at least six battalions of military personnel have been deployed in Lanao del Sur alone, specifically in the towns of Basab, the provincial rice granary, Maging and Lumba Bayabo towns, where a number of people had died, including four Moro National Liberation Front troops as a result of "sporadic shelling and strafings."

They said planes and tanks have been deployed in the area, making up what they described as "the biggest concentration of organized fighting."

They added that 105 mm ground howitzers regularly pounded these towns.

Earlier, the group confirmed with MALAYA the reported use of napalm and chemical weapons in the fighting.

When asked by foreign journalists to present evidence supporting the "very-serious" charge, the Muslim chiefs said they gathered testimonies of civilian victims confined in the hospitals who reportedly complained of "immobility, numbness, dizziness and nausea" immediately after the bombing had stopped.

The group, however, could not provide any tangible evidence insisted on by foreign journalists, like bomb fragments, photographs or even medical certificates from attending physicians in the south.

Instead, they volunteered to escort the journalists to the areas although this cannot be done at the moment, as "it is not safe." Approaches leading to these towns have been sealed off by the military, they explained.

They also reported the use of bombs that burn vegetation in the lush jungles to cut rebel supplies, adding that chainsaws have been used to cut trees, and allegedly backed up by defoliants to weed out rebels.

At present, they said, the military has been resorting to ambushes, but could not overrun the rebels, who swiftly disappear in the jungles, to prevent any head-on fighting.

The leaders added that the troops have resorted to looting and burning several villages. A witness said at

least 79 houses have been burned down.

As a result of the bombing, some 200,000 refugees have reportedly risked their lives going to Sabah, even as far as Brunei, in search of peace and employment.

The Muslim chiefs called on the Batasang Pambansa to look into these bombings. Families of the victims who died in the bombings, said they are willing to have the corpses exhumed for autopsy. Twenty-six persons had died on the first day of bombings.

They added that the relative ceasefire is just "the calm before the storm," as the military, they said is apparently determined to wipe out the rebels.

They also deplored attempts by the national leadership to "downgrade" MNLF chief Nur Al Misuari through newspaper accounts of him being ousted by his own men, or having gone into self-exile in the Middle East.

"This tactic will lose for the government its credibility in the area (Middle East) because the people there only know too well that Misuari is still 'very much on the saddle,' they said.

They, however, refused to reveal the true whereabouts of the MNLF chief.

LAWYER DENIES CONNECTION WITH TERRORIST GROUP

Quezon City ANG PAHAYAGANG MALAYA in English 25 Aug 84 pp 1, 2

[Text] Lawyer Jejomar (Jojo) Binay yesterday laughed off military claims that he is a ranking officer of the Gerilya Anakpawis sa Kalunsuran (GAK), an urban guerilla group which the military identified as "a third fundamental Marxist terrorist group."

Binay said his only association with Dr. Nemesio Prudente, alleged head of the group, is that the latter was his god-father when he was married.

Binay said he is defending Dr. Prudente in court, as part of his commitment as member of the Movement of Attorneys for Brotherhood, Integrity and Nationalism, Inc. (Mabini).

The Mabini lawyer's name came up, as two labor organizers who had been missing since early this month surfaced the other day in the hands of the military as suspected members of the new terrorist group.

Another "suspected terrorist," Rodolfo C. del Rosario visited the Malaya office with his wife and daughter yesterday to denounce the armed forces press release quoting chief of staff Gen. Fabian C. Ver as linking him with the underground group.

Del Rosario, 48, director for organization of the National Association of Trade Unions (Natu) and chairman of the ad hoc committee of the Alyansa ng Lakas ng Aping Bayan (Alb) said the military allegations of his being a "leading personality" of the People's Liberation Movement-People's Liberation Army (PLM-PLA) and the anakpawis "is baseless and smacks of an attempt to discredit open and legal organizations."

Del Rosario said the military must have been angered because he is a dissenter although he is involved in a legitimate labor federation which militantly defends workers' rights.

Alab, on the other, is an organization "motivated by a sincere desire to promote and protect the highest interest of the great masses of our people," he pointed out. Del Rosario denied having known the suspected terrorists nabbed by the military, although he has known Dr. Prudente, having met him during his two-year detention after the president suspended the privilege of the writ of habeas corpus in 1971.

CSO: 4200/1046

## MEDIA, SUSPECTS AFP DOWNPLAYS ILOCOS NPA ACTIVITIES

Quezon City ANG PAHAYAGANG MALAYA in English 26 Aug 84 pp 1, 6

[Article by Larry V. Sipin]

[Text]

LAOAG CITY — Print and broadcast media reporters here suspect that local military authorities may be deliberately downplaying the extent of dissident activities in Ilocos Norte to project a very peaceful image of the President's home province.

They based their suspicion on denials and news blackouts imposed by military officials at Camp Juan, here, on dissident sightings and encounters between government troopers and rebel forces.

Last week, Col. Arsenio Paredes, Ilocos Norte provincial commander, denied a story which local newsmen said was based on official military reports.

Paredes issued a public denial on a news report that a constabulary trooper was killed Aug. 13 by six heavily armed men, "believed to be New People's Army (NPA) terrorists", who attacked a PC detachment stationed near a P67-million mini-hydro project in Agua

Grande, Pagudpod, some 80 kilometers north of Laoag City.

The incident was reported by the Philippine News Agency (PNA) and the Office of Media Affairs (OMA), both government information arms. The reports identified the casualty as constable first class Robert Castillo of Binmaley, Pangasinan.

Local newsmen said that earlier, PC authorities also imposed a one-week news blackout on the killing of four men, later identified as NPA elements by Recom I commander Gen. Victorino Adaza, in a raid conducted by military operatives at a teach-in in Barangay Ester, Vintar.

At the same time, some local newsmen complained that they cannot get details on reports coming from nearby Batac last week on the alleged capture of four NPA members posing as tobacco traders.

A veteran local reporter disclosed that the president of the Ilocos Norte mayor's league recently asked PC authorities to establish check points in towns loca-

ted at the fringes of Ilocos Norte near the Kalinga-Apayao, Abra and Cagayan boundaries in view of reports that dissidents have launched massive recruitment drives.

Mayor's league president Leonardo Velasco of Bacarra town asked the constabulary command to strengthen check-points in Ilocos Norte border towns, including Pagudpud, Adams, Burgos, Badoc, Solsona, and Nueva Era, the newsmen said.

Another local official, vice mayor Rogdio Benemerito of Pagudpud, was also reported to have asked for additional PC check-points at the provincial borders to stop the entry of dissident elements.

The widespread fear is that rebels displaced by intensive military operations in Kalinga-Apayao, Abra and Cagayan might be finding sanctuary in Ilocos Norte.

If civil officials are worried on the extent of dissident activities, military officials should be doubly worried because the task of maintaining peace and order in primarily in their hands, the newsmen said.

The military, however, maintains the position that Ilocos Norte is very peaceful.

AFP BUSTS LEYTE NPA NETWORK

Manila BULLETIN TODAY IN English 30 Aug 84 pp 1, 11

[Text] The military reported yesterday the busting of the communications and collection network of the New People's Army (NPA) in Leyte with the arrest of suspected rebels manning three mobile checkpoints and the seizure of 10 light submachineguns.

Brig Gen Salvador P. Mison, regional unified command (RUC) No 8 commander, reported to Gen Fabian C. Ver, Armed Forces chief of staff, that a special counter-insurgency task force conducted a series of raids on three adjacent barangays in the area. The task force is led by Col Domingo Rio.

Mison said that a couple identified as Mr and Mrs Antonio Canabe were first caught by surprise manning a communications network in sitio Ugpong, San Agustin, Jaro, Leyte.

A follow-up raid in barangay San Pedro of same town resulted in the arrest of five persons who reportedly yielded four submachine guns.

They were identified as Francisco Salvador, alleged secretary of the NPA farmers' committee; Gloria Salvado, alleged head of the NPA women's organizing committee; Eduardo Salvado, Edgardo Batucan, and Ernesto Batucan, all alleged members of the local NPA party branch.

Soldiers seized from the suspects a list of members in the area, financial records, and several documents, the report said.

Mison's reports said six other suspected rebels were arrested in another raid in sitio Kapitohan, barangay San Pedro, Jaro, Leyte.

They were identified as Apolinario Badilla, alleged member of the NPA tiger squad; Simplicia Badilla, alleged head of the committee on finance of the local party branch; Venerado Barazaga, Francisco Florendo, Henry Oliveros, and Romulo Aure, all alleged members of the NPA party branch.

CSO: 4200/1025

FIVE NPA SUSPECTS KILLED IN AGUSAN DEL NORTE GUNFIGHT

Davao City THE MINDANAO MIRROR-BULLETIN in English 20-26 Aug 84 pp 1, 7

[Excerpt]

Five suspected members of the New People's Army were killed in an hour-long gunbattle with government troops at barangay Concepcion, Cabadbaran, Agusan del Norte, Friday morning.

Brig. Gen. Madrino C. Muñoz, commander of the 10th regional unified command, said the slain terrorists were members of a 20-man band which tried to ambush army soldiers conducting clearing operation in that barangay.

Muñoz also said two soldiers were wounded in the attack.

As the terrorists band took up defensive positions in a cave, the troops fired back, killing five of the terrorists.

They dispersed towards different directions and left behind military uniforms and ammunition.

Traces of blood indicated that the enemy suffered heavy casualties but managed to evacuate them.

In another development, members of a scout ranger company were reported to have engaged a group 30 fully armed communist guerillas in two firefights shortly before midnight Friday.

The first encounter occurred at about 10:45 P.M. when four communist guerillas engaged the soldiers in a brief gunbattle.

As the military pursued, they encountered a bigger band at about 11:50 P.M.

There were no report of casualties on both sides. However, government troops recovered a hand grenade and several supplies left behind by the terrorists who escaped under cover of darkness.

Meanwhile, the regional trial court Butuan started hearing the subversion charges filed by the military against three ranking communist leaders in northern Mindanao.

Accused of subversion were Nido Nabong, alleged chairman and secretary of the northeastern Mindanao Regional Party Committee (NMRPC), Isabelo Remonsada, vice secretary, and Florentino Branzuela, second vice chairman.

The three were arrested on March 4 by the police at barangay Camagong, Nasipit, Agusan del Norte.

Remonsada carried a 50,000 pesos prize for his capture. (PNA)

'DECLASSIFIED' NPA PAPERS DISCLOSE BOMBING PLANS

Davao City THE MINDANAO DAILY MIRROR in English 19 Aug 84 p 8

[Text] Hermosa, Bataan, Aug 18--Two ranking military officials have disclosed here that the New People's Army (NPA) has not abandoned its plans to bomb vital government installations, including military detachments, dams, factories and irrigation facilities in Central Luzon.

Brig Gen Jose Magno Jr and Bienvenido Felix, commanders of the Regional Unified Command (RUC) and constabulary-integrated national police (PC-INP) regional command, respectively, in Central Luzon, made the disclosure Thursday during a dialogue with municipal and barangay officials and residents of this town.

During the meeting, the two officials declassified several subversive documents showing certain plans and activities of the Communist Party of the Philippines (CPP) and its military arm, the NPA.

Magno said that disclosure to the public of "classified military information is a violation of certain military regulations, but we did it for the benefit of peaceful residents."

He also explained that disclosing classified military information communism to the public would be effective in the government anti-insurgency drive.

CSO: 4200/1022

PHILIPPINES

CHURCH LEADERS DENOUNCE NPA RAID ON NEGROS SCHOOL

Manila PHILIPPINES DAILY EXPRESS in English 29 Aug 84 p 6

[Text] Religious and lay leaders in Negros Occidental condemned yesterday the Aug 16 raid by the New People's Army on a vocational school in Kabankalan town run as a charitable institution.

In a statement released through Msgr Antonio Y. Fortich, bishop of Bacolod City and chairman of the board of the Bacolod Diocesan Technical Training Center (BDTTC), school officials said they could hardly believe that the school would be a target of "such dastardly act by a group whose avowed claim" is to be supporters and defenders of the masses.

The officials said that a repetition of the NPA attack will prompt a stop in the operations of the school, which caters to children of poor families in Negros Occidental.

Investigation showed about 100 armed NPAs swooped down on the compound in barangay San Juan in Kabankalan.

The rebels posed as members of a "wedding party." After gaining entry into the school compound before nightfall they proceeded to the convent which they ransacked.

The rebels took along the school driver and a convent cook as hostages before withdrawing from the area. They also fled with P100,000 worth of equipment and supplies, officials said.

Reports said the two hostages were freed the next day as the rebels proceeded to Patay hills with their loot.

CSO: 4200/1025

REPORTAGE ON SITUATION IN DAVAO'S MANDUG BARANGAY

AFP-BMA Connection Denied

Davao City THE MINDANAO DAILY MIRROR in English 15 Aug 84 pp 1, 9

[Text] Brig Gen Dionisio S. TanGatue, PC/INP RECOM 11 Commander denied the headline story in the Mindanao Daily Mirror, Aug 14, 1984 issue, that there is a "tie-up" between the military and the BMA.

He directed Col Geronimo Valderrama, Davao Metrodiscom Commanding Officer to immediately investigate and submit a report on the matter.

He also directed a civic team to proceed to the area and convince evacuees who may be found there to return to their respective residences, even as he also directed the establishment of a PC detachment to secure the barangays of Mandug and Tigatto in Buhangin District. The detachment will be based in the compound of a big plantation in the area.

Following the shooting to death of two policemen in Brgy Mandug Sunday morning, elements of the Regional Special Action Company (RSAC) and of the 11th INP Field Force in Camp Catitipan conducted a sweep of the area in search of the suspected killers with negative results. Operations are still ongoing to flush out the killers.

"It has not been our policy or that of higher headquarters for the military to "tie up" with lawless elements, be they NPAs or BMA," the RECOM 11 Commander said.

However, NPA surrenderees and BMA returnees, have provided assistance on some occasions to convince holdouts of their respective organizations to return to the folds of the law under the policy of attraction of the government and to lead peaceful lives.

## General Cites NPA Camp

Davao City PEOPLE'S DAILY FORUM in English 16 Aug 84 pp 1, 10

[Text]

DAVAO CITY — Is Barangay Mandug falling into terrorist hands?

Brig. Gen. Dionisio S. Tan-Gatue, Jr., regional constabulary commander, cited this danger yesterday when he bared that the Tigatto-Mandug complex of Buhangin district is the bone of contention between the New People's Army and the Bangsa Moro Army.

He recalled Newsweek, an American magazine, as running a special report which described in detail but refrained from specifying the site of a New People's Army camp near a banana plantation at the outskirts of the city — just across a river. It

bore an uncanny resemblance to Mandug.

He asked all sectors of society to help government bring sanity back to the times.

He mentioned the frequency of armed encounter, terrorist taxation over the past two (2) yrs. and the recent disarming of eleven (11) home-defense volunteers.

In the same breath, Tan-Gatue said that the military had sparked a civic action drive in beleaguered Mandug, where an evacuation was triggered last Saturday by an unidentified armed group.

Leftist agitators were blamed for the confusion reigning in the

public mind on what to believe. "Our first task is to separate the grain from the chaff, facts from hearsay," he explained.

Tan-Gatue said undue fear was spewed by estimates exaggerating terrorist strength nearly 200. "We have enough data to show that the armed group is only somewhere between 20 to 30."

As of presstime, half of the evacuees placed at 120 families were reported to have gone home.

Even as the armed men raised the threat of a "juez de cuchillo," Tan-Gatue said the Regional Command is prepared to embrace terrorists back into the folds of the law. (JAC)

## Armed Group Threatens Barangay Captain

Davao City THE MINDANAO DAILY MIRROR in English 16 Aug 84 pp 1, 9

[Article by Ram Maxey]

[Text] "Let your barangay captain come out in the open so we can skin him alive!"

That threat was shouted from the Tugbok district side of the river that separates its communities of Uyon Uno and Uyon Dos from barangay Mandug, Buhangin district, this city, one night last week. The shouted threat reportedly came from a member of a armed group masquerading as the Bangsa Moro Army (BMA) 'rebel returnees'.

The object of their threat, Mandug barangay captain Alex Orcullo, has since then, on the advice of friends and relatives, evacuated to the city poblacion as a precautionary measure, according to Mandug councilwoman Linda M. Berdos yesterday when interviewed by the MIRROR.

Hundreds of residents have in the past week evacuated from Mandug and adjacent communities, such as Uyon Ono, Uyon Dos and Tigatto in the wake of a sudden appearance upon the scene of armed elements identifying themselves as 'rebel returnees' who were once members of the secessionist group called Bangsa Moro Army (BMA).

Councilwoman Berdos further informed the MIRROR that upon the departure of Orcullo she was designated to take over temporarily responsibility for immediate needs of the evacuees whose exodus was triggered by fear of the armed 'BMA' in their midst--especially after the threat to "skin" Orcullo alive.

Some forty families were housed at the Lapanday Development Corporation (LADECO) while more than a hundred others were taken in by concerned residents of DDF Village, all in Mandug. Still other evacuees went as far as barangay Buhangin and the city poblacion.

Yesterday, Wednesday, Orcullo and Berdos were scheduled to meet with the military represented by Lt Col Douglas Rosere of the AFP Civil Relations Servicemen, RUC and Maj Abraham Sanex of the Civil Relations Service (CRS) and the PC/INP regional command to thresh out the peace and order problem in Mandug and adjacent areas and the eventual return of all evacuees to their homes.

Berdos said that Orcullo will ask the military to assign a detachment in his barangay in order to give the barrio folks assurance of their safety.

Meanwhile, the Red Cross has sent personnel to the troubled area to assist the barangay officials in providing for the evacuees' food, shelter and medicines, even as Col Rosete and Maj Sanez calmed the residents' fears and assured them that things will turn out all right and that soon they could return to their homes in safety.

#### General Blames Muslim Vendetta

Davao City PEOPLE'S DAILY FORUM in English 17 Aug 84 pp 1, 10

[Text] Brig Gen Dionision Tan-Gatue, regional commander of RECOM XI, told a handful of mediamen yesterday at Cuison Hotel that the infiltration of alleged Bangsa Moro Army (BMA) returnees in Mandug has something to do with revenge.

Tan-Gatue cited the killings of a Muslim in Sirib, Calinan and another Muslim in Mandug as probable causes in the vendetta plot employed by armed men in the area.

The general noted that the evacuation of some Mandug residents from their houses was primarily for self-preservation.

He said that the presence of a military detachment in the area and the institution of some civic-oriented thrusts in the Tigatto-Mandug-Callawa area will help out diffuse tension which the people are feeling.

He also revealed that most of the residents who evacuated, have returned home and he is expecting everything to go on normally in the next few days to come.

Gen Tan-Gatue also implied that a full-scale operation against terrorists and rebel subversives in the area is going on.

It is expected that the combined military-police-paramilitary forces' dragnet will help drastically in quelling any apprehensions the people in the area are having.

#### Situation Reflects Communications Gap

Davao City THE MINDANAO DAILY MIRROR in English 16 Aug 84 p 4

[Commentary by Gil Abarico in "Behind the Headlines"" "Mandug Situation Points Anew to Communication Gap"]

[Text] Local news caption: "LOCAL PARLOR ATTRACTING FILM STARS."--We know of another parlor that's attracting more customers, not film stars, though.

The latest hulabaloo in the peace and order situation is that the BMA (Bangsa Moro Army) elements at the Mandug-Tigatto area are allegedly having a tie-up with the military trying to eliminate suspected NPA presence in the area. This is of course, highly speculative and quite unfair to the military, in the absence of definite proof about such tie-up. It would be dangerous to indulge in purely speculative matters when lives could be at stake in military operations. This is not of course to defend the military, but merely to put things in their proper perspective.

The presence of armed elements in a certain area, presuming that they are not military or para-military, should be construed as a threat to the peace and order situation and should therefore elicit the proper response from the proper authorities. There is no need for panic or disorganized reaction to the perceived threat. On the other hand, there would have been no panicky public reaction in the area if the military immediately issued a statement to clarify and reassure the Mandug and Tigatto residents that there is no such tie-up and that the PC/INP has the situation well in hand. Again, this is where good communications, immediate and effective, is badly needed.

The announced threat of another "rest day" for jeepney drivers is something the local authorities concerned should take into account long before the date for such rest day, for the simple reason that public welfare is seriously involved. Of course, it should be expected that various sectors will be planning something to commemorate the death anniversary of the martyred late opposition leader Ninoy Aquino. Local protest leaders, who are responsible citizens too, should see to it that whatever they do--it will not jeopardize public safety or prejudice public interest.

## Columnist Plays Down Publicity

Davao City PEOPLE'S DAILY FORUM in English 17 Aug 84 pp 2, 8

[Commentary by Tony Vn. Figueroa in the "Footprints" column: "The Mandug Revolt"]

[Text] It looks as if everything about the celebrated Mandug evacuation is big; a lot of journalists are playing up the theme with gusto to the consternation of the military officials. Its proportion, in fact, has outgrown the controversial hamletting in Asuncion and the murder-slay at Buhangin.

For a time, we have been hearing so much about Mandug. Specially the Tigatto-Mandug-Callawa strip, we were told by informers that, as early as 1975, it has become a critical area for both the military and the rebels. Although the military will not openly admit the existence of a critical zone in the area, banana firm workers and security guards in the area are one in mind that if the situation there is not given the necessary check, it might break the proverbial camel's back.

Our concrete observation about Mandug needs enough reading from the military themselves. Since the infamous killing of barangay captain Panlilio many years ago, more and more people have succumbed to bullets. Nobody really knows until when this condition will continue.

As a refresher, almost all chief security guards of Lapanday development corporation, a banana plantation, had been killed. In fact, the latest to fall was a retired chief security also; he was killed only about three weeks ago.

It is interesting to note that the activity of the rebels coincides with their "agaw-armas" plan. Most of those who were felled were either law-enforcers, or men who had firearms.

Despite the critical condition abounding the Mandug area, it is also worth knowing that it is in this place that Marines can roam with lesser risk. This is because the rebels do not want to have a head-on collision with these fine soldiers. The information we got noted that rebels in the area find fighting the Marines a useless struggle because it might end up with the masses fully supporting the cause of the government.

Why this concept has evolved is simple. Marines have been consistent civic-minded soldiers, and their main motive in pursuing these activities is to bring back the populace closer to the people. If the rebels strike at them, the anti-government forces fear that they will lose hold of the masses in return.

Although we have been to the area only twice, any visitor can immediately feel the kind of condition the place is into. Seldom do people talk about anything but work. They do not want to interfere, much less be dragged and accused of being a rebel or a government informer. In short, they are playing safe.

We have even reports that civilians in the area, specially those who are working in the banana plantation, make it a point to avoid being seen talking with any armed military men, or identified law enforcers, for it might reach the ears of the anti-government forces. As a consequence, they are afraid of being considered a stool pigeon, or an informer.

How true are these reports, nobody really can guage. Even those who are knowledgeable about the whole condition of Mandug are cautious in uttering something about the whole situation.

The truth about people of Mandug evacuating may be farfetched, if we are to be elicited of our comments. For how can they construe into leaving the area when, first of all, they knew already the condition of the area before they transferred there?

We have healthy hunches on why the story about the isolated Mandug revolt became a frontliner. One, by word of mouth. Two, through imaginative speculation. Three, misinformation. Four, sensationalism. And, five, indifference.

Our perception still tells us that something can be done to restore back the peace and order condition of the area. How will this be done, the military, through civic expertise know just too well. If they cannot solve the problem, then we have only remorse for their so-called discipline and courtesy which the civilians have been wanting.

If things are not given the proper civic remedial posture, we can only wait in lie for the next things to happen. Despite the little doubts we have on the credibility of some of our soldiers, we still hope that the best things will come to happen.

When?

Only time knows, for sure!

CSO: 4200/1022

SUPREME COURT JUSTICE'S RECORD IN RIGHTS, JUSTICE LAUDED

Cebu City VISAYAN HERALD in English 20 Aug 84 pp 3, 8

[Commentary by Mariano M. Florido in "From the Center": "Justice Teehankee: Stalwart of Freedom"]

[Text] The one man in the Supreme Court whom the people can trust to defend and preserve the Constitution and the rights and liberties of the citizens, against the inroads of authoritarianism of the present leadership, is Justice Claudio Teehankee, often cited for his outstanding performance in law, for his crusade for the protection of individual civil rights and decency in government service.

Justice Teehankee is a bar topnotcher in the bar examinations in 1940. He joined the government service in 1966 when President Marcos appointed him undersecretary of Justice, becoming a year later Secretary of Justice. He was recipient of such awards as outstanding citizen of Manila and lawyer of the year. Teehankee has been cited for advocating the lifting of Martial Law--the only Justice of the Supreme Court who had the courage to do so--and for "preserving the people's trust and confidence in the Supreme Court" through his unfettered decisions on the supremacy of the rule of law and Justice. Now he is the most senior associate Justice of the Supreme Court.

Teehankee would have been elevated to the position of Chief Justice in 1980 when Justice Enrrique Fernando reached the mandatory retirement age of 65, according to the 1973 Constitution, but President Marcos, evidently, to block his automatic promotion, issued a decree increasing the retirement age of justices from 65 to 70. Marcos must have in mind that Teehankee committed a disservice to his regime for acting in accordance with his convictions in advocating for the lifting of Martial Law.

It should also be remembered that Teehankee was among the six (6) Justices including Chief Justice Roberto Concepcion, who, in the celebrated case of Javellana vs The Executive Secretary, et al., voted that the Constitution proposed by the 1971 Constitutional Convention was "not validly ratified in accordance with Art XV, Section 1 of the 1935 Constitution, which provides only one way for ratification, i.e., in an election of plebiscite held in accordance with law and participated in only by qualified and duly registered voters."

In today's issue (Aug 18, 1984) of VISAYAN HERALD, appears in bold headline that Justice Teehankee rebuked military and police officials for using armed plainclothesmen in breaking up recent anti-government demonstrators and asked the Minister of Justice Estelito Mendoza that the practice be stopped.

It was reported that Justice Teehankee gave the rebuke to Justice Minister Mendoza and Manila Police Chief Brig Gen Narciso Cabrera during the hearing en banc of a petition to force the city authorities to issue a permit for an anti-government rally scheduled for last Friday.

On this coming Tuesday, August 21, which is the first anniversary of the still unsolved Senator Benigno Aquino's murder at the Manila International Airport a huge demonstration and rally is planned by the Opposition to be held at the Quirino Grandstand at the Luneta.

Speculations by the military that communists and subversives might infiltrate the demonstrations are resorted as flimsy ground for recommending to the mayors to refuse to grant permits. Opposition lawyers denied the infiltrations, pledged peaceful marches and rallies and reminded the Court its ruling last year that mere speculations by the government that subversives might infiltrate demonstrations were not sufficient ground to withhold a permit.

We know for a fact that Justice Claudio Teehankee will always uphold the rule of law and the Constitution on questions of peaceful demonstrations and the rights of the people to peaceably assemble for a redress of grievances.

CSO: 4200/1022

MUSLIM LEADERS URGE ISLAMIC WORLD TO HALT MARCOS AID

Cebu City VISAYAN HERALD in English 21 Aug 84 pp 1, 4

[Text] Manila, Philippines (AP)--A group of Filipino Moslem leaders called for a military withdrawal from Moslem areas on Southern Mindanao island and urged the Islamic World to stop aiding President Ferdinand E. Marcos regime.

