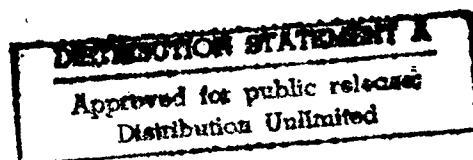


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24 September 1985

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INDONESIA

GOLKAR'S GOAL TO OBTAIN 70 PERCENT OF ALL VOTES

Jakarta SUARA KARYA in Indonesian 18 Jul 85 pp 1, 10

[Text] Golkar is determined to win the 1987 General Election [Pemilu] and has a target to obtain a minimum of 70 percent of all votes, which means winning 280 seats within the Parliament [DPR]. In facing the future Pemilu, Golkar will continue with the "Banyan Tree" symbol and with order number two as with past Pemilu.

The above was made public by the Secretary General of Golkar's Central Executive Council, Ir. Sarwono Kusumaatmadja, when he explained the contents of the briefing of Golkar's DPP General Chairman, Sudharmono to the Golkar PPP National Working Session [Rakernas] concerning the 1987 Pemilu held in Jakarta on Wednesday.

Sarwono said that measure of Pemilu success for Golkar are: one, if the Pemilu occurs smoothly, safely and orderly, is conducted by the "luber" principle (direct, general, free and secret) in accordance with existing regulations. Two, the Pemilu is followed by as many voters as possible like past Pemilu, with a minimum of 90 percent of all voters.

Subjectively, for Golkar the Pemilu is a success if it achieves a level of victory at minimum like now, that is, it achieves support of 70 percent of voters, or obtains 280 seats in the central DPR.

According to Sarwono, the target is realistic and ethical, primarily ethical for other political groups.

He said the number of DPR seats obtained now is 267, composed of 246 from Pemilu results and 21 appointed. This total is compared to the number of seats that are chosen, that is 360 seats or 70 percent. To achieve the same proportion, that is 70 percent, Golkar must obtain a minimum of 280 seats from the 400 seats contested in the coming Pemilu. Compared to the results which are chosen, that is 246 seats, Golkar must add 34 more seats.

According to Sarwono there is another calculation that the number of seats now is 267 of the 400 DPR seats, or 58 percent. If that calculation is used, to contend that 58 percent Golkar must win 290 out of 500 DPR seats.

But the calculation which was used for the measure of success was 280 seats, which was seen as realistic and ethical, because the strength of other organizations also still may have the opportunity to add seats.

Thus, if the number of seats which is obtained by Golkar is more than 280 as a result of the hard work which will be done, this cannot be faulted.

To achieve this success Golkar has made efforts to create organizational cadres which it is hoped before the Pemilu will achieve a total of 8 million village level territorial cadres. Remembering that the total voters in the coming Pemilu will be 90 million, to achieve the support of 70 percent of the voters Golkar would have to achieve the support of 63 million votes. To achieve that, each cadre must attract the support of seven votes.

In addition to the territorial cadres, Golkar also will create functional cadres, that is cadre of Youth, Women, Moslem Scholars, and Teachers.

Candidate Inventory

The future Pemilu will be influenced by three factors as a result of the developing situation. First, political development as a consequence of the acceptance of Pancasila as the sole foundation. It is hoped that the political environment will benefit Golkar and it is hoped Golkar will be able to identify itself as genuinely Pancasilaist, because from the beginning Golkar called itself the strength of Pancasila. Secondly, if there are new voters, that is, an increase of fifteen million voters if compared to the previous Pemilu, all of these originate from the young generation. The total number of voters is estimated to be above ninety million persons. Third, it is expected the course of development will provide a positive impact for Golkar, remembering that development points to results which are felt by the general public.

Looking at the development which will occur, Golkar has to consolidate itself along with making preparations to face the Pemilu as well as possible. Especially in the building of cadres, Sarwono said that Golkar is now making efforts to create cadres of a high quality, especially within the realization and implementation of Pancasila, the 1945 Constitution, the Outlines of the Course of the Nationa and Pancasila indoctrination [P 4].

By the conclusion of the Raker, DPP will publish directions on the implementation of activities on the eve of the Pemilu, which will contain among others, preparations to complete institutionalization of Pemilu; that is prepare whom-ever will sit on the Central and Regional Election Committees, and implementation supervision committee up to the Polling Place officials.

In addition to that, Golkar will prepare a list of candidates along with preparations for implementing campaigns.

During the preparations of candidates, Sudharmono requested that every regional administrator make an inventory of Golkar figures who fulfill requirements to sit as DPR or Regional Legislature (DPRD) candidates.

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INDONESIA

PPP HOPES FOR 120 SEATS, PDI TO BE FAITHFUL TO CONSTITUTION

Jakarta KOMPAS in Indonesian 19 Jul 85 pp 1, 8

[Text] During the democratic celebration in 1987, the United Development Party [PPP] would like to obtain 120 seats out of the 400 which will be contested by the three contestants.

Whereas the Indonesian Democratic Party [PDI] will do its utmost to carry out the General Election [Pemilu] in accordance with the regulations, direct, general, free and secret, honest and fair.

The above are the opinions of Secretary General Drs. Mardinsyah of the Central Executive Council [DPP½ of the PPP and Secretary General Sabam Sirait of the DPP PDI, made public last Thursday in reaction to Golkar estimates concerning the 1987 Pemilu.

No One Will Lose

Questioned on the PPP target for the coming 1987 Pemilu, Mardinsyah said, "We have low targets, around 30 percent of the seats which are being contested by the three contestants, or 120 seats."

According to him the above target was calculated with the assumption that Golkar will obtain 240 and PDI 40 seats. "It is in accordance with equity there will be no one who loses and also no one who wins," he explained.

If there will be no one who wins and for equity, why aren't the number of seats divided equally? In answering that question, Mardinsyah said that within equity the divisions do not have to be the same, in accordance with each one's needs.

The needs for 1987 are that PPP wishes 120 seats. Whereas in the democratic celebration of 1992 there is a great possibility it will differ. "All is based on the needs in reality," said Mardinsyah while laughing.

According to the DPP PPP Secretary General, the United Party up to now has promoted the building of membership and sympathizers. "The PPP still wishes to find sympathizers from the floating mass," he added.

Concerning the crisis which occurred among the senior PPP leaders, Mardinsyah is certain that will not influence the target of his party to obtain 120 seats in the DPR. To reporters, this PPP figure from West Sumatra explained that the crisis which invited the interference of the Minister of Internal Affairs was a family matter.

The DPP PPP Secretary General was not prepared to discuss the program which will be offered in the coming campaign. "The dalang doesn't have a shortage of lakon," he said at the end of his explanation.

Do Not Wish To Make Promises

For now the PDI DPP Secretary General said his party did not wish to make promises in discussing the number of seats following the 1987 Pemilu. "The PDI target is for a successful Pemilu, held according to the laws, direct, general, free and secret and with the Pancasila democracy well implemented," he said.

According to him, if the democratic celebration is implemented with consideration of all the regulations established by the Constitution, PDI will not be disappointed by supporters or their sympathizers. "But if forced, PDI will make efforts to obtain as much as possible," he said.

Asked about the Golkar target of 70 percent, the PDI DPP Secretary General appraised it as "natural." "Why only 70 percent? Was it only to that amount because the current leaders do not want to lose compared to the previous Golkar leaders?" returned Sirait with a question.

Accounting for the floating mass which in the past has caused many problems, the PDI DPP Secretary General reminded that the theory has not been implemented in full in Indonesia. This means under law the political parties and Golkar do not have administration at the kecamatan and desa levels, but at the regional level are allowed commissioners and their assistants.

According to Sirait in the near future after agreement is reached, meetings will be held in the kecamatan and name signboards will be allowed in the region. "There has never been a theory from abroad which has been applied in full in our nation," he said.

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INDONESIA

GOVERNOR ON EAST TIMOR RICE

Jakarta KOMPAS in Indonesian 27 Jul 85 pp 1, 8

[Text] The province of East Timor (TIMTIM) can become an Indonesian rice bowl, at least for its own province, part of East Nusa Tenggara (NTT) and Maluku. This youngest province of Indonesia has a great food-growing potential.

Eng Mario Viegas Carrascallao, governor of TIMTIM, made this statement in a conversation with the press in Dili on Monday (22 July).

Anything Can be Planted

The governor, who has a degree in agriculture from Lisbon University, said that his region has a potential 200,000 hectares for growing food, in the southern part of the province. "But we need more revolutionary efforts to develop the food potential of the region," he said.

He revealed that research he did when he was head of the Agriculture Service during Portuguese colonial times shows that in the southern part of the province rain falls every year in two seasons--from May to September and from November to April. This fertile region differs from most of the island of Timor. "Anything can be planted there, including difficult plants and those with short lives," he said.

To develop this agricultural area large-scale artificial irrigation is not needed. The problem is the lack of workers. "The area has malarial mosquitos so that for a long time people have been reluctant to live there."

Therefore, if the area is to be developed, revolutionary efforts are needed to make it habitable. This includes freeing the area of malaria and providing other supporting infrastructures. This effort, the governor went on, will soon have to be made in any case, since the dense population and the infertile soil of the northern part of the province do not give much hope to TIMTIM, except through general agricultural development.

The governor said that efforts should be made to spread the population evenly and to provide skills for them as quickly as possible. "We need effective education for the 92 percent of the population which is still illiterate, almost all of whom depend on the agricultural sector," he said.

However, the governor made a warning about efforts which might be made by technical agencies. "Don't put the village people down as if they were just stupid peasants. Don't create a town PPL (Field Agriculture Service) which stays in the city and yells at the people in the villages," the governor warned.

Already Begun

Efforts to develop food-growing lands in the south have actually already begun, but they have faced the problem of the size of the area. Size is a problem because a dam in the Maliana irrigation area has not yet been completed, leaving 10,000 potential rice-growing hectares in this area to be irrigated by Maliana dams I and II.

Because Maliana II is not yet completed, 100 pioneer farm families from Bali cannot serve as models to teach skills to TIMTIM farmers. Only about 4,000 hectares irrigated by Maliana I are in use now, but not intensively. "Those 100 families have to be subsidized by the government without any meaningful productive activity," said the governor.

According to the TIMTIM regional agricultural office there are only 142,645 hectares of artificially and naturally irrigated wet-rice land being farmed in this province now; food production is 84,173 tons of rice. This is only 50 percent of the area's total potential.

In the current PELITA IV there are plans for an extensification of 7,000 hectares and an intensification of 1,200 hectares of wet-rice land and 400 hectares of corn fields. Intensification was first begun in 1981 with operation "Loro Sae", which succeeded in raising rice production from .5 tons to 3.5 tons.

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INDONESIA

COAL SURPLUS PREDICTED FOR 1987

Jakarta SINAR HARAPAN in Indonesian 24 Jul 85 p 11

[Text] In 1987 Indonesia will have a coal surplus of about 1.437 million tons as a result of the progress made by a number of contractors who have just begun to produce.

Eng Achmad Priyono, general director of Tambang Batubara [Coal Mine], Inc., stated this at a 1-day seminar on "The Quality of Indonesian Coal" held in Jakarta yesterday.

He said that this surplus will continue to grow, reaching an estimated 9.012 million tons in 1995 when other coal producers, such as Arutmin Indonesia, Inc., Utah, Inc. and Kideco Jaya Agung, Inc., start to produce.

He explained that it will be necessary to find opportunities for exporting the excess production until coal begins to be used internally as a substitute for increasingly scarce oil and domestic demand catches up.

He estimates that in coming years the use of coal as a substitute for fuel oil will increase, particularly for generating electricity and for the cement industry, since using coal can save 35 percent compared to using fuel oil.

He stated that there will be a 91 percent per annum growth in the consumption of coal during PELITA [5-Year Plan] IV, 25.47 times as much as at the end of PELITA III.

This is in line with the government's policy to reduce the use of fuel oil from 77.91 percent of all energy consumption at the end of PELITA III to 62.43 percent at the end of PELITA IV.

Only 20 Percent

He said that to achieve an even bigger decrease, various efforts must be made, including speeding up projects in the electricity and cement industries which, it is estimated, will consume even more energy in the years to come.

He said that advanced countries such as Japan, the members of the European Economic Community and the United States have been trying to replace oil with coal as a source of energy since the 1972-1973 oil crisis.

Even Malaysia, which can fulfill its own oil needs, has completely gone over to coal as a fuel in its cement industry, while Indonesia has only gotten to 20 percent.

He stated that Indonesia has used coal as a source of energy since Dutch times but that since the era of cheap oil, which started in the 1960's, coal consumption has decreased. This affected the level of production, which also decreased after peaking in 1941 at 2.009 million tons.

That figure kept on declining as a result of the recession and as a result of the change-over of the Indonesian railroads to fuel oil. However, since the oil crisis of 1972 coal production has risen again; in 1984 it reached 1.458 million tons.

In the last few years, after the fuel oil price increase, several domestic industries such as the electricity and cement industries have tried to use coal as a substitute for fuel oil.

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INDONESIA

YOUTH LEADERS EVALUATE KNPI

Surabaya SURABAYA POST in Indonesian 23 Jul 85 p 2

[Text] Eng Agus Mualif, chairman of training and participation in development of East Java's HMI [Islamic Students' Association] BADKO [Coordinating Body], said this afternoon that the KNPI [Indonesian Youth National Committee] is not yet independent. "The KNPI is still always causing problems for the government. It would be better if it just became part of the Department of Youth and Sports. In that case there would no longer be any obstacles getting in the way," he stated.

Sabrot D. Malioboro, chairman of East Java's Democratic Youth, has a different opinion. He thinks that the KNPI has not played any role yet; it has not been able to create a momentum which can convince people that the KNPI is the only central mechanism.

No real program has yet been developed, in regional meetings, in national meetings or a congress. Therefore, programs are rarely realized, because the organization which supports the youth declaration has not yet opened itself to the public. Another factor is KNPI's lack of trust in other organizations; it feels itself dominant, in power. This is the evaluation of Sabrot, one of the signers of the Surabaya youth declaration; KNPI is 12 years old today.

Become Part of Society

On the other hand, Drs Sukotjo Said, chairman of the East Java AMPI [Young Generation for the Development of Indonesia], sees KNPI as becoming part of society. Its programs are supported by all levels of society. If there are some who say that KNPI has not yet become part of society because its members have left some central organizations, this is usually because its deputies take too long and never give information about the programs KNPI has hatched. He also said that the best cadres in the youth organization rarely communicate with the central organization. The result is that relations are broken.

At the same time, Sukarliono, a student in UNAIR [Airlangga University] medical school and chairman of KNPI's Surabaya branch, said that KNPI reaches out to youth but its programs have not yet been felt by most young people. KNPI should be able to stand by itself. KNPI is an organization of cadres; they should be

more qualified than others. The fact is that it still is dependent on the government and is not yet part of society.

Ceremonial

Sabrot added that all of KNPI's activities are ceremonial. If KNPI is an organization of cadres, it should trust the Ansor GP [Youth Movement], the HMI Indonesian Democratic Youth, the Young Muhammadiyah, AMPI, and so on. It seems that from the beginning KNPI has been talking about the departure of KNPI activist youth.

"KNPI must have the courage to open itself to the public so that we are not guided by the organization's flag. The fact is that at every regional meeting the flag of the youth organization is carried around, even though we know that those sitting down are exponents not components. However, placing people in KNPI must be legitimized by the various youth organizations, even if it is not written down," said Sabrot.

He suggested that KNPI must have the courage to open itself to the public; it must not be first chairman of AMPI, for example. He agrees that it does not matter if the Democratic Youth does not get a place. If so, it is really the people's cadres who take on youth's problems. Sabrot said that up to now the people sitting on KNPI's executive board have been "sent in" or "packaged."

Sukotjo Said added that perhaps KNPI is hoping for a concentration of youthful forces. Their shifting over to KNPI can perhaps fill in the gaps in the organization's cadres; maybe there will be additions and their advantage will become recognized.

When asked about KNPI's leadership being dominated by AMPI, Sukotjo said that was an accident. It was not AMPI's or anybody's policy. KNPI's leaders were accidentally GOLKAR [Functional Groups Party] cadres. "It is possible for KNPI's leaders to be from GP Ansor, from the Indonesian Democratic Youth, from Young Muhammadiyah or from elsewhere. A provincial meeting makes the determination," he said.

Sukarliono also said that KNPI is still being steered by the government. If it were completely independent, KNPI would still be weak; where would its funds come from? The effectiveness of KNPI's cadreization process has not yet been evaluated.

In Closing

In closing the SURABAYA POST's conversation with East Java's youth organization's leaders, Eng Agus Mualif added that historically KNPI comes from the younger generation's initiative, especially from Cipayung.

KNPI wants to become a prototype of a center for training the younger generation nationally. In fact, it has a structure which reaches down to the bottom so that in the long run KNPI will become a mass organization for youth.

Agus sees KNPI tending to become a mass organization rather than a cadre organization. It is very difficult for it to become a cadre organization because every youth organization has its own cadres. P4 [Guidance for Implementing and Instilling PANCASILA [Five Principles of the Nation]] upgrading and national vigilance would not be enough to make KNPI into a cadre organization.

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INDONESIA

MALAYSIA SAID TO NEED 300,000 INDONESIAN WORKERS

Jakarta SINAR HARAPAN in Indonesian 23 Jul 85 pp 1, 12

[Text] Himawan Sutanto, Indonesian ambassador to Malaysia, said that the development and growth of the Malaysian economy are greatly helped by Indonesian workers in that country. They are liked because they work hard and they are of the same religion (Islam) as the people of Malaysia.

He made this statement yesterday afternoon, in response to questions from SINAR HARAPAN, after holding a meeting with Minister of Labor Sudomo at the minister's office in Jakarta. He said that this state of affairs was the result of the agreement made between the Indonesian and Malaysian governments on 12 May 1984 about the availability of Indonesians to work in Malaysia.

Since the agreement was signed, Indonesia has sent workers to West Malaysia legally four times. They work mostly on plantations and in construction. The protection and wages which they receive follow existing regulations.

Efforts to stop the illegal flow of Indonesian workers to Malaysia are still being carried out, but many still enter that country. They eventually find work in Malaysia with the protection and wages which are properly received by legal Indonesian workers there.

"Negative reports about the treatment received by Indonesian workers in Malaysia are really that country's internal affair. Actually there are positive reports contradicting those negative reports, but they have not reached the Indonesian press," he said.

Quoting Datuk Adib, Malaysia's minister of land and regional development, the ambassador said that Malaysia actually needs about 300,000 Indonesian workers, mostly for plantations and for the construction of buildings.

Gateways

Minister Sudomo, in response to questions from SINAR HARAPAN, said that the flow of Indonesian workers has been channeled to East Malaysia (Sabah and Serawak) through the gateway of Nunukan, East Kalimantan. In the near future the flow to West Malaysia will be channeled through Dumai in Riau.

This control is intended to reduce the number of workers being sent abroad illegally and to get rid of the middlemen. It includes processing documents for and offering guidance to the workers. The government is still considering which areas the workers should be drawn from, given the large number of requests. They should not come only from Sumatra, which still has too few people.

Not many companies recruiting workers to be sent abroad are interested in sending them to Malaysia, since profits are very small. It will be given further consideration, said Sudomo.

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INDONESIA

MARUBENI TO BUY LPG FOR 5 YEARS

Jakarta WARTA PERTAMINA in Indonesian Jun 85 p 12

[Text] A purchase contract between PERTAMINA [National Oil and Gas Company] and the Marubeni Corporation was signed on 7 June 1985 at PERTAMINA's main office by A. R. Ramly, director general of PERTAMINA, and Y. Takemura, the managing director of the Marubeni Corporation.

According to this contract Marubeni will receive 80,000 cubic meters of the pressurized propane type of LPG [Liquified Petroleum Gas] each year from Tanjung Santan, East Kalimantan, for a period of 5 years. The operation is run by Union Oil and INPEK [expansion unknown]. This LPG will be shipped from Tanjung Santan to the port of Sendai on Kyushu. This means that the port of Sendai, now a regional port, will become an international port.

Tanjung Santan LPG has been exported to Japan by the Marubeni Corporation for 5 years; the contract expired last year. Marubeni won the right to purchase LPG for another 5 years, defeating 11 companies from Singapore, Korea and Indonesia. This contract will end in 1990. Indonesian LPG is also exported by the C. Itoh Company from its Ardjuna field, off the coast of Java, and when the Tanjung Uban project is completed, LPG exports from Indonesian to Japan will increase.