In a statement, the group condemned the intensified military operations against Moslem separatist rebels in Mindanao, saying this "merely hardens the convictions of Moslem leaders" agitating for the establishment of a separate Moslem republic on the island, located 500 miles (800 kms) south of Manila.

The military has claimed killing 92 insurgents of the separatist Moro National Liberation Front (MNLF) in a two-week-long air and ground offensive in Lanao del Sur province. It listed government casualties as seven dead and 15 wounded.

But a member of group, Abul Khayr Alonto, disputed the government figures. Alonto, a former MNLF commander who surrendered in 1978, told reporters he has just visited Lanao del Sur and reports he gathered from area, including from MNLF sources, put rebel losses at only seven dead and military casualties at more than 100 killed.

Alonto said 32 civilians had been killed in military bombings and strafing of some villages and that "from 5,000 to 10,000" inhabitants had fled their homes to nearby Cotabato province.

The groups joint statement was issued at a news conference in the name of 15 Moslem leaders, led by former Sen Namintal Tamano who attended the conference. The 15 are considered to be moderate elements in the Filipino Moslem community.

The groups statement blamed the country's political and economic difficulties on the "arrogant posture of President Marcos" whom they accused of ignoring demands for genuine reforms.

"We call upon the world Moslem community to desist from any and all acts that would contribute to the propping up of the Marcos dictatorship and to exert its moral influence to prevail upon the Marcos regime to resort to peaceful persuasion, rather than brute force, in the solution of domestic problems," the statement said.

The statement did not specify what kind of assistance to the Marcos government should be stopped. Two leading members of the Islamic world, Saudi Arabia and Indonesia, supply the Philippines with oil.

Alonto, replying to question, accused the military of using "napalm and chemical bombs" in Moslem villages. But he could not provide evidence to support his claim. He said he was willing to escort reporters to villages where he said the chemicals were used.

Defense Minister Juan Ponce Enrile has denied the military is using napalm or chemicals in Mindanao saying the government has no such weapons.

The MNLF spearheads a 12-year-old revolt for Moslem self-rule in Mindanao. More than 60,000 people are estimated to have died in the rebellion.

CSO: 4200/1022

AFP OFFICER LINKS NPA GROWTH TO LOCAL GOVERNMENT FAILURES

Manila BULLETIN TODAY in English 13 Aug 84 p 12

[Article by Tony Pe Rimando]

[Text]

**DIPOLOG CITY —** The growing strength of the New People's Army in the rural communities of Zamboanga del Norte has been attributed by a ranking military commander to alleged failure of local officials to bring the government closer to the people.

Lt. Col. Benjamin Samonte, commanding officer of the 1st composite infantry battalion, said the NPA has succeeded in strengthening its mass base of supporters and sympathizers because many provincial and municipal officials "have not been making contact or dialogue with their constituents in the rural areas."

Samonte told the Mindanao Observer, a local crusading news-

weekly, that the insurgency problem and "prevailing atmosphere of unrest" in the province has its political roots.

The Army officer noted that local political leaders, like provincial and municipal officials, seldom if ever, visit and meet with their own people especially those in far-flung communities.

Samonte pointed out that if only local elites, who are posed to be the best link of the government to the people, had shown more concern and compassion for the people's needs and problems through constant dialogue and contact with them, "the

NPA could not have succeeded easily in sowing the seed of discontent in the province."

The battalion commander bewailed the popular claim among some local officials that the insurgency problem in the Zamboanga peninsula "is a no-win situation."

Samonte said that the concept of counter-insurgency campaign cannot be implemented effectively alone by the military. The campaign, he added, is the concern also of civilian officials as well as the people themselves since the two groups are the ones directly affected by the problem.

CSO: 4200/1013

COLUMNIST ON 'SUGGESTION' IN BOSWORTH REMARKS

Manila BULLETIN TODAY in English 13 Aug 84 p 6

[Article by Orlando F. Aquino: "That Filipino Capital Abroad"]

[Excerpt]

**T**HE delay in the approval by the International Monetary Fund (IMF) of the \$630-million standby credit and Prime Minister Cesar Virata's candid admission of the possibility that the loan may not be granted—the country's economy will not collapse, he assured the Batasang Pambansa last week—have sparked speculations in business circles that there must be some hidden significance in the statement of US Ambassador Stephen Bosworth on the reported flight of Filipino capital abroad.

Certain business quarters say that Bosworth's mention of Filipino investments in foreign lands being "upwards of \$10 billion," which he so tactfully attributed to a "leading private economist," has actually strong basis in fact. These same quarters have even ventured to say that with the accessibility of the IMF to economic and financial information, it would not be surprising if the IMF itself is in possession of more definite information of even the extent of these Filipino investments.

When Bosworth further said that "if even half of that (\$10 billion) could return to the Philippines for productive investment here, it would make a considerable difference," this was interpreted to mean a suggestion on the US diplomat's part that these Filipinos do just that to save the country's economy from deteriorating further.

All this, of course, is conjecture. But to our mind there seems to be a lot of truth to it.

BUSINESS TASK FORCE REPORTS FOREIGN EXCHANGE RATE STABILIZATION

Manila BULLETIN TODAY in English 13 Aug 84 p 20

[Text]

The foreign exchange rate in the parallel market for pre-paid letters of credit has stabilized between ₱20 to ₱21.50 per one US dollar, according to a survey undertaken by the combined facilities of the Philippine Chamber of Commerce and Industry and the Ministry of Industry's private sector balance of payments task force during the last four weeks.

Concepcion Industries president Raul T. Concepcion, chairman of the BOP task force whose group has been monitoring the movement of prices and the foreign exchange rate to aid businessmen and industrialists in their planning, also reported that prices of goods have likewise stabilized.

Concepcion expressed

the view that the major reason for the stabilization of the foreign exchange rate in the parallel market was the tight credit and high interest rate policy adopted by the Central Bank in an effort to dampen imports, curb inflation and comply with the requirements of the International Monetary Fund (IMF).

Concepcion added that industrial and business firms are now cautious and have become conservative in financing their raw material requirements from the parallel market.

On the other hand, he said further, the need for more pesos in the banking system is aggravated further with excess funds of

business firms and investors being attracted to the high-yielding CB bills.

The retention of 20 percent of foreign exchange receipts by the commercial banks, Concepcion reported, further eased pressures on the foreign exchange requirements of export-oriented industries and, to a certain extent, the essential and vital domestic industries.

Commercial banks, he said, were now in a better position to predict, plan and allocate their foreign exchange requirements to priority industries.

The joint PCCI-MTI survey was based on selective interviews with commercial banks, financial institutions, major industrial firms and industry associations.

CSO: 4200/1013

ARTICLE DESCRIBES NUCLEAR ATTACK EFFECTS ON MANILA

Quezon City VERITAS in English 12 Aug 84 p 9

[Text]

**I**N CASE of nuclear war between the two superpowers, Clark Air base and the Subic naval base would inevitably be the targets of Soviet missiles.

So with the San Miguel Communication Center, a small but vital US naval base in San Antonio, Zambales.

Another would-be target is the Joint US Military Advisory Group (JUSMAG) headquarters in Quezon City.

What would happen if a one-megaton nuclear device were to be detonated each on these four sites?

Jorge Emmanuel of the Friends of the Filipino People studied and described in detail the resulting devastation, published in the *Southeast Asian Circle* in April 1983. The following is a summary of his report:

The effects of a one-megaton nuclear bomb detonating 6000 feet over the intersection of Quezon Blvd., West and South Aves. near the JUSMAG headquarters would be felt in areas as far as Antipolo, Taytay, Parañaque and Valenzuela.

Two million would be killed by overpressure (excess of normal pressure), collapsing buildings, and flying debris; a million more would die from severe burns, and more than two million would suffer from burns, fractures, and lacerations.

Students from St. Joseph's College, and San Francisco del Monte elementary school and patients of

St. Luke's hospital would be crushed by collapsing buildings or succumb to 10,000 rems (A rem is a measure of biological damage due to radiation.) of intense radiation. Houses in Philam Life Homes would be razed to the ground.

Initial radiation of over 650 rems would extend to as far as the Carmelite Church in New Manila and the Sienna College in Del Monte Avenue, killing anyone who initially survives the intense heat and blast wave.

At the edge of Ring 1 (pls. refer to Figure 1), winds of 480 kph (equivalent to the extreme levels of tornadoes) would send even earthquake-resistant concrete buildings crumbling like a deck of cards; eardrums will rupture and lungs will hemorrhage.

In this ring are St. Paul College, Sta. Mesa market, UERM Hospital, Quezon Institute, Balic-Balic Church, St. Theresa's College, the National Orthopedic Hospital, Veteran's Memorial Hospital, Quezon Memorial Circle, UP Village, and Cubao.

About 900,000 people will die underneath fallen structures or from being smashed against solid surfaces, or from severe burns and nuclear radiation. No one in this ring, about 3.9 km from ground zero, is expected to survive.

At the edge of Ring 2, farther away at 6.1 km from ground zero, winds of 260 kph would demolish multi-storey edifices and completely destroy residential houses.

Covered by this ring are Sampaloc, Pandacan, San Miguel, Quiapo, Sta. Cruz, Sta. Ana, Tondo, San Jose, Caloocan, and Mandaluyong.

An estimated one million people could die from the blast wave, and 250,000 from burns, with several hundreds of thousands of injuries from severe burns, fractures, and lacerations.

Most homes within Ring 3 would be destroyed and large buildings damaged.

Ring 3 extends over Malate, Sta. Ana, Makati, Paco, Ermita, Intramuros, South Port, San Nicolas, Binondo, Tondo, Navotas, Malabon, Marikina, Pasig and parts of Valenzuela and Pasay.

About 750,000 will die from severe burns and blast effects plus over a million serious injuries.

At Ring 4, extending 16 km from ground zero, people directly exposed to the fireball will suffer third degree burns.

Included in this ring are Parañaque, Pasay, Pateros, Taguig, Taytay, Cainta, Antipolo, San Mateo, Obando, Meycauayan, Malabon, Navotas and Valenzuela.

Burn fatalities are estimated at 170,000, burn injuries at 120,000, and blast injuries at 290,000.

#### **BLASTS OVER CLARK, SUBIC AND SAN MIGUEL**

With just one nuclear device dropped over Clark, Subic, and San Miguel, several hundreds of thousands of people would die, several hundreds of thousands more injured, and buildings in the affected areas will crumble like a deck of cards.

The intense heat will kill about 60,000 people in Pampanga and Tarlac due to the Clark bomb; 12,000 in Zambales and Bataan due to the Subic bomb; and 11,000 in Zambales due to the San Miguel bomb.

The blast wave will send even strongly-constructed buildings toppling down, crushing people to death underneath the rubble. About 106,000 will die and 127,000 injured in Pampanga and Tarlac due to the Clark bomb; 221,000 will die and 28,000 injured in Zambales and Bataan due to the Subic bomb; and 21,000 will die and 23,000 injured in Zambales die to the San Miguel bomb.

Radioactive fallout is the most lethal. It is invisible and undetectable by human senses, and therefore the least predictable in its effects. Slight shifts in the wind directions and speeds will affect the extent and location of the fallout. If the wind is blowing towards the southwest, the fallout will spread over certain provinces in Northern Luzon; towards the northeast, and Mindoro, Palawan, and possibly Visayas will be contaminated by the fallout.

Hundreds of thousands of people may die within two weeks but those who survive will develop long-term radiation sicknesses for many years after.

These are the effects of one-megaton nuclear bombs exploded over four targets. The Report concludes with the question: What if multiple bombs are exploded and over other targets yet? — GSO

# RALLY HONORS RETURNING LUCMAN WIDOW, CATHOLIC CHURCH ASSAILED

Manila BULLETIN TODAY in English 13 Aug 84 pp 1, 10

[Text]

MARAWI CITY — Former Lanao del Sur Gov. Princess Tarhata Alonto Lucman, widow of former Congressman and Sultan Haroun Al Rashid Lucman, appealed yesterday for unity among all Muslim Filipinos during a prayer rally in honor of the late Muslim leader.

Princess Tarhata stressed that it was Lucman's dying wish that the Muslim Filipinos strive to unite so that the peace and prosperity that they had long aspired for would be realized at last.

She said that Lucman was basically a man of peace and lived all of his life in quest of it for his people. "Every Filipino Muslim should, therefore, look for peaceful solutions to the country's problems so that Sultan Lucman's martyrdom will not be in vain," she said.

As Sultan of Bayang, Lanao del Sur, the late Lucman was revered in all the 19 Muslim Royal Houses of Mindanao and Sulu having once been designated Paramount Sultan by his peers.

The rally also served as a homecoming for Princess Tarhata, daughters

Normallah and Lorraine and sons Noruddin, Salahuddin and Haroun Al Rashid II who had just returned from Saudi Arabia where the late Sultan was buried.

Responding with hearty cries of "Allahu Akbar" (God is great), some 40,000 rally participants, one of the biggest crowds to assemble in Marawi City in recent times, crammed into the Jamiatul Philippine Al Islamia quadrangle through proceedings that lasted for two hours. Many openly wept as they listened to the exhortations of the Sultan's widow.

Princess Tarhata also stressed that peace in the homeland of Muslim Filipinos is well within reach if the citizens had the will for it and the conditions were right. Lanao del Sur, during her incumbency as governor, she said was relatively peaceful.

CAMP PARANG, Maguindanao — Speaker Protempore Salipada K. Pendatun of the Batasang Pambansa assailed yesterday the Roman Catholic church in the country for allegedly delivering anti-government speeches from the pulpit. Speaking before

thousands of Muslims and Christians at the PC-INP Regional Command 12 anniversary celebration yesterday, Pendatun called on the Catholic church to seek a dialogue with government, instead of attacking it.

He said that it is not within the responsibility of the Catholic church to interfere in government affairs.

If the Church is interested in helping find solutions to the country's problems, it should exert efforts to help government.

Pendatun said that the reason why government is running after some members of the Catholic Church is because government has proven that some priests and nuns are actively engaged in subversive movements.

Pendatun's statement against the Catholic church followed a resolution from the Ulama Council of leaders which charged the Catholic Church with meddling in affairs of government.

The Ulama Council's resolution was submitted to Batasang Pambansa Speaker Nicanor Ynguez. (Roy Sinfuego)

PHILIPPINES

DEMONSTRATORS BOO BOSWORTH AT MEETING WITH BACOLOD BISHOP

Cebu City VISAYAN HERALD in English 30 Aug 84 pp 1, 9

[Text] BACOLOD, Philippines (AP)--Demonstrators protesting U.S. support for President Ferdinand E. Marcos booed U.S. Ambassador Bosworth as he met Tuesday with Roman Catholic Bishop Antonio Fortich at the churchman's residence here.

The booing from about 150 protesters gathered across the street from the bishop's palace came as Fortich was giving Bosworth a briefing on local issues, including the killing last May of nine peasants accused by the military of being subversives. Twenty-three soldiers are being investigated in the incident.

"Bosworth tell (President) Reagan to stop propping up Marcos dictatorship," said a protester's placard. The demonstrators also chanted anti-U.S. slogans.

Bosworth, recently posted in the Philippines, is visiting Bacolod, 300 miles (480 kms) southeast of Manila, in a familiarization tour of Negros island, scene of agrarian unrest. Communist guerrillas are also active on the island.

Before calling on Fortich, Bosworth met with provincial officials at a Bacolod hotel about 300 meters from the bishop's residence. The same group of protestors also demonstrated outside the hotel.

CSO: 4200/1035

NPA DISARMS PC DETACHMENT IN DAVAO ORIENTAL

Davao City PEOPLE'S DAILY FORUM in English 22 Aug 84 pp 1, 10

[Text] Two hundred armed rebels believed to be members of the New People's Army (NPA) attacked a PC detachment in Calapagan, Lupon, Davao Oriental last Monday at 4:00 in the morning, killing the detachment commander and seriously wounding another soldier.

The rebels who were wearing bandanas (head bands), upon reaching the constabulary camp, ordered Sgt. Michael Urbiztondo, the commander, and C2C Maximo Fabros to surrender their arms, otherwise they would be strafed.

Being only two inside the detachment did not threaten the soldiers. Urbiztondo immediately started firing at the rebels, then an exchange of volley ensued.

After a one-hour gunbattle, the rebels were able to fell Urbiztondo and seriously wounded Fabros. All the firearms available inside the detachment were carted away.

Before fleeing away from the scene, the leader of the rebel band chopped off the head of the constabulary sergeant and applied first-aid to the wounded soldier.

Reports that the Fabros was given an anti-hemorrhage tablet and was applied a tourniquet before fleeing.

Two other civilians were killed nearby. They were obviously hit by stray bullets.

The attack at the PC detachment was the second to happen in two months. The first attack was made on June 13, 1984 by 50 rebels who had slain a certain PC Sgt. Verano.

The reports also indicated that the soldiers who figured in the latest encounter with rebels belong to the 433rd PC Company.

Constabulary elements from Mati and Lupon in Davao Oriental have started tracking down the rebels, the reports added.

CSO: 4200/1035

FORMER MNLF APPOINTEE NEGOTIATES FOR REBEL SURRENDER

Davao City PEOPLE'S DAILY FORUM in English 23 Aug 84 pp 1, 10

[Text] Hundreds of secessionist elements belonging to the Moro National Liberation Front are expected to return to the folds of the law following the recent appointment of former MNLF Commander Insam Janggayan as deputy minister of local government for central Mindanao.

Janggayan is presently working for the surrender of rebel commanders of the formerly undivided Cotabatos (South Cotabato included) and Misamis Occidental.

The former rebel commander said that the surrender will come momentarily after the finalization of the terms and conditions between the MNLF and the government.

To achieve better results in the introduction of development projects in the areas, Janggayan makes it a point to be in constant consultations with local officials and the military.

The appointment of the deputy minister was signed by Local Government Minister Jose Rono upon recommendation of President Marcos.

CSO: 4200/1035

BUSINESS GROUP ASSISTS BATASAN ON PUBLIC ISSUES

Quezon City VERITAS in English 26 Aug 84 pp 18, 19

[Article: "Private Sector's Own Batasan"]

[Text]

**T**HEY jokingly refer to themselves as the parliament of business. The private sector, accusing government of meddling so much in business it has become free enterprises' biggest competitor, now seems to have decided to play the same game and meddle, this time, in government. Tit for tat.

But the Private Sector Council on Public Issues (PSCPI) is not going to be a lobby group, so promises its interim chairman, Vicente T. Paterno. It will merely assist the Batasan Pambansa do a more effective job through research, studies and technical assistance from the private sector.

Paterno explained that many of the Mambabatas Pambansa are not fully informed thoroughly about the national issues which crucially await their decisions. Before they cast their votes on the numerous Batasan bills, the PSCPI hopes to provide them with the necessary information.

Like the Batasan, however, the PSCPI will inevitably conduct extensive discussions on national issues. Paterno says: "Before any paper is presented by PSCPI to the Batasan, it should have already passed the scrutiny of the private sector members." And, he adds, unless there is unanimity, the PSCPI or any of its committees will not take any position on matters of national importance.

Some 11 associations joined the council. These were formed into eight committees, each headed by a chairman: Fritz R. Gemperle (agriculture); Jose L. Cuisia,

Jr. (banking and finance); Dante G. Santos (trade and industry); Ricardo J. Romulo (legal reforms I); Jose S. Concepcion, Jr. (legal reforms II); Fr. Miguel Ma. Varela, S.J. (education); Vicente R. Jayme (social development); and Vicente T. Paterno (economic development).

Launched Aug. 17 at a plush restaurant in the heart of the financial center, Makati, the PSCPI gave an overview of the different problems which its committees pledged to address themselves to. Judging from the strong statements of each chairman, it was clear that the private sector had a heavy ax to grind against government.

**O**N CREDIT, it is a well-known fact there isn't any. This was committee on agriculture chairman Gemperle's first salvo. Aside from credit, the group will also concern itself with marketing, pricing, peace and order.

Gemperle said his committee is "against marketing monopolies... and that marketing belongs to private industry." On pricing, he said this should be left to market forces: "Manipulation of the prices of important commodities ends in less income for both producers and farmers."

Since peace and order are necessary for agriculture to grow, Gemperle commented that the "heavy military presence in the countryside is not winning the hearts and minds of the people." We should look at other options, he said.

He also made note of the proposed P1.3 billion share of agriculture in the P67.3 billion national budget and said "it is too small."

Banking and Finance committee chairman Cuisia said that this sector will move from a traditionally conservative role in the Philippine financial system to a more active one. He said this is needed to face "the worst crisis of the country since the post-war period."

Cuisia also noted that the private sector is getting "stiff competition from the Central Bank itself through the latter's strict conditions and Treasury Bills."

The committee on legal reforms I aims to improve the quality and performance of the judiciary system. Romulo said: "Many appointees to the judiciary are unfit. Merit appears to have taken a back seat."

Namfrel's Joe Concepcion, chairman of Legal Reforms II, laid down his group's objectives: the review of all the presidential decrees concerned with basic human rights; the move to submit Amendment No. 6 to a plebiscite; the promotion of public accountability of public funds; the streamlining of government processes, highlighting deregulation; the strengthening of legal sanctions with special emphasis on the move for a strong electoral code and the appointment of men of integrity to the Comelec. He also included the re-institution of Namfrel as a citizens' electoral arm.

Fr. Varela mentioned the deteriorating quality of education as well as instructors. He said his committee will study how educational services to non-Metro Manila institutions can be improved and "to put more teeth" into the decentralization policies on education.

The social development committee, through chairman Jayme, will watch the offices in government, to see that they perform their public responsibility of

service to the people who elected them into office.

Speaking for his committee on economic development and budget, Paterno said: "There are too many plans without any plan of implementation."

He breaks down his committee into two: economic development which will concentrate on directions rather than planning; and budget which will formulate the parameters of the national budget allocations. On the latter he said: "The people ought to know how much will go where. Only through this could there be a national appreciation of how national money is spent." He said they will also monitor how effective this public money is being spent.

Dante Santos pledged that his committee will show concern for small and medium scale industries, not just big businesses. He said, "We will prove that the PSCPI is not composed solely of the so-called Makati-based businessmen."

**A**T THE same event, the private sector invited three BP leaders to give their responses: Minority Floor leader Jose B. Laurel Jr., Majority floor leader Jose A. Roño; and Speaker pro-tempore Salipada K. Pendatun.

Paterno explained that PSCPI's main problem now is how to relate to the Batasan, whom to channel papers to, how to be notified by committee hearings. Underneath the technicalities, of course, seems to be the need to know how the PSCPI concept will be accepted by the Batasan.

Without making definite commitments, Roño responded with: "I am confident that the BP will listen and discuss with you." He added that the PSCPI forum provides the private sector with a "working place" in the Batasan.

He told the group that their move reminded him of how France recovered from the ashes of World War II. He said such a move will lead to the maturation of the country's political system but cautioned, however, that the system "does not only need critiques but also alternatives."

Lending light, however, to the seemingly over-burdened private sector, was Hon. Jose B. Laurel, Jr. Speaking in straight Tagalog to an occasion dominated by the English language, Laurel talked on some issues which the various committee heads have brought out.

Referring to Jose Concepcion's beef against

the controversial presidential decrees, Laurel said: "*Mayroon namang nagsasabing huwag nang alisin ang mga PDs. Kasi pag nagpalit ang gulong ng suwerte ay puwede naman nating gamitin ang mga PDs sa kanila.* (There are some who say, don't remove the PDs. When the change in power comes, we can use the very same PDs on those in power now.)"

He said he is confused about the present government system. "It is a mongrelized system, neither fish nor fowl. In all honesty, I haven't seen a government such as this."

Laurel also told the group that he was once a political law teacher. But he has stopped because "*ano namang batas ang ituturo ko* (What kind of laws will I teach, anyway?) The law is what Marcos says it is."

Since Paterno and Gemperle mentioned the current national budget, Laurel cracked a joke about PD-1177 which gives the president the power to change, alter, amend the budget even after the Batasan has approved it. He said: "*Hindi naman PD 1177 yan kundi 7-11. Loaded dice daw kasi!*"

He talked about Prime Minister Cesar Virata, referring to him as "*ang nagmamaneho ng ating ekonomiya* (the driver of the economy)." But he noticed that "*hindi naman yata marunong magmamaneho. May back seat driver kasi na nag-uutos na ihulog ang sasakyan sa bangin* (He is not a good driver. He follows his backseat driver who tells him to drive the economy off the cliff)."

**T**HIS parliament of the private sector carries such strong causes and definite goals that its profile as a pressure group is obvious, observers said. Paterno might just find it difficult to keep the group as simply a forum of national issues or an assistance arm to the Batasan, they added.

While most of the committees carefully chose their members to provide for a wide sectoral representation, the same observers said that the agriculture group seems composed only of the agri-business elite. As such their motives will naturally be suspect to the government and public sectors, they added.

Between the government's Batasan and the private sector's parliament, the public can expect a lot of meddling, lobbying, bickering, they went on. There is that promise of excitement at the forum but there is no assurance yet that the public good will not suffer in the cross-fire. — CHIT L. MACAPAGAL

## WEEKLY PROFILES 'UNPREDICTABILITY' OF CARDINAL SIN

Quezon City VERITAS in English 26 Aug 84 pp 8-10

[Article: "Prophet in His Own Country"]

[Text]

*I will send them a prophet like you from among their own people; I will tell him what to say, and he will tell the people everything I command. He will speak in my name, and I will punish anyone who refuses to obey him. But if any prophet dares to speak a message in my name when I did not command him to do so, he must die for it, and so must any prophet who speaks in the name of other gods. (Deut. 18:18-20)*

**T**HE PROPHET speaks with a thunderous voice, his words promising death and promising salvation. He afflicts the comfortable, and comforts the miserable. His presence disturbs.

He may also speak in homespun parables, paraphrasing biblical messages in droll, everyday terms. Even when denouncing the gravest abuses, his expression may be wry, his voice

even. He may even cap the fieriest of speeches with a string of jokes.

Jaime L. Cardinal Sin, ten years Archbishop of Manila this year, is not quite cut from the same rough cloth as John the Baptist and the Old Testament prophets. There are those who would even look askance at what he says is his dual responsibility as pastor: "to be a prophet of denunciation, and a minister of reconciliation." Among the foreign press, he has earned the status of defender of human rights, his views considered indispensable for a definitive statement on the country today. The government claims he dreams of becoming the local Khomeini. A "prominent oppositionist" has been reported to dismiss him as "just another politician." Cynics claim he dances too easily to the music of whoever plays the tune.

The Cardinal, who turns 56 this week,

marked his first decade as the unofficial "head" of the Philippine Catholic church in a swirl of controversy centered on the issue of Church-State relations, and his own role in supposedly exacerbating the rifts between the two entities. His detractors on one hand, score him for using the pulpit "to sow anger and envy." On the other, they view him as vacillating, dismissing his anti-government stance as a public relations ploy. It is not really all that surprising to find that he is scorned and denounced by rightist and leftist alike.

Says he: "It is indeed difficult for me to be saying things that sometimes will boil down to offending other people. But it is my duty to say things in order to comply with my duty as a prophet, because a prophet has to denounce." At the same time, the archbishop explains, he may not speak all that often, or as harshly as some

would like him to, because "I try to balance prudence and courage." He adds: "Timing is important for talking. You might keep shouting 'wolf! wolf!' and later on nobody will believe you."