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CSO:4213/309

INDONESIA

BRIEFS

SUHARTO SUPPORTS NAKASONE ON TRADE--Tokyo, 3 Sep KYODO--Indonesia's President Suharto has sent a message to Prime Minister Yasuhiro Nakasone expressing "active support" for Japan's initiative to hold a new round of multilateral trade negotiations, Japanese officials said Tuesday. Suharto's personal message was delivered by Indonesian Welfare Minister Alamsjah when he called on Nakasone at his official residence Tuesday, the officials said. He also told Nakasone that Indonesia and China have exchanged economic missions to promote direct trade between the two countries. Alamsjah, who is currently on a two-week tour of Japan, also had a brief meeting with Foreign Minister Shintaro Abe Tuesday, the officials said. [Text] [Tokyo KYODO in English 0811 GMT 3 Sep 85 OW]

FORMER JAPANESE PM MEETS SUHARTO--Jakarta, 4 Sep KYODO--Former Japanese Prime Minister Zenko Suzuki met with Indonesian President Suharto Wednesday and exchanged views on how to strengthen ties between Japan and Indonesia. Suzuki, now on an eight-day tour of Malaysia and Indonesia, had attended the opening ceremony of the human resources center in Kuala Lumpur, a donation from Japan, before arriving here. During the meeting, Suharto expressed his hope that personnel exchange between the two countries will expand in various fields, including business, according to Suzuki. Suzuki will leave for Tokyo Thursday. [Text] [Tokyo KYODO in English 0947 GMT 4 Sep 85 OW]

AID FROM AUSTRALIA--Australian Ambassador Bill Morrison said Wednesday he was happy that despite budget restrictions the Australian Government in the 1985-86 fiscal year would allocate \$A [Australian] 69.02 million (Rp 54.5 billion) for development assistance to Indonesia. Australian Minister for Foreign Affairs Bill Hayden, said in Canberra Australia would provide a total of \$A1,025.9 million (Rp 810.46 billion) for development assistance in fiscal 1985-86, an increase of about \$A14.5 million (Rp 11.45 billion) over the actual expenditure last financial year. [Excerpts] [Jakarta THE INDONESIA TIMES in English 23 Aug 85 p 2 BK]

ISLAMIC EDUCATED ARMY ELIGIBLE--The Indonesian National Army (TNI-AD) has given Islamic school graduates the opportunity to become members of the TNI-AD. Based on the Army Chief of Staff's telegram ST/820/1985 dated 14 June 1985, it has been decided those who may become candidates for TNI-AD among others are Madrasah Ibtidaiyah Negeri (same level as State Elementary School), Madrasah Tsanawiyah Negeri (same level as State Junior Secondary School) and Madrasah Aliyah (same level as State Senior Secondary School). For the graduates of the above mentioned schools to become TNI-AD soldiers, they must first have a diploma (STTB/Ijazah) and must also have followed and passed selection in accordance with the regulations for accepting military candidates. Besides graduates of State Madrasah, graduates of private Madrasah will also be accepted as members of the Armed Forces of the republic of Indonesia TNI-AD, with the requirement that a diploma from that school must first be legalized by the head of the State Madrasah where the candidate took State Madrasah examinations. Candidates for ABRI from graduates of Ibtidaiyah, Tsanawiyah, Aliyah Negeri or private Madrasah may be accepted as volunteers or as conscripts, according to the Information Service of TNI-AD. [Text] [Jakarta HARIAN UMUM AB 16 Jul 85 pp 1, 3] 12836

NATIONAL STRATEGIC COMMAND LIQUIDATED--The condition of the Armed Forces of the Republic of Indonesia (ABRI) have changed greatly within 10 years, since the establishment of the National Strategic Command (Kostranas) as skeleton command and as full command. At the present time, with the capabilities of ABRI officers in general being memadai [expansion unknown], steps to create efficiency and effectiveness have been taken. Because of this, training for the purpose of development which was also in the hands of Kostranas is now considered to be needed for functional reasons in the hands of ABRI General Staff Headquarters. The above was stated by ABRI Commander TNI General L.B. Moerdani at the ceremony liquidating Kostranas held at the Kostranas field on South Merdeka Street in Jakarta on Tuesday. During that ceremony the ABRI Commander was acting as Master of Ceremonies. The ABRI Commander made public that to face the functions with offensive strategy characteristics through the principle of active defense, the role and function of Kotama Operasi [expansion unknown] which are born by Kostranas are to be modified to become Operational Commands to be formed when needed. At the end of his remarks the ABRI Commander said, beginning from 16 July 1985, Kostranas, both as full command and as skeleton command, will be formally liquidated. The ceremony was marked by the transfer of the Kostranas flag to the ABRI Commander by Kostranas Commander TNI Vice Marshall Rusman. [Text] Jakarta KOMPAS 17 Jul 85 p 12] 12836

CSO: 4213/305

NEW ZEALAND

'COMPROMISE' SOUGHT WITH U.S. ON NUCLEAR SHIPS

HK040357 Wellington THE EVENING POST in English 27 Aug 85 p 8

[Article by chief political reporter Tony Garnier]

[Text] When Deputy Prime Minister Mr Palmer meets the United States Secretary of State Mr Shultz next month, he will carry a mandate from the Government caucus to abandon the policy banning "nuclear-capable" warships from visiting New Zealand ports.

The POST has learned that Mr Palmer's brief will be to seek a compromise with the United States on the Anzus nuclear ship dispute.

He won't be taking along a closed draft of the planned anti-nuclear legislation. Rather, he will be going for "a discussion," and carrying ideas on how the impasse might be broken, as one POST source put it today.

The mandate was passed to Mr Palmer through a Government caucus on nuclear issues which met the Prime Minister, Mr Lange last week.

The chairman of the committee, Ms Helen [word indistinct], could not be contacted today, but a check revealed that most Government MPs strongly supported Mr Palmer seeking a compromise to take account of the popular view that New Zealanders don't want nuclear weapons in New Zealand, but they do want to remain part of the Anzus alliance.

Mr Palmer will be in Washington for three days on September 18.

Yesterday, Mr Lange expanded on ways the Government was seeking to break the Anzus deadlock.

He suggested that the Government was seeking a different process of consultation from the one which led to the request for a visit by the USS Buchanan being turned down earlier this year.

Cabinet ministers could make a judgment based on information available to them on whether to allow a vessel into New Zealand.

"We might have a different process of consultation--a different focus of responsibility in the sense that I might be advised by, for instance, a cabinet committee structure or the like," he said.

He said the principle was simple. New Zealand would rely on its own resources because the United States was not proposing to surrender its policy by revealing the state of armament.

"We will exercise our judgment, consistent with our legislation and in keeping with our policy," he said.

Entrench

The aim of the exercise was to entrench New Zealand's non-nuclear stance with the proper management of an alliance.

Mr Lange said the intention was to talk to the United States so that New Zealand could accommodate "the universality of its principles with the unshakable determination on the part of the people of New Zealand that we will not have nuclear weaponry."

Asked how the Government would determine whether a nuclear-capable ship was nuclear-armed, Mr Lange replied: "From the best advice we have to us. From consultation with defense personnel and from making a judgment based on all that evidence."

Asked how this approach could succeed when it appeared to fail in respect of the Buchanan, Mr Lange said the Buchanan affair was not a failure because a decision was made that it should not be invited.

"It was not a failure of judgment--it was a vindication of judgment," said Mr Lange.

Rejecting

However, as the POST reported when that decision was taken, advice on the USS Buchanan was that it was believed not to have been nuclear-armed, and it was clearly not nuclear-powered. But it was "nuclear-capable" and this was publicly given as a sufficient reason for rejecting its coming here.

POST sources indicate that in the updated situation, there appear to be two new ingredients.

There will be anti-nuclear procedures setting out statutory requirements on which the prime minister must make his final determination and which are not simply a matter of "trust."

And if the United States agree, there will be a more authoritatively based level of consultation between New Zealand and US officials on which the prime minister will base his decision, than existed for the Buchanan verdict.

Because of the "if the US agree" element still remaining, government sources and observers agree a high degree of fluidity remains on whether the formula proposed will break the impasse.

NEW ZEALAND

IMF PRAISES LABOR GOVERNMENT ECONOMIC POLICY

Auckland THE NEW ZEALAND HERALD in English 13 Aug 85 p 13

[Article by Simon Collins]

[Text]

A publication of the International Monetary Fund has praised the Labour Government's economic policy for reducing the "structural imbalances" which it inherited.

The Washington-based fund has declined to publish the review of the economy which it gave to the New Zealand Government about two months ago.

But the latest issue of its fortnightly publication *IMF Survey* contains a four-page report on the prospects for the economy and the measures the Government has taken.

Although largely avoiding comment, the article is headed, New Zealand's Medium Term Policy Strategy Shifts Policy to a Reliance on Market Forces.

"In contrast to the excessive emphasis of past policies on short-term stabilisation of aggregate demand the Government's new macro economic strategy was conceived in a

medium-term context," it said.

Gradual Loss

"It is designed to reduce the rate of inflation and remove restrictions on the private sector, in order to increase production and employment and to restore balance to New Zealand's external account."

Reviewing the series of controls imposed between 1982 and 1984, the article says that, conversely, "the escalating budget deficit and the authorities' unwillingness to allow interest rates to rise led to a gradual loss of monetary control."

The balance of payments deficit had run at an average of 4.5 per cent of gross domestic product (GDP) in the five years up to 1983-84, pushing official overseas debt up from 20 per cent of GDP in 1979-80 to 27 per cent by 1983-84.

"When the new Government took office in July 1984 it was clear that New Zealand had accumulated a variety of structural imbalances," it said.

After outlining the steps the Labour Government took to deal with that position up to the June budget, the article noted that the lifting of controls had sent inflation up to 16.6 per cent by the end of June.

"The acceleration of inflation also reflected the strength of domestic demand, increasing capacity for constraint in the manufacturing and constructing sectors, the import price effects of devaluation and the impact of the public sector price increases announced in the 1984-85 budget," it explained.

The balance of payments deficit had worsened and official overseas debt continued to grow to 34.5 per cent of the GDP by March this year.

However, quoting New Zealand Government projections, the article said inflation was likely to fall to 12 per cent by next March.

"With export volume growth likely to remain buoyant and import volume falling somewhat, the trade balance is expected to shift

to a substantial surplus," it said.

"Official estimates projected that the current account deficit would fall markedly to 4.75 per cent of GDP in 1985-86."

Optimistic

Other soundings in Washington this week have confirmed that the IMF welcomes the economic changes in New Zealand, which are surprisingly well known.

In fact, the fund is in some respects even more optimistic about the new policies than the Government itself.

It expects exports to grow in real terms by 5 per cent this year while the volume of imports falls by a similar 5 per cent, reducing the balance of payments deficit to only 3.25 per cent of GDP in 1985-86.

Inflation for the financial year as a whole is predicted at a mere 8 per cent. Although this was estimated several months ago, it was based on a figure of more than 15 per cent for the year to June.

CSO: 4200/1518

NEW ZEALAND

MARXIST ORGAN HITS LABOR ECONOMIC POLICIES

Auckland NEW ZEALAND TRIBUNE in English 5 Aug 85 p 2

[Editorial: "Change Labour Government's Economic Policies"]

[Text]

LATEST statistics show that in the first year of the Labour Government, real wages have plummeted by 8.2%, bringing them to their lowest point in 15 years.

This is an intolerable situation for working people especially as Labour's election policy said its aim was to maintain spending power for those on lower incomes.

These figures underline the many hardships working people have been suffering for some time and emphasise the urgency of an immediate wage increase to give relief.

In turning down the FOL/CSU demand for immediate wage relief the Government has once again turned its back on the people in need.

On the other hand, it continues to put in place policies which serve big business. In sharp contrast to the slashed wages of workers, big business continues to announce record profit increases, averaging out at 30%-50% after tax, but with two companies exceeding 90%. These statistics clearly expose the class collaboration of this Government.

The Labour Government must be given the message that this is not what working people campaigned for when they worked so hard to get Labour elected. These policies must change if Labour is to stay in office.

The class war is intensifying, as Jan Farr states in her article, 'Time for working class to take the lead', and, as she points out, workers must organise action around those demands, such as an immediate wage increase and a minimum living wage. This will strengthen and unite them as a class. The employing class is strengthening its attack: workers must be prepared for the fierce battles ahead.

CSO: 4200/1518

NEW ZEALAND

EDITORIAL VIEWS BENEFITS OF OIL PRICE DECREASE

Auckland THE NEW ZEALAND HERALD in English 16 Aug 85 p 6

[Editorial: "Government Oil Shock"]

[Text]

Oil shock indeed. No doubt to the astonishment of nearly everyone, the prices of diesel and petrol have dropped 5c a litre. In taking this action on New Zealand's only totally price-controlled commodity, the Government has sent out shrewdly calculated signals to the populace at large and especially to sectional interests.

One message aims to show the public, which is still largely unadjusted to freedom in overseas exchange dealings, that a floating exchange rate can bring benefits as well as risks. Another message to the public may be psychological: that a fatalistic acceptance of price rises should not be countenanced when pressures at the country's monetary gateway are acting in the other direction.

Farmers will be reminded that the same exchange movement which is bedevilling their overseas returns is also acting, albeit slowly and perhaps to a lesser extent, in holding down their besetting internal costs. Likewise, industrial exporters should moderate their hand-wringing with the promise of unexpected cost stability, even for a short time, and with the knowledge that imported

materials are cheaper than they were.

Another point of the message is likely aimed at the unions, which are winding up for the wage round. A price reduction in motor fuels puts several dollars a month in many workers' pockets, and tax-free at that; and it can help to create a changed climate for negotiations. Also, the Government can hardly have been unmindful of the answer a price cut offers to the mounting political and industrial criticism that its economic policies were against Labour tradition and showed only negative results.

The Government must be thanking its lucky stars for the conjunction of a weakening American dollar, in which oil prices are quoted; for the disarray of the oil producers, which is restraining and even reducing international prices; and also—although it is a mixed blessing—for the continuing strength of the New Zealand dollar, shored up by foreign demand for local investment and for high interest rates.

The fuel price cut, if it lasts long enough, should have a stabilising effect on the inflation rate. But because a floating currency rides on uncertainty, the

Government cannot guarantee how long the cut can be held.

On that point, few people might bet that our debilitated dollar would hold even its present improved level for any length of time. If it does begin a relapse, the Government should continue a hands-off policy, save in exceptional circumstances. Sending the Reserve Bank to the rescue would be ineffectual, and restoring controls could shatter not only the Government's but also the country's credibility.

CSO: 4200/1518

NEW ZEALAND

CER DEADLINE MAY BE ADVANCED

Auckland THE NEW ZEALAND HERALD in English 17 Aug 85 p 2

[Text]

NZPA Canberra

The stage has been set for resolving transtasman wrangles over steel and clothing and for bringing forward the final 1995 CER deadline for free trade after two days of meetings between New Zealand and Australian ministers.

The ministers said yesterday that the transtasman agreement was going well and a measure of that was the fact that the special review had been called two and a half years before the planned full review in 1988.

The Australian Trade Minister, Mr Dawkins, said the fact that there were so few difficulties to address meant most timetables had already been achieved and some areas were ahead of schedule.

The New Zealand Minister of Trade and Industry, Mr Caygill, said: "It is coming closer than 1995 in respect of a number of products, and I would have to say for an increasing number of products."

The most tangible results

of the meeting came in the two issues that were held by both camps as being the focal points of the present problems under CER — steel and clothing.

The Australians have been pointing the bone at Wellington over the prospect that when stage two of the NZ Steel mill expansion is finished, they will lose — albeit for only three years — a significant part of their New Zealand market while the new production gets on its feet.

New Zealand has now made the Australians an offer to help to break the impasse — opening up the New Zealand market to imports of those products, from billets to downstream products such as wire and nails, already produced in New Zealand. In return, New Zealand wants to sell those products in Australia.

But the central issue of what to do about the rolled steel due to come off the expanded NZ Steel plant after 1986 has been left for further talks.

On the other hand, New Zealand wants greater access to the Australian clothing market before it will open up the home market to world imports.

CSO: 4200/1518

NEW ZEALAND

DAIRY BOARD PONDERES USSR TRADE IMBALANCE

Auckland THE NEW ZEALAND HERALD in English 19 Aug 85 p 1

[Text]

Entrepreneurs in the Dairy Board are dreaming up lists of possible goods they could import from the Soviet Union to help to reduce the trade imbalance with that country.

A novel bid recently by the board for licence to import 65 Lada cars failed to impress the Department of Trade and Industry, but it did cause some alarm in the motor trade.

Several years ago the board bought 20 of the cars for its staff and was hoping to import more as a sign of good intent to the Soviet Union, with which a four-year sales agreement runs out in the next few months.

Investigating

It is now investigating the possibility of importing a number of other Soviet commodities, including pallet timber.

Radiata pine has already been imported from Chile because a manufacturer of

pallets for the board has been unable to get enough from local suppliers.

A board spokesman, Mr Neville Martin, said last night that there was a possibility of buying cheap Soviet timber as well.

Other possible imports included fertiliser and polyethylene, which the board could supply to other users.

Mr Martin said that the exercise was purely to promote reciprocal trade rather than to supplant traditional importers.

Valuable

He denied a report that the Soviet Union was putting pressure on New Zealand to redress the trade imbalance.

"It is more like a tap on the shoulder which the board is taking seriously because, obviously, Russian business is extremely valuable," he said.

But he conceded that it might look as though the board was going out of its way to accommodate the Soviets, that "bears have

got big paws."

Mr Martin said a loose sales agreement between the Soviet Union and the board would expire this year but there was every expectation that dairy trade with Russia would continue.

Both sides had interests in ensuring a continuity of trade even if Soviet buying was not steady.

This year, for example, the Soviet Union bought only 19,500 tonnes of butter and no milk powder, and last year no butter but 11,000 tonnes of milk powder.

In the first year of the agreement, 1982, the Soviets bought 40,000 tonnes of butter and 25,000 tonnes of whole milk powder.

Although total New Zealand exports to the Soviet Union dropped from \$252 million in 1983-84 to \$146 million last year, trade is still about 12 to 1 in this country's favour.

CSO: 4200/1518

NEW ZEALAND

GOVERNMENT STEPS UP GEOTHERMAL EXPLORATION

Auckland THE NEW ZEALAND HERALD in English 20 Aug 85 p 10

[Text]

Multi-million-dollar Government studies into the central North Island geothermal resource are expanding, with permission being sought to begin test drilling three more fields.

The Ministry of Works and Development has applied to the Waikato Valley Authority for water rights to take and discharge geothermal fluids in the Mangakino, Horohoro and Ngatamariki geothermal fields.

The planned exploration is part of a continuing Government programme to determine the amount of geothermal energy available in the North Island, and the ways in which it might be used.

Promoting

The Ministry of Energy is keen to see greater use of geothermal energy both directly and through power developments.

It is understood to be promoting geothermal power to the electricity division of the Ministry of Energy as the demand for electricity in the North Island grows.

The project engineer for the Ministry of Works' Wairakei geothermal project office, Mr Barry Denton,

said yesterday that investigations into the Mangakino, Horohoro and Ngatamariki fields could take up to 10 years to complete.

Some drilling had already begun in the Ngatamariki field. It was hoped to begin well testing in one of the other two fields later this year.

Up to 10 wells might have to be drilled in each field at a cost of \$1 million to \$2 million each, said Mr Denton.

Encouraging

The water rights applied for would allow up to 20,000 tonnes of geothermal fluid to be taken and discharged each day during the test drillings.

Mr Denton said preliminary results from the Ngatamariki field were encouraging, and a worthwhile geothermal resource was believed to be available.

Water rights have already been granted to the Ministry of Works and Development for the exploration of six other geothermal fields in the Bay of Plenty and central North Island area.

The first major investigations into the North Island's geothermal resources date back to the 1950s. In recent years two drilling rigs have been in operation.

CSO: 4200/1518

NEW ZEALAND

IMPORTERS RESIST GOVERNMENT CUE TO LOWER PRICES

Auckland THE NEW ZEALAND HERALD in English 16 Aug 85 p 3

[Text]

Importers were short on promises yesterday after being challenged to follow the Government's lead on fuel prices and pass on the benefits of a stronger New Zealand dollar.

Apart from the monopoly importer of bananas, Fruit Distributors Ltd, and the Union Steam Ship Company in the freight transport field, most indicated it was too early to commit themselves to price cuts.

That was in spite of a challenge by the Minister of Energy, Mr Tizard, in announcing a 5c-a-litre drop in petrol and diesel prices on Wednesday, and by the Prime Minister, Mr Lange, yesterday.

"Some importers are making windfall profits and they ought to be accounting to their customers by dropping their prices," said Mr Lange.

He dismissed pleadings from business leaders that lower fuel prices could not be passed on because firms had been absorbing rising costs of other inputs. He

said: "I do not believe them. They always say they are absorbing other costs."

Competitive

But the chief executive officer of the Road Transport Association, Mr George Tyler, said the diesel price cut would mean a saving of about 3c a kilometre—a total of \$18 on a truck journey from Wellington to Auckland.

While loath to promise any immediate price cuts, most importers were prepared to give assurances that any continuing rise in the dollar would eventually be reflected in a competitive marketplace.

But the Consumers' Institute gave notice that it would keep a close eye on whether that did happen.

Exceptions were Fruit Distributors, which dropped the maximum retail price of most banana imports by 12c to \$1.93c a kilogram on Wednesday morning, and the Union Steam Ship Company, which intends cutting its transman freight rates by 6.5 per cent from the end

of this month.

Two Months

Both moves were directly related to the strength of the New Zealand dollar against other currencies, spokesmen for the two companies said yesterday.

The president of the Bureau of Importers and Exporters, Mr Rodney Fox, said that, given a continuing strong New Zealand dollar, imports might become about 25 per cent cheaper in about two or three months when goods now on order reached the marketplace.

An assistant general manager of the L. D. Nathan Variety division, Mr David Henderson, said he doubted whether lower import prices could be fed through to customers much before Christmas.

His counterpart in Nathan's food division, Mr Brian Isherwood, said his buyers would be pressing wholesalers for price cuts which could show up on supermarket shelves in weeks rather than months.

CSO: 4200/1518

NEW ZEALAND

GOVERNMENT REJECTS EXPORTERS' PLEAS TO REGULATE DOLLAR

Auckland THE NEW ZEALAND HERALD in English 16 Aug 85 p 3

[Text] The Government is sticking implacably to its hands-off policy towards the foreign exchange market despite pleas by exporters whose goods have become less competitive each time the New Zealand dollar has risen in value.

The Prime Minister, Mr Lange, yesterday said there was no question of returning to a more managed float in the interests of export prices.

"Not when you have just dropped petrol prices by 5 per cent, you do not go and torpedo that," he said.

Money market dealings by the Reserve Bank were an obvious means of containing the rise of the dollar, but officials had not discussed with him special efforts on that front.

The need to get monetary growth under control made it necessary for the Government to accept the persistent high interest rates which contributed much to the high demand for the New Zealand dollar.

September Fall

He acknowledged that the latest rates of around 26 per cent paid on short-dated Treasury bills were not consistent with his prediction that rates would stay on a plateau through July and

August.

Those interest rates "will be a real concern if they hold up at present levels for any length of time," he said, sticking by his old predictions of a fall in the rates by the end of September.

In the meantime there was no question of relief for exporters facing diminished returns through a higher exchange rate.

The president of the Export Institute, Mr John Lister, said the Government's inaction would hurt all New Zealanders.

Swung Back

It was all very well for the Government to try to woo the popular vote by dropping 5c a litre off petrol bills, but unless it acted to stop the dollar rising by controlling interest rates there would be no export receipts left to pay for future fuel imports.

Mr Lister said the dollar had swung back up 30 per cent against the Australian dollar since it was devalued last year, mostly in the past few weeks.

That had totally wiped out the profits of some exporters.

Deliberate

While larger exporters might be able to "roll with the punches" for some time by making up from their own pockets exchange differentials between taking orders and delivering the goods overseas, small companies were in big trouble.

The Leader of the Opposition, Mr McLay, yesterday accused the Government of deliberately keeping interest rates high and driving up the value of the dollar.

The New Zealand dollar was under enormous pressure from abroad, he said, producing a list of Eurokiwi issues dating from the beginning of that programme in October 1982.

In the past two months a total of \$NZ120.52 million had been transacted, which was not far short of the total for the entire first two years of the programme up to November last year.

NEW ZEALAND

KIWIFRUIT EXPORTS EXPECTED TO TRIPLE

Auckland THE NEW ZEALAND HERALD in English 9 Aug 85 p 10

[Text]

The kiwifruit industry expects exports to increase threefold in the next five years to more than 60 million trays of fruit a year.

The managing director of the New Zealand Kiwifruit Authority, Dr Don Brash, told the Export Institute conference in Rotorua yesterday that overseas earnings from kiwifruit sales should reach between \$500 million and \$600 million by 1990.

By 1992 a further 20 million trays of kiwifruit should be exported, said Dr Brash.

This year, overseas sales of kiwifruit were expected to earn well over \$200 million.

Dr Brash believed much of the kiwifruit industry's success could be attributed to co-ordinated export marketing.

Spending on promotion

had increased from about \$20,000 in 1971 to more than \$11 million this year, making the kiwifruit industry one of New Zealand's biggest spenders on overseas promotion.

Dr Brash said that traditionally this country's rural industries had depended dangerously upon single markets.

The kiwifruit industry had managed to avoid such practices through co-ordinated export marketing.

However, kiwifruit exports from other countries could pose a threat. New Zealand's high quality control needed to be intensively promoted.

"We are hoping to get across 'It's got to be a New Zealand kiwifruit to be good,'" said Mr Brash.

Other countries could market their fruit under the name of New Zealand.

CSO: 4200/1518

NEW ZEALAND

MAORIS ENDORSE CONCEPT OF NATIONAL FEDERATION

Auckland THE NEW ZEALAND HERALD in English 5 Aug 85 p 2

[Text] Maori economic authorities throughout New Zealand plan to combine forces to form a new national body to strengthen their business efforts.

More than 200 representatives of Maori trusts, trust boards and incorporations met in Rotorua at the weekend and generally endorsed the concept of a national federation.

A task force of representatives from Maori authorities throughout the country will now be formed to begin investigating the establishment of a national body.

Reasons given by delegates for combining Maori economic forces included greater unity, more cohesive development and increased political influence.

The Minister of Maori Affairs, Mr Wetere, said Maoridom could have greater economic clout.

The combined asset backing of Maori authorities represented about \$500 million.

Maori trusts, trust boards, incorporations and other commercial organisations were directly responsible for the development and

operation of just over half-a-million hectares of land.

That land carried about 2.2 million stock units, said Mr Wetere, and he believed the value of produce from Maori land each year to be about \$83 million.

As well, land was being developed for horticulture and there were large areas of forestry.

The Maori people had an enormous economic force but they could be powerful in economic terms only if the return on their assets was better than the current estimate of 0.5 to 1 per cent.

"The idea of a federation is based on the knowledge that through collective rather than individual effort members are more likely to achieve their objectives," said Mr Wetere.

Maori economic authorities knew best what suited their needs and should advance their interests at every opportunity.

A combined federation was first mooted in 1974

under the then Labour Government. However, it was never promoted further once the National Party took office, he said.

In a report to the Maori Affairs Department last month a Wellington firm of accountants, Price Waterhouse, said the matter should not be allowed to drop again.

Maori economic authorities could have a significant influence on the future of the country and would gain both politically and commercially by joining forces.

The benefits of doing so included:

- Gaining the respect of the business community as being a respectable organisation not to be taken lightly;

- Having the power to influence Government policy, expenditure and proposed legislation;

- Being able to initiate research and share costs;

- Creating buying power

and cutting costs.

New businesses relating to a common cost item among members of the federation — for example a stock cartage firm — could be set up, Mr Wetere said.

The establishment of a finance company to receive under-utilised money held in Maori hands was already being investigated by one group of Maori authorities.

Price Waterhouse expected the cost of establishing a national federation to be as much as \$100,000.

Mr Wetere told delegates that the Maori Affairs Department would meet them halfway with that cost.

Once the task force is in place information will be gathered on the combined business of all Maori authorities. Support groups such as Federated Farmers will be met and a budget worked out.

Steps for setting up the federation could be in place by July next year.

CSO: 4200/1518

NEW ZEALAND

BRIEFS

CALLS FOR WITHDRAWAL FROM ANZUS--The Auckland Trades Council peace office says it is disheartened that Prime Minister David Lange won't heed party conference decisions, particularly those concerning the nuclear issue. Party President Margaret Wilson says the conference calls for non-alignment and withdrawal from Anzus need attention, but Mr Lange has made it clear he does not share her view. A spokesman for the Auckland Trades Council peace office, Ray Stewart, says [words indistinct] decisions at the conference. Mr Stewart says policies such as non-alignment and withdrawal from Anzus are very important principles and should not be compromised. [Text] [Wellington Overseas Service in English 0500 GMT 4 Sep 85 HK]

CSO: 4200/1487

PHILIPPINES

AQUINO ANNIVERSARY RALLIES URGE WIDOW'S CANDIDACY

Makati MR. & MS. in English 23-29 Aug 85 pp 7, 9, 14, 40

[Article by Jose Ma. Nolasco, Fe Zamora, Francoise Joaquin and J. R. Alibutud:
"Between Bandila and Bayan, There Was Cory"]

[Text]

CORY for President" was the rallying cry among the contentious political Opposition, cause-oriented factions and plain citizens as they marched, demonstrated, rallied and protested to mark the second death anniversary of Benigno S. Aquino.

"Impeach Marcos!" the moderates chanted amid heavy rains and the downpour of yellow confetti in the heart of Makati's financial district.

"Down with the U.S.-Marcos dictatorship!" the radicals shouted back with fists clenched and red banners waving from Manila's Liwasang Bonifacio. "Onward with the national democratic revolution!"

"Go back to Christ!" Manila Archbishop Jaime Cardinal Sin advised 20,000 of his flock who attended the special 9 o'clock morning mass which he officiated for the eternal repose of Ninoy's soul at the Sto. Domingo Church in Quezon City.

Immediately thereafter, the anti-Marcos, together with the anti-U.S. Imperialist protesters fell in line for the march along

the stretch of Quezon Blvd. and E. Rodriguez Ave., then went their separate ways. The main body led by Butz Aquino's BANDILA proceeded to Roxas Blvd. and headed for Ayala Ave. for its maiden rally. The tailend composed of supporters of the militant BAYAN broke off to march to Liwasang Bonifacio.

Round BAYAN's standard rallied 25,000 workers, urban poor and peasants. The students split down the middle. To Liwasang Bonifacio went students from the University Belt. Students from the exclusive private schools went to Makati.

"The masses cannot afford to go to Makati," explained lawyer Alex Padilla, secretary general of the Nationalist Alliance.

"BANDILA wants to concentrate its attack on Marcos and not on U.S. imperialism," criticized lawyer J.V. Bautista, BAYAN's chairman for electoral struggle. "It is in Makati merely to get the support of the business sector. It has absolutely no nationalist content."

"If you want this country to fall into the hands of communists,

then go and attend BAYAN's rally," retaliated Butz Aquino, BANDILA chairman and youngest brother of the slain Opposition leader. "Social democracy," he offered as the other alternative to the Marcos dictatorial rule. He then declared the launching of a BANDILA-led movement for political change to the 40,000 rain-drenched rallyists massed on the corner of Paseo de Roxas and Ayala Ave.

"Two different rallies," justified Joe Castro, chairman of BAYAN's Manila chapter, "are not counter-productive. We have the same motive. We spread our message around."

That familiar and sought-after figure in all protest rallies, Jose Diokno, neither aligned himself with BAYAN nor BANDILA. That other towering protest figure, Lorenzo Tanada, was at Liwasang Bonifacio. According to J.V. Bautista, BAYAN was not invited to the Makati rally. "We wanted to negotiate with BANDILA but Butz wanted to show his clout."

"Even if we are united, we are still weak against Marcos," Aquilino Pimentel, PDP-Laban national chairman, told the crowd at Liwasang Bonifacio. "How much more if we are divided?" Later, he told the BANDILA rally in Makati that the key to unity is the drafting of Cory Aquino, Ninoy's widow, as the Opposition's sole presidential candidate.

The Makati multitude chanted Co-Ree! Co-Ree! and *Marcos, Marcos, Magnanakaw!* (Marcos, Marcos, thief!) the rallyists included employees from Makati's highrise along Ayala and Paseo de Roxas, consolidated, for once, the

splintered Opposition political parties — Laurel of UNIDO, Pimentel of PDP-Laban, Eva Kalaw of the LP — and a host of urban-based organizations, Samahang Kristianong Komunidad of Tondo, for instance, as well as ATOM, AWARE, AMA, etc. and former Makati protest frontliners.

Confetti fell as in the days of the post-Aug. 21, 1983 yellow fever. Ribbons, t-shirts, streamers, visors and balloons all came yellow.

In the meantime, back in Manila, 15,000 demonstrators trooped to Mendiola Bridge to continue their rally. But most relaxed was the mood of the 2,000 riot police stationed to guard the entrance of the presidential palace. Some were in restaurants, eating, their truncheons against the wall. Waitresses were observed to delicately pick up truncheons to wipe the tables clean.

"All the celebrities are in Makati," quipped someone in the BAYAN crowd.

But not even the first-time presence of ATOM-Tokyo chapter chairman Kiyoshi Makamiya nor the clinging, wet blouses of the ladies robbed Cory the celebrities celebrity, of public acclamation.

"Cory is the best," said a Spanish-speaking gentleman from his view of the rally on the 20th floor of Bank of Philippine Islands. Ousted MP Pimentel announced: "I asked people from Ilocos to Mindanao and they said Cory Aquino is the best candidate to beat Marcos." The crowd cheered on, Co-Ree! Co-Ree! Co-Ree! When Cory exhorted the crowd to bid I-don't-intend-to-resign goodbye, they chorused, "Goodbye, Marcos, Goodbye" with that unmistakable lilt of "Hello, Cory".

PHILIPPINES

WEEKLY REPORTS MOVES FOR NAMFREL REACCREDITATION

Popular Support Swelling

Quezon City VERITAS in English 4 Aug 85 p 11

[Text]

A MOVE has snowballed for the reaccreditation of the National Citizens Movement for Free Elections (NAMFREL) as the citizen arm of the Commission on Elections (COMELEC).

At least 15 professional, civic, labor and business organizations have passed resolutions asking the COMELEC to deputize NAMFREL as its citizen arm for the local elections in 1986 as well as other scheduled or special elections "by virtue of its organization, aims and proven performance."

The resolutions said in part that "men of goodwill concede that, by and large, NAMFREL as an organization has done a creditable job" and that it is "the organization with chapters nationwide and the expertise to mobilize and train the citizenry" and "the organization which succeeded in bringing together disparate civic, religious, youth, educational, and business organizations to work for a common cause."

In the same resolutions, the organizations appealed to the Batasang Pambansa to enact a fair and impartial Election Code containing all the necessary safeguards for free, honest and orderly elections.

Among the organizations which have endorsed NAMFREL are the Financial Executives Institute of the Philippines, National Mines and Allied Workers Union, Quezon City Chamber of Commerce and Industry, and the Fourth District Metro Manila Public School Teachers Association, Philippine Association of Secretaries and Consolidated Automotive Producers Parts Association.

Movement Prepares for Election

Quezon City VERITAS in English 11 Aug 85 p 8

[Article by Jo-Ann Baena Cruz: "Rejuvenating NAMFREL"; "The Organization Prepares for Snap Polls but Sees More Problems Ahead"]

[Text]

THE announcement came as no surprise to oppositionists who have been toying with the idea since early this year. Over the weekend, President Ferdinand Marcos and other Kilusang Bagong Lipunan (KBL) stalwarts proclaimed that they were seriously considering holding the presiden-

tial and vice-presidential elections earlier than previously scheduled — maybe even as early as November 11 this year. Now that the conjectures have taken a more concrete form, attention is again focused on the role of the National Citizens Movement for Free Elections (NAMFREL), the wide-

ly acclaimed citizens group which zealously guarded the electoral process during the parliamentary elections in 1984 and which must now live up to heightened expectations.

"It's a bit scary," admits Christian Monsod, NAMFREL's secretary general. At the time of the May 14, 1984 elections, NAMFREL had to contend with widespread cynicism and distrust of what many perceived to be a futile and frustrating exercise, and opted for boycotting the "sham" polls as the only palatable alternative.

With the movement's 1984 success, more people are expected to give the democratic process another chance. If the coming elections bely the faith of people in the process, observers see Filipinos turning to more non-conservative and non-traditional forms of expressing their will.

Long before the weekend announcement, NAMFREL, which at present has 67 national participating organizations and local chapters as well, has been in the process of shaping up to meet the coming challenge. Says NAMFREL National Chairman Jose Concepcion Jr.: "As we (NAMFREL) move into the countryside, the face of the Filipino lights up with hope because they see in NAMFREL the embodiment of their struggle for clean and honest elections."

NAMFREL has begun "remobilizing," adds Monsod who also concedes that the coming polls are "going to be more difficult."

The organization's officials are quick to clarify, however, that the group is non-partisan and draws its strength from volunteers and donations. NAMFREL, Monsod stresses, "cannot guarantee clean elections but can only give testimony as to whether it was valid or not." It merely ensures that the electoral process will take place.

"The quality of the election will depend upon the Commission of Elections (Comelec), the military, the political parties — majority and opposition — and the massive participation of citi-

zens to be vigilant during the elections," according to Concepcion who claims that at least one million volunteers are needed to help man the polls this time as opposed to 250,000 during the Batasan elections.

"NAMFREL will make sure that the proper procedures are followed, that before voting begins, ballot boxes are opened, emptied and shown to the people before being locked with three keys," Concepcion told *Veritas*. The same machinery as in the previous election will be used, says he.

TO prepare for the coming exercise, Concepcion explains, NAMFREL has already taken three basic steps:

- Pressing for reforms in the Election Code currently under study at the Batasang Pambansa,
- Appealing to the president to consider a list of NAMFREL candidates for the two remaining vacancies in the Comelec, as well as continuing dialogue with the board.

- Drumming up coordinated efforts on the organizational level so that NAMFREL reaches even the most isolated barrios.

Before all these, however, one major wrinkle still has to be ironed out: that of accreditation as the citizen arm of the Comelec. A contingency plan has been announced, however; according to Concepcion in a letter of support to local chapters, "We have made a decision that with or without accreditation, we (NAMFREL) shall be there (at the polls)." NAMFREL was designated as the citizen arm of the Comelec in the 1984 Batasan elections but this was co-terminus with the election period.

With this out of the way, NAMFREL has written several letters to Deputy Prime Minister Jose A. Roño, who is head of the Batasan committee studying the Election Code, asking for reforms and clarifications on certain aspects of the Code. Roño recently assured the organization that reports to eliminate a common

watcher for civic, religious, labor and other organizations in the coming polls were baseless.

The KBL leader also told them that policemen and other law enforcers will not be allowed within the 50-meter radius area unless called upon for assistance.

NAMFREL has objected on the proposal for continuing registration on the grounds that this "may open the door to multiple registration of flying voters." Roño replied however that continuing registration "is more manageable" than designating only specific days as proposed by NAMFREL.

The group has also asked that barangay officials and tanods not be allowed in the voting center as they claim that many irregularities during last year's exercise were traced to these persons. The deputy prime minister, however, pointed out that the Federation of Barangay Officials has argued that any candidate has the right to choose his inspector or watcher, whether he is an elective official or not.

Eventually, NAMFREL proponents hope for the day when the process will become institutionalized. As one of them told *Veritas*: "NAMFREL is the only organization whose success is measured when it is no longer necessary."

PHILIPPINES

BATASAN RECESS THREATENED IF NEW IMPEACHMENT MOVE FILED

HK020728 Dagupan City DZDL RADIO in Tagalog 0445 GMT 2 Sep 85

[Text] Kilusang Bagong Lipunan [KBL] MP's are threatening to call for an indefinite recess of the Batasan if the opposition goes through with its plan to file a second resolution calling for the impeachment of President Marcos. The KBL plan was revealed by a reliable source who said that an indefinite recess of the Batasan would be used against the latest opposition move. The source also said that the opposition now has stronger and more detailed proof of top officials' hidden wealth abroad to be used in the second resolution which they intend to file in the Batasan despite the fact that KBL members are in the majority.

Meanwhile, the National Unification Council [NUC] Secretariat says they will look into the matter of the NUC's accreditation as a regular party so as to be ready for future KBL attacks. The matter of the NUC's accreditation was brought up when the first impeachment resolution was filed in the Batasan.

With the possibility of a snap presidential election this year, key opposition leaders like M.P. Cecilia Munoz-Palma and the United Nationalist Democratic Organization President Salvador Laurel are mounting a campaign to disseminate information nationwide on the issue of hidden wealth and the new proposed resolution to impeach President Marcos. Munoz-Palma will go to Cebu and Iloilo and Laurel and M.P. Orlando Mercado are in northern Luzon to begin the information campaign, while opposition members in Mindanao are M.P.'s Homobono Adaza, Antonio Cuenca, and Marcelo Fernan.

CSO: 4211/90

PHILIPPINES

COLUMNIST SAYS NPA EXTORTION BEHIND DONORS ON LIST

Manila BULLETIN TODAY in English 21 Jul 85 p 6

[Commentary by Jesus Bigornia: "NPA 'Donors' Not Necessarily Sympathizers"]

[Text]

IN these parlous times, any landowner, big or small, who values his life is an easy prey for extortion by marauding rebel or bandit bands. Or even by foraging military units. Because crops are rooted to the soil, farmers have become favorite targets for mulcting. A "love letter" from the head of a roving New People's Army (NPA) squad, for example, leaves the owner no choice but deliver what is demanded. Unfortunately, military authorities look at any one so victimized as "a financier" of a insurgency movement.

* * *

Such a view appears to have moved Lt. Col. Reynaldo Berroya, Philippine Constabulary provincial commander in Pampanga, to summon some 500 indi-

viduals of the sugar province "for questioning" at Camp Olivas outside San Fernando, the provincial capital of Pampanga. The names of these Pampanga residents appear on a list captured on the person of a dead NPA rebel after a clash with government forces at barrio San Mateo, Arayat, three months ago.

* * *

It might not be amiss to recall to the mind of Col. Berroya that earlier this year five expensive trucks of a Pampanga planter-banker were burned allegedly by a squad of NPAs because he ignored a demand to contribute to the rebel cause. The planter-banker reportedly "came across" although he has since lived in Manila. Even the bravest of the brave have broken down before such threats to life and property that field and equipment burning pose.

On the assumption that recent killings in Pampanga were the work of the so-called NPA Sparrow Units, the climate for extortion in that province has become inviting and profitable. The fact that the names of civilians appear in captured NPA lists of donors does not necessarily mean they are active supporters of the subversive movement. Nevertheless, Col. Berroya would be right in inviting those named in the captured list for "interviews" if only to learn more of the collection methods employed by NPA collectors. Needless to say, those invited for interviews should not be exposed to reprisals by Sparrow Units.

CSO: 4200/1510

PHILIPPINES

HELP URGED FOR MUSLIM REFUGEES ON SABAH

Manila BULLETIN TODAY in English 22 Jul 85 p 5

[Article by Nelly Sindayen]

[Text]

Filipino refugees in Sabah should be returned to the Philippines and the Philippine government should facilitate their return, Muslim historian Alunan Glang said yesterday.

Glang said there are at least 200,000 Filipino refugees, mostly Muslims, in Sabah. Many of whom had expressed their desire to go back to the Philippines after the Mindanao peace and order situation had stabilized.

The Philippine government should bring back home these refugees who fled to Sabah for safety while government troopers and Muslim rebels were locked in heavy fighting in Mindanao during the early 70's.

Glang said that the Philippine government had promised to provide a Philippine Navy ship to facilitate the refugees' return to Mindanao but this never

materialized.

"The government's promise should be fulfilled if only to give a semblance of sincerity and fairness in helping out the Filipino refugees," he said.

The same treatment given by the Philippine government to the Indochinese refugees should be accorded to Filipino refugees, he stressed.

The Indochinese refugees, seem to be favored by the government than the Filipinos themselves, he lamented.

The Muslim historian supported the statement of Acting Foreign Minister Pacifico Castro in Kuala Lumpur during the 18th Asean foreign ministers' meeting that "if we can help Indochinese refugees, we can also help others."

"But I certainly wish the government help its very own Filipino refugees first before helping others," Glang said.

CSO: 4200/1510

PHILIPPINES

DAILY REPORTS PROBLEMS IN POLICE AUTHORITY TRANSFER

Manila BULLETIN TODAY in English 26 Jul 85 pp 1, 16

[Article by Jose De Vera: "Problems Noted in Police Transfer to Napolcom"]

[Text] Problems began to crop up yesterday in the transfer of supervisory control of the Integrated National Police (INP) from the Ministry of National Defense to the National Police Commission (Napolcom) under the Office of the President.

Three principal problem areas surfaced as Constabulary and INP officials met to ensure a smooth transition under Executive Order No. 1040 signed by President Marcos on July 10.

These problems involve:

1. The operational capability of the INP which will be greatly impaired by the return of military hardware--firearms and ammunition as well as vehicles to the PC.
2. The stoppage of instant benefits that include "spot promotions" and death claims provided by the AFP Mutual Benefits Association.
3. Setback to the professionalization of the INP which has been going on since its integration with the Constabulary.

It was also noted that with the transfer of control and supervision of INP to local officials through Napolcom, there will be no national office to handle the administrative and operational work as done under the existing setup.

Under this setup, the supervision is provided in the provincial level by the PC provincial commander; on the municipal or city level, by the PC company commander; on the regional level, by the PC-INP regional commanders.

Some ₱1.28 billion coming from the national fund is provided for maintaining over 51,563 policemen all over the country. Eighty percent of the salaries and allowances of the policemen are drawn from the national fund with the city or municipality providing the other 20 percent.

It was learned that certain Napolcom officials showed up at the defense ministry and judge advocate general's office at Camp Crame asking for pending court martial cases of policemen.

However, sources said that Deputy Defense Minister Teodulo Natividad, who is concurrent Napolcom chairman, had asked the Napolcom official to "go slow" as there are still many "kinks" to iron out before the transfer could be effected.

CSO: 4200/1510

PHILIPPINES

OFFICIAL CHARGES CORRUPTION BETWEEN CUSTOMS, IMPORTERS

Manila BULLETIN TODAY in English 29 Jul 85 p 5

[Text]

An unholy alliance between importers and personnel of the Bureau of Customs seems to persist, Finance Deputy Minister Alfredo Pio de Roda Jr. said Saturday.

Pio de Roda expressed this opinion in his keynote speech at the midyear conference of the customs bureau, which collected only P8.98 billion during the January-June period.

The customs bureau has to collect for 1985 a total of P25.8 billion, not P21 billion as reported earlier, according to a Ministry of Finance target.