When he first arrived in Manila, a little-known bishop from Iloilo who had not made any headlines, nor projected himself into the national consciousness, Cardinal Sin says "I wanted to be cooperative, as far as I was able." He was greeted effusively, the controlled press making much of his sense of humor (remember the puns about his name?) and his open-door policy at Villa San Miguel, the Archbishop's official residence.

In time, the honeymoon period with the press — and with the couple at Malacañang — soured into an uneasy truce. Contrary to press reports, the Marcoses and he are not in an undeclared state of war: "Even until now they call me up very often

by phone. And I would not hesitate to go to Malacañang if they will invite me."

It is this seeming policy of shooting from the hip with the left, while extending the right in greeting, that galls, annoys, angers many of his flock. "Some of us feel he should take a stronger stand," says a concerned laywoman who has had occasion to work with the Cardinal on some projects. "Others question why he has to socialize with them at all. But then, I'm not as black-and-white in my thinking. Perhaps he feels there is no point in ostracizing them. Perhaps he feels this is not yet the time to burn his bridges. But, I wonder, does he realize what the repercussions are?"

But another laywoman, who works closely with him in the campus ministry, views it in another light: "The Marcoses are his parishioners," she says, "and what kind of pastor would he be if the Cardinal turned his back on them? After all, a pastor's duty is to serve his parishioners, to perform priestly functions for them. Saying Mass in Malacañang is one such function."

To the first laywoman, the "really shocking thing," was the sight of the Cardinal "giving communion" to Imee, the Marcoses' eldest daughter. The Cardinal himself vigorously denies ever having done this.

Cardinal Sin will only say that "Imee is a very clever woman,

very intelligent. She knows her religion." The Cardinal speculates: "Maybe the picture published in the papers was before she was married, and she was receiving communion. But never did I give, I know that."

But even if Imee did approach him at the communion rail, declares the Cardinal, "Canon Law says that you cannot turn away a person already at the communion rail. Imagine the embarrassment, it would be a terrible scandal. Even if you are a public sinner and you are in the communion rail you (the priest) have to give, you are allowed to give. You see how God and the Church respect human dignity? Precisely I would say that the sacraments were instituted for sinners. If you are saved, what's the need of the sacraments?"

The tempest around such a seemingly trivial incident illustrates just how personally Filipinos take their politics — and their religion. Criticized for telling the Rotary Club Marcos is a dictator one day, then going to Malacañang to say Mass for him the next, Cardinal Sin replies: "Well, dictator is in the dictionary, no? It means that he dictates, and in a democratic country, it should not be that way, and I think I am helping him even if he is offended by that word. And then I go to Malacañang because my duty does not stop at the door of Malacañang. He is still a member of my flock, and he needs my presence. So I go."

**S**UCH sophisticated juggling may seem incongruous for a man who feels patently uncomfortable in his role as respected churchman and venerable authority. He would like people, he tells his interviewers, to "see me as I am." And to paint that picture, he says, one would need to see him "as I was in Iloilo."

He nods vigorously when an associate says he thinks "your heart is bigger than your intellect." When newspapermen, upon receiving news of his appointment to Manila, asked him what he had done to deserve the promotion, he said he didn't know. "Imagine, I am just a product of the provincial seminary. I have not even stepped into the Pontifical University of Santo Tomas (this to a largely UST group). Not at all. Immediately when I came to Manila, I was being acclaimed, everybody was praising me. When Jesus entered Jerusalem, He rode on a donkey, and as they were going around the streets, the people were singing 'Long live the King of Israel.' The donkey thought that all this acclamation was for him. That is why until now he is called stupid. In my case I know that all the acclamations are for Christ, because Christ is riding on me. All the honor and glory belong to Him."

An average student who spent his first years in the priesthood as a missionary in the mountain barrios of Aklan, the Cardinal in his extemporaneous

talks, turns folksy, translating Biblical episodes into everyday terms (Jesus always calls Mary "mommy"): He tells mothers in the audience to "kiss your babies for me." And he often refers to weddings as "referendums," where bride and groom "vote" yes for each other.

The approach is tailor-made for the Filipino audience, who react to the Cardinal with warmth and lots of laughs. He sometimes gets into trouble, though, when he misreads his audience and turns off listeners, who may feel he is patronizing them.

But the air of benevolence, of innocence, even, can be deceptive. For all his avowed lack of intellectual capacity, the Cardinal, in his ten years as archbishop of the premier see, has proven himself an adept administrator.

When asked how he would assess his term, the Cardinal refers to his fiscal accomplishments: "Radio Veritas is functioning, the Pension Plan is there, the St. Joseph the Worker Foundation is working very well, the Arzobispado (the archdiocesan administrative office) is being revitalized, and most important of all, the Synod of Manila (held in 1979) has given the archdiocese new direction."

The post-Vatican II years were turbulent, troubled years for the institutional church. But at least they brought the promise of needed reforms, among which was more lay participation in the affairs of the church.

Unfortunately, the Archdiocese of Manila at that time proved resistant to the urgings of change. In 1970, students and faculty members from Catholic schools demanded that the Archdiocese of Manila open its books to the public, a demand the late Cardinal Santos rejected, saying only the Vatican could compel him to do so. That same year, the Catholic Bishops Conference of the Philippines called on its members to shed the "image of opulence" of the church; and Filipino priests banded into the Philippine Priests, Inc., making public the clergy's concern over their financial security and relations with bishops. So widespread was public displeasure at the church and churchmen that the *Government Report*, in an article entitled "The Recalcitrant Church," felt confident enough to denounce the Catholic church in the Philippines as the "single biggest obstacle to progress."

Few people know that one of the first acts of Cardinal Sin when he came to Manila was to give away some P30-million to the poorer dioceses in the Philippines. He set only one condition for the gift: that it be used, not in building or improving churches, but in social action projects.

Though putting the Archdiocese's books in order may have been the most urgent task facing Cardinal Sin, to the faithful, his most valuable achievement in the past ten years may have been the almost

total re-furbishing of the image of the Church in the country.

From the image of a wealthy, reactionary institution allied with oppressive interests; the Church is now seen as more accommodating to change, less opulent and grandiose, on the side of the poor and the oppressed. This, of course, is not Cardinal Sin's accomplishment alone (his severest critics may claim he has nothing to do with it) but also the end-result of years of internal examination and courageous action, not just in Rome and Manila, but in other parts of the country (especially in rural areas) and the world (such as Latin America).

Most observers will also admit that the morale of the diocesan clergy in Manila is pretty high, and in his ten years in Manila ("in all my 17 years as bishop," he clarifies) the Cardinal is proud to report that "I did not lose a single priest." This at a time when the number of priests leaving their calling is reaching endemic proportions elsewhere. "It is a sign of continuous communication," Cardinal Sin says of this remarkable record. "When a priest is down, you help him." His sympathy for his priests, he says, is a result of past experience, because, he says enigmatically, "I was also a victim of continuous repression before."

**W**HY, THEN, despite his contention that he preferred the quiet life in Iloilo, did the Cardinal choose to make himself uncom-

fortable by taking on the government?

In November, 1974, a few months after his installation as Archbishop of Manila, Cardinal Sin released to the foreign press a statement saying: "All Christians — men and women, young or old, priests or laity — must be witnesses to justice. As such it is their duty to denounce injustice wherever it may be committed."

Before the release of this statement, the Cardinal had issued a Pastoral Letter denouncing a military raid on San Jose seminary in Novaliches, which the military said was done with the approval of church authorities, eliciting angry denials from the Cardinal. Progressive nuns and priests expected Cardinal Sin to follow through with even stronger denunciations and actions. But they would only be disappointed when the Cardinal proved unwilling to prevent the deportation of two Italian priests working in Tondo, whom the military accused of subversion.

Laymen, expecting a liberal attitude on most other church matters because of his strongly-worded speeches, are rather surprised and even shocked at his basic conservatism. His statements belie a deep-seated suspicion of communism and socialism, but he expresses no great alarm over alleged leftist infiltration of church-based organizations.

The protest movement also views the Cardinal's call for reconciliation with skepticism, sensing some-

how that reconciliation dilutes and blunts the people's anger at the regime. The Cardinal clarifies that his idea of reconciliation is a far cry from the President's. "What Marcos means by reconciliation is patting his shoulder, which is very superficial. But what I mean by reconciliation is what St. John the Baptist was preaching, and repeated by Our Lady of Fatima, which is conversion. Maybe this present situation of ours is a scourge of God, God's way of making the people repent. When will it disappear? When we are all (including the President?) reconciled with God and we are converted."

God's ways are certainly mysterious. And no less so for having plucked this man of big heart and ebullient charm and pastoral concern from the obscurity of a small provincial diocese to the seat of Christianity in the Far East and into the glare of international exposure and recognition.

People are no doubt disappointed when he follows a fearless diatribe against human rights violations by saying Mass for the official family. And they are dismayed when, after taking the lead in denouncing government and military abuses, he retreats into silence and seems to allow all those who followed in his lead to take the full consequences. "The Church does not realize how powerful it is," says the concerned laywoman. "It is only now, I think, that the

Cardinal and the bishops realize how scared Marcos is (of them). They used to play right into Marcos' hands."

But couldn't it also be argued that what makes Cardinal Sin the effective and credible fiscalizer that he is, is precisely his unpredictability? The very same contradictory stance that confuses, boggles, disappoints friends and enemies alike? There is no question that President Marcos never knows what the Cardinal will do next.

**W**HATEVER it is critics say of him, Cardinal Sin declares, it should certainly not be that he uses the pulpit to talk politics. "If there is a need for speaking, I speak, but I wait for occasions like when I'm invited by the Rotary Club. That is not the pulpit, that is a podium. The audience has an opportunity to ask questions. But you will never hear me delivering a sermon about political matters, maybe only during the Funeral Mass for Aquino. But that was not a political speech, it was a eulogy. So that is my way. No one can accuse me of delivering a political sermon, never. But you can really accuse me of talking politics when I am with civic groups. And I like it, I enjoy it."

Despite what she feels are gaping inadequacies in the Cardinal's style of management, the concerned laywoman acknowledges that the Cardinal's "is certainly one of the

more powerful voices here." Whatever he has done or erred in doing, she notes, "he has always spoken up, at least he has never shirked that part of his duty." Overall, she says, "I think we are very fortunate to have him."

All of which does not explain the particular charisma of this man of the church, a man of such simple faith he once gave Our Lady a

deadline to cure him of his asthma or else he would leave the seminary (the asthma was cured and has not recurred).

The simplicity and strength of this faith remains to this day. To whom does a Prince of the Church turn when he is assailed by doubts and is heavily burdened? Reflectively, he replies: "For me, the only satisfaction is remembering God is

there. I go to the chapel every day, I stay there for 30 minutes, then, oh goodness, my worries are over. I just bow my head and say "Dear God, help me, I am depressed," and then I end my prayer with, 'Oh dear God, please love me.' Love me!"

Saying this his face takes on a glow, even as he gaffaws at his simple prayer and his naked need. One wonders, is this where Jaime Cardinal Sin gets his strength and courage? Could this faith be the wellspring from which flows his enigmatic dignity, the wholeness of being that journalists, statesmen, academicians, and religious leaders from all over the world, including the Pope, recognize and admire? And is it also faith that arms him with the resiliency and cunning demanded of those who would do battle with serpents.

"My duty as a pastor is to animate, to make people happy. That is why I go around making them happy, and also making them sad, by denouncing." The Cardinal laughs at this delightful paradox. But his voice merely echoes the raging, lonely, wonderful voice that sounded from the desert, that promised and proclaimed thousands of years ago:

I will speak out to encourage Jerusalem;

I will not be silent until she is saved,

And her victory shines like a torch in the night.

(Isaiah 62:1)

CSO: 4200/1035

NPA LIQUIDATES MARIJUANA GROWERS, DRUG SUPPLIERS

Davao City PEOPLE'S DAILY FORUM in English 21 Aug 84 pp 1, 10

[Text]

Marijuana growers and pushers who have caused the drug menace in the society have been liquidated by the New People's Army (NPA).

This was disclosed by Jeff Sommer, a foreign journalist who wrote an article about the NPA activities in Davao provinces.

Sommer in his report entitled **Guerrillas Step Up War on Marcos** which was recently published in **NEWSDAY** (a foreign-based tabloid) said that "the NPA sometimes imposes the ultimate punishment (death penalty) to big marijuana growers or big drug suppliers."

Anywhere in the country, parents are alarmed over the increasing drug abuse perpetrated by marijuana pushers who have victimized the youths.

"When the NPA discovers marijuana cultivation," Sommer added, "in an area under

its control, it first attempt to convince the grower of the **evil of his ways.**" If the marijuana grower would not destroy the crop, the NPA destroys the plant for them. However, big planters receive death punishment.

The NPA has strict rules governing the use of violence. Since they must rely on popular support to survive, guerrillas are strictly prohibited from stealing or harassing peasants, and they must select their targets carefully, Sommer reported.

Sommer in his article about the guerrillas in Southeastern Mindanao said that the Communist Party demands that its armed wing, the NPA, observes a "strict, almost ascetic discipline."

"The use of drugs, including marijuana is a ground for immediate dismissal" from the movement, Sommer said.

"Drinking is discouraged," he said.

CSO: 4200/1035

REBEL BAND KILLS FOUR AFP IN MOUNTAIN PROVINCE

Manila BULLETIN TODAY in English 31 Aug 84 p 36

[Text]

A 30-man rebel group killed four Army soldiers and wounded four other troopers in an ambush staged in the vicinity of Tacucan, some five kilometers from Bontoc, Mountain Province, last Aug. 26.

In a report to Gen. Fabian C. Ver, Armed Forces chief of staff, Brig. Gen. Victorino Azada, PC-INP Region I commander, identified the victims as 2nd Lt. Jose T. Lavetoria, Sgt. Rizal A. Anselmo, Pfc. Benhur Olaso, and

Pvt. Fidel A. Sibayan, all of "C" Company, 1st AFP-GHQ battalion.

The wounded were P r i v a t e s Buenaventura Lopez, Esperidio Zuñega, Pedro Tagata, and Rolito Ybanez, all of the same unit.

Azada said the New People's Army also suffered an undetermined number of casualties when the soldiers returned fire.

The report said a seven-man Army group aboard a mini cruiser was returning to their station in

Sadanga when the rebels staged an ambush, killing three and wounding four soldiers at once. A 30-minute gunbattle ensued.

Azada said men of the same Army outfit reinforced the besieged soldiers. A second exchange of fire lasted for three hours, killing another soldier and an undetermined number of rebels.

Azada said the wounded soldiers were taken to the Bontoc General Hospital.

CSO: 4200/1041

ISABELA GOVERNOR PROMISES AFP 'SUPPORT,' NOT 'SUBSERVIENCE'

Manila BULLETIN TODAY in English 31 Aug 84 p 16

[Text]

CAUAYAN, Isabela — Gov. Faustino N. Dy has promised continued support by local governments to the military in Region 2 but warned the latter against mistaking such support for subservience.

The governor spoke at a briefing given the other day by Recom 2 military intelligence division to provincial and town officials on the prevailing peace-and-order situation in the province.

The officials and the people of Isabela, Gov. Dy said, will never get tired cooperating with the military in any undertaking.

However, he added, "I ask the military never to mistake whatever cooperation we extend to the armed forces in the region as a sign of subservience for this might create a rift between civil and military officials."

There had been occasions in the past, Gov. Dy said, when mis-

understandings between military and civil officials threatened the unity among AFP men and local executives.

It was fortunate, the governor continued, that succeeding military officials assigned to the province and the local officials have been able to forge a good relationship with each other. This brought about friendly ties among themselves.

Since then, Gov. Dy said, local officials have given their best to the military, in the form of cooperation to all military undertakings aside from the respect they had shown to both officers and enlisted men.

The cooperation and the mutual respect that the military and civil officials are extending to each other today are expected to go a long way in the solution of the peace-and-order situation in Isabela, Gov. Dy said.

The military can rest assured that the civil

officials would not fall short of their responsibilities to the military, such as cooperation to military personnel and due recognition of the rights of officers and men.

The military was represented in the briefing by Brig. Gen. Thomas Manlongat, Recom 2 commander; Lt. Col. Dominador Resos, chief of intelligence of Recom 2; Capt. Artemio Arugay, PN group commander; and Col. Alfonso Mora, Isabela provincial commander. (ABP) —

CSO: 4200/1041

SULTAN URGES NEGOTIATIONS WITH MNLF

Manila BULLETIN TODAY in English 21 Aug 84 pp 1, 6

[Article by Vic Arevalo]

[Text]

Sultan Hadji Amirulah S. Mangelen, supreme head of Amirul Din Islam Al-Philippines, suggested the creation of a peace mission by President Marcos to negotiate with the Muslim rebels in Mindanao.

Mangelen said the mission should be composed of sincere Muslim leaders.

Mangelen made the suggestion as he appealed to the military to immediately stop the use of fighter planes and helicopter gunships in any operations against Muslim rebels.

He said air strikes cause heavy damage not only to the rebels but also to the lives and properties of civilians.

The sultan said the military should learn a lesson from its experiences during the past conflicts in Mindanao. He added that military

men know "that they cannot push the Muslims to the wall or force them to surrender against the enemies of Islam."

He also asked Speaker Protempore Salipada K. Pendatun to organize a committee composed of Muslim assemblymen to look into the killings in Mindanao, determine the root causes of the conflicts, and report to higher authorities.

The creation of the mission is urgent, the sultan said, because if the conflict continues, the civilian population, composed of Muslims and Christians, would suffer the brunt of the fighting.

He added that the Muslim conflict could be solved easily if the "government is sincere in the implementation of the Tripoli Agreement."

ZAMBOANGA CITY  
— At least 10 Moro National Liberation

Front (MNLF) rebels and a Civilian Home Defense Force (CHDF) member were killed when some 50 seaborne rebels attacked last weekend a detachment of the Constabulary and CHDF on Sibago island, Tuburan, Basilan.

Three CHDF members were also wounded during the attack reportedly led by three MNLF commanders: Munab Asta, Hadji Abba Mansul, and Ibno Luntian.

Brig. Gen. Edgardo Alfabeto, 9th PC-INP regional commander, said the rebels, riding on five motorized pumpboats, first attacked the Sibago detachment last Saturday afternoon. Four of the rebels were killed while several others were wounded. The slain MNLF men were not identified.

Alfabeto said six more rebels were killed when a bigger seaborne rebel group returned to Sibago the next morning and

fought for one hour the PC-CHDF group led by Sgt. Parajah Abbas of the 464th PC company based in Basilan.

The rebels killed were identified as Naim Idoh, Salim Idoh, Alfad Moro, Young Nasibu, all followers of Kumander Asta; and Unjol and Unjon (no surname), followers of Kumander Mansol.

In the Sunday encounter, CHDF member Ibba Hadusi was killed while two other CHDF men, Hain Tanjing and Ismirol Hadusi, were wounded.

The rebels staged a third attack Sunday afternoon. A PC team led by Capt. Jaime Ortega of the 464th PC company drove away the attackers after a two-hour fight.

A CHDF man, Unjul Gampal, was wounded as the rebels fled aboard their pump boats, bringing along their dead and wounded companions. (Vic Arevalo)

BATASAN BILL WOULD CLIP CENTRAL BANK HEAD'S POWERS

Manila PHILIPPINES DAILY EXPRESS in English 21 Aug 84 p 16

[Article by David Borje]

[Text]

A BILL designed to decentralize the powers of the Central Bank governor is now under study by the Batasan finance committee.

Arturo V. Barbero (Ind., Abra) said in Parliamentary Bill No. 68 the concentration of monetary and fiscal powers in the governor of the Central Bank who also doubles as the chairman of the monetary board...is the weakness of the entire system, and proposed the creation of the Philippine Central Monetary Authority.

Barbero said his bill is in line with a Constitutional mandate directing the Batasan "to establish a central monetary authority which shall provide policy direction in the areas of money, banking and credit."

The Abra solon said the double role of the CB governor "appears to be the principal reason why the country is now suffering from an acute and debilitating economic crisis that finds its roots in the improper handling of the country's fiscal and monetary affairs."

The proposed legislation was believed also spurred by the debacles in the financing system, including the collapse of several finance companies and the closure of at least 15 savings and rural banks since CB Gov. Jose B. Fernandez Jr. assumed office early this year.

HE SAID the framers of the 1973 Constitution, in inserting the provision for the creation of monetary authority, already saw "the need to check the already deteriorating conditions of the Philippine economy due mainly to the 'seemingly confused and bungled state of the nation's monetary and fiscal affairs.'"

The constitutional provision on a central - monetary authority give its supervisory powers over the operations of banks and regulatory authority over the operations of finance companies and other institutions performing similar functions.

CSO: 4200/1022

BODY POSED AS STEP TOWARD DEVELOPMENT OF NATIONAL LANGUAGE

Manila BULLETIN TODAY in English 31 Aug 84 p 8

[Text]

The expansion of the three-man Institute of National Language board to a 15-man body representing at least the 12 major languages in the country was proposed yesterday as an important step to developing a national language.

Former Constitutional Convention delegate Demetrio Quirino Jr. said this will widen participation of non-

Tagalog speaking groups in the effort to create a national language.

"Unless non-Tagalogs, comprising 78 percent of the people, are allowed to participate meaningfully in the development of the national language, the issue remains explosive and the solution of the problem illusory," the non-Tagalogs declared in a manifesto.

The non-Tagalogs said leaders of the movement "must recognize the reality of resistance and animosity existing among some sections toward the continued dominance of Tagalog, a dialect spoken by only 32 percent of the population," Quirino said.

He also urged that Labor Minister Blas F. Ople yield the leadership of the movement to develop a national language to somebody from the north or south.

Ople had urged the

achievement of national mandate for a national language in 1985, bemoaning an "awkward 11-year interval in the status of the national language," since ratification of the Constitution providing that the Tagalog-based Pilipino be the basis for the development of Filipino.

Quirino said the stagnation was caused precisely by Tagalog dominance. "This has not made the non-Tagalog happy since they comprise the 78 percent majority."

In urging the expansion of the INL, non-Tagalog leaders said the 15-man body should include representatives of the major language groups, including Cebuano, Ilocano, Hiligaynon, Bicolano, Pangasinense, Pampango, Maranao, Maguindanao, Waray-Waray, Aklanon, and Hamtikanon.

CSO: 4200/1041

NAVY WARSHIP BUILDING CAPABILITY REPORTED

Manila BULLETIN TODAY in English 24 Aug 84 p 28

[Text]

Philippine Navy chief Rear Admiral Si-meon Alejandro said yesterday the Navy is now capable of building its own warships "even with its very limited resources."

In a speech read for him by Commo. Ponciano Bautista, naval chief of staff, during the 20th anniversary of the Naval Defense Forces in Cavite, Alejandro said the organization's modernization and conversion programs through self-reliance have led to the acquisition of fundamental technologies.

These technologies

have made the navy capable to produce ship's spare parts and other materials necessary in shipbuilding Alejandro said. So far, he said, locally made ships have proven their durability even in the most trying conditions.

The Navy chief attributed the achievement to the ingenuity of navy officers and men, particularly in the naval shipyard, naval combat systems facility, naval research development center, and naval communications facility.

Alejandro said some machineries, sensors, electronic and com-

munication equipment that require extensive repair have been maintained through the use of indigenous materials.

He cited the commissioning of Patrol Interdiction Craft 104 which was able to conduct successfully anti-sea infiltration drive, especially in Tawi-Tawi and Zamboanga.

The acquisition of the craft resulted in the confiscation of 69 rounds of ammunition, several drums of gas and fuel oil, and hundreds of tan barks and lumber.

CSO: 4200/1025

BULLETIN TODAY COLUMNIST DOUBTS NUCLEAR PLANT WORTH 'RISK'

Manila BULLETIN TODAY in English 30 Aug 84 p 6

[Commentary by Benedicto David: "Nuke Problems"]

[Excerpt] A few days ago a French freighter, the Mont Louis, sank with a load of radioactive waste that could explode and/or contaminate the North Sea. A few years abck, the nuclear power plant on Three-Mile Island in the United States began leaking radioactive material, causing evacuation and panic.

A couple of years ago, a similar plant was scrapped because of the risk to be encountered in its operation. Indeed, in the United States, at least, the move has been to veer away from nuclear power generation because of public outcry against such plants.

Naturally, the Philippines has bought one for a sum that is virtually unconscionable considering the announced life-span of the Bataan nuclear power plant--30 years. After 30 years, the plant will have to be dismantled and the site abandoned. The radioactive components will have to be dumped somewhere, hopefully in a place that will not contaminate the Philippines.

This does not even consider the problem of nuclear waste disposal which would cost another small fortune annually, thus hiking the cost of power generated by the Bataan nuclear power plant. This does not even consider the risk of accidents which would be mroe probable than at Three-Mile Island since the area is in an earthquake belt.

We are, in short, seriously doubting whether the Bataan nuclear power plant is worth the risk, the expense, and the trouble to run. We are wondering if going through with it isn't throwing good money after bad and incurring risks such as what the French are now experiencing in the North Sea. France has the advantage of having the technology and resources (which we do not yet have) for dealing with the problem. And there is no assurance that the problem will not blow up, literally, in their faces.

If we recall correctly, the Bataan project was seized upon in a moment of panic during the first energy crisis in 1974 when it was feared that the price of crude oil might go up as high as \$60 per barrel--rationed to users.

We can appreciate that. We can also point a finger at those who negotiated the plant for not making for nuclear waste disposal; for not looking for a better design; and for not considering less expensive plants that might last longer and which would not have to be dismantled after a mere 30 years. As far as we know, coal-burning and oil-burning power plants last virtually forever, have no waste-disposal problems that would endanger people, and do not have to be dismantled and carefully disposed of after 30 years. The people who thought up the project could have likewise considered the possibility of tidal-powered plants and wood-burning plants and garbage-burning plants which we are sure would not have been as expensive.

CSO: 4200/1025

CHURCH GROUPS DISPUTE COMMUNIST INFILTRATION CLAIMS

Manila BULLETIN TODAY in English 13 Aug 84 p 32

[Text]

Sr. Mariani Dimaranan, Task Force Detainees (TFD) chairperson, and Fr. Pete Arguillas, secretary-general of the Association of Major Religious Superiors (AMRSP) denounced yesterday military claims of communist infiltration of the Church sector as "a renewed attack on the evangelical mission of the Church responsive to the needs of humanity in the context of the times."

Dimaranan cited previous allegations of infiltration against religious-based institutions, the arrest of religious openly critical of the government, and the raids on convents and social action centers as part of desperate measures to stem the tide of protest

against the politico-economic crisis.

"The red-scare campaign is foisted once again to divert the people from the grave issues we are facing today," she said.

The two religious cited the duty of the Church "to proclaim and bring about humankind's total salvation . . . in the concrete realities of people's existence" as the core message of the Mission Statement issued by the AMRSP.

"In the Philippines, we are called to a commitment to work for justice and help transform unjust structures. The defense of human rights is a constitutive dimension of the preaching of the Gospel.

CSO: 4200/1013

BULLETIN TODAY COLUMNIST LINKS NPA POPULARITY TO MILITARY ABUSES

Manila BULLETIN TODAY in English 13 Aug 84 p 32

[Article by Ramon Tulfo: "Military Abuses Continue"]

[Text]

**B**ENJAMIN "Kokoy" Romualdez cannot seem to make up his mind — whether to become member of parliament, governor of Leyte or ambassador to the United States. Since he cannot have all positions at the same time, he has to forgo taking his oath as member of parliament. So he continues to be governor of a highly progressive province and the country's No. 1 envoy.