Pio de Roda noted a relationship between the poor collection performance of the bureau and alleged unholy alliance or connivance between importers and customs personnel.

"About the only alternative available, therefore, is for a marked increase in the collection effort and a more effective procedure in the seizure and sale of contraband."

He exhorted customs rank and file employees to help the national gov-

ernment in its economic recovery program by desisting from committing graft and improving their collection effort.

"Our effort, therefore, is not just for love of country but also for love of our children, the future generation, our relatives, friends, and countrymen," he said.

The customs bureau's law enforcement agencies have seized contraband or were able to demand payment for more taxes and duties on questionable shipments amounting to hundreds of millions of pesos in the past seven years.

"It has been constantly alleged that if only all the proper duties and taxes are collected by the Bureaus of Customs and Internal Revenue, the government finances will be in good shape, without need of new taxes or an increase in existing rates," Pio de Roda said.

According to him, "estimates have even been made that only about 30 to 40 percent of taxes and customs duties are actually collected."

PHILIPPINES

GOVERNMENT PRICE MECHANISM DISCOURAGES COCO OIL EXPORTS

Manila BULLETIN TODAY in English 29 Jul 85 p 19

[Article by J. C. Concepcion]

[Text]

Exports of coconut oil in the last three weeks have virtually ground to a halt primarily because of a delicate and touchy government price mechanism which has discouraged majority of the country's oil mills from exporting their produce, sources said over the weekend.

With the exception of a few small exports of only 500 to 1,000 metric tons of coco oil, there is yet no sign that big oil mills will resume their exports in commercial quantities because the government has not indicated any plans of making its unrealistic "check price" flexible, sources said.

Oil mills were informed last July 4 that the Central Bank, the Ministry of Trade and Industry and the Philippine Coconut Authority have adopted a 25 US cents-a-pound "check price" on coco oil exports, sources said. The price was re-

duced to 24 cents a pound the following day.

Mills were asked to sell their coco oil at or above the check price. Sales reports of oil mills which reflected export price below the check price were disapproved, preventing these mills from exporting, sources said.

Sources said the coco oil price in the export market had been consistently below the check price in the last three weeks, thus disabling many mills from exporting in commercial quantities.

Millers acknowledged the sound objective of the check price of attempting to arrest the decline and trying to prop up coco oil price in the export market, sources said.

They also sympathize with the government's earnest efforts to shore up the country's export earnings through various measures, like the institution of the

check price for coco oil exports that may increase the export price of the commodity.

But oil mills are also worried of the possible risks and dangers if the check price is maintained more than what is necessary, sources said.

The longer the check price is maintained with the mills effectively disabled from exporting, the coco oil inventories of these mills will pile up, freezing their working capital.

Because of high inventories and reduced working capital, many mills will cut down on their purchases of copra, possibly resulting in a further drop in copra prices that will hurt coconut farmers.

And if prices of other fats and oils that compete with coco oil in the export market drop in the next couple of weeks, local mills may be forced to sell their produce at much lower prices than what they could have gotten early this month.

In this kind of scenario, it would be an opportunity loss to oil mills because of the rigidity of the government-set check price, sources said.

Sources said the risks and dangers in the check price mechanism can be reduced if the mechanism can be made more flexible so as to allow coco oil sales every now and then to prevent mills from building up big inventories.

Against the 24-cent check price which is still in force, the price in the export market for the August-September shipments is 23.5 cents a pound.

This means that many mills still cannot sell to the export market unless the government relaxes its check price, sources said.

But the government has not yet given any indications that it will make its check price flexible, prompting some mills to project lower export volumes and earnings for this month.

PHILIPPINES

GOVERNMENT SHIFTS ENERGY INVESTMENT PRIORITIES

Manila BULLETIN TODAY in English 30 Jul 85 p 19

[Text]

State-owned National Power Corp. (NPC) and Philippine National Oil Co. (PNOC) will have to sustain operations of all energy projects on their own as government shifts its energy investment priority so it can manage a lower budget deficit for 1986.

Prime Minister Cesar E.A. Virata said all major investments in the energy sector are being completed and NPC and PNOC would have to operate their assets to sustain efficiency.

He said a shift in investment priority from the energy sector will be a feature of the new budget, with both NPC and PNOC relying on their own earnings.

According to Virata, the government is projecting lower budget deficits in order to make room for the private sector in credit availment. He added that borrowing of govern-

ment banks would have to be limited.

Virata also recalled that the government has slowed down in its investments in the transportation sector in favor of capital-intensive energy projects. Energy substitution yielded positive results to such an extent where the oil bill is projected to be reduced to \$1.1 billion this year from a high \$2.4 billion.

With all major energy projects almost finished, including the \$1.95-billion nuclear power plant in Bataan, Virata said the transportation sector would receive priority from the government.

Priority would be given to construction of roads, bridges, ports "and with some leeway, communications."

Virata explained that development of communication facilities would lessen

probable increased transport demand.

NPC is actually scheduled to operate in 1986 on a self-sustaining basis following a government decision to completely stop all budgetary equity contributions to the power firm.

Gabriel Y. Itchon, NPC president, said in his report to President Marcos that NPC's passage to financial maturity by 1986 has progressed in 1984 when operations yielded P1.7 billion of internal cash generation compared to less than P0.6 billion in 1980.

However, Itchon said resolution of NPC's financial problem is basically dependent on the timely success of the stabilization program in normalizing the availability of foreign loans. Foreign loans are still needed for the remaining requirements of mature power projects during 1985 and 1986.

PHILIPPINES

BAYAN NAMES DAVAO OPPOSITION MAYORAL CANDIDATES

Davao City THE MINDANAO DAILY MIRROR in English 20 Jul 85 pp 1, 7

[Text] The Bagong Alvansang Makabayan-Mindanao (BAYAN-Mindanao) has narrowed down the list of nominees for the Davao City mayoralty slot in the next local elections to five names.

The decision was arrived at the Cagayan de Oro city last July 14, the second and last day of the BAYAN-Mindanao consultation assembly attended by representatives of opposition groups from all over Mindanao.

Named to the list from which will finally be chosen the official opposition candidate were: MP Zafiro Respicio (PDP-Laban), former city mayor Luis T. Santos (LP), Silvestre Bello III (MA), Proculo Fuentes (MA), and Dominador Carrillo (MA). Only Santos of the five is not a lawyer.

The Unido failed to land a bet in the list when Atty. Prospero Nograles, former IBP chapter president, was strongly objected to by Fuentes despite the fact that Nograles was nominated by Bello. Fuentes had charged that Nograles is not a genuine oppositionist but a "Trojan horse planted in the opposition camp by the KBL."

The final choice as official opposition candidate for mayor of Davao City will come on July 27, with the venue still to be announced.

Former Senator Ambrosio Padilla has been invited to attend.

The BAYAN-Mindanao consultation assembly also approved the following:

1. A recommendation for a united elector strategy.
2. The pre-campaign period will consist of symposia, seminars and intensified alliance buildup. Also, to concentrate on propaganda measures, pulong pulong, the possible formation of slates, dialogues with political parties and full use of tri-media.
3. A committee will be created for purposes of logistics accumulation and disbursement.

During the campaign period itself campaign teams will be organized and fielded--including trained inspectors and watchers to counteract infiltrators.

The post election period will see legal panels organized to gather evidence in cases of electoral frauds, and for other purposes.

Approved also was a recommendation for the formation of provincial municipal and city chapters, including district and barangay levels.

CSO: 4200/1510

PHILIPPINES

DAVAO OFFICER HITS NPA 'PROPAGANDA,' CITES ACCOMPLISHMENTS

Davao City PEOPLE'S DAILY FORUM in English 24 Jul 85 pp 1, 3

[Article by Ed Pagkalinawan]

[Text] Col. Laudemer D. Kahulugan Tuesday dismissed the accusations hurled by the New People's Army (NPA) contained in an open letter entitled "An Urgent Message to the Mass Media and the People of Davao" published in two leading local dailies against the Armed Forces of the Philippines (AFP) as part of the NPA's propaganda campaign.

In an interview with newsmen at the Davao Metrodiscom Headquarters, Col. Kahulugan said he does not indulge in propaganda unlike the enemy but would rather cite the solid accomplishments of the Davao Metrodiscom based on concrete facts and figures as per their records.

The reaction of Kahulugan stemmed from a news report regarding the denial of the NPA plot to kill a city councilor and eight mediamen.

Kahulugan told newsmen that, sans boasting, the Davao Metrodiscom under his command had killed at least 40 members of the dreaded Sparrow Unit, the liquidation arm of the NPA, 75 criminals and 148 subversive-terrorists were already formally charged in court from January to June, this year.

Only four of his men, he said, two-PC, One-INP and a CH-DF were the casualties under his command.

During the same period, Kahulugan said that out of 1,898 petty crimes committed within his jurisdiction, a total of 1,156 were solved.

These facts and figures hurt the enemy, he said. These accomplishments, Kahulugan pointed out should not only be attributed to his command but to the efforts of the entire AFP command.

As regards the accusation that he is a fascist, Kahulugan said that he is a professional police and this, he said, was confirmed by some of the writers in the national dailies.

At the same time, Kahulugan said that the enemy hate him so much because of his effective campaign against them.

He said that the enemy has been boasting of might when in truth they have no strength.

He challenged the enemy to come out and face his men to prove their might.

In the same interview, Kahulugan called on all the civilians to rally behind the AFP in the fight against insurgency in the area.

He also added that for as long as he is the Metrodiscom commander in Davao "I will put to jail anybody who violates the law regardless of color, creed, religion or political affiliation because I am a professional policeman."

Kahulugan did not comment whether the death list was authentic or not.

CSO: 4200/1510

PHILIPPINES

'HIGHLY CHARGED' MOOD, DWINDLING RALLIES CONTRASTED

Quezon City VERITAS in English 4 Aug 85 pp 5, 9

[Article by Melinda Quintos de Jesus in "The Human Factor" column: "Beyond the Limit"]

[Text] **N**OT EVERYONE feels it yet. But we seem to have suddenly strayed into a highly charged electrical field, with the crackle of static setting off unexpected sparks.

There is the growing feeling that public sentiment has finally been wired to a short fast-burning fuse.

We've noted the grim mood darken the social meetings, the gatherings of close friends. People tend to shy away now from the political joke, afraid to be distracted with easy laughter. And they shun the long discussions that seem to lead nowhere but only heighten the feelings of frustration. The need is expressed: to keep up the outrage and to hold the anger at a threshold of pain.

But what one sees on the surface may be deceptive. While there have been persistent moves to marshal public indignation into massive protest, the numbers on the streets have failed to impress. The marching faces may have changed masks. The smiles have been wiped off and the gaiety and festivity dropped from the rallies. But the action on the streets has given the authorities little cause for alarm.

And because the mass actions have not gained in numbers, those in government seem confident that the show can go on. If you give it enough time, even the issue of hidden wealth will simply blow over.

But that is too facile a conclusion. And perhaps a mistaken one.

The levels of discontent may be measured everywhere. There is no shortage of anger in the factories, in the farms and fields, in the coffeeshops or boardrooms.

People in different sectors have their own grievances: economic hardship, political repression, corruption in government, the insensitivity to public pressure — these are the dry tinder that can be ignited into the brushfire of violence.

Paradoxically, the dwindling numbers at the pickets, rallies and marches indicate, not the waning of public anger, but a more sharply focused outrage. It may mean that more and more people have begun to feel that the rallies and marches no longer suffice as expressions or outlets of anger. There is a feeling that even among the most moderate groups, there is a growing disenchantment with the tactics of non-violence and the most reasonable and rational of men have begun to reconsider the options of violence.

History has demonstrated the long patience of the Filipino. But it has also proven the limits of his proverbial patience. There is a feeling that he may be reaching those limits now.

The tactics of peaceful protest have gained him so little. This time he is convinced that such tactics will not bring about anything: not reform, reconciliation, or resignation. Slowly he has come to realize that perhaps, change has to be forced, and if need be, by violent means.

There have always been problems. The tactics of non-violence depend on a certain kind of spiritual leader who can sustain the commitment to such action. But that same leader also needs to be political and pragmatic enough to keep up the momentum of the movement, planning against the enemy as a military strategist

would in a battlefield. The Filipinos saw no Gandhi rising from the midst.

But more than this, the tactics of non-violence, in order to effect change, must presume a certain measure of fundamental human decency on the part of the object of protest. That individual or government must be able to respond to the moral challenge of non-violent protest.

And Filipinos are beginning to feel that there is no reason to presume such decency of the Marcos regime.

What he has seen has been a leadership benumbed by power, whose sensibility has been so corrupted that it can no longer respond according to the norms of civilized conduct.

One need only to begin from August 21, 1983 when the leading opposition leader was slain while in custody of the military. On the evening of Aquino's funeral, when over a million Filipinos marched the streets to pay the man homage, there were festivities held at the Malacañang. In the days to come, no military officer would have to account for the failure in security.

Eventually a fact-finding Board mandated by Marcos pronounced their indictment of the high-ranking military officials in the conspiracy as well as the cover-up of the assassination. The charges alone would have forced the voluntary resignation of any head of government without any citizen having to lift a voice in protest. But Marcos was beyond the pale of such civilized expectations.

Now the Sandiganbayan has begun seriously to disregard the findings of the Board, excluding it from their most crucial deliberations. What was the point then of the expense and effort of the Agrava investigation? The cycle of the "sarsuela" has gone full circle. And the people's anger has taken a more sinister turn.

The same sarsuela tactics stonewall against the pressures raised by the even more explosive issue of hidden wealth, with Marcos ordering a probe by one of his men even as he dismisses the basis of the exposé.

But the galling hypocrisy can take on another characteristic face. On the week of the local release of the exposé, Imelda Marcos was photographed on her knees with her hands in the soil, planting onions. By such example, she expects the poor to be able to help themselves and initiate national recovery. It may take awhile for hunger to drive men to desperate means, but the insult can quicken the pulse to sadness.

Foreigners have generally been disturbed when Filipinos tend to compare the evil of Marcos to that of Hitler. But what Filipinos had begun to realize was that Marcos does not have to be a Hitler. He has created his own diabolical mold. Marcos is Marcos. And he does not need to be anyone or anything else to be remembered in the same breath with the Hitlers of the world.

CSO: 4200/1514

PHILIPPINES

WEEKLY DEFINES ACRONYM, SUMMARIZES ACCOMPLISHMENTS

Quezon City VERITAS in English 4 Aug 85 p 4

[Article: "What Is Acronym?"]

[Text]

THE Anti-Cronyism Movement (ACRONYM) was launched last July 12 by several business, professional and women's groups in response to the *Mercury News* exposé naming the Marcoses, high government officials and businessmen known to be close associates of the Marcoses as investors in multibillion dollar properties in the United States.

ACRONYM believes that at this time when the Philippines is in the midst of a political and economic crisis of unprecedented proportions and thousands of Filipinos are actually starving to death, the officials and cronies involved in these massive investments should explain how they acquired the funds for such investments and failing that, should stand accused of the crime of economic sabotage against the Filipino people.

ACRONYM believes that the Marcos regime has lost its moral authority on the Filipino people and cannot lead our country out of its crisis. It should therefore resign to give way to a new government which truly has the mandate of the Filipino people.

To date, ACRONYM has accomplished the following:

- 1) Sponsored two pickets (July 11 and 19)on crony establishments, namely: PAL, Traders Royal Bank, Security Bank, Coco Bank, PNOC, the Atrium and the law office of Min. Juan Ponce Enrile
- 2) Sponsored a surprise mass action at the Batasang Pambansa on July 23rd where 150 "Impeach Marcos" banners were displayed inside the Session Hall while the Batasan was in session
- 3) Gathered 6,000 signatures calling for the resignation of Mr. Marcos
- 4) Written the government officials and cronies named in the exposé demanding an explanation of how they acquired the funds for such massive investments
- 5) Made available to the public Pilipino and Cebuano translations of the *Mercury News* report.

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PHILIPPINES

VERITAS ANALYSIS: MARCOS HAS NO OPTION BUT SNAP POLL

Quezon City VERITAS in English 11 Aug 85 p 4

[Editorial: "It Is Later Than We Think"]

[Text]

PEOPLE laughed when *Veritas*, as early as May 19, 1985, predicted that there would be presidential elections this year. People are no longer laughing, for all indications show that the snap elections will take place this November or soon after.

President Marcos, running true to form, said that the issue was not actually settled yet, that the decision would be made within the next month or so, depending on what the opposition will do in the Batasan.

The presidential demurrer, however, is a transparent ploy to keep the opposition guessing. For if he makes a categorical announcement that the poll will definitely be held this year, then the opposition could shift into high gear to put its unification act together.

Despite Mr. Marcos' attempts to keep the opposition off balance, all the signs point to an early election.

It has become increasingly clear that the national recovery effort has not gotten off the ground because of the fears of the international banking community and of potential foreign investors that the government is not stable enough. If it is not stable, it would be too risky to lend the country more money or to invest new capital here. Why throw in good money after bad?

What better way is there than for Mr. Marcos to prove that he is in control by calling early elections and getting a fresh mandate from the people? There is, to be sure, a serious element of risk in such a course of action. There is a distinct possibility, considering the temper of the times and the widespread disenchantment with the regime, that Mr. Marcos would lose.

But there are ways of dealing with that risk, or at least of minimizing it. For instance, Mr. Marcos could insure easy sailing for the KBL in the Comelec by appointing new commissioners whose sympathies for the regime are beyond doubt. For another instance, he could take steps to guarantee that he would have a cooperative Supreme Court.

When one considers the Philippine situation in its totality, one cannot but conclude that Mr. Marcos has no option but to call an early election. If he waits for the opposition in the Batasan to file impeachment proceedings, then, even if the proceedings do not prosper, they would be entered into the record and Mr. Marcos would go down in history as the only President against whom impeachment moves were made. In the face of his overwhelming hubris, Mr. Marcos will never stand for that.

Certainly, the presidential election cannot be held after the local elections as embodied by law. Nationwide disaffection with the present KBL leadership would indubitably result in serious reverses for the ruling party. This, in turn, would mean that the opposition machinery on the local level would be advantageously placed for a presidential poll. But if this poll were scheduled ahead of the local elections, then the reverse holds true. The KBL machinery is in place, and that of the opposition is in disarray.

Furthermore, there remains the uncertainty about the President's health. If he were to wait until 1987, there would be the risk that he may not be strong enough to cope with the rigors of a presidential campaign. How can an ailing President win reelection? And how can he hope to retain control over his men particularly if these men also have presidential ambitions?

The political weather vane points to an early presidential election because it would be to Mr. Marcos' advantage not to wait until 1987. This is even more true if, as so many people are inclined to believe, he wants Mrs. Imelda R. Marcos to succeed him. Now that he is still in control of the party, he can ram through her vice-presidential candidacy. It may not be so easy to do this if his control has started to falter.

At this point, it would be interesting to find out who Mr. Marcos' running mate would be. If the KBL fields a Marcos-Marcos ticket, then it would be unmistakably clear that the state of the President's health is not as it should be.

If Mr. Marcos handpicks a politician from the Visayas or Mindanao — say Deputy Prime Minister Jose Roño, to mention only one — then it would mean that he has every confidence of living up to his famous statement that he does not intend to die.

If he chooses a running mate who is acceptable to those with oppositionist inclinations but who may not be happy with the opposition's choice for a presidential standard-bearer, then he would be confessing that his victory is by no means the cinch that he proclaims it will be and he must wean votes away from the opposite camp to bolster his chances.

Who might such a candidate be? Coffeeshop scuttlebutt sees the name of Lt. Gen. Fidel V. Ramos repeatedly surfacing. He certainly has a lot of friends in the anti-Marcos camp. But the good general, *Veritas* has been told, is

just as repeatedly vehement in saying that he has no political ambitions.

With the signals coming in loud and clear that the nation must brace itself for a presidential election later this year or early next year, the people's attention turns to the opposition. What are its leaders doing to demolish the walls of division and forge a united front? If the election is held within seventy days, will it be ready to present one candidate whom the various factions can support wholeheartedly and without any reservations? Will the unification process be followed faithfully by all concerned, or will there be mavericks who will press their presidential ambitions despite the previous agreement?

It is later than we think. The opposition will do well to realize that – and to act accordingly.

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PHILIPPINES

REPORT ON PLANS, WEAPONS, CONDITIONS IN MNLF AREA

National Moro Conference 20-30 July

Quezon City VERITAS in English 4 Aug 85 p 13

[Article by Carolyn O. Arguillas: "The MNLF Is Alive and Well"; "In a press conference somewhere in Maguindanao, ranking leaders of the MNLF reveal new tactics and plans"]

[Text]

NOTWITHSTANDING official pronouncements that the rebellion in the South, caused by the then secessionist Moro National Liberation Front, (MNLF) was quelled after the government reportedly complied with the Tripoli Agreement of 1976 by granting autonomy to two Muslim-dominated regions - 9 and 12 - high ranking military officers assigned in Mindanao continue to refer to the MNLF problem as "down but not necessarily out." One officer even warned that the MNLF issue is "a dormant volcano that may soon erupt if government does not exert serious efforts to make good its promises."

The warning is well taken in the light of the resurgence of the MNLF as another force to contend with (the other is the NDF-CPP-NPA), the three factions under it notwithstanding: the Nur Misuari faction which is for secession; the Hashim Salamat faction which is for autonomy and which has recently changed its name to Moro Islamic Liberation Front; (MILF) and the MNLF Reformist Group, also for autonomy, which held an unprecedented 7000-

strong National Moro Conference last week. All three factions, however, are united by one goal: the implementation of the Tripoli Agreement of 1976.

The Tripoli Agreement, it may be recalled, provided what government refers to as the solution to the problem, but which, in the light of present circumstances, has been branded by the MNLF factions as a problem warranting a solution. The Agreement originally provided for autonomy for the Muslims in Southern Philippines, to include Basilan, Sulu, Tawi-tawi, Zamboanga del Sur, Zamboanga del Norte, North Cotabato, Maguindanao, Sultan Kudarat, Lanao del Norte, Lanao del Sur, Davao del Sur, South Cotabato, Palawan.

When Marcos issued Presidential Decree 1628 in 1977, he created two autonomous regions - 9 and 12, which, criticized for being a "farce" autonomy, do not include Davao del Sur, South Cotabato and Palawan. Marcos' ready answer then was that it was the will of the people that only the 10 provinces are included since a referendum was held, a move again questioned by the MNLF. None-

theless, the government announced that peace had been restored. One daily, however, said in its editorial in 1977 that "it was at best a modest triumph under the circumstances. Peace with honour - no matter how brief it will last - has been achieved."