But some people are asking why he had to run for the Batasang Pambansa representing one of the five seats in Leyte if he did not have the intention of assuming his position in the Batasan. The slot could have gone to an equally deserving local leader, they said.

Mayor Cesar Climaco is in the same boat. Perhaps just to determine how strong he is with his constituents, the feisty but popular mayor ran in the May 14 Batasan polls and as expected, won, but he now refuses to assume his new elective position. This is political vanity.

Luis Tabuena, general manager of the Manila International Airport, has now had his way with President Marcos. The recent order by the President for the pullout of uniformed military and police personnel from the country's premier airport was Mr. Tabuena's idea. The MIA czar had complained about too many law enforcement

agencies at the MIA.

Tabuena should not rest on his "victory." He should now ask for the pullout of some deadwoods within his ranks. For example, there is this technocrat on loan to the MIA who recommended to him the awarding of a contract for the maintenance of the centralized air-conditioning system to a small, unheard-of firm. This maintenance company is so inefficient it cannot repair the defective aircon which has bogged down for several months now.

\* \* \*

Abuses against ordinary civilians by the very people sworn to protect them continue. Last Aug. 6, at 3:15 p.m., a messenger of Dr. Miguel R.S. Cornejo Jr., a noted cardiologist, was beaten black and blue by two armed men who identified themselves as policemen. The mauling was an offshoot of a near-collision between the messenger's bicycle and the armed men's Toyota Corolla (plate No. BAG 479). The incident took place in front of Dr. Cornejo's clinic on Indiana street in Malate, Manila where the car-riding men followed him after the near-collision a block away. The two men took turns punching and kicking the helpless messenger in full view of passersby and other motorists.

You still want to know why some ordinary folk are sympathetic with the New People's Army?

CSO: 4200/1013

COLUMNISTS EXPLAIN PEACEFUL NATURE OF 21 AUG RALLIES

Bigornia on Communist Influence

Manila BULLETIN TODAY in English 26 Aug 84 p 6

[Article by Jesus Bigornia: "Why Rallies Last Aug 21 Were Peaceful"]

[Text] Despite their massiveness, the protest demonstrations and rallies marking the first anniversary of the assassination of opposition leader Benigno Aquino Jr were generally peaceful and orderly to the surprise and relief of the mass of Metro Manila's citizenry. Peace-loving citizens need not wonder too long. If the anniversary observance was tumultuous but orderly and unmarred by violence, it was because radical agitators from the left were just following the current communist line: Do not rock the boat.

Leaders of the far left here are apparently convinced that they are gaining broader popular support. Triggering violence and massive disorders in rallies and demonstrations that had attracted a broad spectrum of political orientation could only touch off an equally violent government reaction. Moreover, it could alienate and antagonize the masses, most of it politically uncommitted.

Presence of communist provocateurs and their agents was everywhere evident in the marches and rallies last Tuesday. Their ideological identification was unmistakable in their red headbands, red banners and streamers containing anti-administration and anti-government slogans, and in their shouted protests following the usual Marxist line. On occasion their boos and hoots drove moderates, including Member of Parliament Eva Estrada Kalaw, from continuing speeches.

The column's praise of police forbearance in the face of taunts hurled by demonstrators has not, however, escaped the acid prose of a Ms Dette Pascual, who gives her address at P.O. Box 218, University of the Philippines. She asks, and quite rightly, if they "weren't doing just what they (the police) are paid to do." She adds: "Is it too much to expect them to discipline themselves that when they do so they are commended? Or should credit x x go to them or to the millions of ordinary citizens uniting peacefully for a cause?"

Valencia: Everyone Got What He Wanted

Manila PHILIPPINES DAILY EXPRESS in English 23 Aug 84 pp 4, 5

[Article by Teodoro F. Valencia in "Over a Cup of Coffee:: "Aquino Rally a Huge Success"]

[Excerpts] The massive Aquino demonstrations proved that we are a civilized people. The hordes of foreign correspondents who trooped to Manila in hopes to film a "revolution" or trouble in our streets were disappointed. Foreign agitators and even local ones know it won't be easy to get our people to make fools of themselves just to please foreigners.

The Aquino demonstrations were peaceful, even festive. What was frightening were the newspaper stories predicting all kinds of trouble several days in a row before Aug 21. On the day of the rally itself, what was frightening was the way radio newscasters kept expecting trouble. As it turned out, the No 1 radio news was the fact that the radio stations had so many mobile units manned by announcers who need schooling in humor.

All those predictions of trouble resulted in an unofficial holiday. Employees stayed home, not so much in fear of trouble but more in fear of being caught in hopeless traffic jams that were experienced in rallies just last week. We at Rizal Park did not expect trouble--we were certain that there would be nothing like what the papers and some morbid pessimists were saying before the rally. The record is clear--Rizal Park authorities granted the permit for the rally one week before the Supreme Court hearings on rally permits took place. The Supreme Court took notice of that permit allowing the rally to be held at Rizal Park.

Don't laugh at the extra precautions taken by the military to secure Malacanang and the rallies themselves. Some credit must go to the police who sacrificed a lot to serve notice on all who could have had provoked trouble that they were not going to be treated with kid gloves. Infiltrators, if any, did not have the easy time they had always had in including otherwise peaceful rallyists to go elsewhere to make mischief.

Don't say that the crowds on Aug 21 were smaller than what was predicted. Of course, the predictions would always lean heavily on some exaggeration, but the crowds that actually gathered at the Rizal Park were bigger than those that greeted the Holy Father, much bigger than the Magsaysay inauguration crowds. It was a huge success any way you look at it. What made it a real success was the mood and the fact that it was peaceful. The marchers were happy. The organizers were happy. The police were even happier. Only those who had predicted or wanted trouble, or prayed that the Filipinos "perform" foolish things for them, were disappointed. The foreign correspondents must only feel frustrated.

Many enterprising people made money selling iced water to the thirsty demonstrators at Rizal Park. One man I know made P300 selling iced drinking water at 25 centavos a glass. Last Tuesday was a big day for all vendors

selling cigarets, candy, and cough drops. Vendors of yellow ribbons made a killing at P1 a ribbon or as much as the traffic will bear. The mood was festive because everybody got more or less what he wanted out of it. Even the firecracker salesmen were happy.

The nearly half a million demonstrators who swarmed all over Rizal Park trampled on our flowers and decorative plants and left tons and tons of liter, but that's all in a day's work. By afternoon yesterday, we have had swept the park--the rains made cleaning difficult. All in all, the damage to Rizal Park ran to P50,000, but nothing was deliberate. You could not have stopped anything with so many people. We at the Rizal Park are happy that everything went well. After all, we gave the permit for the rally and expected the worst. The best happened.

As far as I am concerned, what was regrettable was the way some people tried to exploit the Aquino memory for political reasons. The adulation for Aquino was meant for him, his memory. It's not meant to make any politician look great. Yet, that was the obvious motivation of many who were at the forefront of the demonstrations. Many did not succeed.

CSO: 4200/1025

'INCOHERENT' UNIVERSITY OF PHILIPPINES ECONOMIC REPORT ANALYZED

Manila PHILIPPINE PANORAMA Sunday Magazine of the BULLETIN TODAY, in English  
26 Aug 85 pp 5, 46, 50

[Article by Alejandro Lichauco: "Review of UP Report on the Economic Crisis--  
Disturbing Proposals in an Incoherent Paper"]

[Text]

**T**HE UP Report on the economic crisis is basically an endorsement of IMF prescriptions, notably for the continuation of a free-wheeling import policy which the country has followed since 1962. The Report is an open plea for free trade and free enterprise.

This is immediately manifest in proposals of the Report calling for: (1) the abolition of the protective tariff system and its replacement by a tariff schedule mainly for revenue purposes; (2) the adoption of a freely floating exchange rate, which means continuous devaluation of the peso and a foreign exchange policy essentially, if not totally, free from restrictions designed either to conserve foreign exchange or limit imports in order to protect domestic industries; and (3) the government to refrain from interfering with the mechanism of the market which, in the words of the Report,

echoing the free-enterprise creed of the IMF, "should be allowed to work and select economic survivors without preemption by the state."

The proposals are familiar enough to anyone acquainted with the conditions being demanded by the IMF.

Once the Report is recognized for what it is, its obvious failure to live up to its title as *An Analysis of the Philippine Economic Crisis* becomes understandable.

The Report is not at all concerned with the economic crisis. It is concerned with explaining how the Philippines got into the debt mess, and of attributing the mess exclusively to certain policies of the government and to the authoritarian nature of the political system which came with martial law.

The Report, of course, fails to mention that the IMF strongly supported martial law when it was declared in 1972, and supported it long thereafter.

If the Report failed to analyze the economic crisis, it can only be due to its having confused the debt problem with the economic crisis itself. This is clear from its assertion that the "economic crisis was precipitated by the assassination of former senator Aquino in August 1983."

Even the ordinary layman knows that the economic crisis had been with us long before Aquino was assassinated. What that assassination precipitated was not the crisis, but the panic flight of short-term foreign speculative capital on which the technocrats had relied to windowdress an already bankrupt international reserve.

The panic flight of foreign speculative capital, in turn, exposed in its full nakedness the nature of the nation's crisis.

The failure of the Report to distinguish between the economic crisis, on one hand, and the debt problem, on the other, accounts for the Report's incoherence and the disturbing nature of its proposals.

THE DEBT PROBLEM is merely one symptom of an underlying sickness. The nature of that sickness is explained by the absolute dependence of the economy on imports, not only for growth, but for its very survival. The absolute and perilous nature of that dependence is what the debt problem has exposed, and it is that dependence which lies at the heart of the Philippine economic crisis.

The debt problem is but a symptom which can disappear overnight should our creditors agree to a

moratorium on payments, as the report has proposed.

But a moratorium on payments won't wipe out the powerless and dependent nature of our economy.

The question to which the Report should have addressed itself therefore is how and why the Philippine economy became absolutely dependent on others for its survival. If the Report had so addressed itself, then it wouldn't have concluded with the recommendations it made.

A principal factor behind the economy's absolute dependence is *colonial free trade*: an arrangement under which a country whose economy is in a pre-industrial stage, is coerced, through political, military or financial pressure, to open its domestic market freely to the products of industrial countries.

This is what happened to us in 1909 when the US government forced the free-trade relation on us, over the strenuous objections of the Philippine Assembly. That arrangement has persisted since then (except during the exchange-control decade of the 1950s), and constitutes the core and essence of the IMF conditionalities.

Through the IMF conditionalities, our country has been forced to pledge that it will never place any direct restrictions on imports, either to save on foreign exchange or to protect domestic industries. That commitment started in 1962 and has been in force since then, at least until last year when the country

ran out of dollars.

Through the free-trade arrangement, in force for almost 75 years, the country's capacity to produce what it needs has been completely stifled, and it is this which accounts for the nation's total dependence on imports for its survival.

That arrangement is also what is primarily behind the debt mess. No less than Prime Minister Virata, who had long been an advocate of IMF solutions, admitted last February that the debt mess has been brought about by 22 years of free-wheeling importation. And only recently, Minister Roberto Ongpin was forced to the same conclusion.

Over the period 1970-1984, the Philippines squandered more than \$12 billion on non-essential and luxury imports, for which we have borrowed. Our government couldn't restrain or control these importations because of its standing commitment to the IMF to maintain an import program that, in Mr. Virata's own description, is "totally free." And in the first four months of this year, our importation of non-essentials reached \$500 million.

Now comes the UP Report proposing that the very arrangement which has led to the economic crisis, and to the debt problem, be continued.

If the professors are so concerned and so disturbed over how monopolies lead to a wasteful use of resources, how come they are silent over the enormous misallocation of resources that comes with the IMF-prescribed free-trade policy?

The Report, on this account alone, has done itself and its authors a singular disservice.

Its failure to grasp the perverse and stultifying impact of a free-wheeling import policy on a pre-industrial society like the Philippines accounts for the Report's inaccurate explanation of why an Asian country like South Korea, which has borrowed more heavily than the Philippines, has managed to avoid the debt mess to which we have been brought.

The Report explains that South Korea has been able to avoid the debt mess because of its efficient export industries.

That is only a fraction of the truth.

South Korea's remarkable export performance is based on a solid and heavy industrial base which the South Korean government consciously cultivated through a rigorous application of economic protectionism. The dynamism of South Korea's export capability springs from a heavy industrial structure which enables her to produce, and export, machineries, engines, industrial factories, ships, computers, steel and metal products—a capability which she would never have developed had she anchored her development program on the free-wheeling import philosophy prescribed by the IMF.

The anemic export record of the Philippines, on the other hand, follows from a soft internal production structure, which remains agriculture-based. Hence, our main exports are low-priced agricultural, semi-processed commodities, such as sugar, coconut, fruits, food products, garments, handicraft, footwear and the like.

If the failure of the Report to understand the essential nature

of the economic crisis accounts for its inadequate explanation of South Korea's export performance, it similarly accounts for the Report's inconsistency in blaming the authoritarian nature of the Philippine political system for the debt problem.

South Korea, along with Taiwan, has an authoritarian system even more authoritarian than the Philippines. South Korea, in addition, is just as guilty as the Philippine government, in dispensing favors to a privileged faction and in having its own state monopolies — factors which the UP professors strongly deem accountable for the debt problem.

How then account for the fact that South Korea is not in the same debt plight?

And if authoritarianism, state monopolies and government intervention in the market make bad economics, as the professors contend, how explain the dynamism, progress and stability of centrally planned economies, such as China and the Soviet Union, where government is all encompassing, power is concentrated, and the free market virtually non-existent?

How explain, for that matter, the case of Japan, one of the most controlled economies in the capitalist world, and yet one of its most dynamic?

The answer is that all the progressive economies in the world today, regardless of ideology, were founded on, and continue to adhere basically to, a kind of economics which our schools don't teach: that is, the economics of protectionism and nation-

alism. This brand of economics is regarded with hostility by the schools of economics in this country, which today remain tied to the free-trade doctrine: a doctrine that has functioned as the economic basis of the colonial relation, and which no less than the United States, which founded the IMF, repudiated while still an underdeveloped country in the 18th century.

It isn't surprising that the Report should receive the enthusiastic endorsement of elements in the Makati business community, some of whom have gone as far as to recommend that the Report be made compulsory reading.

Big business, particularly those elements of it tied with transnational corporations and the IMF-World Bank Group, has an interest in seeing the Report's recommendations carried out.

I would recommend the Report for compulsory reading also, but for a different reason.

The Report is a documentary example of how our schools function as part of an apparent conspiracy to perpetuate an economic doctrine responsible for the country's underdevelopment, and the economic crisis it is now experiencing.

The Report should provoke a parliamentary investigation into the state and purpose of economics education in the Philippines: to determine why our schools conceal from their students an important aspect of economic theory indispensable to any nation's struggle against underdevelopment, and in systematically, as well as

one-sidedly, cultivating in our youth a bias for an economic doctrine that expedites colonialist ends.

Anyone who advocates free trade (which is what IMF prescriptions are all about) in this day and age is not only the captive of a theory which nation-states have never taken seriously; he gives aid and comfort to economic colonialism, is instrumental in furthering the ends of our economic adversaries and facilitates the country's exploitation in their hands.

This nation is dying, because its economy is dying. And yet it is a nation which contains within itself the seeds of power and greatness.

Why then must it die?

The answer is colonial free trade.

By adhering to that doctrine, we have rendered ourselves powerless against the economic aggression of others, abdicated our sovereign power to protect our international reserves against massive profligate importations as well as massive flight of capital, and made prohibitive the cost of our industrialization and development.

No nation-state in Asia has practiced free trade except us.

And that is why we die, while the rest around us, some more corrupt, and others more authoritarian, survive and prosper.

The government's ultimate guilt has been its embrace of free trade and the IMF. ●

CSO: 4200/1025

RED CROSS AID TO DETAINEES NOTED

Manila BULLETIN TODAY in English 27 Aug 84 pp 1, 8

[Article by Marcia C. Rodriguez]

[Text] Ensuring humane health and living conditions for hundreds of Filipinos locked in prisons as "public order violators," also known as "political detainees," "subversives," or "oppositionists."

Providing food assistance to thousands of civilians displaced from their homes in Mindanao and Samar due to internal fighting.

These are the major concerns of an all-Swiss delegation from the International Committee of the Red Cross (ICRC) who are now in the country. Their work is shared by other ICRC delegates in 30 other countries facing internal strife or engaged in war with another country.

Founded in Geneva in 1863 by Henry Dunana and four other citizens of Geneva, ICRC works to protect and help civilian and military victims of conflicts and war.

But how do ICRC personnel help improve conditions of political detainees and displaced persons without being mistaken as subversives themselves?

The ICRC has reportedly been allowed to go through the barbed wire, so to speak, because it has maintained a neutral and impartial image.

It "tells the world what it is doing but not what it sees," said Paul Mettler, head of the ICRC delegation to the Philippines, noting that this policy is not something unique to the country.

The ICRC has been conducting prison visits in the Philippines since 1960. Last year, an all-Swiss ICRC delegation visited 193 public order violators in 14 detention centers between April and June, and 340 prisoners in 40 places of detention from October to December.

During prison visits, private talks are held with the prisoners without any witnesses. The ICRC then submits a confidential report to the detaining authorities, believing that simply pointing the accusing finger will not improve, but may even worse, the prisoners' conditions.

Recommendations on prisoners' needs for health care, food, recreation, needs and necessary contact with families are often carried out, though not immediately.

ICRC's ability to protect prisoners is reportedly limited but prison visits have generally saved lives, reduced torture, and contributed to a substantial improvement in the prisoners' conditions.

Nicolas Sommer, one of the ICRC delegates to the Philippines, said the ICRC is not interested in trying to get general amnesty for so-called "public order violators" but to intervene in ensuring that as long as they are in prison certain standards of humanitarian treatment are met.

The ICRC acts as intermediary between authorities and detainees, helps prisoners' families by arranging for them visits to their jailed relatives, and keeps a list of "security detainees."

If the ICRC accuses the detaining authorities publicly, it may lose its opportunity to visit prisoners, especially those who are not allowed to communicate with their families, Sommer said.

For displaced persons in Mindanao, the ICRC together with the Philippine National Red Cross, extends relief supplies such as rice, milk powder, rolled oats, and vegetable oil during emergency periods.

Last year, 1,150 tons of rice for newly displaced persons were distributed; 580 tons of milk powder, 290 tons of rolled oats and 30 tons of vegetable oil were given to supplementary feeding centers for children under six years old.

More than 230 of these centers had been opened in Mindanao in 1983, providing nutritious food supplements to young children, and expectant and lactating mothers.

In some troubled areas of Mindanao, and Northern Samar, an information drive was launched last June to explain the activities of the PNRC, ICRC, the Red Cross principles, and basic humanitarian rules.

CSO: 4200/1025

# FARMERS CRITICIZE CORN FINANCING SCHEMES

Manila BULLETIN TODAY in English 20 Aug 84 p 22

[Text]

Generally negative reactions were expressed by farmer leaders regarding the three alternative financing schemes recently adopted for the country's expanded yellow corn program even as agriculture and Food Minister Salvador Escudero III stressed that "some sacrifices" have to be made to hasten self-sufficiency goals.

In separate interviews with the Philippine News Agency, the farmer leader said the schemes do not assure adequate profitability for the corn farmer, and were largely beneficial to private sector credit conduits such as fertilizer companies, feedmillers and seed producers.

Following the release of a P100-million seed fund for the program by President Marcos last week, the Agriculture and Food Ministry adopted the schemes which are

basically "tripartite linkages" among a financing unit providing capital, an identified market for farmers' produce and the farmer himself.

The scheme opens three options for corn farmer: the National Food Authority (NFA) assistance scheme, the end users and feed millers assistance scheme which embodies a contract growing and forward selling approach; and the banking system assistance scheme.

Ambrosio Lumibao, president of the Pambansang Katipunan ng mga Samahang Nayon (PKSN), said with the exception of the first option the choices do not guarantee good profits for corn farmers.

In the second option agreement on the value of the contracted volume of produce farmers would repay end-users and agricultural input suppliers would be

made prior to planting.

"In case there are increases in cost of farm inputs during the production phase up till harvest time, farmers have no choice but to sell their produce at the contracted price," Lumibao said.

"Only the NFA assistance scheme offers the farmer the option to sell his produce to other outlets offering better prices," he added.

Ben Cruz, director general of the Farmers' League of the Philippines, said primary beneficiaries of the program would be the "moneyed people, such as the big farmers, and the private sector" since it allows traders to dictate prices to farmers.

The farmer leaders also said that the material input loans of from ₱4,200 per hectare to ₱4,400 did not take labor costs

into account. Even with this amount farmers are left only with a 10 percent profit.

Vic Tagle, president of the Federation of Land Reform Farmers suggested a reasonable loan amount of ₱7,000 per hectare and an increase by the NFA of its support price for corn, now pegged at ₱2.35 per kilo.

Jeremias Montemayor, president of the Federation of Land Reform Farmers, which informed of the new program thrust, said that he was worried because it gives too much support and incentive to the big farmers and the private sector, "at the expense" of the small farmers.

He said the government should instead further develop farmers' cooperatives, and explore the possibility of such coopera-

tives engage in dealership in fertilizers to ensure adequate government assistance at the lowest level.

Tagle, concurred, saying that farmers have always been "sidestepped" in government program like these. Farmers cooperatives should be consulted and tapped as beneficiaries for the expanded yellow corn program.

Escudero, reacting to the farmers' comments, said that the government's primary concern now was to achieve self-sufficiency in yellow corn where \$180 million are spent annually on imports.

"We will all benefit in the long run from a more efficient credit scheme that would assure increased corn production," Escudero stressed.

# SUGAR EXPORT EARNINGS DROP TO 1979 LOW

Manila BULLETIN TODAY in English 25 Aug 84 p 10

[Article by Samuel Senoren]

[Text]

Foreign exchange earnings of the sugar industry dropped to a precipitous low of \$129 million during the first semester from year-ago levels, threatening to send export receipts this year to their lowest since 1979.

Industry statistics showed that first semester export performance was off 35 percent in value on a volume of 408,860 metric tons, which also fell 28 percent.

On a monthly basis, the industry recorded its worst showing in April when export revenues came up to only \$2.6 million on a volume of 14 million tons.

Breakdown of the export figures is as follows: January, 105.3 million tons worth \$31.3 million; February, 61.6 mil-

lion tons, \$17.4 million; March, 74.1 million tons, \$26.2 million; April, 14.2 million tons, \$2.6 million; May, 111.9 million tons, \$38.4 million and June, 41.6 million, \$12.9 million.

The export figure in June was off 75 percent from year ago levels.

According to Ms. Abbie Cruz of the CRC industry monitoring unit, the sharp decline in export earnings stemmed from a similar drop in production and badly depressed international sugar prices.

In the coming months, sugar output is expected to remain low mainly because of reduced and highly selective sugar crop loans, limited financing and increased production costs.

Indicating that earnings this year could plunge to their lowest in five years, Cruz noted that sugar export receipts in 1979 amounted to only \$212 million as world prices then dropped to \$184 per metric ton and volume totalled only 1.1 million metric tons, nearly half the export volume in 1977.

The low foreign exchange earnings from sugar, according to Cruz, is clearly reflective of the imbroglia which has beset the industry.

Cruz recalled that in November 1983, no sugar shipments were made and the following month only \$80,000 worth of sugar was delivered to contracted buyers.

CSO: 4200/1025

GOVERNMENT TO REVIEW SUGAR PRICE POLICY

Manila BULLETIN TODAY in English 25 Aug 84 p 10

[Text]

BACOLOD CITY, Aug. 24 (PNA) — Philippine Sugar Commission chairman Roberto S. Benedicto has said the government will review its policy which increased the domestic price of sugar to 300 pesos per picul in December.

Addressing sugar planters of the La Carlota-Pontevedra Planters' association in La Carlota City Thursday, Benedicto said "it is a good price but who are willing to pay this much and who will determine the price in the free trading?"

Benedicto also justified the stand to maintain a government sugar agency to protect the welfare of the planters as well as to control the domestic price of sugar.

In free trading, Benedicto said private

traders will scramble over prices and some will even dictate the price. This will ultimately result in the lowering of sugar prices, he added.

The Philsucom chairman also disclosed that the conditions for the granting of loans for crop year 1985-1986 will be submitted to the Philippine National Bank and Republic Planters Bank.

According to Benedicto, PNB and RPB have proposed to grant to sugar planters a financing rate of 136 pesos per picul — 101 pesos for crop loan and 35 pesos for bank loan at an interest rate of 30 per cent.

The crop loan which covers costs of planting, fertilizer, milling and contingency will be subject to the availability of funds.

COCONUT EXPORT INCOME RISES BY 40 PERCENT

Manila PHILIPPINES DAILY EXPRESS in English 25 Aug 84 p 18

[Article by Antonio G. Macapagal]

[Text] Coconut export receipts during the first seven months of the year reached \$478.36 million or 40.4 percent more than the industry's export earnings in the same period last year.

Volume shipments, however, suffered a 34-percent drop at 678,000 metric tons (MT), in copra terms, from 1.02 million MT in January-July 1983.

According to the Philippine Coconut Authority (PCA), for July alone, exports of coconut products totalled 101,004 MT, registering a 59.8 percent improvement from the June level.

This volume was valued at \$75.05 million, posting a 64 percent one-month gain.

During the month under review, all coconut products--except coconut oil and coconut chemical--registered reductions in volume and value compared with June, the PCA said.

However, the dramatic increase in volume and value of coconut oil exports more than compensated for the declines. Coconut oil volume went up by 84.8 percent from June's 29,564 MT to 54,648 MT in July; and in terms of export earnings, it enjoyed a 108.8 percent improvement of from \$28.79 million in June to \$60.13 million in July.

Earnings from coconut chemical, on the other hand, shot up by 39.2 percent from \$5.48 million to \$7.63 million despite a slight reduction in volume, from 4,328 MT in June to 4,314 in July.

The items that had reductions in volume and value were: copra cake/meal, from 23,776 MT to 4,700 MT (80.2 percent decrease in volume) and from \$2.86 million to \$519 million (81.9 percent reduction in value); desiccated coconut, 5,776 MT--4,532 MT (21.5 percent volume reduction) and from \$8.09 million--\$6.51 million (19.6 percent down in earnings); coconut shell charcoal, 1,672 MT--585 MT (65 percent less in volume) and from \$.329 million--\$.1116 million (64.7 percent decrease in amount); and activated carbon, 234 MT 226 MT (3.1 percent down in volume) and from \$.213 million--\$.153 million (28.1 percent decline in value).

CSO: 4200/1025

CHAT THAI SUPPORTS MOVE FOR PARLIAMENT SESSION

BK100129 Bangkok BANGKOK POST in English 10 Sep 84 p 1

[Text] Chat Thai will support a move to reopen Parliament for another extraordinary session to grill the government over economic problems, party leader Maj-Gen Praman Adireksan said yesterday.

The party, he said, also intended to submit a no-confidence motion against the government for its handling of the country's economy.

Chat Thai, the party leader said, would not take the initiative on the reopening move, but would give support and join with other parties to call for the special session.

Chat Thai alone, he said, would not have adequate backing for the move which, according to the Constitution, would require at least one-third of all MPs, or 190 signatures.

A group of senators and MPs reportedly began to lobby for the reopening of Parliament after the first extraordinary session which ended last Monday voted to postpone indefinitely the controversial army-backed constitutional interpretation.

Major-General Praman said that his party's support for the new special session of Parliament had nothing to do with the constitutional amendment.

"The military has nothing to do with politics. Military officers are only ordinary citizens and have no place in Parliament," he said.

The opposition leader declined to comment on the amendment proposal, saying that he had never declared publicly that he would support the charter change.

One item of the proposed constitutional change is a move to allow civil servants to be appointed to Cabinet posts. The proposal is believed to have been spearheaded by certain senior army officials.

Major-General Praman said: "Economic problems are our main concern. We, therefore, want to reopen Parliament so that we can talk to the government about various economic problems."

The special session, he said, could be scheduled any time, regardless of Prime Minister Prem Tinsulanon's absence.

#### What It Means

The opposition Chat Thai Party's support for a proposal calling Parliament into an extraordinary session will make the holding of the session almost a certainty.

Chat Thai's 108 members together with the more than 100 armed services and police officers in the Senate will provide the necessary minimum for a request for a special session during the present parliamentary recess. A total of 190 votes is needed to call for such a session.

Senators can sign a motion for an extraordinary session.

Because it is the Opposition, Chat Thai is not expected to take the lead to propose an extraordinary session but will follow the lead of other parties.

Some Prachakon Thai Party members are reportedly moving for a special session and a number of senators have expressed privately their interest in recalling Parliament to active duty.

Although the objective of the Prachakon Thai is to pass the Bangkok Administration reform bill, in which the party has expressed great interest because it plans to try and win the governorship and an absolute majority in the city assembly, the chief purpose of the session is most likely to be to consider constitutional amendments.

CSO: 4200/1037

BANGKOK POST URGES LAOS TO JOIN BORDER SURVEY

BK100215 Bangkok BANGKOK POST in English 10 Sep 84 p 4

[Editorial: "Laos Should Join Border Survey"]

[Text] If Vientiane really wants the problem of the three disputed villages settled peacefully and with justice as the objective, it should participate in a joint Thai-Lao technical committee to survey the border to establish the true boundary line. For such a committee to work properly, it is necessary for there to be no military presence at all in the area.

Thailand, it must be noted, has offered to withdraw its forces from the three villages if Laos makes a definite commitment not to introduce soldiers into the territory while the committee is still operating. That is only fair in view of the fact that both sides agree to the Thai-France treaty on the border with France Indochina. [as printed] They have the same opinion that the watershed serves as the boundary line.

However, Thailand does not accept the map made by the French to establish the exact line of the border. The Laotians insist on the map being the only instrument on which to base the boundary. However, Thailand has in its possession a detailed map made possible by modern technology using satellite photography. With this map the three villages are shown as belonging to Thailand.

Since there are both Thai and Laotian inhabitants in the villages--with people crossing and recrossing the border and with inter-marriages bringing about relatives on both sides of the frontier--it is hard to determine to which country the villages belong until a joint committee is set up to examine the boundary from the technical aspects.

If the Laotians are doubtful about the idea of the two countries involved trying to the [as published] settle the border question they can suggest the inclusion of a totally neutral third party. The Thai authorities are willing to turn over the villages to Laos, if the finding of the committee is that they are owned by Laos. However, if the committee judges the villages to be in Thailand, the Thai Government cannot give them away. It will have to answer to the people if it does so.

The Laotian Government is in a position to break the deadlock in the Thai-Lao negotiations by simply agreeing to join with Thailand in surveying the border to establish where exactly it is. In fact, if the exercise is successful, whichever side gets the decision of the committee, it may even lead to wider discussions, probably negotiation of a new border treaty--one between an independent Laos and Thailand, not between a colonial power and Thailand.

OFFICIAL REPORTS TRADE DEFICIT IMPROVES

BK100259 Bangkok BANGKOK POST in English 10 Sep 84 pp 17, 22

[Text] The country's trade deficit improved significantly during the first eight months of this year due to higher exports and lower imports--much to the relief of monetary authorities.

For one thing, such performance has wiped out anticipation that the baht might be devalued this year. And judging from the country's international trade performance during this period, the country is likely to suffer a trade deficit of around 75,000 million baht this year--a target estimated by the Bank of Thailand earlier this year.

Mrs Praphaphim Sakuntaphai, deputy director of the Economic Research Department told the BUSINESS POST that the trade deficit at the end of August amounted to 47,000 million baht--a decrease of 10,000 million baht from the same period last year.

Exports and imports from January to August this year amounted to 113,000 million and 160,000 million baht respectively, she said.

Compared with the same period of 1983, exports increased by 21 percent while imports increased only 6.6 percent.

She said imports in the last four months of the year are expected to reach about 80,000 million baht, meaning that total imports for the whole of 1984 will be 240,000 million baht. This volume would represent an increase from last year by only 2.5 percent while exports by the end of this year are expected to increase by about 15 percent over that of last year.

The nation's current account at the end of August showed a deficit of 33,400 million baht. But the balance of payments still enjoys a surplus of 8,000 million baht.

Although Prime Minister Prem Tinsulanon decided last month to do away with the 18-percent limit on bank credit extension, Mrs Praphaphim--who will be the first chief spokeswoman of the central bank from October 1--was confident that commercial banks were still continuing their own controls on credit extension.

As for foreign trade, Mrs Praphaphim said that controls on letter of credit still had to be maintained to prevent imports from rising drastically.

In August alone, she said, imports amounted to 19,500 million baht--about 500 million baht more than the previous month.

Exports in August totalled 14,000 million baht--about 500 million baht less than in July.

The balance of payments in August alone suffered a deficit of 2,000 million baht while the deficit in the current account amounted to 3,900 million baht, Mrs Praphaphim said.

CSO: 4200/1037

SEPARATE STATEMENTS PROTEST LAO ATTACKS

BK040042 Bangkok BANGKOK POST in English 4 Sep 84 p 3

[Text] Thailand yesterday issued statements protesting against Laotian attacks which killed two soldiers, wounded three others and destroyed three highway construction tractors at the weekend.

The attacks occurred only a week after Laotian troops shelled a Thai position in the same area, killing one soldier and wounding nine others.

The statements were issued separately by the Foreign Ministry and the army which pledged immediate and violent retaliation if Laos continued the attacks.

The Foreign Ministry said Laos aggression showed Vientiane's insincerity on solving the border dispute and "its intention to aggravate the problem into an armed confrontation."

The army in its statement, announced on television last night, said that since last April Lao troops have fired across the border 17 times and on 15 occasions sent in troops to attack Thai units.

The troops also fired on Thai surveillance planes several times during the period, the army said.

The attacks, the army said, have claimed the lives of six soldiers and two villagers and wounded 33 others.

The latest incident took place last weekend.

Lao troops on Saturday shelled a cavalry unit about a kilometre north of Ban Sawang, one of the three disputed villages, killing two soldiers and wounding three other people.

On Sunday Laotian commandos attacked a road construction camp, damaging three tractors.

Supreme Commander Gen Athit Kamlang-ek told reporters at Suranari Military Camp in Nakhon Ratchasima yesterday that Thailand would be careful on the use of force in view of its long-time relations with Laos.

Meanwhile Foreign Minister Sitthi Sawetsila held a meeting for leaders of the four government coalition parties yesterday to brief them on the progress of government attempts to settle the border dispute.

THAILAND

2D ARMY DIVISION TO STAY AT KAMPUCHEAN BORDER

BK070714 Bangkok BANGKOK POST in English 7 Sep 84 p 1

[Text] The Prachin Buri-based Second Division will be permanently in charge of Thai-Kampuchean border security as of next year when it is expected to be developed into a full-strength division, military sources said yesterday.

At present combat units from the First, Second and Ninth divisions take turns to guard the area.

The Second Division consists of two main infantry units, the Second Regiment based in Prachin Buri and the 21st Regiment based in Chon Buri.

CSO: 4200/1037

BIODATA OF NEW NAVAL COMMANDER IN CHIEF

BK050135 Bangkok BANGKOK POST in English 4 Sep 84 p 7

[Text] Birthplace: Admiral Nippon Sirithon was born in Phatthalung on 21 December 1925.

Education: After studying till Matthayom [grade] 6 at Wat Sutthi Wararam in Bangkok he attended the Pre-Military Cadet College and later graduated from the Navy Academy College in 1945 at the age of only 20.

He also passed from the Navy and the Armed Forces Staff colleges and completed commanding courses in the United States.

Career: Admiral Nippon began working as a career navyman in the Royal Thai Fleet at the beginning in 1947. His first position was chief officer on HMS [His Majesty Ship] Khlong Yai before moving to serve in the same position aboard HMS Prasae and HMS Thayan Chon in 1949 and 1950, respectively.

In 1957, Admiral Nippon was promoted communications chief of the Naval Operations and Information Division, the Royal Fleet, before becoming commander of the HMS Mae Kong.

The admiral was then promoted chief-of-staff of the Gulf Patrol Fleet, the Royal Thai Fleet, in 1960 and held this position for three years before being transferred to become a lecturer at the Navy Staff College for another two years.

He became the director of the Naval Operations and Information Division in 1965, the deputy chief-of-staff of the Royal Thai Fleet in 1970, commander of the Anti-Submarine Fleet in 1972 and commander of the Gulf Patrol Fleet a few months later.

Admiral Nippon began serving as chief-of-staff of the Royal Thai Fleet for two years in 1979 before becoming deputy commander of the fleet.

He was promoted Navy chief-of-staff on 1 October last year before becoming the new Navy commander-in-chief yesterday.

CSO: 4200/1037

9 SOLDIERS KILLED IN LANDMINE BLAST DURING CLASH

BK240053 Bangkok BANGKOK POST in English 24 Aug 84 p 1

[Text] Nine soldiers were killed in a landmine explosion during a clash with communist insurgents at a rugged border junction of Surat Thani, Ranong and Chumphon provinces yesterday, Surat Thani Governor Niphon Bunyaphattharo said last night.

Five soldiers were also wounded and a communist insurgent was killed in the clash, he said.

The governor said most of the dead victims sustained fatal wounds above their waists when a claymore mine planted near a captured communist camp exploded.

Military sources said all the dead and wounded belonged to a patrol unit of the 4153d Infantry Company which was carrying out a mopping-up operation on the Tanowasi Mountain range where the borders of Lamae District of Chumphon, the Chana District of Surat Thani and Kapoe District of Ranong meet.

The sources said the unit seized an abandoned communist camp at the border junction yesterday afternoon.

While they were scouring the camp perimeter, some of the troops apparently stepped on a landmine. The explosion was followed by heavy gunfire from insurgents hiding nearby and they retreated after 20 minutes of fierce fighting.

The dead soldiers were identified as Pvt Mun Madi, Pvt Danai Makuncha, Pvt Prachuap Chanklam, Sgt Seri Pathumsap, Subt-Lt Somchai Wichaiyut, Cpl Surin Kongcharoen, Pvt Thop Thongnak, Sgt Suphachai Nakkoet and Pvt Sawat Kongchai.

An army helicopter later took all the victims to Surat Thani provincial town. The five injured were rushed to the provincial hospital for treatment.

Meanwhile, Thai and Malaysian forces are to hold a joint patrol along a border road linking Betong salient in Yala Province with the northern Malaysian town of Kroh on Monday.

Colonel Kitti Rattanachaya, deputy commander of the combined tasks force (Thai), said yesterday that the one-day joint patrol--the first of this year--was aimed at boosting morale of border villagers and demonstrating security cooperation between the two countries.

A mopping-up operation was launched yesterday against remnants of the Marxist-Leninist faction of the Communist Party of Malaysia in Sadao District of Songkhla.

The operation, code-named Taksin 8405, will concentrate on two target areas in the district, one about 15 kilometres to the northeast and the other 10 km to the southwest.

Four long-range reconnaissance units, one company of Border Patrol Police and one specially-trained army unit are involved in the week-long drive.

Fourth Army Region Commander Lt-Gen Wanchai Chitchamnong said yesterday he was ordered by Supreme Commander General Athit Kamlang-ek to map out a suppression campaign from Chumphon Province downward to eliminate influential people who have commercial interests with local communist insurgents.

Lt-Gen Wanchai also said he did not believe that communist insurgents were responsible for the ambush last Saturday which killed six rangers and wounded eight others on a highway in Ban Nasan District of Surat Thani.

CSO: 4200/1037

THAILAND

ENVOY TO MEXICO DISMISSED

BK250140 Bangkok BANGKOK POST in English 25 Aug 84 p 1

[Text] Two former top Thai diplomats to Mexico have been dismissed by the Foreign Ministry for alleged breach of discipline and corruption, ministry sources disclosed yesterday.

Former ambassador to Mexico Wut Chuchom and first secretary Siyon Sinsamut had been transferred to inactive posts at the ministry before their dismissal by ministry order on August 1.

Wut was alleged to have speeded up renovation of the Thai Embassy in Mexico resulting in the government having to bear unnecessary high construction costs. He was also charged with hosting a wedding reception for his daughter on July 2 last year with ministry funds and stating the publication cost of a promotional brochure "Thailandia" higher than what it actually was. The ministry also claimed that he authorized the payment of a larger sum than necessary to meet the rental charges of the ambassador's residence.

The ministry's Civil Service Sub-committee initially ruled that Wut be dismissed without pension. But it later agreed to give him a pension because he had been in the service for a long time and had contributed considerably towards the ministry's work.

Siyon was dismissed for allegedly having made unlawful financial gains by using his diplomatic privilege to import cars and sell them to outsiders. He was also alleged to have made a false allegation against a fellow embassy official to United States authorities charging that the official attempted to smuggle heroin to the United States from Mexico.

The sources said that both Wut and Siyon have been at odds for quite some time. Siyon once lodged a complaint with the ministry alleging that Wut had refused to pay the contractor who renovated the embassy. A co-owner of the construction company which did the renovation work had also come to Thailand to lodge a complaint with the ministry, the sources said.

The sources added the two dismissed officials had a right to appeal the ministry's order with the Civil Service Commission.

CSO: 4200/1037

THAILAND

HAN'S FORMER AID MOVED TO 'INACTIVE POST'

BK101009 Bangkok BANGKOK WORLD in English 10 Sep 84 p 32

[Text] Major Pathomphong Kesonsuk, a former close aide of Gen Han Linanon, has been transferred from the post of deputy commander of the Fifth Infantry Regiment's Fourth Battalion based in Hat Yai, a military source said this morning.

The transfer order, sent through the Fourth Army Region recently, said Major Pathomphong would become an officer attached to the army, which is considered an inactive post.

Fourth Army Region's Assistant Chief for Civil Affairs Maj Phisan Watthanawongkhiri was named to succeed Major Pathomphong under the same order, which becomes effective next month, the source said.

Major Pathomphong was charged with violating a Defence Ministry regulation last year for making a public speech without authorisation.

He was later placed under a 15-day house arrest and put on probation for a year.

A controversy erupted when the Army challenged an order by the Defence Permanent Secretary Office which transferred Major Pathomphong to the Defence Ministry.

He returned to the Fourth Army Region after Deputy Defence Minister Phaniang Kantarat stepped in and revoked the transfer order.

Major Pathomphong told reporters last week that he had already learned of the transfer order, adding that he wanted to be transferred for a long time.

CSO: 4200/1037

THAILAND

PREM TO STAY IN U.S. 'FOR AT LEAST' 1 MONTH

BK310848 Bangkok BANGKOK WORLD in English 31 Aug 84 p 36

[Text] Prime Minister Prem Tinsulanon is likely to be in the United States for at least one month for treatment of what is suspected to be a heart condition, informed sources told WORLD this morning.

The treatment will be in Atlanta, Georgia, the source said.

It was announced yesterday that General Prem will leave on 14 September for the United States.

According to the latest information, he is likely to be back in late October.

On the trip, he will be accompanied by several officials including his personal physician, Col Dr Chawin Pawiphada.

Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila also said that General Prem might take a rest in the United States for a while after his medical check-up planned for him next month.

Speaking this morning, ACM Sitthi said that the physical check-up may take only one or two days, "but the doctor may ask him to take some days rest before he returns to Bangkok."

CSO: 4200/1037

COLUMNIST DEBUNKS SULAK SIVARAK

Bangkok THE NATION REVIEW in English 1 Aug 84 p 4

[Article by Sumet Jumsai]

[Text]

**I**T MUST BE A boon for Amnesty International what with the recent spate of arrests and potential arrests of political idealists and dissenters in this country.

The world is *really* an odd place: in this country we prosecute Communists or dissenters who must be Communists, and in Poland they persecute Capitalists or dissenters who must be Capitalists. Yet we all live together in such a tiny Spaceship Earth.

Prosecuting people who profess a different belief than ourselves is at any rate un-Thai. Here I am reminded of the arrival of the first Catholic missionaries in Siam over three centuries ago when the King gave them land and material to build their church. It explains why there is no martyr, no Saint and little success in conversion. Pity, this has not been quite the case with Communism.

On the question of Communism, I think that both the Anti-Communist Act and Communists in this country are out of date, making the latter's arrest an outdated occupation. Rephrasing it, what I mean is that anti-dogma laws and dogmatists have become so irrelevant in our present-day world that the former should be dissolved and the latter left to their own fate. Terrorism and bomb planting are a different matter, of course, and those involved should be apprehended, not as ideologists, but as common criminals.

I am willing to bet that if the Anti-Communist Act is repealed and the Communist Party is officially set up, it would be a tiny party with only a handful of boring dogmatists, purists, fundamentalists and academicians.

On the list of potential arrest is Khun Sulak Sivaraksa, the noted social critic, author, lecturer, *enfant terrible*, etc. But then he is a different kettle of fish. He is simply against every-

body except Prince Sithiphorn, Prince Dhani, Dr Puey, Luang Pradit, Plato and a handful of other Greek philosophers.

However, the reason why his recent book "Unmasking Thai Society" has been confiscated by the police, besides his tirade against the establishment from the top down to the bourgeoisie and even students whether rightist or leftist, is because the language used is unpalatable. The latter, to my mind, must belong to an even pre-Ramkhamhaeng patois. All this is a pity since S.

Sivaraksa, who has done more than most in cultural activities, can now only achieve little in terms of social action. His good points — and there are several — get marred by his recent messianic style and by the battles which he has opened up on several fronts at the same time.

That putting the books to the torch and possibly the author himself to the stake is part of a tit for tat by all those concerned is obvious. But then we should not be overly concerned. Village scouts and loyalists who have staged protest marches against S. Sivaraksa are overly concerned and they only have themselves to blame if they have now played into his hand.

The whole episode concerning S. Sivaraksa is in the end rather tragic. I blame this on the sheer lack of the sense of humour of all those concerned. It is tragic because neither S. Siva-

raksa nor those who want to prosecute him have any sense of humour whatsoever.

Our common friend, Angkhan the poet, on the other hand, has a fabulous sense of humour. But then he is poet and artist and therefore has several excellent outlets for his pent-up emotions. Angkhan is anti-establishment like all true artists and like them he transforms social criticism into poems and paintings.

Now, a lawyer (like S. Sivaraksa) can never be an artist and consequently is denied such refined outlets. Moreover, a lawyer with a penchant for Plato and Aristotle will never appreciate humour because for him and his Greek heroes the world is tragedy.

Now that "Unmasking Thai Society" has been assigned to the bonfire I am afraid it will become literature (which it clearly is not) and because of the publicity given to it by the Police Department, instead of it being read in a small circle of disciples – and the author only has a very small circle of disciples – it will now be read by many.

On a more serious note, I wish to convey to the authorities that they should leave dissenters like S. Sivaraksa alone. The strength of the country lies in not confiscating ideological publications and arresting authors however outlandish. In fact, I would say that our very strength lies in having such outlandish thinkers and writers around, unnoticed.

CSO: 4200/1006

## POLLUTION IN RIVERS REACHES CRITICAL STAGE

Bangkok THE NATION REVIEW in English 15 Aug 84 pp 1, 2

[Text] POLLUTION in the Chao Phya River, the main lifeline for Bangkok, and three other rivers in neighbouring provinces has reached a critical point with an excessive volume of bacteria that is hazardous to marine lives and human beings, senior officials of the Public Health Minister warned yesterday.

Public Health Minister Marut Bunnag and Director General of the Health Department Dr Pairoj Ningsanond told a press conference that there was a chance that the pollution in the Chao Phya River and three other rivers - Thachin, Mae Klong and Pranburi - would become worse and reach an unsalvable level.

A survey by the Environmental Health Division between January and May this year found that the volume of bacteria of coliform type, which causes diarrhoea, in the four rivers was much more than the standard level.

At the Chao Phya River below Krungthep Bridge in Yan-nawa, the volume of bacteria of coliform

was found at 24 million MPN in every 100 millilitres of water. The standard volume of bacteria which is safe for human beings' health is the maximum of 10,000 MPN for every 100 millilitres of water.

They said the volume of coliform bacteria in the Chao Phya River, found this year, was 500 times higher than the volume last year which was measured at only 48,700 MPN per 100 millilitres.

At Wat Pailom, Samko District in Pathum Thani, the volume of bacteria in the Chao Phya River was measured at 740,000 MPN per 100 millilitres. The volume was only 13,800 per 100 millilitres last year.

The officials said the volume of oxygen

in water in the Chao Phya River, measured at one milligramme per one millilitre of water, was also below the standard level of at least four milligrammes per one millilitre of water.

The volume of coliform bacteria in the Thachin and Pranburi rivers this year was also higher than last year's.

In the Mae Klong River, this year's volume of coliform bacteria has, however, dropped to 1,000 MPN per 100 millilitres of water. Last year's volume was 2,000 MPN per 100 millilitres.

The officials said the problem of pollution in the rivers would become more critical and would possibly reach an unsalvable point in the future.

RTA ORDERS SUPERTRANSPORTS

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Jul 84 p 4

[Text]

The Royal Thai Army (RTA) Attache in Washington, D.C. has signed a contract for the purchase of two Bell Helicopter 214ST aircraft. Deliveries of the Super-Transports, which will be operated as general purpose aircraft, will be made in the third quarter of this year. Bell President L.M. (Jack) Horner said the Thai Army acquisition of the 214ST is particularly gratifying since the RTA had conducted a sophisticated evaluation of other helicopters in this weight class. The RTA has operated Bell turbine-powered aircraft for the past 15 years and currently has more than 100 Bell helicopters in its inventory, including the Models 206B, UH-1H, 212 and 214B. Other Thai military services and government agencies operate an additional 100 Bell aircraft.

The 20-place 214ST combines advanced technology in both the aircraft and its General Electric CT7-2A engines. The 214ST has a gross weight of 17,500 pounds and an internal useful load of approximately 8,000 pounds. It has a range of more than 450 nautical miles. In the civil area it is used primarily in the petroleum industry for long-range offshore crew change missions. The aircraft has performed admirably in extremes of temperatures, altitude and terrain during its two years in the field - from Saudi Arabia to the North Sea and from the frigid coasts of Canada to the Gulf of Mexico and the lowland humidity to mountain tops of South America. Through all of this it has maintained an availability rate of well over 90 per cent.

## BOOM EXPECTED IN LIGNITE CONSUMPTION

Bangkok THE NATION REVIEW in English 19 Aug 84 p 28

[Text] PHRAE Lignite Co Ltd, which operates lignite mining in Lampang and Lamphun provinces, expects to boost its supply to industrial plants up to 300,000 tons next year.

"Lignite is getting more popular than fuel oil because it is four times cheaper," said Deputy Managing Director Mathee Uaphinyakul. In the past, only the Electricity Generating Authority of Thailand was the major consumer of lignite. The state enterprise has undertaken large-scale lignite excavation in Mae Moh District of Lampang in which it has huge power plants fuelled by lignite.

EGAT wants to build seven units of generating plants. At the same time, lignite is used in the northern region for tobacco curing. Lately, cement plants have switched from bunker oil to lignite after the price of fuel oil has shown signs of further rise.

Mathee said that lignite consumption by tobacco curers and cement plants amounted to 295,000 tons annually. "We have made a projection in the growth for demand of lignite and re-estimated lignite reserves to suit our investment planning," he said.

A company survey shows that there are 90,000 industrial plants in nine provinces surrounding Bangkok and all of them use fuel oil for boilers. To replace fuel oil about five million tons of lignite will be required annually.

Mathee disclosed that Bangkok Bank, in its bid to encourage consumption of domestic energy, offered loans for converting machinery to consume lignite.

So far two factories - an instant-noodle and food producer, and a textile mill - have switched to lignite. "In the case of instant-noodle producer, it resulted in bringing down fuel-oil bills

from 1.2 million baht monthly to only 700,000-800,000 baht when it switched to lignite. The second factory succeeded in reducing its bills for 600 tons of fuel oil costing 1.2 million baht monthly to only 400,000 baht," Mathee said.

All cement plants have also switched to lignite each consuming 100,000 tons annually. Other potential lignite consumers are limestone plants, fishmeal factories and dyeing mills.

The company currently supplies 300,000 tons annually, but production is expected to increase next year.

Phrae Lignite has three mines. The first is in Ngow District of Lampang, producing 200,000 tons annually. Lignite reserves there are estimated at two million tons and are under huge excavation concessions.

The second is in Li District of Lamphun. The concession belongs to the National Energy Administration but the company leases it for production and distribution.

The third is also in Li District, producing 200,000 tons annually, with total reserves of four million tons. Lignite was supplied in various sizes suiting industrial boiler capacity.

If more lignite is used in industries the country can cut down imported oil substantially. Mathee said the company has made improvement for quality so that it leaves little ashes after burning. This has also improved heating value.

Selling price is 450 baht per ton. Phrae Lignite is among eight producers, four of them private firms. The remainders include the EGAT and NEA, Mathee said.

THAILAND

POST, WORLD UNDER NEW SETUP

BK181429 Bangkok BANGKOK WORLD in English 18 Aug 84 p 11

[Text] The Post Publishing Co Ltd has become the main operating and holding company of the BANGKOK WORLD and the BANGKOK POST newspaper publishing group.

Before this reorganisation, publishing and management of the two newspapers were contracted to Allied Newspapers Ltd. Also involved in the changes is the acquisition by the Post Publishing Co of the equity interests of the World Press Co Ltd.

Former diplomat Konthi Suphamongkhon has accepted the chairmanship of the board, while Mr Ian Fawcett has been appointed managing director of the Post Publishing Co and group chief executive.

Under the new corporate structure, the number of shareholders in the Post Publishing Co has increased to 370, of whom 339 are Thais holding 83.2 per cent of the shares.

Multi-Credit Corp of Thailand Ltd has been acting as adviser on the reorganisation and diversification of the shares.

CSO: 4200/1037

## ARTHIT TO MEET FINANCE FIRM OFFICIALS

Bangkok BANGKOK POST in English 31 Jul 84 p 15

[Text]

SUPREME Commander General Arthit Kamlang-ek will meet with representatives of financially-troubled finance companies on Friday to find effective solutions to their problems, as well as the shaky financial system, the *Business Post* learnt yesterday.

This will be the second meeting called by Gen Arthit, who is also army commander-in-chief, and is expected to take place at the Kittikachorn Conference Hall of the Chulachomklao Cadet Academy.

The first meeting, which was reported exclusively by the *Post*, was held early last month and attended by representatives of several financial institutes, including commercial banks, finance firms and the Bank of Thailand.

During the meeting, Gen Arthit blamed the central bank and the Finance Ministry for delaying measures to shore up public confidence in the country's finance firms and reportedly said that the central bank was also responsible for the current problems.

He suggested that the bank implement urgent measures before the situation deteriorated further and also noted that commercial banks should play a bigger role in helping the central bank solve the problems.