Nothing much was heard about the MNLF after that, except newspaper announcements that it had split into three factions. Meanwhile, the other force - the NPAs, took the centerstage.

With the reported homecoming of the three factions' Chairmen, and in the light of the recent press conference held by the MNLF Reformist Group, political analysts say it is only a matter of time.

Added to this are reports of a possible MNLF-NDF tie-up, which although claimed to have been ongoing, requires only the procedure of formality. Emissaries have reportedly been sent from the NDF camp to the other and so far the only official stand of the MNLF party is that "the enemy of our enemy is our best friend, and the friend of our enemy is our enemy."

The height of the Muslim rebellion reportedly cost the government about US\$150,000 per day, scores of soldiers' lives every week and rendered some 60,000 civilian, rebel and military casualties.

Now that the MNLF is again making its presence felt and is determined to fight for their demands through the negotiating table or through armed struggle, the question most observers here ask is: Can the government cope?

ONE of the heavily-armed men sang as the long line of troops negotiated the trail from the "liberated area" to a campsite in the hinterlands. No, they were not soldiers, nor members of the New People's Army, but fully-armed regulars of the Moro National Liberation Front (MNLF) Reformist Group.

Most of them had to walk for days through the thick jungle of Maguindanao. At least 7,000 of them — members of the regular army, zone commanders, provincial Revolutionary Committee Chairmen, members of the Executive Council, traditional and religious leaders, other sectoral representatives from 13 provinces — trooped to a secluded area in the Maguindanao hinterlands unnoticed by government troops, for the unprecedented National Moro Conference last July 20-30. The purpose: "To strengthen the unity and solidarity of the MNLF Reformist, attempt to unite the 3 MNLF factions, and to program the political and economic aspects of the revolution."

Said Commander Carlos, Spokesman and Confidential Secretary to Reformist Group Chairman Datu Dimas Pundato Al-Haj (now reportedly in Pakistan): "We recognize that unity is another problem of a revolution-

ary liberation movement but we are committed to the task of uniting our people from the different sectors, not only of factions of the MNLF but the entire Bangsa Moro people. Unity is an indispensable condition sine qua non to the victory of our glorious revolution."

Admitting that they have the same objective as the MILF, the commanders of the MNLF Reformist say they only differ in theories and strategies. But MILF and Misuari's faction were represented in the Conference as observers, the commanders added.

"Nur Misuari's secessionist stand is unreasonable and unrealistic. Real autonomy for us is the only reasonable and realistic solution to our problems," said Commander Dante, Chairman of the North Kutawato Revolutionary Committee, and Chairman of the 1st National Moro Conference.

While it admittedly has "achieved some form of assistance from foreign governments and other international organizations sympathetic to the noble and sacred cause of our people, remember that the victory of our revolution is in the hands of our people. It is the responsibility of the Bangsa Moro people to free and liberate themselves, and as much as possible, not rely on outside assistance," Commander Carlos said in his address to the delegates from Basilan, Tawi-tawi, Sulu, Zamboanga del Sur, Zamboanga del Norte, Lanao del Sur, Lanao del Norte, North Cotabato, South Cotabato Maguindanao, Sultan Kudarat, Davao Sur and Palawan.

"All we want is compliance with the provisions of the Tripoli Agreement of 1976," the commanders told *Veritas*, "but what

did Marcos do? He proclaimed 'autonomous' Regions 9 and 12, which do not include Palawan, South Cotabato and Davao del Sur, in violation of the Agreement. Then Marcos says it was the will of the people because it was coured through a plebiscite. The plebiscite was a farce."

Commander Narra Abdul Jabbar, Zone III Commander of the Davao Sur Revolutionary Commander likens Marcos' proclamation of autonomous Regions 9 and 12 as "a black propaganda from the enemy of the people so as to show to the world that the government has complied with the Tripoli Agreement."

The Reformist Group's Political Officer, Hajji Nur, however, said that they will be grateful to Marcos if their problem can be solved during his term of office. "If Marcos cannot, then his name will be found in the dustbin of history."

Counting some 15,000 regular armed forces, the number, Narra says, does not include the militia. The weapons carried by the delegates and which they used during drills and exercises at the conference site include an array of M-14, M-16 armalites, M-60 machine guns, cal. .30 machine guns, AR 15, AR 18, M-203, M-79 grenade launchers, AK 47, carbines, garands, BARs, SIG machine guns, .50 cal, B-40 anti-tank, 81 mm mortar, 60 mm mortar, FAL, G-1, .45, .38, .357 Magnum and homemade M-79s.

Armed with these sophisticated weapons and fired with determination, the MNLF Reformist Group said it is confident it will win the struggle, along with the other factions.

"Victory or to the Graveyard," they shouted, "Anything in between, the struggle must continue."

Factions Air Complaints

Quezon City VERITAS in English 11 Aug 85 p 12

[Article by Carolyn O. Arguillas: "MNLF Conference--2: 'The Struggle Must Continue'"]

[Text]

ONE would think the armed men were members of the Civilian Home Defense Force (CHDF) — an indispensable presence in Mindanao towns — but this was a "liberated area," so the guide told a *Veritas* team which flew to the area recently. The few members of the CHDF freely mingled with the civilians. . . and the rebels of the Moro National Liberation Front (MNLF) Reformist Group.

There were rebels everywhere — in the mosque, the stores, the town hall, the houses — all armed with armalites, AK 47s, grenade launchers and other weapons. This was the area, guide said, where some of the 7,000 delegates to the unprecedented National Moro Conference on July 20 to 30 were billeted. Each household was host to a number of rebels, depending on the size of the house. The rest stayed in camp.

Children, women, the men, the old folks in their *malong*, went on with their usual chores, unmindful of the presence of the rebels. A civilian told *Veritas* they welcomed the holding of the Conference there because it was for the cause of the Bangsa Moro people. But it also was economically beneficial for them because the goods in their stores, and the food from the "carinderias" that have sprouted mainly for the Conference, were disposed of easily. "When they leave, there will be little business," the civilian added.

AT the conference site, cigarettes, warm softdrinks, candies and biscuits were being sold in makeshift stalls. Nearby, a handful of women in traditional Moro dress — some of them wives of commanders — were in a huddle. A few meters away was the wooden structure where the conference was being held.

Inside, the delegates from the 13 provinces, 12 in Mindanao and

Palawan in Luzon, took turns in pointing out the provisions of the Tripoli Agreement of 1976 which they felt were violated by the government. The delegates spoke in the dialect but translated the same to English for the benefit of the members of the press. They had come for an important task: "to unify their ranks, unify the factions, and prepare for the political and economic aspects of the revolution.

At each prayer time, they would invoke the help of Allah to guide them through the Conference, lead them to safety as they walk back to their areas across the boundaries, and more importantly, to help them win the struggle. *Allahu Akbar!* they chorused, ending the call with "Victory or to the Graveyard."

"Never mind if we lost about 60,000 people," a commander told *Veritas*, "for as long as we are not free, we shall continue with our struggle. We feel betrayed by the government. If we cannot live decently because our rights as a people are trampled on, we might as well die decently — for the cause of liberating our people."

"True, the government granted autonomy to two regions — 9 and 12," Commander Narra, Zone III Commander of the Ranao Sur Revolutionary Committee (RSRC) said, "but it was like a can. When you open it, it's empty. Cmdr. Mike Iqra, Chairman of the RSRC, Executive Council member and university professor until he joined the rebels 10 years ago, stressed on the need to strengthen their ranks to win the struggle. *Veritas*' guide, who turned out to be one Cmdr. Carlos Al-Haj, spokesman and confidential secretary of Reformist Group Chairman Datu Dimas Pundato assailed the "commercialism" of the surrenderees and returnees. "All of us are aware of the fact that most

of those photographed as 'surrenderers' were not members of the MNLF. It was simply a propaganda on the part of the government."

Cmdr. Dante, Chairman of the North Kutawato Revolutionary Committee (NKRC) related that of those real rebels who surrendered, most "were duped into returning to the folds of the law, with promises of land, scholarships and employment."

"Unlike the NPAs," the commanders added, "we do not entertain fears that those who surrendered or returned would turn up against us. The government should stop calling them commanders because they have already abandoned our cause and are therefore not members of the MNLF. They have joined the enemy, some have even enriched themselves, but they claim that they are working with the enemy for the benefit of our brother Muslims. You see, the worst crime that a Muslim can do to another Muslim is to do injustice to him. Allah will not permit that."

At one breaktime, Cmdr. Arullah, Chairman of the Expeditionary Forces and brother of Chairman Pundato told *Veritas* it was his first time to be photographed and to meet with the press. "I only realized the importance of the press when I saw the

movie *Under Fire*." While others may think that these rebels are out of touch with reality since they are practically in the jungles everyday, modern technology has its way of telling them what's happening beyond the jungle; through radios, cassette recorders, and occasionally, newspapers and magazines.

At another breaktime, the commanders showed *Veritas* the different kinds of weapons they use, identifying each and discussing its merits. When the magnum .357 was presented, they engaged in a lengthy discussion/lecture on why it could not be possible that a bullet from a .357 magnum could have killed Senator Aquino.

"Don't you think the government is just wasting money, time and effort on the Sandiganbayan trial? After all, everybody knows it was not Galman who killed Aquino," they added. "The government should address itself to the more immediate problems of the people, convince us that it is sincere in granting us autonomy in conformity with the Tripoli Agreement, convince us that we are really on the road to economic recovery by bringing back to the country all the dollars they have salted abroad, and not spend too much money, time and effort in convincing the people of the Philippines that the military did not kill Ninoy."

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PHILIPPINES

OPPOSITION PAPER DISCUSSES IMPACT OF DEBT, FOREIGN INVESTMENTS

Makati MR. & MS. in English 2-8 Aug 85 pp 16, 17, 18

[Article: "World Bank Report--\$3.1 Billion of Foreign Debt Used for Real Estate Investments Abroad"]

[Text]

On Oct. 16, 1983, the Marcos regime informed 483 creditor banks as well as official agencies of the U.S., Japan and Europe that the Philippines would no longer be able to pay its obligations. A moratorium on all payments was requested which remains in effect today. It was the first time in our history and we are the only Asian country to have done so.

A plan for repayment had to be worked out with our creditors. As a delinquent debtor country we virtually had no choice but to accept the austerity program and the sweeping structural adjustments demanded of us by our creditor banks, the IMF and the Paris Club.

The measures and the burdens that will now have to be borne by all sectors of society are completely unnecessary had it not been for our delinquent debtor status.

Our inability to pay our obligations was primarily caused by the massive transfer of resources by Filipino nationals to the U.S. and Europe.

Hidden wealth abroad, temporarily beyond our reach, is then the direct cause of the additional burden we now must bear.

Foreign borrowings stood at US\$25.4 billion in 1983; after our request for US\$3 billion in trade facilities, US\$925 million in new money and US\$225 in new deposits our total debt would amount to US\$29.7 billion by December, 1985.

Even if our exports would grow by 15% per annum which is highly improbable if not impossible, the 10-year repayment plan cannot be met. Additional borrowings will have to be resorted to.

As a consequence of our delinquent status we have to pay higher interest rates. Our new requests would have cost Thailand, Indonesia or Malaysia US\$56 million less in interest payments a year. Mexico, also a delinquent debtor country would have paid US\$100 million less for US\$10 billion.

SHARP RISE IN FOREIGN DEBT FROM '78-'83

The Mercury News exposé is indeed the tip of the iceberg. Professor Larry Sjaastad of the University of Chicago and the Graduate Institute of International Studies of Geneva conducted a study based on data from the U.S. Federal Reserve.

In 1980 alone, Mexico, Brazil, Argentina and Venezuelan foreign borrowings increased by US\$39.8 billions, while foreign assets acquired by wealthy individuals increased by US\$20.3 billions.

The total debts of these four countries amounted to US\$272 billions while 52% or US\$126 billions have been reinvested in the U.S. and Europe.

Sjaastad says: "The banks gave the money to the governments and they dumped it in the streets and the people picked it up and took it to New York. Savvy residents of the borrowing countries sensing an early demise of the order, borrowed the pesos, cruzeiros and bolivares and converted them back into dollars. They used the dollars to buy foreign assets that would be safe from confiscation when the reckoning comes. Ample resources exist, but these assets remain beyond the reach of government."

In the case of the Philippines, the sharp rise in foreign borrowings occurred from the period of 1973-83.

The World Bank reported in September of 1984 that out of the debt increase of US\$13 billions from 1978-83 US\$3.1 billions have been used for real estate investments and corporate acquisitions in the U.S.

Magdiwang estimates that foreign assets owned by Filipino nationals exclusive of growth of investments have a value of US\$16 billions as of December, 1984.

VIRATA PROPOSAL TO CREDITOR BANKS

Pursuant to our government's negotiations for additional borrowings to pay our arrearages and for a new repayment plan, Prime Minister Virata submitted his proposal for a program of recovery to the 483 creditor banks in November

1984. It outlines the intentions of the government and candidly assesses the prospects for the future and the burdens it intends to impose on us.

Some highlights and comments:

1. Virata admits to the bankers that we had a negative 6% growth in GNP in 1984, zero growth in 1985 and minimal 1% growth in 1986.

2. The regime's strategy is to concentrate on agriculture (which will set us back in our efforts to industrialize and modernize our economy) and the industrial component of the program is heavy reliance on the labor sector which will then have to bear the brunt of the program and no work stoppages may be done to endanger the program.

3. ₱6 billion in new taxes will be collected.

4. A new round of devaluation is very likely.

5. Official figures which have been kept from the public reveal that the overall balance of payments deficits that must be financed is US\$3.9 billion for 1984-85.

6. The pricing of the loan request is revealed for the first time i.e., the interest rates that will have to be paid is spelled out.

7. Virata gives the option to our creditors to convert private financial sector debt to a public sector debt.

8. Gold reserves will be sold to pay a part of our debt.

9. Virata promises a reduction in government spending and fiscal discipline.

EFFECTS & BURDENS OF PROGRAM

It must be emphasized that the Marcos regime had to agree to the austerity program and the specific measures outlined below in view of

the delinquent status of the country. The delinquency arose in turn from the deprivation of resources available for repayment of our foreign borrowings as a result of the massive transfers made by Filipinos to the U.S. and Europe.

The effect of the Virata proposal on the monetary policy will be:

1. A new round of devaluation which will result in a general increase in the level of prices with the greatest impact on transport fares, electricity and other utilities due to the currency adjustment component of these items. All sectors will have to bear this burden.

2. Restrictions in the growth of money supply will result in high interest rates which stifle economic activity. It will also prevent the Central Bank from supporting local banks leading to bank closures e.g. Banco Filipino, Pacific Banking, Philippine Veterans Bank. Sectors most affected are depositors, bank employees, stockholders, veterans, local government with deposits, and the business community.

3. Reforms in the financial sector favor the entry of foreign banks to the detriment of local banks. Mergers will be encouraged among local banks increasing the levels of unemployment. Banking, a strategic financial service, will be increasingly under the control of foreign institutions.

The effects on the fiscal policy will be:

1. New taxes which will have to be imposed in order to meet the conditions of the program include new specific taxes on cigarettes and liquor, gasoline taxes, the car registration tax, the tax on foreign exchange. The burden of these taxes will have to be borne greatest by the lower income groups such as the labor sector (agricultural and industrial), drivers, jeepney opera-

tors and the professionals. These indirect taxes are regressive in character and unjustly discriminate against the working class. The amount of taxes to be paid say for gasoline or a pack of cigarette will be the same irrespective of the income of the payer.

2. Removal of tariff restrictions. The IMF insisted on the removal of tariff restrictions on 927 imported items. This measure will flood the country with imported goods and deprive government of customs duties and would set back our import substitution programs.

3. Budgetary restrictions. As a result of our commitments to our creditors, fiscal discipline will be attempted by cutting down on social programs of government whose beneficiaries are normally the working class and lower income groups.

4. In the 1985 budget, ₱14 billions or 23% of the total national budget is set aside for the payment of interest and principal of our governmental borrowings. This largest item in the national budget prevents the granting of increases in the salaries of all governmental employees including teachers, policemen and the ordinary soldiers.

5. The amount of resources to be devoted to debt service in 1986 will perforce be higher as a result of the additional borrowings, the increase in the interest payments and the expected round of devaluation before year end.

Clearly, the burdens of the austerity program are to be borne by the ordinary citizen either by the payment of new hidden taxes, a reduction in the quality of governmental service, a reduction in the values of his income and savings or a universal belt tightening. The present state of affairs is intolerable. At some point, foreign assets

acquired by private individuals financed by the country's foreign borrowings must answer for the repayment of our obligations. There are grounds for optimism that this can be done successfully given a new dispensation.

Considering the parties involved, it is unlikely that any effort will be made in this direction. Thus, political action for the ouster and dismantling of this regime is imperative. **MM**

CSO: 4200/1514

PHILIPPINES

OPPOSITION ASSEMBLYMEN ATTACK MARCOS' BUDGET

Makati MR. & MS. in English 2-8 Aug 85 pp 30,31

[Article by Jose Ma. Nolasco: "Inside the Batasan: FM Seeks Authority To Spend P92 Billion"]

[Text]

PRESIDENT Marcos passes it off as "A Budget for Economic Recovery". To the Opposition, however, the proposed P92.9-billion expenditure program of the national government for next year should instead be dubbed "A Budget for the Election Campaign of the Kilusang Bagong Lipunan and Other Related Purposes".

So was the first salvo fired by the Opposition against the money measure President Marcos is asking the Batasang Pambansa to formally approve. Sponsored by his Cabinet, the proposed government budget for 1986 assumed top priority on the legislative agenda. Filed Monday, the bill has been referred to the Batasan Committee on Appropriations. After seven days of public hearings, the measure will be reported out on the floor for debates and deliberations. The KBL majority is slated to approve the bill in 30 days.

Even so, the Opposition assures the bill a stormy passage. Asked what is so objectionable about the proposed budget, Member of Parliament Ramon V. Mitra Jr. (Opposition-Palawan) replied: "Everything (about it)."

Going to specifics, Mitra cited the P15.3 billion in "unprogrammed appropriation" President Marcos plans to spend to take care of "possible contingencies", like, floods, typhoons, and other natural calamities.

Mitra strongly suspects the amount could well be "programmed" for "political" contingencies, like, say, the President's reelection bid. "The proposed appropriation is so huge as to be left entirely to the President's discretion to spend," the Opposition expert on budgetary matters said.

Notwithstanding the President's repeated pronouncements to the contrary, Mitra still considers a probability simultaneous presidential and local elections next year. In his State-of-the-Nation address at the opening of the Batasan second regular session last July 22, the President declared that local elections will be held as originally scheduled in May 1986, and the presidential polls in 1987. Even so, the KBL is bent on rushing the approval of the Omnibus Election Code by November this year.

Another lump sum the Opposition questions is the ₱10.9 billion earmarked as "national assistance to local government units". Administered by various ministries, the amount is intended for release to provincial governors as well as city and town mayors for financial aid, the building of roads, schools; and other health and agricultural projects.

"Pork barrel," Mitra called the appropriation. "The proposed funds can well be national assistance to local KBL candidates."

Aggravating the anxiety of the Opposition is the 30-percent increase to ₱8 billion in the allotment for defense spending. Taking into account all the expenditures for military operations and capital outlay, however, the new appropriations for the defense ministry and the armed forces come to a whopping ₱11.2 billion.

The official explanation for the additional funding is that the military has "suffered substantial under-provision during the past years". Still, the Opposition feels apprehensive. Barely two weeks ago, the President publicly announced the government is in no danger of falling into communist rebels who, he said, are in fact "beginning to surrender in droves". The Opposition thus asks: "What is the build-up in military troops for?"

Provisions for "unprogrammed appropriation", "national assistance to local government units", and defense spending add up to a hefty ₱37.4 billion, two-fifths of the proposed national budget. This leaves hardly anything for government social and economic services like health, labor and employment, housing and community development, water and flood control, and power and energy. At any rate, it is officially admitted that two-

thirds of the budget is "not specifically allotted for basic needs".

Indeed, one-fourth of the budget is set aside for foreign and local creditors. Debt service alone run to ₱23.5 billion for the payment of maturing loans and interest charges. On top of this, ₱10.2 billion in lending account is provided government corporations "in anticipation of their failure to settle their liabilities".

After deducting all the above proposed expenditures, how does the President plan to spend the remaining one-fourth of next year's budget? The Office of the President is allotted ₱1.4 billion, and the Judiciary, Tanodbayan, and other constitutional offices, ₱1.6 billion. The Batasan which will approve the budget gets a 50-percent raise in funding to ₱300 million. The rest of the money pays for the salaries and operating expenses of various ministries, and state colleges and universities.

Still, MP Mitra pointed out, there is no way of finding out whether that is exactly how lopsided priorities in government spending will be next year. This is because of Presidential Decree No. 1177. Through the decree, Mitra explained, the President empowered himself to juggle all the funds and spend these any way he pleases.

In other words, Mitra said, the maze of figures and accounting tables contained in the three-volume, 1,002-page presentation of the 1986 budget Prime Minister Cesar E.A. Virata and other Cabinet officials submitted to the Batasan can be reduced to one sentence: The President is hereby authorized to spend ₱92.9 billion out of the government coffers and taxpayers' money.

So as not to render the floor deliberations of the budget an

BUDGETARY PROVISIONS FOR BASIC NEEDS, 1985-1986				
PARTICULARS	LEVEL (In million pesos)		PERCENT DISTRIBUTION	
	1985	1986	1985	1986
AMOUNT SPECIFICALLY ALLOTTED FOR BASIC NEEDS	28,645	32,060	34.2	34.5
Education, Culture, and Manpower Development	10,602	11,592	12.7	12.5
Economic Base	2,010	2,035	2.4	2.2
Mobility	7,589	8,729	9.1	9.3
Food	2,437	3,125	2.9	3.4
Medical Services	3,160	3,863	3.8	4.1
Ecological Balance	1,848	1,828	2.2	2.0
Power	623	268	0.7	0.3
Water	57	107	0.1	0.1
Shelter	251	445	0.3	0.5
Sports and Recreation	35	53	0.0	0.1
Clothing	33	15	0.0	0.0
AMOUNT NOT SPECIFICALLY ALLOTTED FOR BASIC NEEDS	55,010	60,840	65.8	65.5
GRAND TOTAL	83,655	92,900	100.0	100.0

exercise in futility, Mitra disclosed the Opposition will move Monday next week for the repeal of the decree. The Opposition, he said, will compel the Committee on Appropriations to report out for floor consideration six bills and two resolutions calling for the restoration onto the Batasan the sole power to control the purse strings of government.

Chaired by Budget Minister Manuel S. Alba, the Committee on Appropriations has pigeon-holed and sat on these proposed legislative measures for almost a year. Only if the Batasan will positively act on these bills and resolutions will the august assembly be able to curb wasteful spending in government, Mitra said.

Never wont to diminish the existing powers of the President and its leader, the KBL majority is certain to block the Opposition motion to discharge the committee.

The issue is bound to delay the passing of the budget bill. And should the Batasan fail to approve the money measure in 30 days from its filing, PD 1177 provides that next year's budget will be the same as this year's. The 1985 budget amounted to P83.7 billion.

Notwithstanding the impending postponement of floor debates on the budget, Opposition MPs continue to brush up on the intricacies of government spending. One area they are looking into is on the ways and means the national government plans to support the gargantuan outlay for next year. Since expenditures are projected to outstrip revenues by P6.9 billion, the Opposition fears the government may again have to resort to local and foreign borrowings to finance the budget deficit.

While most of the Opposition MPs knit their brows trying to decipher all the jargon and

gobbledygook of the budget, one of their colleagues recently just gave up. He simply can't understand the whole thing, he complained to Prime Minister Virata. "Well, you just simply have to do a lot of reading and study your budget," the gray-haired technocrat told him.

Before they all give up, the Opposition MPs have summoned the expertise of leading academicians of the University of the Philippines School of Economics to help them find the answer to one basic question uppermost in their minds: Will the President's proposed budget really lead to economic recovery as he claims it will? **MM**

CSO: 4200/1514

PHILIPPINES

WEEKLY LINKS COJUANGCO TO AMWORLD SCANDAL

Makati MR. & MS. in English 2-8 Aug 85 pp 32, 33

[Article by Erness Sanchez: "What's AMWORLD and Why Are They Saying Terrible Things About It?"]

[Text]

THE communications sector is buzzing with speculation about the entry of Amworld and the exit of Rockwell Collins in the multi-million dollar communications equipment deal.

Aside from the millions of dollars worth of defective military hardware lost by the Armed Forces of the Philippines because of the Rockwell Collins-Joint United States Military Assistance Group (JUSMAG), the deals were completed because of the new company's alleged influence which is reported to reach all the way to the top.

The confidential report showed that the supposed owner of Amworld was Raymond Moreno. Moreno, it was revealed, was the last of the local big time suppliers to the AFP. His former associates Alex Lina, Danny Suarez and Romy Santos have been black-listed by the Ministry of Defense.

Moreno, the confidential report revealed, remains active "partly because of his strong connections with Ambassador Eduardo Cojuangco. Cojuangco is supposed to be his *ninong* (godfather). It goes on to

say that Moreno is a major supplier of communications equipment to San Miguel Corporation, United Coconut Planters Bank, and UNICHEM. All these companies are listed as almost completely controlled by Cojuangco. The report added that Cojuangco used his influence to obtain approval of the Amworld contract through President Marcos.

Amworld was also reported to have teamed up with former Equitable Bank President Edna Camcam. She provided, as the report described, the vital link between Amworld and General Fabian Ver, AFP chief of staff (on leave).

In a telephone interview Moreno branded these reports as "an orchestrated plot lodged by my foreign competitors to discredit not only me but all genuine Filipino entrepreneurs who braved to do battle with the multinational companies". He said that he was not surprised by the orchestrated maneuver which had political overtones because in this business foreigners take advantage of their American influence to defame any Filipino

willing to invest and compete with them.

"What good is there to deny these charges, when the entire Filipino nation is bombarded with releases about the mighty multinationals," he asked. He continued, "People in glass houses do not throw stones, I have learned to live with all the garbage these foreigners throw at me."

Moreno pointed out that he sold his majority stockholdings to John J. Ward last year. He explained that it was true that he services San Miguel Corporation, United Coconut Planters Bank and Unichem. But he added that aside from the three firms he also services Philippine Long Distance Telephone Company, Allied Bank and hundreds of others which require high-tech equipment because of the capabilities of the company and not because of influence with their owners. "I have never asked Cojuangco, Camcam or Ver, or anybody else to talk to President Marcos because I would rather have friendly relations with everybody in the business community," he stated. "As for Cojuangco being my *ninong* I challenge anyone to come out with such papers."

The communications businessman said, "all my life I have devoted to my business concern without the slightest inclination towards politics. A businessman would tell you that it is better to remain neutral in these times because the situation dictates it."

It was revealed that because of the bitter corporate war between Rockwell Collins and Amworld ensued mudslinging battle between the two companies. The Amworld officials disclosed that after the firm won over Rockwell Collins a grand jury investigation followed. They said the grand jury investigation may also have been orches-

trated by the same people bent to destroy Amworld and its Filipino-allied firms.

The report noted that Amworld was closely allied with Questronics, ESI (Amworld's local representative), Telecon Satellite and Radionet. Another report showed that Rockwell Collins was allied with Avantech and other U.S. firms. It would seem that the Amworld deal was better than the Rockwell Collins deal because the former gave more technical assistance. Amworld's package included a turn key scheme. A turn-key scheme obliges the supplier to bear all the risks until the end-user or client deems the systems operational.

Amworld agreed to provide on a turn key basis the engineering, equipment supply, installation and delivery of the project on the Mindanao Spurs Communication Systems (MSCS). The contract was originally placed at \$8.082 million. The contract was expanded by amendments which included Amendment I involving the MSCS-1 relocation of microwave link sites and increasing the material components at a cost of \$2.484 million.

Amendment II incorporates the radio automatic direction finding system (RADFS) and the mobile telephone system (MTS) at a total value of \$4.198 million.

Amendment III is the original Amworld contract incorporates of the Northern Luzon Microwave Communications System (NLMCS). The package was worth \$2.3 million.

A report made in 1982 by Colonel Constantino Bravo, deputy Army chief of Communications-Electronics, concluded that in the light of more urgent AFP operational requirements still existing for other basic items yet unfilled the limited Foreign Military Sales

Credit (FMSC) funds currently available the proposed Amworld RDF project is considered of low priority and its cost quite high.

Bravo recommended that the AFP enter into contracts directly with U.S. equipment/systems manufacturers to minimize and to avoid extra mark-up costs of third parties.

Bravo said mobile telephone systems proposal was submitted by Amworld prematurely since the AFP still requires so much time to establish the specifics of its requirements.

The Philippine Army colonel pointed out the AFP does not require that the additional Mindanao Spur Links project as proposed by Amworld be on a turnkey basis. The project, he explained was just an add-on project to the various on-going projects being implemented by AFP in-house expertise. He also cited many possible inconsistencies that may be encountered considering the on-going efforts in the equipage of the AFP fixed communications systems being developed.

He also revealed that the AFP objective is the maximum development of its self-reliance not only in the implementation of its new system projects but most essentially in long range operation and maintenance of the same. There was also a need to promote economy in its projects implementation on items of equipment required in the framework of its capabilities, he stressed.

The Amworld contract is a firm-fixed price contract which did not involve major defense equipment. Amworld was paid a downpayment

of \$6 million and completed the shipment and delivery of all materials to the AFP covered by the contract and had performed the required services. In the report Amworld is entitled to an accrued amount of \$8.4 million as progress payments representing 35 per cent (upon the shipment of materials from the U.S. and 15 per cent (upon the arrival in RP) of the contract price.

Amworld submitted the billing statements to the Philippine embassy in Washington. The Defense Security Assistance Agency has withheld the release of the payments pending its audit. It was specified that the audit was a routine function.

In the report it was disclosed that the delay of the progress payments of Amworld was seriously jeopardizing the completion of installation of the systems procured by the AFP. It added that materials now in possession of the AFP have started to deteriorate and have to be immediately installed and operated.

The report said these communications systems are vital to national defense and the security of the country.

The funds used for the Amworld project were drawn from the Foreign Military Sales Credit (FMSC) package after the military aid program package was completely withdrawn by the government. The FMSC is a loan which carries a 14 per cent annual interest charge and will be paid in 1991.

The grand jury findings will finally end speculation on the Amworld sales deal. **MM**

**AMWORLD
CONFIDENTIAL PROFILE**

1. COMPANIES

- a) **AMWORLD, INC.**
200 Valley drive
No. 36 Brisbane, CA 94005
- b) **QUESTRONICS, INC.**
200 Valley Drive
36 Brisbane, CA 94005
Tel (415) 462-1634
Telex 17-6325
- c) **ESI, INC.**
2298 Pasong Tamo Extn.
Makati, Metro Manila
Tel. 815-9801
Telex 722-22376 PH TMC
- d) **TELECON SATELLITE
OF AMERICA, INC.**
44 Montgomery Street
Suite 500
San Francisco, CA 94104
- e) **RADIONET**
2298 Pasong Tamo Extn.
Makati, Metro Manila
Tel. 815-9801

2. KEY PERSONNEL

- a) **RAYMOND MORENO-Owner**
McKinley Road
North Forbes Park
Makati, Metro Manila
- b) **JOHN WARD, Vice President**
No. 2 Tangob St.
Alabang Hills Village
Muntinlupa, Metro Manila
Tel. 842-2249

3. AMWORLD OFFICERS:

- a) **JACK SKAFF,**
V.P. Special Projects-America
Executive Hills Subdiv.
Taytay, Rizal

Formerly connected with the
infamous Investors Overseas
Service (IOS) with Bernie
Cornfield & Bob Vesco.

CSO: 4200/1514

PHILIPPINES

NEGROS BISHOP ON SUCCESS OF FOOD AID DRIVES

Makati MR. & MS. in English 23-29 Aug 85 pp 21, 22, 23

[Article by Francoise Joaquin: "Feeding Centers and Smiles of Children"]

[Text]

HE stands patiently in line, his tattered sando three or four sizes too large for him, his small dirty hands clutching a faded plastic bowl. The ladies in their cool neat dresses ladle rice porridge into his expectant bowl, and he retreats to a corner to sip at the steaming *lugaw* in peace. For a while, the world belongs to the little boy and his filled bowl, and hunger is a little farther away.

In another part of town, Bishop Antonio Fortich puffs at his pipe, and voices an optimism still new to the province of Negros, only a couple of months back imaged with starkly protruding ribs and matchstick limbs. "I see the kids," he muses, "scattered like wildflowers." And, thanks to a public that continues to respond to the plight of a young and wasted Joel Abong with donations of money, food, and time, the flowers' fragile stems are less easy to break.

Already, the "squatter bishop" (as he has proudly tagged himself since the burning of the Bishop's Palace) estimates that his feeding centers have been flooded with over a million pesos from a variety of donors, including Cory Aquino's

raise-a-million campaign, the Chito Foundation, Malaya, and Business Day. At least 25 feeding centers have sprouted throughout Bacolod City alone, and the monsignor claims that some 20,000 children benefit from the program, known in the diocese as the Mutual Aid and Trust Fund Pagka-on Project.

Each of 470 families receives a kilo of rice daily, equivalent in a week to a total of 3290 kilos. According to Fr. Armand Union, described by one of his superiors as the project's "leg man", the parish purposely planned it as to avoid a dole-out system. Instead, in exchange for the rice ration, each family contributes two pesos a day for the three-month span of the program. By the end of the three months, the parish will have collected almost P85,000 — an amount it hopes to have doubled by certain agencies. The resulting P170,000 it envisions to be used to sponsor a livelihood program for the same 470 families. Declares Bishop Fortich, "Negros is in a state of emergency but needs something permanent — a permanent way of helping people."

The immediate need, though,

is to fill bellies, most of which belong to rural and urban poor children who have never known the replete and groaning tables of the hacendero elite. "We've prioritized malnourished kids," Fortich explains. "Some have increased several pounds over four months." Aside from a veggies diet of mongo and other nutrition-packed greens, the children are given four pounds of milk a week. The bishop's hand sweeps the air as he announces, "We have saved hundreds already."

And then, of course, there is what he calls "the language of the fund-raising": *lugaw*. Every Tuesday and Friday, urban barrios are treated to a fiesta-like mood as children (and the occasional adult) gather around heavy cauldrons manned by volunteers from religious and civic organizations.

Friday morning in one such barrio, and one stumbles upon a scene of milling tots, mostly dirty and bedraggled, but with wide-eyed expectation clear from behind the grime. Matrons from the Mother Butler's Guild are bee-busy as they wield soup ladles, long having given up attempts to keep count. Each child carries off two ladles of the porridge, today mixed with shredded chicken, carrots, cabbage, and Baguio beans. On other days there is pork or fish; sometimes buns are served.

Wooden benches are scattered randomly, and are immediately converted into impromptu table-tops, with short rows of children lining their lengths. Some of the youngsters have spoons, others drink directly from their dishes. One little boy spends five minutes blowing on his *lugaw* before working up the courage to sample it. All of the children eat slowly, in deep concentration, as though to stretch the meal out till afternoon.

One mother asks, "*May ganito ba kayo sa Maynila?* (Do you have this sort of thing in Manila?)." Not like in Bacolod, she is told. She breaks out into a grin and replies, "*Ang suwerte namin, no?* (We're lucky here, aren't we?)." An observer remarks, "Ah, blissful ignorance!"

But there are others who know exactly what is going on — and many of them have taken to the hills. Bishop Fortich states that the insurgency is growing, and speaks of the hundreds that camp outside the cathedral doors, protesting harassment by the military. "It is not that I am sympathetic," he explains, "but the insurgents have a way of convincing the government to look into the exploitation of poor people." He believes that, if not controlled, the situation within Negros may serve as fuel for possible revolt. If, however, the government institutes far-reaching reforms, Fortich maintains that there is hope. "The problems cannot be solved by bullets," he opines, "but by massive socio-economic programs."

But there is little time, and the city is concerned about the feeding of the hungry — hopefully, not just for a day. When a malnourished child is considered out of danger, he "graduates" from the feeding program — but not before his family has been schooled in proper nutrition at workshops conducted by the parish. This, coupled with livelihood training programs, lends tentative optimism to what once approached panic.

"I predict this," the monsignor leans forward in a cloud of pipe smoke. "That if the planters diversify crops, Negros will no doubt become the bread basket of the Philippines." In fact, with the collapse of the sugar industry, diversification has become the day's

motto, and in at least one sugar central, the sugarcane volume has dropped by 40 per cent within the space of a year.

The children, though, know nothing of world market and the law of supply and demand; they know only when their stomachs are empty. Partly because of public donations, hunger has been alleviated. The money has gone to, among other things, the smiles of children, and we can pride ourselves on that. It's just too bad that we didn't do it sooner. Right, Joel? **MM**

CSO: 4200/1514

PHILIPPINES

OPPOSITION TARGETS ENRILE OVER HELICOPTERS DEAL

Quezon City VERITAS in English 11 Aug 85 pp 5, 10

[Article by Joaquin G. Bernas, S. J. in the "Occasional Reflections" column:
"Of Libel and Helicopters"]

[Text]

MINISTER Juan Ponce Enrile has made it known that he is filing both criminal and civil charges of libel against officers of ACRONYM who he claims were conspiratorially responsible for a rally placard which proclaimed: *Ponce Enrile: WHAT WAS YOUR CUT IN THE PURCHASE OF SIKORSKY HELICOPTERS?*

At least two basic questions are crucial to the case: (1) Who were responsible for the placard? (2) Was the message of the placard libelous?

Minister Enrile reports having received a letter from officers of ACRONYM demanding an explanation of the accusations made by the *San Jose Mercury* and warning him that, should he ignore the demand, pressures would be stepped up for his resignation and that he would be held accountable to the people for the misuse of public funds. From this letter the conclusion was drawn that the signers of the letter had conspired to design and display the offending placard.

It seems to me that if the letter was a conspiracy at all, it was a "conspiracy" to exercise the constitutional right to petition the government for redress of grievances. It may indeed have been a "conspiracy" to hold a rally; but was it a conspiracy to design and display libelous placards? If the organizers of a rally must be held responsible for everything that happens and everything that is said during an otherwise legitimate rally, then, by the same token, the Commander-in-Chief of the security force charged with legitimately protecting Ninoy Aquino on the day of his arrival last August 21, 1983, must be held conspiratorially responsible for the failure of the

security officers to accomplish their task.

So must the Minister of National Defense. And if it turns out that one of the soldiers assigned to the task pulled the fatal trigger, the Commander-in-Chief and the Minister of Defense must accept the blame for the fatal bullet.

An intriguing aspect of the affair is that while the weekly journal *Mr. & Ms.* was without doubt clearly responsible for giving publicity to the offending placard, — with the suggestive caption "What are we in power for? — Minister Enrile does not include *Mr. & Ms.* as a respondent in the case. Why? The explanation the Minister gives is that he respects freedom of the press. But the guarantees of freedom of the press and freedom of speech and of the right of the people to petition the government for redress of grievances are all contained in one and the same provision. If the Minister respects the freedom of *Mr. & Ms.* to proclaim what others were proclaiming, why not the freedom of others also protected by the same provision?

The Minister also says that he is suing not as a public officer but as a private citizen. As if the Sikorsky allegations made against him had been occasioned by his actions as a private citizen! Precisely, the interest the citizenry has in his financial position is focused on the fact that he is a public officer suspected by some of having amassed wealth by reason of his office.

Briefly, then, the citizens who entertain such suspicion may be wrong. But these same citizens have no interest in him as a private citizen; their interest

is in Ponce Enrile as Minister privileged to belong to the circle of power. The citizens are also interested in knowing why as a public officer he is concerned about the immunity of *Mr. & Ms.* but not about the right of others guaranteed by the same constitutional provision which he says protects *Mr. & Ms.* And certainly the citizens would like to know if an agreement to "conspire" to assert the constitutional right to petition for the redress of grievances must be blamed for any and every immoderate cry for relief made in the course of an activity designed to assert the constitutional right.

Finally, what of the truth of what the placard suggests? The answer to this question may be found in the files of the Minister of National Defense. It will be to the benefit of the public if the truth of the whole affair, fall where the chips may, could be publicly ventilated. The Minister may well be innocent of any wrong-doing; but if others are guilty, they must be exposed. If for nothing else, the Minister's suit is a welcome event.

CSO: 4200/1517

PHILIPPINES

COLUMNIST: LAUREL BID SPLITS OPPOSITION

Quezon City VERITAS in English 11 Aug 85 pp 5, 10

[Article by Melinda Quintos de Jesus in "The Human Factor" column: "A Plea To the Opposition"]

[Text]

PERHAPS one should have been cheered by some of the Opposition's response to the announcement calling for snap presidential elections. Salvador Laurel was particularly enthused and issued a public statement: "The opposition is ready for election and so are our people who have already rejected his repugnant regime."

Well said. Sounds good. But some people have problems sharing such optimism. It is a little hard to believe that the timing of the snap polls can favor anyone but Marcos. The puppet master is pulling the strings. It is his script and his music.

Typically then Laurel's words were spoken with the usual bravado. But people find little comfort in bravado these days.

The sudden call for election strikes the public as another devious ploy in the game that Marcos plays so well. Opposition leadership cannot afford to be so cavalier about the issue unless they are playing the game themselves. And the problem is simply too serious to be reduced to gamesmanship.

And perhaps that is why some people are so disturbed by Mr. Laurel's determined candidacy.

In such a short time, he has shown himself a reluctant teamplayer. There are those who feel that he will run at all costs, even if it means splitting the Opposition's bid and splintering the Opposition resources in a three-way electoral battle.

Is this an unfair judgement?

The stinging criticism seems substantiated by the attempts of Doy and his

supporters in the Batasan to secure the dominant Opposition Party status, undermining the National Unification Committee as the new Opposition alliance. The bill was filed June 6, a day before the first session of the Batasan adjourned. Whatever technical arguments to support the Unido stand, the move reflects a total disregard for the efforts at unification and for the coalition structure which Laurel himself had set up.

Ambition seems to have overtaken all other intentions. There is a touch of the same hubris that has made Marcos such a ruthless politician.

To point this out is not to savage the chances of the Opposition against Marcos. It is to force the Opposition to submit to a process by which the best of them, the most able and most deserving can emerge to lead the people who want to end the Marcos rule.

It is a man or woman of rare humility who would not as a politician wish upon the presidency. In the corridors of power, the temptation is ever present to see oneself as the possible savior or messiah. But the ability to set aside the self for the greater good is the substance of statesmanship. Ironically, those who would deny their own ambition are probably the ones who possess the personal qualities necessary to lead the nation to recovery, and possibly, to greatness.

Unfortunately, the eager search for a candidate against Marcos restrains most people from critically evaluating the individuals who now present themselves as an

alternative to Marcos. But that would be a tragic failure. Now, more than ever, Filipinos should be more judicious, more discerning, and more demanding in their selection of the person who will take up leadership. As someone put it: We must survive, but we must survive with dignity and with honor.

It would be difficult not to support the person chosen by the Opposition -- whoever he may be. Which is why we make public our plea -- that the individual be chosen with the people's best interests in mind, that the individual be the kind of person who can inspire by his example, who can draw out the best in the Filipino and harness the rich human resources of this country to the tasks of recovery.

If the Opposition should choose Doy Laurel, so be it.

But it will take much fence-building on the part of Laurel to make the vote for the man more than just a negative vote for Marcos.

CSO: 4200/1517

PHILIPPINES

WEEKLY URGES OPPOSITION CHOOSE PRAYER, NONVIOLENCE

Quezon City VERITAS in English 25 Aug 85 p 4

[Editorial: "Politics of Morality vs. Politics of Greed"]

[Text]

JAIME L. Cardinal Sin preached the homily on the day that Ninoy Aquino was laid to rest two years ago. In that homily, the prelate described the Filipino as an exile in his own country, a man who was thirsting for the Philippines he once knew, not the Philippines when his rights were being trampled upon.

One year later, on the first anniversary of Ninoy's death, and speaking from the same pulpit, Cardinal Sin commented that the protest demonstrations and the cries of anger and outrage had remained unheeded. And the Filipino, despairing and shorn of all hope by an unfeeling, insensitive leadership, called to the heavens for relief. "Lord, Lord," he cried out in anguish, "give us joy to balance our pain for the years when we knew misfortune."

But the joy did not come, and the pain the people felt continued to bite into their living flesh. As the Cardinal so aptly put it in his homily on the second anniversary of Ninoy's brutal murder, "The cry of widows and orphans continues to be heard throughout our land, while justice for Ninoy and other victims continues to grope in a labyrinth of deception."

Deception — that is the key word. Specially after Ninoy was sent sprawling on the tarmac, the national leadership has fed us with a steady diet of lies and prevarications, of half-truths and distortions. Two years after the assassination, the killer of Ninoy still does not have a face. And, after viewing the elaborate rigmarole that masquerades as the so-called trial of the century, no one now seriously believes that that killer will be identified.