However, nothing concrete has been achieved since the meeting and sources said they expected more out of the second meeting.

They also said that several finance firms have refused to join the ministry's management pool

and that only four companies have so far enlisted for help.

According to ministry measures, any finance firm interested in joining the pool must agree to transfer at least 25% of its equity to the ministry, which will group the companies into a pool, comprising a core company and four sister firms.

The ministry would also appoint a management team, comprising professional executives, to run the pool.

However, no team has yet been appointed.

The sources said the finance firms were disappointed in the ministry's efforts. "They initially expected the ministry to help them return to normality after joining the pool, as well as provide them with soft loans so as to boost their liquidity.

"But the ministry has not only refused to provide soft loans, it has also forced them to repay loans to the Krung Thai Bank and the Bank of Thailand," the sources said.

Before the "Management Pool Measures" were announced, all commercial banks were requested by the Government to contribute towards the setting up of a 5,000 million baht pool, called the "Liquidity Fund", which was to help ailing finance firms boost their liquidity through soft loans.

The fund was managed by the state-owned Krung Thai Bank.

"It can be said that the management pool measures of the Finance Ministry and the Bank of Thailand have already proved a failure," said the sources.

## PETROLEUM CONSUMPTION JUMPED 15 PERCENT IN JAN-JUN

Bangkok THE NATION REVIEW in English 7 Aug 84 p 4

[Text] **PETROLEUM** consumption in the country jumped by 15% during the first six months of this year, pushing up imports of petroleum products by 7.2% during the same period, the Bank of Thailand told the meeting of the Council of Economic Ministers in a report yesterday.

The high growth of import of petroleum products was in contrast to the slow-down in the import of most raw materials, the report said, adding that total import value for January-June, this year, rose by 11.2% compared to the same period the year before.

The overall trade deficit picture remains negative although the balance of payments position has improved, according to the summary which said that trade deficit for the first six months amounted to 38,100 million baht, close to last year's 37,100 million baht during the corresponding period last year.

Exports rose by 15.1%, with the increases recorded mostly in volumes. Prices of exported agricultural products were down in the world market due to overall global increase in world production.

Balance of payments position during the first six months showed a surplus of 14,541 million baht, compared to a deficit of 1,148 million baht during the same period last year. This was attributed to the high capital inflow during this period.

Overall for 1984, the report expects total exports to be in the range of 164,000 million baht, representing a 12% increase while imports should reach about 240,000 million baht, which will represent a 2% increase. Total trade deficit for 1984 is expected to be about 76,000 million baht, compared to 1983's deficit of 89,000 million baht.

The Bank of Thailand's report also said that price levels since the middle of last year have stabilized, resulting in "very low inflation rate."

The average increase in the Consumer Price Index was about 2.3%. That was due mainly to the low prices of farm products while prices of

industrial goods recorded a slight increase. The overall inflation rate for the whole of 1984 may be as low as 1-2%.

The report also said that the tight money situation at the beginning of the year had eased somewhat since the end of the first quarter due to the credit slow-down and commercial banks' savings mobilization while capital inflow increased significantly. That brought about the weakening of short-term interest rates in the local money market.

Liquidity in the local money market for the rest of the year, however, might decrease because world interest rates are likely to go up, prompting local borrowers to pay back their foreign loans at a higher level.

The report said that economic recovery has been evident in the US, Canada and Japan. But the US dollar continues to be strong.

Local farm production for 1984/85 is expected to show a bumper crop from nearly every kind of agricultural product due to the regular rainfall. Yield per rai will be high for almost all crops but prices for the first half of the year maintained the levels of those of last year.

Industrial production in general continued to expand as part of the spillover from that of last year. Export-oriented industries picked up markedly such as canned pineapple, textiles, garment, synthetic fibres, integrated circuits etc... But exports of jewelry, canned marine food faced problems.

There was, however, a slowdown in industries producing goods for local consumption. The drops included machinery, passenger cars, liquor and tobacco. Construction business continued to expand, except for steel rods which did not pick up.

The report said the overall economic growth rate for the country this year will be in the range of 5.5-5.8%, relatively the same as that of last year's.

CSO: 4200/1006

THAILAND

PRIME MINISTER APPEALS TO IRAQ OVER WORKER

BK080326 Bangkok BANGKOK POST in English 8 Sep 84 p 1

[Text] Prime Minister Prem Tinsulanon's first task upon returning to work yesterday was to sign a letter to the Iraqi Government urging clemency for Thai worker Thitthai Charoentharn who has been sentenced to death in Iraq for espionage.

Thitthai was arrested in Iraq earlier this year along with five other Thais on charges of spying for Israel. The five others were later released and returned to Thailand in June.

Before working in Iraq, Thitthai worked for an American construction firm in Israel.

According to a fellow worker, Thitthai had told a German woman that he used to work in Israel. The woman turned out to be a secret agent for Iraq and taped the conversation which was later used in evidence against him.

The worker said he believed Thitthai confessed he was a spy because he thought they would give him a light sentence.

There have been allegations that Thitthai was tortured while in detention.

In addition to the letter from the prime minister several other groups are seeking help for Thitthai.

Magsaysay award winner Thongchai Thongsoo is petitioning Iraqi President Saddam Hussein for Thitthai's release while the Labour Department is also actively trying to help the condemned worker.

Despite Thitthai's death sentence, the number of Thai labourers seeking jobs in Iraq has not slackened off, Labour Department Director-General Chamnan Photchanakul said yesterday.

He said that job placement agencies were sending about 400 workers to Iraq every month and that there were about 20,000 Thais already in that country.

A number of Thai workers who have previously worked in Israel are now working in Iraq he said, adding that all workers were warned not to get involved in the political and internal affairs of that country.

He said many workers in Iraq faced problems, particularly that of employers refusing to pay their salaries. In addition the Iraqi Government only allowed workers to send 70 percent of their salaries home.

CSO: 4200/1037

## MILITARY RADIO, TV PROGRAMS ATTACK PIYANAT

Bangkok THE NATION REVIEW in English 1 Aug 84 pp 1, 2

[Text]

MILITARY radio and two television stations last night broadcast special programme lambasting at Deputy House Speaker Piyanat Vajraporn (Si Sa Ket-Chat Thai) who was cleared by a specially-convened party executives' meeting for his controversial remarks against the military establishment and village scouts.

The controversy took a turn for the worse yesterday when a group of village scouts went to Parliament with copies of a protest note against Piyanat addressed to House Speaker Uthai Pimchaichon and Chat Thai leader Maj Gen Pramarn Adireksarn.

Piyanat had sparked off the controversy when he criticized the village scouts for having submitted a note against author Sulak Sivaraksa last Thursday for the publication of his interviews entitled "Unmasking Thai Society."

Piyanat the following day said in a panel discussion that the move was undemocratic and that the country's unstable democratic system had been caused by the military more than other groups of society, prompting the military to accuse Piyanat of having made unwarranted and irresponsible statements.

The strong reaction from the military was broadcast on television Monday night, prompting the village scouts to hand over a protest note yesterday to House Speaker Uthai and Chat Thai leader Pramarn "to do something about Piyanat's remarks."

Piyanat yesterday morning said the village scouts were being used as a political tool. That statement angered the military once again. Last evening, military radio stations came up with a strongly-worded commentary read by well-known announcer Arkhom Makkaranond charging Piyanat with being irresponsible.

A special television programme on Channel 5 and 7 organized by Dr Sivavudh Thephasdin was aired after the nightly newscast. The programme, known as "Conversation on The Nation's Problems," is normally broadcast on Sunday but last night's broadcast was an apparently last-minute arrangement to counter Piyanat.

The two other speakers on television were Chai-porn Poonnart, a representative of the village scouts and Lecturer Rangsan Saengsuk of Ramkhamhaeng University who harshly criticized Piyanat.

They strongly accused Piyanat of having made irresponsible statements as Deputy House Speaker, and countered the lawmaker's proposal that the Anti-Communist Act be repealed.

But Piyanat yesterday said he would continue to speak out on the issue despite the protest from the village scouts "The military might have said I had gone mad. That's all right with me. I sincerely hope that the military will defend and protect democracy," Piyanat said.

Chat Thai leader Pramarn called a special meeting of the party's executives yesterday on the issue and decided that Piyanat had spoken as an MP out of his own conviction and did not represent the party in any way.

Chat Thai spokesman Pratuang Vicharnpricha said that the party was convinced that it should not fall trap to a possible gimmick to use this issue to cover up other matters being raised by the Opposition such as the bus concession involving 19 buses.

Piyanat spoke about soldiers in the past, not present ones. The television attack on Piyanat could affect Chat Thai's plan to tour the provinces to raise various issues on government performance, he said.

Pratuang said Chat Thai Party continues to believe that the military would not stage a coup "because soldiers also uphold democracy."

ARMY TO PUSH OUT 1,400 FOREIGN HILLTRIBESMEN

BK100319 Bangkok BANGKOK POST in English 10 Sep 84 p 5

[Text] The Third Army Region will push about 1,400 foreign hilltribesmen out of three districts of Chiang Rai Province under a newly-adopted measure to stop forest destruction in the area.

A source said the campaign would start next month and all the hill tribe people, mostly belonging to Iko and Hmong Tribes, would be pushed out of the country.

The group had illegally entered the country and had encroached into national reserve forests in Mae Chan, Mae Sai and Mae Suai districts.

The tough measure was part of the recently-drafted policy of the Third Army Region and a committee to prevent forest destruction chaired by Deputy Permanent Secretary to the prime minister's office Sompong Prachuabmo.

Under the policy, officials will try to confine hilltribe people to only one place and conduct a population census followed by registration to prevent them from moving around freely and encroaching into the reserved forests.

Hilltribe people refusing to follow the above steps would be warned and pushed out of the country if they continued to encroach into the forests.

CSO: 4200/1037

ATHIT PUTS ARMY FLOOD RELIEF UNITS ON ALERT

BK090652 Bangkok BANGKOK POST in English 9 Sep 84 p 1

[Text] Supreme Commander Gen Athit Kamlang-ek has ordered the Second Army Region to put its flood relief unit on alert to help villagers affected by the floods should the need arise.

Talking to reporters in Nakhon Ratchasima Province, General Athit said he had asked the Second Army Region Commander Lt-Gen Phak Minakanit to prepare flat-bottomed boats for use in flood-relief operations.

The boats will be used to transport food and other necessities to the flooded areas and to help evacuate villagers cut off from the outside world by the floods.

The situation in the Northeast was expected to improve if no more heavy rainfall occurred in the region, General Athit said.

Reports from the provinces yesterday said that seven provinces in the north and the Northeast were still flooded but the situation was expected to improve.

Floodwaters were steadily receding in Sisaket, Ubon Ratchathani and Surin provinces in the Northeast and Nan, Chiang Rai and Chiang Mai provinces in the North.

There was no rainfall yesterday in Udon while the volume of rain in the other flood-hit provinces was less than 10 mm, Bangkok weathermen said.

As floodwaters began receding, flood relief teams moved through the affected areas to help people in remote villages.

In Ubon Ratchathani, Det Udon and Khong Chiam districts were reported hard hit by flash-floods. More than 13 provincial roads have been inundated and 12 bridges damaged.

Governor Charoensuk Silaphan said he expected that the 2,000 families which had been evacuated to higher ground would be able to return to their farms within a few days.

In Surin the Chokchai-Dat Udom Highway was still impassable as were dozens of other roads in the province.

In Nong Khai, officials reported yesterday that 20 villages in Phon Pisai District have been under water since Thursday and the rainfall there between September 5-7 was 106 mm.

In the North, floodwaters were reported to be remaining in Chuang District of Nan Province and parts of Chomthong District of Chiang Mai and Muang District of Chiang Rai.

CSO: 4200/1037

## SHARP RISE RECORDED IN JOBLESS GRADUATES

Bangkok BANGKOK POST in English 8 Aug 84 p 2

[Text] ECONOMIC stagnation has led to high unemployment among college and university graduates, National Education Council Secretary General Dr Poj Sapienchai said yesterday.

Dr Poj said there were fewer jobs available these days as there had been no new investment in the country for the past four years.

The Government had also reduced the number of new civil servants it employed by two per cent in each of the past two years, he said.

The National Primary Education Commission used to have openings for 20,000 teachers each year but in the previous school year this number was reduced to only 4,000, the council's deputy secretary general Dr Panom Pongpaiboon said.

Unemployment among graduates in social science, humanities and education has increased by 40 per cent, Dr Poj said.

New teachers were able to get employment at only the Education Ministry and private schools.

The ratio of new graduates and those who found employment in the past two years was five to one, he said.

The Interior and Foreign ministries had also reduced the number of new graduates in political science they employed.

Only doctors and engineers were still in high demand, Dr Panom said.

He added that about 10 years ago 60 per cent of new graduates preferred to become civil servants while 40 per cent opted

for private enterprise.

This trend still continued and some graduates would rather do nothing than work for private companies, he said.

"Some vocational school graduates do not mind working as janitors at a government office," he said.

These graduates reasoned that even though they got paid less by government organisations as compared to what private companies offered them, they gained more through the welfare benefits that the Government offered, he said.

Government employees have not only their children's school fees paid for but also their hospital bills as well as that of their parents and private companies do not offer such benefits, Dr Panom said.

Only Pathumwan Engineering College of all the 14 state universities and 14 private colleges has a job placement bureau to help its students find employment.

About 26,594 job seekers participated in the first job bazaar organised at Thammasart University last January but only 1,152 were hired by 300 participating companies.

A National Economics and Social Development Board official accused private companies of being choosy in employing inexperienced graduates.

They do not want to waste their time training them, he said.

A second job bazaar, organised by the NESDB and Labour Department, is to be held at Chulalongkorn University for three days from today.

## TEACHERS QUESTION GOVERNMENT ON LESE MAJESTE ARREST

Bangkok BANGKOK POST in English 3 Aug 84 p 3

[Text]

CHAIRMAN Usa Phasakul of the Northeastern Teacher's Club will submit a letter to the Government seeking clarification on the arrest of one of its teachers on charges of lese majeste.

Mr Chitakorn Tangkasemsuk, 36, an assistant professor at the Teacher's College in Udorn Thani, was arrested on Tuesday and is being detained at Udorn Thani police station.

A police source said Mr Chitakorn had edited the "Mong Karnsueksa Thai — Ardeet, Patchuban, Anakot" (A Look at Thai Education — Past, Present, Future) — a book reportedly banned by the police for containing statements allegedly derogatory to the monarchy.

Some 5,000 copies of this book were published last September and distributed on the college's 60th anniversary.

Mr Chitakorn had reportedly interviewed writer and critic Mr Sulak Sivaraksa for an article published in that book. When the Special Branch Police was about to take action against the article, Mr Suwan Chansom, deputy director-general of the Teachers Education Department, reportedly talked with the police and the matter was dropped.

Then last month Mr Sulak released his own book "Lokkrab Sangkhom Thai" (Unmasking Thai Society) in which he reportedly used the same statement attributed to him in Mr Chitakorn's article.

Mr Chitakorn was arrested after police confiscated Mr Sulak's book last week. Udorn Thani police said

they were keeping Mr Chitakorn as witness in the case concerning Mr Sulak who, though still at large, is wanted by police on a similar charge.

Director-general Panom Kamnerd of the Teachers Education Department said his department had still to receive any official police notification of Mr Chitakorn's arrest and so far, "we have only had reports from newspapers and the Teachers Training College in Udorn Thani," he said.

Meanwhile, club chairman Mr Usa said he had written letters and made telephone calls to all members of the club's committee to seek ways to help Mr Chitakorn and to visit him at Udorn Thani police station.

With a Master's degree in Education from the United States, Assistant Prof Chitakorn is attached to Udorn Thani Teachers College. He is known to have been the leading force in the move to upgrade *prachaban* (provincial) teachers in 1980 from the status of provincial employees to that of civil servants.

Meanwhile, the Metropolitan Police Department has appointed two senior officers to the Special Branch Police team which is trying to establish the whereabouts of Mr Sulak.

Metropolitan Police Commissioner Lt-Gen Mana Wongsomboon said he has assigned First and Second Sub-Division commanders, Pol Lts-Col Urai Sri-urai and Sena Nacha-roen, to work with the Special Branch Police team. He said Mr Sulak's arrest will be made only by the Special Branch Police.

## CONTINUED MEMBERSHIP IN TIN COUNCIL URGED

Bangkok BANGKOK POST in English 30 Jul 84 p 19

[Text]

A SENIOR Department of Mineral Resources official believes that Thailand should retain membership in the International Tin Council because it had more to gain by staying.

Vicharn Upattisaling told more than 200 miners and government officials at the Chamber of Mines' extraordinary meeting, held at the Indra Hotel last Friday, that miners would stand to lose more if Thailand were to withdraw from the ITC.

Mr Vicharn said the miners would gain little from such a move, which would have an adverse effect on them as the tin market was likely to deteriorate.

One advantage was that miners could export as much tin as they could produce because Thailand would be free of export curbs.

Thailand also wouldn't have to contribute to the tin buffer stock or pay the council annual administrative fees, which totalled more than three

million baht, if it resigned.

However, he said that the previous tin agreements, each term lasting five years, have been successful in stabilising prices, which have managed to remain higher than the floor price.

Commenting on the buffer stock contributions, Mr Vicharn said it appeared that miners had profited during the enforcement of four previous tin agreements, as each buffer stock account was liquidated after the agreements expired.

Mr Vicharn said Thailand has already contributed about 893 million baht to the buffer stock.

If Thailand's annual production capacity of 30,000 tons were to flood the world market, it would be beyond the stock manager's capability to stabilise prices.

He said that Thailand would suffer most if the tin council was dissolved because tin production costs were higher than other producing countries.

tries.

Tin prices could hit a low of 15-18 Malaysian ringgits a kilo and this would lead to joblessness, mine closures and lower royalty earnings for the Government.

**LOW PRICE**

The low price would prevail for at least two years as more than 240,000 tons of tin stockpile from the United States' General Service Administration, combined with the fifth and sixth tin agreement stockpiles and tin stocks held by producing countries, would be released at the same time.

The Penang market price which is supported by the buffer stock manager and quoted by the Thailand Smelting and Refining Co — Thailand's only smelter which buys tin ore from miners — would also be lifted. This means that the smelter would be free to fix buying prices, he added.

CSO: 4200/1006

ISLAND TO GET RADAR STATION

Bangkok BANGKOK POST in English 28 Jul 84 p 1

[Text]

THE Royal Thai Air Force plans to set up a radar station on Samui Island, off Surat Thani, a source said yesterday.

The RTAF source said Samui was chosen because it provided an ideal site where a radar system can scan a large part of the Gulf of Thailand currently not covered.

The system, likely to be installed by the end of the year, will be able to scan a 150-mile radius and greatly benefit naval operations.

The source also said the system, already possessed by the RTAF, would be hooked up to other stations in Hat Yai, Phuket and Chumphon.

The planned radar station, which will cost about 15 million baht, is not part of the RTAF's air defence automation system which is still under discussion.

CSO: 4200/1006

# LANDLESS FARMERS COMPLICATE AFFORESTATION WORK

Kuala Lumpur BUSINESS TIMES in English 8 Aug 84 p 21

[Article by Yojana Sharma]

[Text]

POOR farmers and forestry officials have clashed often in north-east Thailand, the farmers seeking food for today, the foresters protecting forests for the future. There are signs that peace is at hand.

Farmers have threatened forestry workers, pulled up seedlings and even tried to start fires, according to a report by the Thai Royal Forestry Department.

Some 83 per cent of crowded Thailand's population of over 50 million lives in the countryside. Intensive farming in the fertile southern "rice bowl" region is squeezing the poor and landless northwards. Immigrants from war-torn Laos and Kampuchea have swelled the northward drive onto the sandy, deforested uplands.

## Invaders

Three-quarters of north-east Thailand, once half covered with hardwood and evergreen trees, is now barren. A 1982 UN Food and Agriculture Organisation (FAO) report estimated that 330,000 hectares (815,500 acres) of forest were disappearing annually.

The erosion caused by such rapid deforestation has caused parts of Thailand's traditional waterway system to clog up with silt. The government has become so alarmed that it has threatened severe punishment, including summary execution, for the illegal cutting of trees. Such threats are aimed mainly at poachers of valuable hardwoods.

But for political reasons, that government is also committed to aiding farmers in the north-east region. It fears that this sensitive area, bordering on Laos and Kampuchea, could fall prey to communist insurgents if left unsettled.

Forestry officials are unhappy about the "invaders." The Forestry Department report estimates that "in the ten-year period 1970-1980, only one third of the 60,000 hectares (148,000 acres) replanted could be considered fully established. The rest was destroyed by fire and degraded by farmers."

Despite Forestry Department protests, the government maintains that trees cannot always come before people. With aid from the UN Development Pro-

gramme and FAO, it is aiding agricultural development in the north-east, while at the same time encouraging the farmers to plant trees.

Reconciling these two goals is not easy. FAO project manager L.K. Danso says that the programme "created conflict in the farmers' minds because they were being asked to grow trees where they wanted to grow food."

The key to the government's policy has been a type of land reform whereby farmers are given "user rights" to land which technically belongs to the Forestry Department. In the last two years, 10,000 "user certificates" were issued. They enabled farmers to cultivate and profit from the land without owning it outright.

Each certificate grants a family the use of about 2.5 hectares (six acres) which is part of an "agro-forestry village." Water, roads and schools are made available to each village. Grouping farmers in this way is thought to minimise indiscriminate deforestation.

### Trouble

Security of tenure has made it possible for the farmers to get bank loans for farm implements, seed and fertiliser. But their certificates are issued on the condition that they plant a certain number of trees on their land.

The Forestry Department, in early 1983, had had "nothing but trouble" in its attempts to enforce the tree planting rule. Mr Danso maintained that the foresters antagonised the farmers instead of working with them and gaining their confidence.

By mid-1983, however, things had begun to change. Farmers began planting fruit trees around their homes and were asking for eucalyptus seedlings.

According to government extension worker Pornchai Vattayanugul, farmers were prepared to plant trees once their own basic needs were met. They no longer saw the trees as standing in the way of their own survival. "They said they wanted water and roads. Once these were provided, they were prepared to compromise," he said.

Thailand is not the only Asian country where landless farmers are moving in on valuable forests. The same pattern is being repeated in the Philippines, Bangladesh, Sri Lanka, Kampuchea and Laos.

In their search for land, these poorest of peasants represent one of the greatest threats to the world's receding tropical forests. As the Thai experience demonstrates, it is only when their minimum needs are met that they can live with and even plant trees rather than chop them down.

## THAILAND

### BRIEFS

TOURISM COOPERATION WITH PRC--Thailand and China have agreed to boost bilateral cooperation in the field of tourism. During a board meeting at the Tourism Authority of Thailand on 16 August both sides agreed to draw up five guidelines to promote bilateral cooperation. Under major guidelines, Thailand would provide hotel and tourism training to Chinese tourism officials. Both countries are also to design and produce jointly bulletins and other publications for publicity and promotional purposes. Officials of both countries will meet in October to discuss the issue further. [Summary] [BK210512 Bangkok Domestic Service in English 0000 GMT 18 Aug 84 BK]

GOVERNMENT BORROWING AND INCOME--The government borrowed about 25 billion baht from domestic and overseas sources during the first 10 months of this fiscal year. It collected 121 billion baht in revenue during the same period. Most of its budget has been spent on administrative expenses while loan repayment amounted to about 7.4 billion baht. Of the 121 billion baht in revenue, about 50 billion baht came from the Revenue Department's tax collection and the balance from excise and customs tax collection. [Summary] [Bangkok Domestic Service in English 0000 GMT 18 Aug 84 BK]

THAILAND'S EXPORTS--Deputy Commerce Minister Phairot Chaiyaphon reported that Thailand exported about 87 billion baht worth of goods during the first 7 months of this year, or about 14 billion baht more than the same period in 1983. The increase is due to greater yields in agricultural production because of favorable weather as well as better prices for certain goods. Exports of rice, corn, jute, textiles, and canned food increased in volume whereas exports of rubber, corn, sorghum, and green mungbeans increased in value. [Summary] [Bangkok Domestic Service in Thai 1300 GMT 18 Aug 84 BK]

CSO: 4200/1037

## MILITARY AFFAIRS AND PUBLIC SECURITY

### SUBWARD DOES GREAT JOB IN MAINTAINING ORDER, SECURITY

Hanoi QUAN DOI NHAN DAN in Vietnamese 10 Aug 84 p 3

[Article by Phan Van Toan: "Hang Dao Subward Self-Defense Force Sets Good Example in Maintaining Order, Security "]

[Text] Hang Dao Subward in the heart of Hoan Kiem Ward has the main communication axis of Hanoi and the streetcar line running along its entire length. It is close to the central streetcar terminal and also near Dong Xuan Market, where there are many private vendors' counters and a very large flow of people and traffic, including foreign visitors. With such characteristics, Hang Dao Subward is one of the complex locations where hoodlums, thieves, people doing illegal work and dishonest business people regularly assemble to carry on their activities. Many cases of thefts, stealing from pockets and robberies have taken place.

In spite of its complex location, Hang Dao Subward not only has been doing a good job in maintaining security and order, it also is a model subward in terms of mobilizing the masses for fighting against the negative aspects. The subward also has much experience in educating the slow-progressing people. The self-defense force has really been playing a key role in changing the subward's weak aspects. The self-defense company of the subward has a platoon of the musical instruments cooperative, which has been holding the Determined-to-win title for 13 consecutive years. The chairman of the subward People's Committee had this to say: "In the complex situation of the subward, particularly after having learned the directives and resolutions of the superior echelons, the subward CPV Committee and People's Committee have organized conferences among sectors, mass organizations, organs, enterprises and cooperatives to discuss the leadership and guidance measures aimed at carrying out the plans the subward had drawn up for maintaining order and security and coordinating the activities of the four forces. In addition to mobilizing the masses for building 29 security teams and groups with hundreds of security agents, the subward pays special attention to perfecting the self-defense force in order to ensure its size and high quality and to apply many diverse formulas to carry out its activities."

The subward self-defense force consists of two platoons. A neighborhood platoon has three squads. A platoon of the musical instruments cooperative has two squads. In addition, there are express communication, reconnaissance and first-aid teams, which are subordinate to the company. The subward has been paying attention to selecting outstanding people to bring into the self-defense force from the youth and civil defense units and urging the troops who have fulfilled their active service to take part in its self-defense force. It also firmly expels any unqualified people from the self-defense force. Party and youth union members account for more than 65 percent while the reassigned, demobilized and discharged military personnel account for over 50 percent. The chairman of the subward People's Committee is the company commander and party committee secretary and does political work. The self-defense platoon of the musical instruments cooperative is the mobile unit that is ready to fulfill any unexpected task. Last year, not only did this unit overfulfill by 50 percent the production goal set in its plan, it also fulfilled the task of being combat ready, safely protecting the socialist properties and actively coordinating its activities with those of the neighborhood self-defense platoon in maintaining security and order in the area where it was stationed.