Deception, indeed, is the hallmark of the present government. There are too many examples of this deceptiveness and there is no need to repeat them.

What is the way out for a people in distress? Cardinal Sin in his homily at the Santo Domingo Church last Wednesday spoke of a "new politics founded on the morality of justice and truth." It is a politics, he said sadly, that the present leadership has failed to adopt, preferring solutions based on the traditional politics dictated by "power and greed."

Declared the Cardinal: "We have reached the limits of our human capacities to solve our problems. Is it not time, then, to turn to God?"

There are many among us, of course, who will scoff at the Cardinal's proposal. But, when we come right down to it, do we have any other options at this point?

Surely, we cannot adopt the politics of violence. That kind of solution would be worse than the problem it seeks to cure. It would mean bloodshed; it would see brother pitted against brother in an orgy of death and destruction.

Neither can we just coast along, watching Mr. Marcos commit excess upon excess, in the futile hope that he would one day see the light and accept the truth, however painful it may be, that he has forfeited the right to lead because the people no longer believe in him.

Mr. Marcos, it is clear, has absolutely no intention to give up the power that he has built up over the interminable years of his rule. When some oppositionists in the Batasan had the effrontery and the unspeakable gall to file an impeachment resolution, he activated the KBL juggernaut and ran roughshod over them. So completely subservient were his minions in the Batasan that they did not even bother to examine what evidence the oppositionists had. They simply threw out the resolution. And so intoxicated were they with their own sense of power that they are now talking of bringing perjury charges against the oppositionists!

If we rule out an armed confrontation — and we have no choice but to do that because a civil war (and here again we quote Cardinal Sin) "is the biggest calamity that can be visited on a people" — and if we believe that Mr. Marcos will never voluntarily relinquish his position, what else is left?

Only the spiritual option, the option that is so beautifully expressed in the Mass and which Cardinal Sin so eloquently equated with the problems besetting us.

We can pray, as we do in the Confiteor, that President Marcos will have the humility to admit that he has sinned against his people and his country. We can pray also so that he will give up his overweening pride and stop saying that there is no other Filipino who is capable of getting the Philippines out of the mess it is in. Who put our country in that mess in the first place?

We can pray, as we do in the Offertory, that he will use his considerable talents to help his suffering people. Today, he helps only himself — and his cronies.

We can pray, finally, as we do during the Gospel, that he will pattern his life after that of Christ, He who was willing to die so that we might all get a new life. We do not ask Mr. Marcos to make the same sacrifice; we simply pray that he will manifest the same love that Christ did.

We repeat, there will be those among us who will jeer at the spiritual solution. We are not saying that the impeachment resolution should not be re-filed, or that the peaceful demonstrations should be given up. Let all these gestures of protest be kept up, but at the same time, let us turn to God.

What does it matter if the skeptics scoff? To those who do not have faith, no explanation is possible. But to those who have faith, no explanation is necessary.

THAILAND

CONFLICT AMONG PREM AIDES, INTERVENTION OF SENIOR OFFICERS

Bangkok CHAT ATHIPATAI in Thai 27 Jul-2 Aug 85 pp 12-16

[Article: "The Movement Among Aides--'What Is Going On?']

[Text] "What is going on? Why have they used the signatures of senior officers? How can they have dared to use the signatures of senior people as a tool? They have gone too far," said Gen Athit Kamlangek, the supreme commander and RTA CINC, through Maj Gen Naritdon Detchapradit, the secretary of the army, when he learned about the turmoil at Ban Sisao [Prem's residence]. The two factions have distributed leaflets attacking each other. One faction forged the signature of Gen Athit to an order removing Maj Bunsup Khotcharat, the head of Gen Prem's security unit, from his position.

The conflict between the aides and staff officers assigned to senior officers such as Gen Prem and Gen Athit has been going on for a long time. This conflict first broke out among aides and staff officers assigned to Gen Athit. It then spread to those attending Gen Prem.

The Conflict at Ban Sisao

Prior to this, mimeographed leaflets were distributed to reporters. These leaflets attacked aides to Gen Prem at his Sisao residence. But this did not amount to anything more than gossip in various newspaper columns.

But later on, a two-page leaflet was sent to the DAILY NEWS. This leaflet charged that Maj Bunsup Khotcharat, the head of Gen Prem's security unit, was engaged in corruption and that he had used the name of Gen Prem to make illegal profits. A third leaflet was an order over the forged signature of Gen Athit Kamlangek, the supreme commander and RTA CINC, and Maj Gen Naritdon Detchapradit, the secretary of the army, transferring Maj Bunsup Khotcharat back to his original unit.

In response to this latest leaflet, Gen Athit, who received word of this while in the United States, said in exasperation, "What is going on?" On the afternoon of 17 July, Gen Prem, the owner of Ban Sisao

and the boss of these officers, held a meeting with all the officers who attend him, including approximately 50 staff officers, in order to solve this problem.

"I think that things will improve now that Gen Prem has talked with them. But there will be problems again in the near future since this is a long-simmering conflict that concerns profits," said a field-grade officer who is close to Gen Prem.

Besides being the prime minister, Gen Prem Tinsulanon also holds the position of minister of defense. Because of this, he has many officers to serve him, including both aides and staff officers.

But even though he has many officers to serve him, there is a clear division of responsibility. The team of staff officers attached to the prime minister is headed by Lt Gen Chawalit Yongchaiyut, the deputy army chief of staff. His assistant is Maj Gen Mongkhon Amphonphisit. Maj Gen Chao Khongphunsin serves as aide to the minister of defense.

Col Ut Bungbon and col Phairot Phanitsamai are in charge of the aides to the prime minister. Maj Bunsup Khotcharat and Maj Mongkhon Phongphaokhlai head the security unit. Other aides include Police Cpt Kriangsak Chaiyachumphon, Police Cpt M.L. Kitibodi Prawit and Police Cpt Khachonsak Kriangsakphichit.

Does This Stem From Profits or Personal Reasons?

"Actually, this conflict doesn't amount to very much. At first, it was a personal matter. For example, Gen Prem may have relied on this or that person and so the others felt that that person was currying favor with Prem. But Gen Prem can't be blamed for this since he will use whoever is most suited to the task at hand. For example, whenever there is a political matter, he will call in Lt Gen Chawalit Yongchaiyut and Maj Gen Mongkhon Amphonphisit. Col Phairot is responsible for serving Prem in place of Col Ut. These two people are responsible for handling the personal affairs of Gen Prem. Maj Bunsup is responsible for the safety of Gen Prem," said a colonel about this conflict.

As for the matter of profits, another officer who is close to Gen Prem and who knows what is going on said that others don't feel that this amounts to very much. This started when a major saw that a colonel had issued a quota for Mekong and Hongthong whiskey to relatives in Nakhon Sithammarat. This major wanted in on this, too, and so he hurried to ask for a quota. But when his request was turned down, he felt that the colonel had blocked him. Thus, the conflict grew worse. The colonel charged that the major had joined forces with a major general, who provided support. And so they divided into groups. The three police officers became angry with the major because he prevented them from accompanying the prime minister. He did this because he felt that they were too animated in their actions and that this was harmful to the image of their boss.

"Everything was in great turmoil and disorder. But what was important was that each faction tried to block the other from getting close to Gen Prem. There are reports that Gen Prem will travel abroad again. I don't know whom he will take with him. It's almost certain that there will be another conflict," said the same officer.

"Even though Gen Prem has talked to them and tried to settle the matter between them, it will not be easy to put an end to this conflict since the two groups dislike each other so much. As for the rumors that this was started by a third hand, I think that these rumors are being spread by senior people in an attempt to find a way out of this. When Gen Athit returns, he will definitely have to look into this since forging the signature of a senior officer is a violation of discipline," said a general.

Is There More to This Than People Think?

Even though the meeting on 17 July did little to change each side's opinion of the other, some officers who serve at Ban Sisao feel that this conflict really is the work of a third hand that wants to destroy the prime minister. This same officer talked about what had happened in the past. "You know what is happening. It's only a couple of months before the annual military reshuffle. Last year, Gen Prem had some problems, didn't he?"

The same officer said that even though this matter is viewed as a minor problem at Prem's residence, looking into the matter more closely, it can be seen that this is causing problems for Gen Prem since these aides are the people who consider various matters for others. For example, Maj Gen Mongkhon is a staff officer who handles political and policy matters for Gen Prem. This conflict may slow down the work of Gen Prem.

"I think that this stems from conflicts that arose during the last military reshuffle. Have you noticed that many senior officers have made trips abroad recently? I think that it is probably the same group that issued leaflets prior to last year's military reshuffle," said a staff officer to Gen Prem.

Aide to Athit Has Problems

While the reports concern the conflict between the officers who serve Gen Prem, with the conflict reaching the point where the two factions have distributed leaflets attacking each other, those who serve Gen Athit are having problems, too. Col Phiraphong Sapphakphisut, an officer who has served Gen Athit ever since Gen Athit was a colonel in Loei Province, is being kept away from his boss by fellow classmates who serve as staff officers to Gen Athit.

"It's true that there is a serious conflict among officers close to Gen Athit. But this conflict has not spread to people on the outside. This conflict concerns both personal matters and profits," said a colonel.

There are many aides and staff officers assigned to Gen Athit. These include Col Montri Thipwathi, Col Konthi Suwannarat, Lt Col Winai Phatthiyakun and Col Phiraphong Sapphakphisut.

People are assigned duties on an unofficial basis. Col Montri and Col Konthi pay the bills and follow him about like secretaries. Their duties are similar to those of Col Phairot Phanitsamai and Col Ut Buangbon, who serve Gen Prem. Gen Athit uses Col Phiraphong for certain tasks on certain occasions. Lt Col Winai Phatthiyakun opens all the mail sent to Gen Athit. After checking the mail, he submits it to his boss.

This started out as a conflict between Hank [Col Phiraphong] and Tun (Lt Col Winai). Hank felt that he was the one who had gotten Tun his job working for Gen Athit. They are classmates. When Hank became involved in various political activities, he tried to get Tun to join him. But Tun felt that this was improper and so he did not want to get involved. Hank became angry and said that Tun had abandoned his friends.

"The clearest conflict occurred during the crisis between the government and the army when Gen Athit openly criticized Gen Prem's decision to devalue the baht. Hank engaged in military activities in cooperation with Lt Gen Phichit Kunlawanit. He confronted the government and so the government viewed him as a rebel and was going to take action against him. Tun quickly denied any involvement in this. This made Hank very angry," said an officer who is close to Gen Athit.

Since these two men were at odds with each other, this put pressure on their classmates. They each tried to build up their faction. Hank began associating with officers from CRMA Class 8 and with Lt Gen Phichit. Tun associated with certain members of Class 8, too, including Maj Gen Naritdon Detchapradit, the secretary of the army, and Maj Gen Kamon Udomsin, the secretary of Supreme Command Headquarters.

This split became evident when a banquet was held to celebrate the extension granted to Gen Athit. Col Montri, Col Konthi and Lt Col Winai held a party at a restaurant on Sukhumvit Road. They did not inform Hank about this party and so he did not attend. Because of this, he decided that he would have nothing further to do with these people. Since then, they have never spoken to each other.

The two sides have leveled attacks against each other. They have spread rumors about each other. For example, rumors were spread that Chamoy had to come forward because a lieutenant colonel who served

as an aide to Gen Athit had invested much money in her share fund. The rumor said that together with relatives, he had invested millions of baht. Thus, he begged Gen Athit to use his power and forces from the Bangkok Peacekeeping Command to find Mrs Chamoy and get her to repay the money. Tun understood that they were referring to him since he is the only lieutenant colonel close to Gen Athit.

"I am sure that Gen Athit is aware of this conflict among his aides. He has probably prohibited people from talking about this since he wants to settle the matter himself," said a general about the turmoil among Gen Athit's aides.

Lt Gen Phichit and Lt Gen Chawalit, Still No Problems

As for officers close to Lt Gen Phichit Kunlawanit, the commanding general of the 1st Army Area, it is well known that there are three staff officers who serve as his personal staff. These three are Lt Col Praphat Nilawong, or Bank, Lt Col Watchan Phokaeo, or Tao, and Lt Col Noraset Isarangkun Na Ayuthaya, or Pum.

An officer who is close to Lt Gen Phichit said that there are no conflicts among the staff officers and aides who serve Lt Gen Phichit. Each person has a specific job to do. "I think that this may be because their boss is not in a top position and does not have all the responsibilities that Gen Prem and Gen Athit have," said the same officer.

As for staff officers and aides who serve Lt Gen Chawalit Yongchaiyut, the deputy army chief of staff, he, too, has three top aides. These are Col Somchai Montriwat, Col Aphichai Warunprapha and Lt Col Suphachai Rotphothithong. A news source close to Lt Gen Chawalit said that, just like those who serve Lt Gen Phichit, these officers do not have any conflicts, probably for the same reason. That is, "their boss is not yet at the top. Profits are not very great."

Duties of Aides and Staff Officers

Looking at the past records of men who have served as aides and staff officers to senior officers, Lt Col Pathimphong Kasetsuk, a former staff officer to Gen Han Linanon, said that both aides and staff officers are very important to senior officers. The army has stipulated the number of slots and pay rates for generals in both the staff and command lines.

A full general such as Gen Prem or Gen Athit may have two-three aides. These aides are responsible for a variety of tasks, including personal tasks such as having the general's clothes and shoes cleaned, paying the bills, coordinating various activities and helping to greet guests. The number of staff officers varies depending on the importance of the officer. The officer will request people to come help carry out his official duties. As for their duties, staff officers work at a

higher level than aides. That is, most of their work concerns policy matters. Or they carry out different jobs for their boss.

In summary, a general who is close to Gen Prem said that regardless of how these conflicts started, they are harming the senior officers. The aides and staff officers all think that they are closer to their boss than anyone else. They could help him advance, or they could lead to his downfall. Because in the past, many senior officers have learned this lesson.

Leaflet No 1

Subject: Corrupt individuals at Ban Sisao

[Censored], who is subordinate to [censored], was ordered to protect the prime minister following the 1 April Rebellion. Initially, he tried to build up his image as an honest person. Now, he has gained great power at Ban Sisao. He has the power to disburse welfare funds obtained from the Army Operations Center. Large sums are involved each month. The money is for purchasing consumer goods for the soldiers and police officials who serve the prime minister. But Maj... has embezzled money by cutting back expenditures and pocketing the money and using it for himself and his friends. The people involved include:

1. [censored], the person who directs things.
2. [censored], the person who carries out things.
3. [censored], a sycophant.
4. [censored], a sycophant.
5. [censored], a sycophant.

These corrupt individuals have used the money obtained from the Army Operations Center for their own pleasure. For example, they have visited prostitutes and taken girls on trips. [Censored] used this money to purchase furniture for his mother's house in Paed Riu (the wife of Maj ... told me this).

Everyone at Ban Sisai knows about this. But no one wants to interfere since they believe in the law of retribution.

The person who experienced the greatest trouble was the wife of [censored], who lived at Ban Sisao, too. She saw the terrible things that he had done to her and how he had neglected his duties. She was very angry at him for troubling her parents. And so she left him. She told her friends at work about what he is doing. She said that she wants to see him put in prison. She said that he is engaged in such corruption even though he is only a major. If he is promoted, he will probably

sell his country. She said that the prime minister is unaware of all this since he just listens to the flattery of [censored], an officer whom [censored] is trying to persuade to become an aide to Prem.

The Office of the Commission to Counter Corruption [OCCC] should look into this, if it is still functioning. It should question [censored] and his three friends. If people who are this close to the prime minister dare to engage in corruption to this extent, whom can the people and government officials in general trust? The OCCC should take action without regard to who is involved. As far as I know, the prime minister does not show particular favor to [censored] and his friends. Action should be taken based on the saying, "join together in eliminating corruption for the survival of the nation." If this is allowed to continue, there may no longer be a Thai anthem.

Sincerely,

Miss Nitaya Kanoklak

Leaflet No 2

Subject: Corrupt individuals at Ban Sisao (No 2)

I appealed to the OCCC to take action on the embezzlement of funds meant to be spent on food for soldiers at Ban Sisao. This money is being embezzled by [censored] and his friends. I also sent copies to several newspapers to inform them about the behavior of this officer. My action has generated great interest and created quite a stir. No one would have suspected him since he has hidden his real nature behind a facade of good human relations (he should receive the Sangngoen award for this). He has embezzled welfare funds disbursed by the Army Operations Center to pay for the food of the soldiers who stay at the prime minister's house.

[Censored] has done everything possible to put his subordinates in his debt. For example, he has paid them an allowance for carrying out certain duties even though they did not really perform the tasks. Instead, they have gone here and there for pleasure. [Censored] has constantly falsified the reports without considering how many soldiers are actually performing their duties or whether the allowances paid should have been paid. The prime minister never knew that the reports had been falsified. The person who knew all about this was his wife. She frequently told her friends, "With the rank of a [censored], where could he get the money to enjoy himself and go wenching like this if he wasn't embezzling money?"

At Ban Sisao, he was responsible for [censored] safety of the prime minister. This made [censored] very ambitious. He used his power to profit personally. For example, he met with the operators of a liquor

company and established a company. This came to the attention of the prime minister because [censored] cited his name. Besides this, he used some of the money that he embezzled to purchase an expensive car (he has already purchased the car) even though the Thai economy is in dire straits. He also made it possible for a military engineer to visit the prime minister's residence so that he could use Prem's prestige to impress merchants. I have evidence and witnesses to support these charges. I will submit the evidence later on.

If [censored] continues to engage in corrupt activities and continues to be power-crazy, I will submit all the evidence to Gen Athit Kamlangek, who respects the prime minister.

The overwhelming ambition of [censored] has expressed itself many times, such as when he tested the power of [censored], who is close to Prem.

[Censored] has shown his great ambition on many other occasion, too. He has acted aggressively toward his superiors, associates, subordinates and wife. His wife has frequently told others about his activities.

As a facade, he has constantly claimed that the prime minister likes and trusts him and that he is close to the prime minister. Or he tells people that he listens only to Prem and that he has dedicated his life to Prem (but if he had enough money, he would abandon Prem).

Gen Prem Tinsulanon could well lose his good reputation because of the despicable behavior of [censored]. The prime minister has tried everything to instill a sense of frugality and honesty in the Thai people. But [censored] has acted just the opposite. He has used his power and position to benefit himself and his friends. Today, [censored] is much richer than other officers of the same rank. He has several large necklaces, much money and many expensive articles just like a millionaire. His wife said that his family is not wealthy. His parents are ordinary people.

Can we allow the prime minister, who is an honest person, to be stained because of the despicable actions of [censored] and his friends? The people concerned should conduct an investigation to determine whether the monthly accounts of receipts and expenditures at Ban Sisao are in order. They should look at these expenditures, including the money authorized by the Army Operations Center each month. They should try to find out how much money [censored] has embezzled for his personal use and how much he has given to his friends. This should be done in order to clear those who are innocent. We will submit this matter to Gen Athit Kamlangek.

Corruption, which is the cause of the present conflict, has been with us for a long time. But no one is more corrupt than [censored] and his friends. In the next leaflet I will discuss the conflict between a father-in-law and his son-in-law. These two have caused trouble

and embezzled government funds. What is sad is that privates in the army, who are paid very little, are cheated out of their rations, which they need to survive. If this is the case, where will they get the strength to protect the country's leaders? They might as well give up and be done with it.

I hope that the newspapers will disseminate this information to the prime minister. That would be of great help.

Nitaya Kanoklak

11943

CSO: 4207/282

PEOPLE'S REPUBLIC OF KAMPUCHEA

SPK HAILS 40TH ANNIVERSARY OF SRV NATIONAL DAY

BK061244 Phnom Penh Domestic Service in Cambodian 2300 GMT 5 Sep 85

[SPK commentary: "Vietnam on the Road of Victory"--date not given]

[Text] The Cambodian people as a whole would like to join the fraternal Vietnamese people in enthusiastically celebrating the 40th anniversary of the founding of the SRV. Forty years ago, starting from the victory of the August Revolution, President Ho Chi Minh declared Vietnam independence in Hanoi. The Democratic Republic of Vietnam, the first worker-peasant state in Southeast Asia, was born. This was the beginning stage of independence, freedom, and socialism not only for the Vietnamese people alone, but also for the people of all of Indochina. This historic event of the era was the result of the enlightened leadership of the CPV in liberating the country from the domination yoke of the French colonialists, Japanese fascists, and local feudalists. This was the first time in the history of the peoples under colony and semi-colony that a party barely 15 years old had won successes in waging a revolution, winning for the people the right to be the master of the nation.

For the past 40 years, keeping alive the famous teaching of President Ho Chi Minh that nothing is more precious than independence and freedom, under the correct leadership of the CPV, the Vietnamese people have carried on the struggle and won great, brilliant victories in the defense of the socialist fatherland founded by President Ho Chi Minh and other best sons and daughters of the Vietnamese people, setting a radiant example for other peoples in the world in the struggle against colonialism, neocolonialism, imperialism, and expansionism. All peace- and justice-loving people in the world have regarded Vietnam as a symbol of national independence and social progress.

At present, for the Cambodian people and friends the world over, "Vietnam, Ho Chi Minh" and "Vietnam, Dien Bien Phu" are two pairs of words uttered with sincere affection and admiration and are also calls for all oppressed nations.

A period of 40 years in national reconstruction and defense is a very short time for Vietnam whose history goes back 4,000 years into the past. Nevertheless, Vietnam has overcome all difficulties and has made the greatest success in the development of the fatherland. The party's political program and the pure and righteous aspiration of President Ho Chi Minh have become a reality for today's Vietnam. They are: Independence for the nation, happiness for the

people, sufficient food and clothes for the people, the right to study of each citizen, the people being the master of their own destiny, living in peace and friendship with all neighbors and the peoples the world over. Socialist Vietnam is celebrating its 40th anniversary at a time when the Cambodian people are winning great successes in national defense and reconstruction, in particular the victories of the Cambodian revolutionary army along the western border during the past dry season. These achievements cannot be separated from the wholehearted assistance of the fraternal Vietnamese people who have sent their sons and husbands on three occasions to cooperate with and help the Cambodian people in the fight against the common enemies. The Cambodian people are extremely happy to note that the militant solidarity and all-round cooperation among Cambodia, Vietnam, and Laos have been strengthened and developed with each passing day and that their alliance has enabled the three Indochinese countries to preserve their steel-like position against all enemy maneuverings.