Being assigned the task of coordinating the four forces, the neighborhood self-defense platoon has determined the key locations on the basis of the actual area it is in charge of. In these locations, patrolling and control is carried out through unified plans and strict coordination among the cadres who command and head the self-defense force and subward public security stations. In addition to the regular patrolling duties, on holidays, during the Tet, or whenever there are unexpected tasks, the self-defense force also volunteers to do patrolling work for 24 hours a day. The subward self-defense force also actively coordinates its activities with those of the self-defense force of the Hanoi Pastries and Candies Enterprise in strengthening patrolling and guarding duties, protecting the socialist properties and maintaining security in public places. The three neighborhood self-defense squads, which have been set up in accordance with street locations, are responsible for maintaining security and order right in their assigned areas. In the first 6 months of this year, the subward self-defense force helped to detect many cases of illegal business and dealing in counterfeit goods and to arrest hoodlums. Some typical achievements: Hiep, a squad leader, caught a hoodlum while he was stealing a motorcycle; Toan, a neighborhood self-defense platoon leader, thanks to his quick-wittedness and courage, single-handedly captured five hoodlums as they were stealing from customers. Duong, a combatant in Squad 2, after witnessing a robbery committed against some pedestrians, succeeded in catching both robbers. Squad cadres Tien and Ban showed no fear for their own lives while unmasking hoodlums and robbers and always tried to catch them and to hand them over to the public security officers. The subward self-defense force also received from many sources political and criminal-affairs

information; reported on a timely basis to superior echelons false rumors and enemy psychological warfare arguments for proper handling; and actively fought against, unmasked and arrested those who were engaged in fortunetelling and superstitious practices and kept decadent publications and music tapes and seized the latter.

As to other activities like checking and handling the cases of households illegally using electricity, managing housing affairs, collecting industrial and commercial taxes, managing the market, keeping streets clean and attractive and promoting civilized living and new-culture family life, not only did the subward self-defense force carry them on in a serious manner, it also encouraged everybody to follow its lead and do the same.

With the above-mentioned activities and results, the Hang Dao Subward self-defense force has made active contributions to building the neighborhood stable politically and strong in terms of order and security. The fact that has been demonstrated here is that the task of fighting against the negative aspects and maintaining order and security will bring about many good results if the party committee echelons and administration show their concern, are able to mobilize the masses in the revolutionary movement, pay attention to building the self-defense force as a hard-core unit and know how to develop a combined strength in the coordinated activities of the four forces in accordance with a positive plan.

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CSO: 4209/440

## MILITARY AFFAIRS AND PUBLIC SECURITY

### VILLAGE SUCCEEDS IN REINFORCING ORDER, SECURITY

Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Aug 84 p 3

[Article by Ha Minh Thien: 'An Ninh Village Has More and More Order, Security Everyday' ]

[Text] An Ninh Village in Tien Hai District, Thai Binh Province, is located right next to a town where the provincial highway runs through; since there are numerous objects of criminal action and the number of its youths and teenagers is very large, its administration and public security force are extremely concerned about the task of maintaining social order and security, particularly the fight against criminal offenders.

Although the location and characteristics of the village are favorable conditions for the commission of crime, An Ninh for several years still held the Determined-to-win title in the movement for maintaining security for the fatherland and had few cases to handle. One of the main reasons was that its administration and public security force knew how to apply in a creative manner and to fully carry out the measures designed to prevent crime. From propaganda, education, building emulation movements and attracting the youths into productive labor and social activities to applying administrative measures, enforcing the law and developing the economy.

Beginning in 1982, the village launched a very vigorous sport movement to attract youths and teenagers and to aim at many goals: to build the movement, to select representative teams for physical training, to attract youths and teenagers and to reduce their idle time to a minimum. The chairman of its people's committee was the head of its soccer team. The village has a number of warehouse grounds and a large stadium, which everyday attracted hundreds of youths and teenagers into various activities. In 1983 it organized two soccer cup competitions for its youths and one for its teenagers. The activities that had become routine created favorable conditions for organizing groups and teams, training all youths and teenagers in the collective spirit and sense of discipline and also giving the young guidance and education.

On the occasion of its being honored by a Council of Ministers certificate praising it for having done a great deal for the country and by a visit of Senior General Hoang Van Thai (the village was one of the two localities having the first CPV chapters in Thai Binh Province), the village launched a movement for developing the traditions of a birthplace of the revolution. Youth union chapters and teenagers' units organized contests in which participants recounted the combat feats and achievements of the country's pioneering revolutionaries. They then encouraged the young to develop pride and revolutionary spirit and guided them toward building youth projects, such as taking charge of new-variety ricefields, caring for trees and sanitation in specific road sections, building soccer fields, taking care of flower beds around the memorial for dead heroes, protecting transmission line sections, and so on. The village used a part of the social welfare fund to build up the movement and to award bonuses to outstanding units and individuals.

As to the various types of objects of criminal action, each year the village public security force organized study sessions for them to learn about legal policies, to write reviewing reports and to be classified through the selecting process. Early in 1984 it organized two reeducation and training courses for 50 of them. In every learning session, it always sought an in-depth knowledge of the economic situation of each and every trainee. It then recommended that agricultural cooperatives give them appropriate jobs, assign them contract ricefields and create favorable conditions for them to do legitimate work. Those who had economic difficulties could borrow money from the cooperatives or get some grain as aid from them. Those were the reasons why petty thefts had been scarce in An Ninh Village.

Carrying out Communiqué No 4 of the Ministry of Interior on protecting transmission lines, An Ninh was lately considered one of the two villages that had done the best job in the district. That involved from learning and propaganda to retrieving the electrical wires that had been used in an illegal manner. More specifically the main general school of the village was considered a model in carrying out the communiqué. The party chapter secretary, the school principal along with detectives of the district public security force and the head of the village public security force organized sessions for all teachers and students of the school to read the communiqué and to discuss its implementation. The collective teachers' quarters did the job first. Then it was the turn of the classes. The school's 625 students were instructed to rewrite the communiqué as a piece of dictation for marking purposes. Later they brought it home and read it aloud for their families to hear in Tuesday and Saturday evenings. After each reading members of their families had to sign on the back and their signatures were checked by the head teacher. Groups of three children were formed, with group leaders having to cross check among the families and to privately report to the head teacher. The 625 students of the main general school, who account for more than one-tenth

of the population of the village, have virtually become 625 propaganda agents specialized in this work and have been fulfilling the task of young detectives by providing their teachers and public security officers with information in connection with the education of youths and teenagers, the management of the objects of criminal action, retrieval of electrical wires and detection of thefts.

In An Ninh Village of Tien Hai District many enthusiastic and realistic movements are being on the rise. Their existence bespeaks the remarkable contributions of typical individuals, from the village chairman to the children. Everybody works so hard for the movement and the collective, thinks creatively and has valuable initiative to help drive the movement forward.

On any occasion marking the commemoration of historical events the village has the habit of seeing groups of cadres, party members, cooperative members, demobilized military personnel, youths and students come to its memorial for dead heroes, which is the largest one in the district, to honor those who have died for the country. In a sacred but glorious atmosphere, all of them share one thought: One must live in a deserving way toward the dead and the land that has the first CPV chapter in the province and must protect the social order in the village that bears an appropriate name, An Ninh (security).

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CSO: 4209/440

## MILITARY AFFAIRS AND PUBLIC SECURITY

### MILITARY SCHOOLS URGED TO IMPROVE PRACTICAL TRAINING

Hanoi QUAN DOI NHAN DAN in Vietnamese 30 May 84 pp 1,4

[Editorial: "Improve the Quality of Practical Training in Military Schools"]

[Text] The practical portion of the cadre training program occupies a fairly large proportion in organizing education and training in military institutes and schools. At various levels, depending on the specialty and level of study, curriculums have practical portions such as operational-technical practice, staff-command practice, leadership-management practice, etc. The substance of these is carried out at laboratories and headquarters, on equipment and motorized vehicles or out on the practice field, on combined drill grounds and at other practice installations. All forms of practice from low to high are aimed at training cadres to have practical operational capabilities, deep specialized knowledge, and expert skills according to predetermined objectives.

Today, military institutes and schools, and units and staff-command organizations have been and are gradually undergoing change and are being replenished with equipment. They have additional specialized equipment, special materiel, and the modern technical means of combat and command. As a result, primary level cadres, staff-command officers, political officers, technical command officers, and specialized-specialty officers all must strengthen practical training. During study time at school, students and officers should make full use of favorable conditions for study and training in order to satisfactorily exploit and use existing operational and technical equipment so as to even better perform leadership and command as well as technical management. Students who are officers or who have received basic training, even though having already experienced combat and work, are nevertheless students and must stress practice in order to continuously perfect knowledge and improve command qualifications. Only by so doing will they assimilate the new developments of military science and technology, effectively apply scientific and technical progress in work, and qualitatively carry out the training program for the lower level.

Presently, institutes and schools have undergone many changes in organization and training methods in order to satisfactorily carry out many practical training programs. However, in contrast with the requirement for educational reform and the cadre training objective based on the schools' real situation, practical training still has many limitations and shortcomings which have resulted in it not being high and not even fully realizing the practical norms as the program has stipulated. Here, a portion of the responsibility obviously belongs to both

the higher and lower levels, the organization and the school. Due to the qualifications of the instructor ranks or awareness not changing promptly, some do not give the proper level of attention to practical factors. There are times some places do not supply enough fuel and essential technical material and types, or at times there is temporarily enough but, due to irrational organization of education and training and unsatisfactory instruction and study to the point of wasting time, some portions of practical training do not meet the requirements laid down.

To fully carry out the practical portion in the scientific program and to boost even more the quality of practical training must first of all be the routine guidance concern of school management levels. Institute and college presidents have direct responsibility in the educational and training process and in organizing to ensure completion of the plan and that the content has many measures for perfecting the educational and training process. Specialty organizations must arrange for commanders to inspect and promptly resolve existing and newly-emerging problems. They must organize to ensure and to satisfactorily manage the use of the budget, material, equipment, and the material and technical base to support education and training. Article 107 of the statute for the school mission clearly states: "Schools develop the spirit of self-reliance while, at the same time, cooperating closely with friendly schools, organizations, units, and production installations within and outside the army to improve and strengthen the school's material and technical base according to educational and training and scientific research requirements." Thus, we must endeavor to overcome difficulties, strictly execute training plans and programs, guarantee enough hours for practice, not make adjustments or substitutions arbitrarily, ensure enough electricity, gasoline, oil, technical materials and other material needs in the volume, quality and types to carry out, with quality, practical norms figured for each person. Faculties, departments, battalions and classes must change even more the organization of training, make satisfactory preparations for practical training, widely apply progressive educational experiences, and organize training on a shift, rotational or alternating basis to practice many types of technical weapons and equipment in order to fully use all the training time and the capacity of the technical equipment.

On the other hand, give attention to improving specialist capabilities for instructors, organize reviews of expertise to improve the level of technicians, improve standards for discovering and correcting ordinary malfunctions in order to effectively guide the use of technical weapons according to the training program's theme.

Cadres and instructors seeking many forms of education, uniformly conducting drill sessions, after-hours reviews, technical exercise systems, combined exercises between techniques and tactics, routinely training the ranks, command conduct for practicing methods for training soldiers and detachments -- all the foregoing measures will contribute to effectively carrying out the training program according to the training objective, not only forging skills and expertise but also building up the abilities of the commander.

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CSO: 4209/345

## ECONOMIC PLANNING, TRADE AND FINANCE

### SUPPLIES FAILING TO REACH ARMY UNITS INVESTIGATED

Hanoi QUAN DOI NHAN DAN in Vietnamese 7 Aug 84 p 3

[Article by Tran Dinh Ba: "Why Have Some Units Failed To Receive Their Share of Essential Supplies? "]

[Text] The party, state and managerial sectors have a special concern about supplying cadres, workers, civil servants, the armed forces and minority people in the northern provinces with the essential commodities. It is due to this concern that the supplying of quota and nonquota commodities to this large and important region has been assured better and better everyday. In this positive and strong move of the commercial sector, let us try to find out if the armed forces have always received all of the essential commodities they should get. This is a matter many people and many sectors are concerned about.

To clarify this matter we recently came to a number of units and localities.

"Please tell us about the state of supplying quota and nonquota commodities in your unit lately."

K, rear service director of Group X stationed in Province H, offered this answer: "The most outstanding aspect in the supplying of quota and nonquota commodities to the army in general, and to our unit in particular, is the fact that one year normally is better than the previous year, one quarter is better than the previous quarter."

"Can you make it more specific and give us more specific figures?"

"According to our statistics, which we regularly compare with those of the sectors concerned like the commercial and grain sectors, in the second quarter we received the full quantities of the following: rice, salt and pork, in nearly full quantities, actually. As to other articles, there was a considerable lack, mostly in the case of dried fish and fish sauce."

"Indeed, in 1983 we received only 61.7 percent of the quantity of pork and lacked 27.5 tons (100 percent of the plan goal) of dried fish, 14,500 liters (100 percent) of fish sauce, 23,650 packets of tea, 83,970 packs of cigarettes, 8,290 tubes of tooth paste, 1,270 tons (100 percent) of coal, 400 cubic meters (100 percent) of firewood. In the 1st quarter of 1984, the supplying of pork reached 80 percent; dried fish, sugar, table sauce, tooth paste were lacking 100 percent; tea, pastries and candies, firewood were lacking 100 percent. And so only 2 out of 9 quota items -- salt and rice -- showed 100 percent supply, and meat 80 percent, but in the case of other commodities, we lacked 100 percent of them."

Hoang Duc Hy, director of the Commercial Service of Province H, explained as follows the lack of commodities:

"About six quota commodities the commercial sector still owed Unit X in 1983, the supplying of pork, which was purchased by the locality, did not reach the plan goal. As to dried fish and sugar, which were to be supplied by the central administration, the supplied quantities were short of the goal; fish sauce and firewood were lacking because the locality did not have any means of transportation. About dried fish alone, although the plan goal in the 1st quarter was 30 tons, actually none at all arrived. The same situation with sugar in the 1st quarter.

"In 1983, Province H had to give up 10,000 tons of coal in Quang Ninh because of a lack of means of transportation. Because that quantity of coal was not taken, the commercial sector had "to owe" the Group X troops 1,270 tons of coal. Although the pork purchase norm in the province in 1983 had been set at 2,000 tons, it was able to purchase only 1,400 tons, which was equal to the meat hogs purchased in only a delta district like Hai Hau (Ha Nam Ninh), Tu Loc (Hai Hung), etc. As the result of failing to purchase the full quantities of pork, all cadres, workers and civil servants in the province were able to buy pork in accordance with state standards in only 7 months in 1983 and in the other 5 months had to pay extra money (which allowed them to buy only 30-50 percent of the quantities of pork by state standards). Under the conditions of being able to purchase only 70 percent of the set quantities of pork, Province H had to cut off the monthly rationing usually granted to its cadres, workers and civil servants in order to save the small quantities of meat for the armed forces. However, because the deficiency was too great (600 tons), it was virtually impossible to cover it."

Here a fact that was most obvious was that controlling, creating and exploiting the sources of commodities in the province had been very limited. We know that Province H is very rich in terms of forest and forest land potential. It has an industrial crop zone of thousands of hectares, which is being exploited; only the branches and limbs that are left behind can be a virtually

endless source of firewood. If it were able to organize good collection of those pieces, even without any means of transportation to carry 10,000 tons of coal from Quang Ninh it still could have more than enough fuel to supply to the troops, cadres, workers and civil servants in the province.

We believe that the fact that has just been mentioned above deserves some serious thinking on the part of the commercial sector about supplying fuels. Should we still stick to the idea of distributing coal from Quang Ninh (for this is a quota commodity) to the provinces while the latter have rather abundant sources of firewood?

Normally grain prices of various kinds in Province H are different from prices in Hanoi and other provinces, with the differences ranging from 10 to 20 dong/kilogram. Feed for hogs in Province H is extremely plentiful. In the recent preharvest period, while prices of fresh manioc ranged from 15 to 20 dong/kilogram in the delta provinces, the same prices in Province H were only 4-6 dong/kilogram. In all of its villages, thousands of manioc fields were not harvested and left until the new year. That fact indicated that the sources of feed for hogs in Province H were not insufficient; on the contrary, they were more than enough. In the meantime, the province's pig farm which had only a few hundreds of heads was encountering a shortage of feed. The food corporation in the province had to repeatedly request the Ministry of Home Trade to send it feed to maintain the herd of hogs!

That fact proves that it is necessary to consider improvement in organization and rational policies in order to ensure survival and development of the herd of hogs and to make hog raisers feel enthusiastic about stepping up animal raising. We think that fully using the local abundant sources of feed to develop hog raising will both reduce expenses and losses in circulation and maintain stable food sources in the locality so as to ensure paying for all of the consumption needs of the people, cadres, workers, civil servants and armed forces. It is regrettable that Province H failed to fully exploit its own strengths and to some extent waited for and depended on supplies from the central administration. In the 2nd quarter, as to purchasing pork alone, the plan assigned by the central administration to 6 northern border provinces, with the Food Corporation I (Ministry of Home Trade) being responsible for purchases and transportation, was overfulfilled. According to the corporation's data, the quantities of pork transported to supply to the 4 provinces it was in charge of in the first 6 months totaled 158 tons, with Province H exceeding its share by 24 tons.

The fact that the armed forces in those provinces were still lacking pork was that the mobilizing of sources of commodities in the locality had not been good enough and that the debts that had accumulated in the past years were very large. The director of the food and agricultural products corporation of

Province L said that in 1983 the local commercial sector still owed unit S a considerable quantity of pork. And as the situation this year indicates, it is difficult for the province to fulfill its food-mobilizing plan.

Not only in Provinces H and L but the same situation was also existing in other provinces as well.

Another factor that interfered with supplying foods to army units was that the distribution of the plan goals to the key organs had been carried out too slowly. According to the division of work by the state, from 1984 on, the supplying of foods to army units comes under the responsibilities of the home trade sector, with Food Corporation I being directly in charge of transportation. But the plan goals are to be distributed by the responsible army organs. As of 25 July, this organ has not yet given to the home trade sector the goals for distribution of pork in the 3rd quarter to the key organs. Due to a lack of the plan goals and economic contracts, although Food Corporation I fully sympathized with the armed forces that were fulfilling the combat task for the defense of the fatherland, in July it dared to transport only small quantities of meat hogs to the more familiar customers. This situation would inevitably lead to difficulties in the everyday life of our troops and the fulfillment of the plan for supplying foods to the armed forces in the 3rd quarter and the whole year of 1984.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### RELATIONSHIP OF WAGES, PRODUCTIVITY DISCUSSED

Hanoi NHAN DAN in Vietnamese 22 Jun 84 p 2

[Article by Phan Thanh Chan, deputy director of Dien Quang Electric Bulb Factory: "Relationship of Wages to Work Discipline and Productivity"]

[Text] Improving Economic Management

From the Director

#### Relationship of Wages to Work Discipline and Productivity

Under the socialist regime, wages constitute a valuable part of the social product expressed in money according to the amount of work and wages are geared to reproduce labor. A wage distribution system based on labor serves to strengthen work discipline and stimulate higher productivity. However, because of the current difficult economic situation and the slow progress in changing the wage system, wages now do not yet reflect a distribution system based on labor and are still characterized by a prevailing subsidized system that has many negative effects on labor and distribution. Today, of the two payments that constitute wages, payment in cash is too small compared to payment in kind. This is an issue that needs to be examined and resolved quickly. To illustrate that this inefficient system has lasted too long, we would like to cite the example of the Dien Quang [south] electric bulb factory.

A fourth grade glass worker, for example, on a scale of six receives cash wages that are included in the unit price to calculate the production cost which is based on the former basic salary of 62.4 dong. This multiplied by two, plus 12 percent for zone allowance, 5 percent for heat damage allowance makes the total salary 149.66 dong. By contrast, payment in kind, which consists of nine types of goods provided on a quantitative basis, electricity and water and a safety working suit costs the state a difference of 684.85 dong to the commercial price.

We are talking about commercial prices, the state guidelines for Ho Chi Minh City set the price of rice, for example, at 15 dong a kg. At a number of other places where commercial prices are higher, the state has to compensate for a larger difference. Thus payment in kind is four and a half times

greater than payment in cash (684.85 dong versus 149.66 dong). Such a distribution system naturally creates an abnormal situation. Even if they might lose the small portion in cash, workers who only work a few days a month, take time off freely, have no discipline, still benefit from the large payment in kind, not to mention the state food allowance provided to their dependents. On the other hand, those who work hard and complete their jobs are highly productive and only receive a salary in cash included in the price per unit.

The state has already made many efforts to increase wages, but only the cash portion. Such increases are not sufficient to encourage greater productivity. The limited amount of goods available, the large quantity of money issued and the market price increases are making life even more difficult for cadres and workers. Set in this context, wage reforms were not possible for many years and if this situation continues, it would not be feasible to abolish the subsidizing character of the wage system. We would like to suggest the following solution.

In wage reforms, the importance lies not in increases of payment in cash, but in the early abolishment of the subsidizing aspect and in the correct application of the distribution principle based on labor. If these reforms are to occur, we must not keep on providing goods at their present low price level [almost free], but should include in wages the difference between subsidized and state commercial prices, including the price of working clothes.

All wages at production installations are added to the manufacturing cost and included in the unit price of the product. A system is created which provides salaries according to the amount of work and which is conformed to Resolution 48 dated 6 March 1982 of the Council of Ministers on budget allocation to wages on the basis of commercial production. Only such actions would strengthen work discipline and increase labor productivity. Some perhaps would argue that if we include in wages the differences between subsidized and commercial prices, wages would increase manyfold. How then do we get the cash, and if cash is provided in abundance, prices will rise and nothing will be resolved. As we understand it, the production worker takes an advance on his salary by the middle of the month and only pays back at the end; however, from the first day he already produces and earns. Thus workers spend in advance on goods they consume.

If the state guarantees its fixed sale retail prices, it would have money before having to pay workers and civil servants. There would then be no cash shortage. The state goes through a cycle every month with respect to cash: it sells goods, collects money, pays wages, buys goods (the state pays workers, and civil servants are then able to buy goods from the state). While waiting for the necessary conditions to change the wage system of all branches, we can start with the production of goods in order to acquire experience.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### BRIEFS

RESERVE FUNDS NEED CHECKING--A machinery enterprise in Thang Hoa province sells its products at retail, including rice-grinder sieves to get the cash for purchases of quilted blanket fillings, sheet metal containers, bicycle accessories, etc. These consumer goods sold on the outside market bring to the enterprise a fairly large amount of cash that is not deposited in the bank but serves as "reserve funds" for personal expenses. Many other organizations and enterprises are doing the same. They consider the cash amount they are allowed to keep for expenses to be too low compared to reality and current high prices. Thus, each unit has its own way of building up a "reserve fund." Nobody can control or investigate these "reserve funds" so that many instances of money losses and corruption have been kept secret and covered up. It is also because they have these "reserve funds" at their disposal that many enterprises hire outside labor and readily purchase materials and goods on the market at any price without any concern for disturbance to market prices and violations to the cash regime. We suggest that financial organs and banks give their attention to this matter and come to an agreement with each unit as to the appropriate amount of cash allowed as well as severely penalize those who do not comply. It is only by doing so that they can contribute to the stabilization of economic management systems--finances and cash management. [Text] [Hanoi NHAN DAN in Vietnamese 25 Jun 84 p 3] 12745

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## AGRICULTURE

### TAY NINH PROVINCE EMPHASIZES AGRICULTURAL DEVELOPMENT

Hanoi NHAN DAN in Vietnamese 14 Aug 84 pp 3, 4

[Article by Dang Van Thuong, Secretary of the Tay Ninh Provincial Party Committee: "Striving for Total Agricultural Development, Agricultural and Industrial Coordination"]

[Text] Tay Ninh is one of the provinces with an important strategic position on the southwestern border of our country. Through two wars of resistance against France and the United States, the party organization and people of Tay Ninh fought bravely and firmly protected the base area of the revolution. After the south was totally liberated and the entire nation reunited, the people of Tay Ninh began a new fight against the invading Pol Pot army, lackeys of the Chinese hegemonic expansionists, to firmly protect the border of the fatherland. Thus, Tay Ninh has truly only been engaged in socialist construction for the past 5 years.

Tay Ninh is large but only has a little more than 100,000 hectares in cultivated land; and the material and technical base is poor, suffering heavy damages during the war. During the first few years, Tay Ninh did not produce enough to eat and the state had to provide tens of thousands of tons of grain annually. Illuminated by the Resolution of the Fifth National Party Congress, Tay Ninh has determinedly promoted agricultural production, especially grain, with a short-term objective of rising to grain self-sufficiency, advancing toward assisting the state and creating conditions for achieving other economic and social missions.

The primary method has been to promote intensive cultivation and multicropping. From an area of a few thousand hectares of winter-spring and summer-fall rice, Tay Ninh had nearly 30,000 hectares of two-crop rice by 1983. The average annual yield rose from 1.8 to 2.17 tons per hectare with some locations attaining 5 to 6 tons. During 1983, the rains were late and the summer-fall weather was abnormal but, using methods of direct sowing and dry thinning, the province in 20 days sowed 13,968 hectares of rice, 109 percent of the planned level, and attained a yield of 2.2 tons per hectare from this crop. The total grain output for 1983 was 3.7 percent greater than that for 1982; with a 9 percent gain in rice alone. The average amount of grain per capita was 306 kilograms; and a total of 57,000 tons were collected for the state, 115 percent of the planned level.

Besides the rice crop, Tay Ninh made efforts to develop subsidiary food and industrial crops, both to assist in resolving the grain and food problem and to

have raw materials for industry and agricultural products and commodities for export. Tay Ninh with a manioc area of 12,000 hectares attained an output of 10,000 tons of farina; 400,000 tons of sugarcane from more than 10,000 hectares; and an average yield of 1 ton of peanuts per hectare from an area of 13,000 hectares. Tay Ninh has 6,000 hectares of rubber trees from which latex is presently being extracted. Stock raising has been promoted; compared with 1982, the hog herd has increased by 10 percent and the buffalo and cattle herd by 2 percent. After many years of destructive war, there were not many forest resources remaining in the province; and forest reserves were nearly depleted. The mission of forest protection and afforestation has been put forth as extremely urgent. During 1983, the entire province planted 204 hectares of lumber forest and 202 hectares of special products forest and the people planted 1 million trees in scattered locations. Forest protection has been emphasized, forest fires have greatly declined and forest destruction has been halted.

To develop agricultural production, Tay Ninh has given foremost concern to promoting a water conservancy movement with the construction of canals, ditches and ponds. Dau Tieng Reservoir is a large project of extremely important significance to the production and lives of the people in the province.

Socialist transformation is being promoted. Tay Ninh has to the present time basically completed land reform, established 899 collectives and 12 agricultural cooperatives, collectivized 33 percent of the farming area, and brought 39.8 percent of the farm families into collective work.

Concerning industrial production, the province after liberation had only a small material and technical base with one electric power plant, one vehicle repair enterprise, and a very small post and telegraph network. During the past few years, the province has constructed 69 large and small industrial facilities with a total investment of 100 billion dong, including enterprises producing agricultural, water conservancy and central machinery, automobile maintenance stations, three district machine enterprises, 52 small industry and handicraft facilities, more than 150 sugar refineries, 200 sugar crystallization centrifuge mortars and 140 manioc farina kilns. The industrial sector of the province has produced a number of valuable products such as sugarcane presses, plow and harrow arrays for tractors, rice threshing machines and a number of commodities to serve the lives of the people in the province and for export.

In distribution and circulation, Tay Ninh is both striving to transform privately operated and capitalist commerce and industry and to actively build a socialist commerce network. State-operated commerce has organized 51 retail sales agents; and all villages in the provinces have organized marketing cooperatives, one of which, Hao Duoc Marketing Cooperative, is recognized as the standard bearer of the commerce sector throughout the country. Thanks to good control of money and goods, transformation of private commerce and efforts to assure the supply of fixed quantities of goods, market prices in Tay Ninh have been stabilized. The cultural and spiritual lives of the people have been improved. The number of students at all levels has increased by 30,000 over the 1976 level. The people have contributed 4 million dong and 30,000 man-days in school and classroom construction. The public health sector has well-achieved

the five urgency movement. There are now one provincial hospital and seven district hospitals and nearly all villages in the province have a public health station to look after the health of the people. The people's movement to protect and secure the fatherland and to build total national defense has been expanded; and the public security and local military forces are being steadily strengthened and solidified. During the first 6 months of this year, Tay Ninh collected 10,000 tons of paddy for the state, 100 percent of the norms, and moreover, the province also collected an additional 10,000 tons to contribute along with the entire country in overcoming the difficulties in grain. Total collections for the 1983 fiscal budget attained 126 percent of planned norms; and during the first 6 months of the year, collections equaled those for all of 1983. Party construction has been stressed; many primary level party organizations have been recognized as strong; and the number of party members admitted during the first 6 months of 1984 equalled those admitted during all of 1983. Along with the achievements, there are also a number of shortcomings; although agricultural production has developed, not all the potential capabilities have been exploited; and labor distribution and the use of production materials are still irrational. Progress has been made in agricultural transformation but it is still slow compared with requirements. Negative occurrences in economic management, distribution and circulation still occur in a number of sectors and units. Guidance lacks uniformity and the composite strength has still not been well-developed.

In order to successfully achieve the economic and social objectives set forth in the Fifth National Party Congress and substantiated by the Resolution of the Third Provincial Party Congress, Tay Ninh during the 2 years of 1984 and 1985 is continuing to promote economic management improvement aimed at exploiting every labor and land potential, and developing total agricultural production, first of all grain and export industrial crops; while simultaneously developing industry, small industry and handicrafts. The province is striving to attain 100,000 hectares of intensive-cultivation three-crop rice, including 22,000 hectares attaining yields of 3 tons and up, in order to achieve a total grain output of 300,000 tons with 60,000 tons collected for the state; and 14,000 hectares of peanuts in order to have 17,700 tons for export. A total of 14,000 hectares of sugarcane will be raised to obtain 798,000 tons and investment will be concentrated in 6,000 hectares of high yield sugarcane in the two districts of Tan Bien and Duong Minh Chau to process 30,000 to 35,000 tons of sugar of all types; the total area of manioc will be increased to 15,000 hectares in order to attain a total output of 150,000 tons to serve as raw materials for industry and export; and the present area of rubber trees will be well-cared for while planting an additional 1,000 to 2,000 hectares. Moreover, the province is encouraging the people to raise cashew nuts and coconuts in order to create additional sources of goods for export.

During 1984, efforts will be made to bring 60 percent of the farm families and 50 percent of the cultivated area into collective production in order to basically complete agricultural cooperativization by 1985.

The province will plant 500 hectares of concentrated forest, promote the people's movement of planting trees for lumber, protecting the forest and protecting the living environment; and complete assignment of the land and forest to the district, village and cooperative for management and achievement of the coordinated agricultural-forestry production formula.

The construction and good management of facilities for processing sugarcane, manioc farina and rubber and the production of construction materials and consumer goods will be promoted with each laborer striving to set aside one-third of his labor time during the year for the creation of export goods.

On the distribution and circulation front, efforts will be made to attain an agricultural product and commodity purchase price value of 1.8 billion dong; with 530,000 dong worth of products delivered to the central government. The socialist commerce system is striving to rise toward market control, to expand the state-operated and marketing cooperative network to wards and villages, and to improve management and business formulas.

The province will build the district level and decentralize management to the district, strengthen party organization from the primary level and strive to build many additional strong district and primary level party organizations. The successes attained on the security and national defense front will be continually developed and vigilance will be upheld, ready to smash every plot and stratagem in the multifaceted war of destruction of the enemy. We will build and strengthen the combat solidarity between the people of Tay Ninh and the people in the three provinces of Kompong Cham, Svay Rieng and Prey Veng of fraternal neighboring Kampuchea.

Developing traditions of diligent labor and staunch revolutionary struggle with a deep trust and confidence in the enlightened leadership of the Party Central Committee, the party organization and people of Tay Ninh are determinedly striving to rise in successfully completing the economic and social objectives put forth by the Fifth National Party Congress.

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## AGRICULTURE

TAY NINH SOCIOECONOMIC TARGETS BY 1985

Hanoi NHAN DAN in Vietnamese 14 Aug 84 p 3

[Text] Agriculture:

Grain Output: 300,000 tons (for a per capita grain average of more than 400 kilograms).

Industrial crops: 15,000 hectares of peanuts; 15,000 hectares of sugarcane.

Forestry:

Maintain 25,000 hectares of watershed forest; plant 35,000 hectares of rubber trees on forested land.

Stock Raising:

Hogs: 100,000 head; buffaloes: 60,000; cattle: 60,000. Develop fish raising in Cau Tieng Reservoir.

Industry:

Total output value of industry and small industry and handicrafts: 80 million dong.

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## AGRICULTURE

### 18 PROVINCES, CITIES FULFILL GRAIN DELIVERY QUOTAS

Hanoi NHAN DAN in Vietnamese 14 Aug 84 p 1

[Unattributed article: "18 Provinces, Cities Complete Overall Grain Collection Quota"]

[Text] According to a notice from the Ministry of Food, the rate of progress in grain collection of the entire nation by 31 July had reached from 91 to 97.4 percent for the spring crop collection quota in the provinces of the north and the tenth-month and winter-spring crop quotas in the provinces of the south, including the following 18 provinces that completely fulfilled their obligations: Nghe Tinh, Binh Tri Thien, Thanh Hoa, Ha Son Binh, Hanoi, Hai Hung, Nghia Binh, Tien Giang, Cuu Long, Minh Hai, An Giang, Ha Bac, Ha Nam Ninh, Thai Binh, Phu Khanh, Dong Thap, Quang Ninh and Haiphong.

During July, the final month of the period for grain warehouse delivery, the provinces of the Red River Delta and the northern midlands collected a daily average of 13,000 tons. Ten provinces, 80 districts and more than 2,300 cooperatives completed their spring crop collection norms. Although the harvest period was later in the highland provinces, the rate of collection was still good. Many provinces achieved high collection quotas such as Quang Ninh, Bac Thai, Hoang Lien Son, etc.

The provinces of former Nam Bo delivered 95 percent of the total tenth-month and winter-spring crop collection quota to warehouses. Tien Giang Province delivered more than 20,000 tons of summer-fall grain, highest of all the provinces in the Mekong River Delta. After fulfilling their overall quotas, the local areas continued to purchase additional surplus paddy from the people, assisting along with the entire nation in resolving grain requirement.

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## AGRICULTURE

### SOUTHERN PROVINCES TRY TO INCREASE GRAIN DELIVERIES

Hanoi QUAN DOI NHAN DAN in Vietnamese 30 May 84 p 1

[Article: "South Vietnam Mobilizes Tenth-Month and Winter-Spring Grain, Attaining 80 Percent of the Plan"]

[Text] VNA-As of 20 May, southern provinces and cities from Thuan Hai on down have delivered to state granaries almost 80 percent of the tenth-month and winter-spring grain mobilization plan. The speed of delivery is faster than the corresponding period last year but, compared with the harvest schedule and assigned plan, remains slow. Cuu Long Province has coordinated with related sectors in investigating and assessing the area to establish bookkeeping, promptly announced the amount of grain which must be paid in taxes or is owed, and signed two-way economic contracts to assist in concentrating grain mobilization in each area. As a result, the province has delivered 92.5 percent of the plan to granaries, an increase of 21,000 tons over the corresponding period last year. This includes tax collections which are 5 percent more than the corresponding period, attaining 88 percent of the annual plan, and two-way economic contracts attaining 84 percent, with purchases according to the incentive price accounting for only 7.4 percent of the total grain delivered to granaries. Hau Giang Province has delivered more than 88 percent of the plan to granaries, including almost 83,000 tons of paddy for taxes and more than 100,000 tons according to two-way economic contracts. Tien Giang Province has basically completed the tenth-month and winter-spring grain mobilization plan, including the amount of grain settled according to two-way contracts which reached nearly 100 percent.

The winter-spring harvesting season has almost ended. According to evaluations by the localities, the 1984 winter-spring crop was relatively successful, and the volume of marketable grain still with the people is fairly large, especially in the Mekong River delta. Southern provinces and cities are implementing many measures to mobilize all the existing marketable grain. Cuu Long Province is concentrating funds in order to mobilize 3,000 more tons and is striving to deliver 13,000 more tons to granaries during June 1984. Tien Giang Province is reserving 1,000 tons of fuel to convert rice and support milling of the rice for delivery to the central government.

Related sectors of the central government are re-examining goods, supplying more to provinces in the shortest time possible, and striving to mobilize and deliver to granaries hundreds of thousands of additional tons of 1984 tenth-month and winter-spring grain.

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## AGRICULTURE

### BEN TRE PROVINCE SELLS HIGH VOLUME OF SUGARCANE TO STATE

Hanoi NHAN DAN in Vietnamese 28 May 84 p 1

[Article: "Ben Tre: Farmers Sell 85 Percent of Sugarcane Yield to State"]

[Text] VNA-By mid-May 1984, Ben Tre had procured 425,000 tons of sugarcane, exceeding by 6 percent the annual plan norm, the highest ever attained. The two districts of Mo Cay and Giong Trom, which have specialized sugarcane cultivation zones, mobilized more than 300,000 tons, exceeding the plan norm by 3 percent -- a 50,000-ton increase over the 1983 sugarcane crop. Many investment measures to support production and procurement have been effectively applied, and farmers have reserved more than 85 percent of the sugarcane yield to sell to the state. Many villages are encouraging farmers to sell all the sugarcane to the state's processing installations.

The province is improving more than 95 percent of the sugarcane processing installations in the province and increasing the capability to process sugarcane into all types of sugar for consumption and export. The network of cooperative teams processing sugarcane for the state has gone into smooth operation. More than 200 of Ben Tre City's cooperative processing team installations have signed contracts to process between 500 and 1,000 tons of raw sugar a day into granulated sugar, spun sugar, etc. The machinery enterprise is coordinating with the Federation of Small Industry and Handicrafts to help processing installations boost product quality.

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## HEAVY INDUSTRY AND CONSTRUCTION

### NHAN DAN CALLS FOR TIGHT MANAGEMENT OF CONSTRUCTION MATERIALS

Hanoi NHAN DAN in Vietnamese 25 Jun 84 pp 1, 4

[Editorial: "Management of Construction Materials"]

[Text] Management of Construction Materials

Construction materials constitute one of the most vital capital goods in basic development. They are important goods used for exports, for exchanges of agricultural products and for peasant food. In recent years, the party and state made notable investments to develop the production of construction materials. There have been increases in both production and new varieties of cement: white cement, durable sulfated cement, not very exothermic cement. The production of bricks and tiles increases slowly but new types are added, especially decoration tiles and non-fired bricks. A number of construction materials have been produced using such national raw materials as glazed tiles, toilet porcelain, minerals, glass fiber, construction glass, electrical supplies, water, colored powders, etc...

The above improvements are noteworthy but do not yet meet the increasing needs of the material and technical base for socialism developed to primarily accomplish important works, carry out vital economic objectives, remodel and renovate urban housing, construct storehouses, drying grounds on flatlands of Cuu Long River etc... Not only do the available construction materials not meet the needs of projected works, but their shortage is loosely managed; the percentage of damages and losses reaches 20-30 percent. Manufactured products are not centralized in the state's hands for purposeful, objective and planned distribution and use. Every year, brick and tile cooperatives in particular, use land areas of many hectares and a tael of coal burns over a few hundred thousand tons, but the state does not collect a number of bricks and tiles proportionate to the amount of coal it has provided. The quality of the products deteriorates every day. Lime is gritted and not well heated; stone and sand are mixed to miscellaneous substances. Cement bags do not comply with the standard weight and are often exchanged for low quality brands in the transport process. Wood is often not delivered to the right primary consuming organizations, etc... Furthermore, once construction materials reach work sites, they are at times illogically moved from important construction places to unimportant ones, from works that have passed deadlines to those below deadlines, etc.

The loose management of construction materials prevents the state from obtaining a large quantity of these goods for its efforts towards planned development investments and stabilization of market construction materials prices. This shortcoming is also one of the reasons for a number of unfinished or delayed works. While the production growth of construction materials is slow due to shortages in energy, fuel, transportation means, etc., management must be tight at all stages of production, distribution, transportation, storage, and utilization in order to make the most effective use of every brick, tile, and kilogram of cement produced. To do so, it is imperative that the production of bricks and tiles, stones, sand and gravel be reorganized in each province and district. On the basis of production reorganization divide production labor so as to serve the construction of already defined works; create by all means the supply belt to provide materials to short and long-term construction areas in a systematic and well-planned way. Try to eliminate the necessity of transporting materials from distant sites, while there exists around construction areas a production base that is not yet fully exploited with respect to raw materials and equipment. Bring a timely reform to the work contract regime and distribute fuel to the basic collectives producing construction materials. The network of construction materials cooperatives produces a very large part of the yearly gross production of bricks, tiles and lime. Thus, there is a need for practical labor division and good management of product delivery conformed to contracts with the state. In cases of violations of production regulations, including production suspension, severely penalize the units which have already received coal and capital goods from the state, but do not deliver the required quantity deliver low quality products reserving the good products for sale outside. Nowhere should private individuals be allowed to act as entrepreneurs and illegally produce construction materials to spoil farming lands, consume coal and gasoline from robbers.

Good management of construction materials not only increases productivity, but also insures the purposeful and objective utilization of materials. The direct responsibility of producers, builders and of all related branches is to bring a new socialist order to construction activities toward ever increasing success.

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## HEAVY INDUSTRY AND CONSTRUCTION

### MEDIUM , SMALL-SCALE HYDROELECTRIC POWER PUSHED

Hanoi NHAN DAN in Vietnamese 26 May 84 p 1

/Editorial: "Step Up Manufacture of Medium- and Small-Sized Hydroelectric Equipment"/

/Text/ Our country is concentrating efforts on building and enlarging large thermoelectric and hydroelectric power plants. However, even though the power output will later on increase considerably more than now, it will not, due to difficulties with transmission lines, be easy to soon bring power to distant, remote hamlets, villages, and small-scale new economic zones which are growing year by year. For the immediate as well as the long-term future, expansion of medium- and small-scale hydroelectric power is an undertaking of the electric power and machinery sectors and of localities with sources of water energy.

The resolution of the party's Fifth Congress and the 5-year state plan (1981-1985) clearly defines the responsibility for increasing sources of electricity, including stepping up the domestic production of and importing a number of medium- and small-sized hydroelectric equipments for midland, central highlands and mountain provinces. Almost 2,200 rivers and canals 10 or more kilometers in length create for our country an economic reserve which can annually exploit 80 billion kilowatt hours of electricity. In previous years many localities devoted attention to expanding the small-scale hydroelectric power network but gradually, due to a shortage of equipment and replacement parts, a series of hydroelectric power stations broke down, severely wasting an inexpensive, convenient and constantly needed source of energy for locations far from cities and centralized industrial regions. According to investigations by the Ministry of Power, in our country now there are, aside from hydroelectric power stations under 100 kilowatts in capacity, 248 hydroelectric power stations with capacities from 100 to 15,000 kilowatts and a total capacity of 522,000 kilowatts, accounting for 37 percent of the total capacity of existing power plants. This is a large potential which should be exploited by investing in the manufacture of new and the repair and improvement of old equipment, and in training a class of technical cadres and workers skilled in hydroelectric power. The efforts by the Power Equipment Repair and Manufacturing Corporation (Ministry of Power) in producing and standardizing four types of hydraulic turbines from 200 kilowatts or less; the Machine Tool Manufacturing Factory No 1 in cooperation with the Machinery Research and Manufacturing Institute which built and installed the 1,000 kilowatt capacity hydraulic turbine for Quang Nam-Da Nang; the Electrical Machinery Factory which restored the Ta Sa hydroelectric power system destroyed by the

invading Chinese army; cadres and workers from the power and water conservancy sectors in a number of provinces such as Quang Ninh and Ha Son Binh, and many army units that strived to restore many small hydroelectric power stations, are efforts which should be continued. Thus far, however, many places have not given due consideration to expanding medium- and small-scale hydroelectric power. Many machinery enterprises of the central and local machinery sector as well as the power and water conservancy sectors, are not really oriented toward sources of water or fields; water conservancy and hydroelectric power are not really coordinated, the moving forces need to expand the source of energy from water are not clear, and the investment policy for this field is not stressed.

The requirements of production and the livelihood of the people, especially mountain people, greatly need electricity. It processes agricultural and forestry products, and gradually improves cultural and spiritual life. Expansion of medium- and small-scale hydroelectric power is the quickest and cheapest way to go. The technical capabilities of domestic machinery enterprises can increasingly meet this requirement.

To positively contribute to expanding medium- and small-scale hydroelectric power, we first of all must conduct research, perform surveys, and determine sites for building hydroelectric power stations, and formulate hydroelectric power projects connected with the economic development projects of each area. Investment in the material base is essential for factories capable of manufacturing hydroelectric equipment and parts. The state should annually put numerical norms into plans, and assign tasks to installations building generators, turbines, electrical boxes, control panels and devices. We should form product teams to manufacture hydroelectric equipment -- the power sector being the hub for assembling the machinery capabilities of other sectors -- and, on this basis, gradually implement specialization and cooperativization in manufacturing hydroelectric equipment. Large-sized equipments should be turned over to central machinery installations which have had manufacturing experience, and local machinery installations should assume responsibility for manufacturing and installing small-sized hydroelectric equipment, primarily being concerned with producing parts for repair.

If the precept of coordination between central and local and economic linkage among sectors is satisfactorily carried out, there is no difficulty that cannot be resolved.

Medium- and small-scale hydroelectric power in our country is developing slowly not because of a shortage of water sources but rather because of a shortage of equipment, and the lack of centralized, unified management. This is what should be critically reviewed in order to devise policies and measures aimed toward making hydroelectric power develop everywhere and to have electricity wherever there are rivers and streams.

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## HEAVY INDUSTRY AND CONSTRUCTION

### DRIVE LAUNCHED TO HELP COAL MINING EFFORT

Hanoi NHAN DAN in Vietnamese 27 May 84 p 1

/Article: "Linking Up to Emulate to Exploit, Transport, and Supply Coal, More Than 3,700 Youths Volunteer to Go to Quang Ninh to Mine Coal"

/Text/ On the morning of 26 May in Hanoi, the Secretariat of the Vietnam Confederation of Trade Unions, the Ho Chi Minh Communist Youth Union, the Central Emulation Department, and the Office of the Council of Ministers jointly arranged the conference to link up to emulate to step up mining, transporting and supplying coal during 1984 and 1985 among the mining and coal, communications and transportation, and power sectors as well as Quang Ninh Province. Do Muoi, member of the Political Bureau and vice chairman of the Council of Ministers, attended and witnessed the signing of the emulation pledge.

Representatives of the sectors cited the urgent measures and pledged to emulate to fulfill norms for mining, transporting, distributing and using coal in strict accordance with the state plan.

The power sector will ensure a sufficient, stable and safe supply of power to mines, river docks, ports, and enterprises directly supporting coal mining and transportation. The communications and transportation sector, as of 30 June /as published/ has transported 50 percent of the annual plan's volume of coal, with coal for electricity alone attaining 52 percent or more; at the same time, it is coordinating with the coal sector to increase the supply, construction, and improvement of roads and piers in the mines. Quang Ninh Province is attempting to ensure that nine items are supplied in prescribed amounts, especially grain and food, to ensure a sufficient supply for the hazard training system, and to expand the network of service and support to production, supply, and transportation units. The Ho Chi Minh Communist Youth Union is continuing to exert efforts in the recruitment and training of thousands of underground miners and is encouraging ranks of young miners to develop their assault role and to be collective masters in mining, sorting and grading, and transporting coal.

So far, four coal mines (Mao Khe, Vang Danh, Thong Nhat, Mong Duong-Khe Cham) and three mine construction and installation enterprises (Mao Khe, Vang Danh, and Mong Duong-Khe Cham) have arranged welcoming ceremonies on behalf of the communist youth worksite. Responding to the union's appeal, 3,708 youth union members from the provinces have volunteered to go to work in the aforementioned

mines and enterprises. Included herein are: Hai Hung-1,000; Thai Binh-1,100; Nghe Tinh-718; Thanh Hoa-324; Bac Thai-137; Quang Ninh-429. Soon, 1,442 youths out of a total recruitment norm of 5,150 youths will continue to travel to coal areas.

Recently, the Party Central Committee Secretariat worked with the Hon Gai and Uong Bi coal corporations and communist youth mines and enterprises, discussing building communist youth mines and construction and installation enterprises into model units in terms of production, the spiritual and material life, the new cultural way of life, and models in party, union, and trade union building. The Secretariat researched on the spot the requirements, capabilities, and conditions for organizing labor youth units to volunteer to participate in building production installations and life in the mining region.

Despite encountering many difficulties, mines and enterprises have attempted to stabilize the newly-arrived youths' lodging and study areas. The Ministry of Mines and Coal awarded the Hai Hung Provincial Union and Hai Hung Labor Service a commendation and prize for achievement in educating and organizing youths to volunteer to come with the coal sector.

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HEALTH, EDUCATION AND WELFARE

RESTORATION OF ORDER, SECURITY ON TRAINS CALLED FOR

Hanoi NHAN DAN in Vietnamese 22 Jun 84 p 2

[Article: "Insure Order and Security on Trains"]

[Text] Reply to Readers

Insure Order and Security on Trains

Many train passengers asked NHAN DAN to transmit their suggestion that the Railway General Department reorganize its management of train operations. To restore order and security on trains overloaded with merchandise and passengers without tickets leading to many negative effects, and to comply with readers' suggestions, the Railway General Department publicly announces the following stipulations:

--Passengers must have tickets in order to enter stations and board trains. From now on, supplementary tickets are not sold on the Thong Nhat and express trains to passengers who do not buy tickets at the station. Those already on board and who do not have tickets will be penalized according to railroad regulations and forced to get off at the next stop. This applies to cadres, railroad workers and other members who are not assigned to work on these trains.

--The Thong Nhat and express trains are reserved first for military and public security officers, cadres, workers, civil servants on mission or on leave, university and vocational school students on vacation and civilians with valid travel requests, followed by other passengers. The state stipulations still set priorities in the sale of tickets. War invalids should absolutely not take advantage of their priority to monopolize seats or merchandise space for others.

--Passengers travelling in groups or separately are allowed to bring to their seats luggage not exceeding 20 kg per person. Above this limit, they should pay a charge for the extra weight at the station. On the Thong Nhat train it is necessary to register merchandise at the luggage counter according to the stipulations of the Railway General Department.

--the use of whole train cars and whole trains to transport cadres and military people who are going to new economic zones must conform to the transportation contract signed with the Railway General Department. Advantage should not be taken of the train car agreed upon or the space reserved for postal parcels to give to people and merchandise in exchange for money. It is forbidden to issue special notes in place of railroad tickets.

--Passengers should sit in their assigned seats. It is forbidden to lie down or sit on top of cars, to use hammocks in trains, and to jump off or throw things while the train is running. When violence and aggression occur, the passengers should be determined to denounce the bad elements and strongly support railroad workers and security forces in their job.

The railway department is determined to operate trains safely and on time, not to stop where they are not supposed to. It is trying to bring organization and order to services provided to passengers, such as meals, and keep the trains clean, especially the Thong Nhat train. The railway department is coordinating closely with public security forces, military police, militia, self-defense units, and local market managers to severely penalize and stop merchants, peddlers, itinerant singers from entering stations and boarding trains, selling goods without license and affecting order and security on trains.

--Forbid unauthorized persons on merchandise trains (including train head). In case of violation, the train head is penalized and the passenger is charged a fee and forced to get off at the next stop. In case of accident, the railway department is not responsible for damages.

--Cadres, employees working at the station or on trains, public security forces, military police, postal service workers and army postal workers should not take advantage of their means and position to monopolize people and merchandise or to do business.

It is suggested that people's committees of regions equipped with railroads educate cadres, workers, civil servants, people and war invalids to execute railroad statutes and to severely penalize those who throw stones, break windows and cause damage to passengers on trains.

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## HEALTH, EDUCATION AND WELFARE

### BRIEFS

EQUIPMENT WASTE DEPLORED--Passing through Huong Lai and Bach Hac train stations on the Hanoi-Lao Cai line, passengers often see many piles of E2503 power shovel parts thrown pell mell. These parts are not preserved; many chains are already rusty. Not counting the piles far away from the rails, we estimate that four or five E2503 power shovels can be assembled from the visible heaps. We wonder which project used these broken machines and which management unit left them so wasted? Meanwhile, the Khanh Hoa and Nong Son coal mines of Coal Corporation No 3 are in need of this type of power shovel (they have already been ordered for the 1984-85 plan), but their requests have not been responded to yet. We do yet have a form of communication that will more effectively mobilize equipment in surplus at some places but in shortage at others. Capital goods rotate slowly, and even discarded iron and steel materials should be announced promptly and widely so that they may be further exploited. [Text] [Hanoi NHAN DAN in Vietnamese 25 Jun 84 p 3] 12745

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## POPULATION, CUSTOMS AND CULTURE

### HA NAM NINH PROVINCE TRANSFERS FAMILIES TO NEW ECONOMIC ZONES

Hanoi NHAN DAN in Vietnamese 14 Aug 84 p 2

[Article by Vu Kiem: "Ha Nam Ninh Sends More than 2,000 Families To Build New Economic Zones"]

[Text] During the first 6 months of this year, Ha Nam Ninh Province exceeded the planned level of people transferred to build new economic zones. The entire province sent 2,132 families with 5,142 laborers, including 153 public health cadres and teachers, to provinces along the northern and southern borders, achieving 109 percent of the planned labor level.

This year, because Ha Nam Ninh is achieving close coordination between the departure and arrival locations, well-preparing the arrival areas and fully complying with state policies concerning the transferees, fairly good results have been attained. Generally speaking, those being transferred feel peace of mind and are quickly stabilizing their lives in the new locations. In the new economic zones in Hoang Lien Son, Gia Lai-Kon Tum, Lam Dong and Minh Hai, they have during the past 6 months cleared 2,000 hectares and brought 1,851 hectares into production. More than 75 percent of the 1,293 families in the two provinces of Lam Dong and Gia Lai-Kon Tum are raising tea and coffee and developing hog and chicken raising.

With the motto of "The state and the people working together," besides the policy system of the state, Ha Nam Ninh Province has set aside more than 500 tons of paddy and 3.1 million dong from the new economy fund to provide each transferee with grain for 3 months and each family with 1,200 to 1,500 dong to purchase seedlings, seed and production tools. The districts of Hai Hau and Nam Ninh are also investing in the new economic zones to construct a wired radio network, have established a public health station, and are preparing sufficient textbooks for the children to promptly begin their new school year.

In conjunction with the transfer of people to other provinces, Ha Nam Ninh has also emphasized construction of new economic zones within the province aimed at better exploiting the available potentials in land and labor. During the past fifth-month--spring crop, the people in new economic zones of Thanh Liem and Kim Bang districts harvested hundreds of tons of corn and peanuts and planted tens of thousands of apricot and tea seedlings.