The gains made in the past 40 years by the SRV constitute a strategic factor ensuring the success of the Cambodian revolution. The Cambodian people regard the victories of the Vietnamese people as their own. Proud of having Vietnam as their most courageous and loyal comrade in arms, the Cambodian people would like to express sincere thanks to the Vietnamese party, government, people, and army for according them a most precious and timely assistance. The Cambodian people are determined to emulate the example of heroism set by the Vietnamese people in national defense and reconstruction. The Cambodian people will engrave in their hearts all the invaluable remarks of the venerated and beloved leader of all people and communists in Indochina. The presence in Hanoi of the PRK high-level party and state delegation headed by KPRP Central Committee General Secretary Heng Samrin to attend the celebrations of the current Vietnamese National Day reflects the profound and sincere respect and esteem of the Cambodian people for the fraternal Vietnamese people.

Better die than live as slaves! Nothing is more precious than independence and freedom!

CSO: 4212/105

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SIM DECORATES SRV EXPERTS, CADRES, PERSONNEL

BK070730 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Sep 85

[Text] The KUFNCD National Council held a ceremony at the former royal palace at 0800 this morning to confere orders of the PRK on the Vietnamese experts, cadres, and personnel for carrying out their internationalist duties in Cambodia with outstanding feats.

Present were, among others, Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council; the comrade members of the party Central Committee and leaders of various state institutions; and many cadres and personnel of the KUFNCD National Council's office. Also present was Comrade Ngo Dien, SRV ambassador extraordinary and plenipotentiary to the PRK.

Speaking on that occasion, Comrade Chea Sim clearly noted the development made by the Cambodian revolution in the past 6 years, particularly the military victories scored along the Cambodian-Thai border in the 1984-85 dry season which have weakened the enemy forces even more seriously to the point that they are heading toward total defeat. The comrade added: All the victories scored by the Cambodian revolution are attributable to the wholehearted support and assistance of the socialist countries and the progressive and peace-loving forces throughout the world, particularly the party, government, and fraternal people of Vietnam who have sacrificed everything, even their flesh and blood, for the cause of the Cambodian revolution and that of the three Indochinese countries.

Comrade Chea Sim stressed: The conferring of orders on the Vietnamese experts, cadres, and personnel is a manifestation of the profound gratitude the PRK party, state, and people have toward the Vietnamese party, state, and people.

Comrade Vandy Kaon, member of the Council of State and secretary general of the KUFNCD National Council, read the PRK Council of State's decree conferring the "National Defense," "Labor," and "Friendship" orders on the Vietnamese experts, cadres, and personnel.

Comrade Chea Sim then conferred the orders--39 first class "Labor" orders, 1 second class "Labor" order, 3 third class "Labor" orders, and 2 "Friendship" orders--on the Vietnamese experts, cadres, and personnel.

PEOPLE'S REPUBLIC OF KAMPUCHEA

APPEAL BY ARMY'S PARTY CHAPTERS MEETING 26-29 AUG

BK080210 Phnom Penh Domestic Service in Cambodian 1200 GMT 7 Sep 85

[Appeal by the second meeting of the representatives of the army's party chapters held 26 to 29 August]

[Text] Dear comrades: Pursuant to the party Central Committee's circular, we held the second meeting of representatives of the army's party chapters with successful outcome from 26 to 29 August.

Our country is in a new revolutionary stage. We have scored new, greater victories. We are in a very advantageous state and are moving toward achieving total victory. Despite serious defeats, the enemies have stubbornly nurtured an insane design against our revolution. Therefore, our struggle remain tense, protracted, and complicated. We must struggle on in order to inflict more heavy defeats on the enemies.

Our country has been revived. Our economic, cultural, and social establishments have been successfully restored. Our revolutionary forces have made a new change and are advancing firmly. The coming fifth party congress will set forth policies and lines for the all-round development of our Cambodian revolution. The meeting wishes to make the following appeal to all members of the party and youth organizations, cadres, combatants, personnel, and workers in charge of national defense in the entire army. They should:

1. Enhance revolutionary heroism, strive to surmount all obstacles and difficulties, resolutely attack the enemies, and actively persuade misled persons to return to our revolution in order to defeat all perfidious and barbarous schemes of the enemies;
2. Strive to build our revolutionary armed forces, thus making them develop rapidly with good combat capabilities, strict discipline, good living conditions, firm internal unity, close solidarity with the people, and pure spirit of internationalist solidarity; and see to it that the superiors set good example for the subordinates and the party members set good example for the masses. All of this is aimed at ensuring victories for our revolution in whatever circumstances;

3. Actively and broadly stimulate the emulation drive to create outstanding achievements to welcome the coming fifth party congress while getting ready to successfully carry out all resolutions to be adopted by the party congress;

4. Cadres, combatants, youth associations, youths, and national defense personnel and workers should strive to carry out well all duties and make every effort to enable themselves to become party members, thus expanding our party membership in response to the requirements of the new revolutionary stage.

Dear comrades and friends, our revolution is in a very favorable stage. For the fatherland, the people, and brilliant victories, our entire army should advance valiantly.

CSO: 4212/105

PEOPLE'S REPUBLIC OF KAMPUCHEA

HENG SAMRIN ATTENDS MEETING OF ARMY REPRESENTATIVES

BK061141 Phnom Penh Domestic Service in Cambodian 1200 GMT 5 Sep 85

[Text] While the entire country is striving through the emulation movement to create achievements marking the forthcoming fifth party congress, the second meeting of the representatives from the army chapters of the party was held at the end of August. This meeting was organized to discuss and contribute opinions to all drafting documents of the party Central Committee which will be presented and discussed at the party congress. The meeting also voted and elected the representatives of the army party chapters to attend the party congress.

Many representatives of the party chapters from all combat units which are carrying out their duty everywhere in the country, from all training schools, and all offices of the National Defense Ministry attended this meeting. The meeting successfully carried out its work for 4 days. Comrade Heng Samrin, general secretary of the party Central Committee and secretary of the army party Central Committee, also attended this meeting. In the name of the party Central Committee and the army party Central Committee the comrade general secretary praised and highly evaluated the great efforts of the Revolutionary Armed Forces in the past several years in the defense of the fatherland's border, the revolutionary gains, and the happy life of the people. The comrade general secretary stressed: Through difficult struggle, the Cambodian revolution passed through the most difficult years. The PRK regime is steadily growing stronger. The PRK's prestige is soaring in the world.

The situation in Cambodia is definitely irreversible. The great victories scored by our army and people in the 1984-85 dry season have weakened the enemies. The enemies are sliding toward defeat and have lost the mastery of the situation. Our army and people are very elated with these victories. But we should realize the enemies' attitudes do not change. Our enemies will continue to try to destroy our revolution in all fields to restore their collapsible situation. Therefore, our tough and complex struggle against our enemies will continue. The Revolutionary Armed Forces must always heighten their vigilance. They must be ready to fight the enemies more vigorously.

Over the past several years, the fraternal Vietnamese Army and people have provided us their priceless and incomparable assistance and support for the cause of the defense and construction of the fatherland. We must always be

grateful for this noble assistance. On the other hand, we must accept our responsibilities toward the new situation because we have clearly realized that the revolution must be the cause of the people. The development and strength of our country's revolution are guaranteed by our own movement. Although it is enormous, the assistance from our brothers and sisters cannot be a substitute for our own spontaneous effort. Thus, our efforts to construct our revolutionary forces, especially the building of our Army and party and the formation of energetic cadres who can respond to the needs of our revolution are our most important duties.

Later on, the comrade general secretary talked about the important goals in the construction of our army and the creation of the army chapters of the party so that our Army will be a real strong support for our regime. He also outlined the measures to be taken so that the party organizations in the Army are the real leading core of the Revolutionary Armed Forces.

The meeting sent a motion to the party Central Committee expressing the profound thanks of the entire Army for the leadership and care of the party Central Committee. The Army is determined to make every effort to improve its political, cultural, technical, and combat capability in order to achieve well all duties entrusted by the party and people. The meeting also issued an appeal to the entire Army to heighten its vigilance and to be always ready to smash all activities of destruction of the enemies. The meeting also appealed to the Army to improve its capabilities in all fields to transform itself into a real revolutionary army. All combatants must struggle for the people and create many more achievements to mark the fifth party congress.

CSO: 4212/105

PEOPLE'S REPUBLIC OF KAMPUCHEA

RADIO FEATURE ON ANGKOR CHEY DISTRICT FORCES SUCCESS

BK080936 [Editorial Report] Phnom Penh Domestic Service in Cambodian at 0430 GMT on 5 Sep carries a 13-minute station correspondent's feature with recorded portions describing the success of the armed forces and militia in defending Angkor Chey District, Kampot Province. After noting that "The successes won by the people have frustrated the enemies of all colors of our nation--including the Beijing expansionists, U.S. imperialists, and a number of international reactionaries, particularly the Pol Pot-Son Sann-Sihanouk group--and driven them into seeking by all perfidious and criminal tricks and maneuvers the realization of their senseless dream of capturing a number of remote villages and communes and using them as a springboard to massacre our people throughout the country."

The feature says that China and the United States continue stubbornly to support and feed the Pol Pot bandits and other reactionary Cambodian groups hiding in Thai territory and to dispatch these elements into various regions, including Angkor Chey District, where they loot, massacre and carry out subversive activities to undermine the happy existence of the people and the gains of the revolution. The feature also notes the high sense of vigilance of the local armed forces, police forces, and militia in ensuring defense of the locality. A commune militia member points out this high sense of responsibility, saying: "We are always heightening our sense of revolutionary vigilance, crushing all of the enemy's psychological warfare activities, and conducting search-and-destroy operations against the enemy in the mountains and in all areas likely to harbor enemy elements. I have participated in several reconnaissance operations launched by the unit and have engaged in several clashes with the enemy, killing many enemy soldiers on the spot or taking them prisoner." He also reiterates his determination to fight and sacrifice in order to smash the enemy and protect the locality.

The feature praises the militia forces of Angkor Chey Province for their discipline and high revolutionary ethics, congratulates them for their successful efforts to assist the solidarity groups in growing farm produce. It then presents a statement by the chairman of the district people's revolutionary committee, saying: "We have mustered our combined forces against the enemy; namely, the party members, the core groups, the people, the combatants, and the police forces throughout the district--they all join hands against the enemy. In this struggle against the enemy, we have worked out measures to strengthen and develop the armed forces and the militia forces of the communes

and villages. We have organized militia forces in the 10 communes of our district. We are now establishing militia forces in the villages and we have set up resolute combat militia forces in two villages of the province, namely, Prey Phdau and Pich Changva Villages of [name indistinct] commune adjacent to Mroum Mountain. These resolute combat militiamen frequently engage the enemy. From February to June, they killed two enemy soldiers." He then explains various methods the militia forces use to counter enemy activities without specifying these enemy activities.

The correspondent then notes that "the spirit and will to fight optimistically, particularly the close cooperation and unity among the military, police, militia forces, and local population have caused all enemy activities and attempts to infiltrate and wage psychological and guerrilla warfare to experience one setback after another in a steady plunge toward total defeat. Through this excellent model of heroism, we are convinced that in the future the armed forces and militia of Angkor Chey District will surely win more and greater successes in the task of national defense and will be worthy of being the best sons of the party and people, combatants borne of the people, fighting for the revolutionary cause of the people and for an independent, socialist, and prosperous fatherland."

CSO: 4212/105

PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN ATTENDS MEETING ON AGRICULTURAL PRODUCTION

BK101140 Phnom Penh Domestic Service in Cambodian 1300 GMT 9 Sep 85

[Text] The Agriculture Ministry's meeting to sum up the outcome of the rainy season production efforts ended on the afternoon of 7 September after 3 days of work. During the meeting, participants thoroughly discussed the reports on production situation in various localities. They also drew good experience from the reports in order to effectively and successfully carry out the rainy season production drive in their respective localities.

Speaking at the closing ceremony, Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the Council of Ministers, called on all participants to vigorously stimulate the current rainy season rice production by mobilizing all local forces--cadres, personnel, workers, armed forces, teachers, and students--to join in this drive and persuading peasants to continue their mutual assistance traditions between groups, between villages, and between villages and communes. At the same time, attention must be paid to producing seeds by choosing suitable and convenient planting areas to ensure their purity.

The comrade chairman of the Council of Ministers continued: Priority must be paid to distributing land [words indistinct] intensive cropping, experimental cropping, and double-cropping. Concerning measures to cope with natural disasters, it is imperative to persuade the people to build field embankments, dikes, and ditches; repair damaged irrigation networks; and prepare waterpumps, fuel oil, waterwheels, insecticide, and all necessary tools for immediate intervention in case of damage to crops by disease or pests. It is also imperative to make preparations for rescuing damaged seedlings.

Moreover, measures should be prepared [words indistinct] coming dry season. Particularly, attention should be directed to the problems of rice strains, fertilizer, and labor forces as well as modern techniques for rice growing. Attention should also be paid to growing subsidiary food crops and expanding animal husbandry.

Regarding fishing, the comrade chairman of the Council of Ministers called for attention to ensuring sufficient fish for feeding our Revolutionary Armed Forces, the Vietnamese Army volunteers on proletarian internationalist duties in Cambodia, and our people.

Concerning forestry, he said areas to be exploited should be clearly mapped out and while exploiting the forests, attention should be paid to their protection and reafforestation.

The comrade chairman of the Council of Ministers stressed: All participants must pay particular attention to training more cadres and strengthening and turning the production solidarity groups into genuine organizational groups of peasants.

CSO: 4212/105

PEOPLE'S REPUBLIC OF KAMPUCHEA

AGRICULTURE MINISTER ASSESSES RAINY SEASON PRODUCTION

BK061205 Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Sep 85

[Text] On the morning of 5 September at the office of the Agriculture Ministry a meeting was held to assess the overall situation of the rainy season agricultural production and to take important measures to ensure an effective and successful production in the future. Taking part in this meeting were cadres from various central ministries and services and representatives from provinces and municipalities throughout the country.

In a report presented by Agriculture Minister Comrade Kong Sam-Ol, it is said that the production during this rainy season is better than the previous year, despite some difficulties due to natural disasters that the majority of localities have overcome. All this was due to the good preparations made by the ministry as well as every level of local state authorities which had taken appropriate and timely measures.

As a result, by 29 August, almost 1.3 million hectares of land throughout the country had been tilled, including 95,000 hectares by tractor, 160,000 hectares of various types of rice had been sown, and more than 100,000 hectares of rice had been planted, broadcast, or transplanted. Compared to the same period in 1984, this represents an increase of 262,000 hectares. Generally speaking, subsidiary and industrial crops were fairly good, that is better than the previous year both in terms of cultivated surface and yield, particularly in the production of red corn and mung bean.

Along with this, our state authorities made efforts to get people to repair and build simple irrigation tools, waterworks, networks of irrigation canals, and dikes, and have achieved good results. In sum, during the past 7 months, our people built 40 new dikes totaling more than 20,000 meters in length; repaired 100 dikes totaling more than 41,000 meters in length; repaired 66 canals with a total length of almost 67,000 meters; and built almost 400,000 meters of ricefield dikes.

Apart from this, the Agriculture Ministry had provided fuel, agricultural implements, chemical fertilizers, and insecticides to the people. The ministry also dispatched cadres to localities and issued successive guidelines to assist in the production during this rainy season and to ensure its success.

CSO: 4212/105

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 2-8 SEP

BK 100204 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments during the reporting period 2-8 September

National level: BK100204 SPK in French at 0403 GMT on 7 September reports that in August peasants throughout the country sold the state 200 metric tons of paddy and 1,700 metric tons of subsidiary produces, including 1,200 metric tons of beans, 380 metric tons of sesame, and dozens of metric tons of fish and pork. It says that Kompong Cham Province was outstanding in this field, as supplied 1,400 metric tons of farm produce to the state.

Battambang Province: SPK in French at 1108 GMT on 4 September reports that since the beginning of the rainy season, peasants of Mongkolborei District have cultivated 26,000 of the 54,400 hectares earmarked for this main rice-growing campaign. SPK in French at [time indistinct] GMT on 3 September notes that during the last week of August the peasants of Phnum Srok District killed 1,156 hectares of land and that so far they have [word indistinct] the 11,120 hectares of rice, including 1,140 hectares of floating rice, or 60 percent of the plan for this rainy season.

Kampot Province: SPK in English at 1101 GMT on 5 September reports: "Due to unexpected drought, peasants at Kampot Province had put only 57,000 hectares under rice by mid-August. These presented 60 percent of the target for this monsoon rice cropping. Subsidiary food crops like corn, cassava, and bean, covered 4,300 hectares and short-term industrial crops 1,700 hectares. Moreover about 23,000 young kapok trees and 47,500 bushes of pepper were also planted. Also by mid-August, they had almost completed harvest on 15,000 hectares of short-term rice, with an average output of two metric tons per hectares." SPK in English at 1059 GMT on 8 September reports: "Peasants at Angkor Chey District put 8,700 hectares under rice in July and August. They also harvested short-term rice on 1,787 hectares. The average output was over two metric tons per hectares, an increase of 700 kg over last year's output."

Kandal Province: According to Phnom Penh Domestic Service in Cambodian at 0430 GMT on 4 September, by mid-August the peasants in this province had sown more than 5,900 hectares of various types of rice, broadcast more than 27,000 hectares of rice, and planted more than 12,880 hectares of corn.

Kompong Cham Province: SPK in French at 0432 GMT on 5 September reports that by the end of August, peasants of Tbong Khmum District had cultivated 13,800 hectares, including 5,000 hectares of slash-and-burn rice, or 70 percent of the plan for the current main rice-growing season. At the beginning of the rainy season, this district harvested more than 4,000 hectares of bean, sesame, corn, and cassava.

Kompong Chhnang Province: According to SPK in English at 1059 GMT on 8 September, the province has grown monsoon rice on 41,000 hectares or 85 percent of the projected acreage. Three of the six districts took the lead in planting: Kompong Trach and Rolea P'ire, each with 12,600 hectares, or 78 percent of the plan; and Baribo, with 8,000 hectares or 75 percent of the target. Phnom Penh radio at 1300 GMT on 4 September reports that by mid-August, peasants in this province had planted and transplanted almost 23,000 hectares of various types of rice, including more than 5,400 hectares of intensive rice, and more than 700 hectares of new land had also been cleared for cultivation. By the same time, more than 2,400 hectares of subsidiary food crops and more than 200 hectares of industrial crops had been planted.

Kompong Speu Province: Phnom Penh radio at 1300 GMT on 6 September reports that between 13 and 25 August, the agriculture service of the province provided more than 45 metric tons of chemical fertilizer to Baset District, more than 45 metric tons to Kong Pisei District, and more than 15 metric tons to Phnum Sruoch District.

Kompong Thom Province: BK100206 SPK in English at 1052 GMT on 4 September reports: "In the 1984-85 fishing season, fishermen at Stoung District caught 1,300 metric tons of fish. Parts of the catch were processed into 200 metric tons of dried fish, 70 metric tons of smoked fish, and 7 metric tons of fish cheese." According to Phnom Penh radio, the peasants and authorities of the same district have so far dug 2,800 meters of new ditches, repaired 12,000 meters of old ditches and 7 dikes, and built over 21,000 meters of field embankments.

Kratie Province: SPK in French at 1121 GMT on 8 September reports that the peasants of the province had by mid-August planted 15,695 hectares of rice, or 92 percent of the plan for the current main growing season. Out of this, 425 hectares had been put under intensive crops, exceeding the plan by 6 percent. Phnom Penh radio at 0430 GMT on 8 September adds that the peasants also planted more than 2,000 hectares of corn, 200 hectares of cassava, 300 hectares of beans, 1,000 hectares of sesame, and 180 hectares of sugarcane and raised 32,000 hogs and almost 130,000 fowls. Phnom Penh radio at 0430 GMT on 7 September reports that peasants in Chhlong District transplanted more than 800 hectares of rainy-season rice and tilled more than 1,000 hectares of land for floating rice in August.

Siem Reap-Oddar Meanchey Province: Phnom Penh radio at 1300 GMT on 6 September reports that by mid-August the local peasants had planted 110,000 hectares of various types of rice, including 5,000 hectares of slash-and-burn rice, 16,000 hectares of early rice, 36,000 hectares of medium-term rice, and 5,800 hectares of floating rice. More than 5,300 hectares of intensive rice had also been planted. The radio in its 1300 GMT cast on 6 September reports that

by mid-August, the peasants of Sot Nikom District had transplanted more than 17,300 hectares of various types of rice and more than 600 hectares of subsidiary food crops.

Takeo Province: According to SPK in English at 1059 GMT on 8 September, peasants of Kirivong District had by mid-August put 9,100 hectares under monsoon rice, including 5,000 hectares of the IR-36 variety. In addition to monsoon rice, they covered 1,700 hectares with short-term rice, 200 hectares over the plan. During the unusual dry spell in July and August, the peasants dug 4,600 meters of canal capable of watering thousands of hectares. According to SPK in French at 0408 GMT on 3 September, the veterinary service of Takeo Province vaccinated more than 6,400 oxen and buffaloes against epizootic diseases during the 1st half of the year. The province now has 181,000 oxen, almost 6,000 buffaloes, and thousands of fowls. Phnom Penh radio at 1300 GMT on 8 September reports that peasants in Angkor Borei District transplanted more than 21,700 hectares of rice and planted more than 250 hectares of subsidiary crops in August.

CSO: 4212/105

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

ARMED FORCES SIEM REAP SUCCESSES--In August, the revolutionary armed forces of Siem Reap-Oddar Meanchey Province in close cooperation with the local militia-men and Vietnamese Army volunteers launched sweeping operations against various hideouts of the Pol Pot-Sihanouk-Son Sann groups, causing them heavy defeats. Our armed forces attacked a temporary hideout of the enemies in Chikreng commune, wounding two. The combatants of the province's battalion attacked the enemies in Trav commune of Puok District, wounding an enemy element and seizing two weapons. Puok District's armed forces attacked the enemies in an area, wounding one and seizing an AK. In addition to combat tasks, the armed forces of Siem Reap-Oddar Meanchey Province have cooperated with the local authorities in the movement to persuade misled persons to turn themselves in to the revolutionary authorities. In mid-August, 33 misled persons returned to the revolution and their families in the whole province. They brought along 31 assorted weapons and a large quantity of war materiel. These returnees were formerly members of the Pol Pot army. Among them was a commander of the 52d regiment of the Pol Pot army. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Sep 85 BK]

LIBYAN REVOLUTION ANNIVERSARY--On the 16th anniversary of the Great 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya, Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State, sent a congratulatory message to Colonel Mu-ammar al-Qadhafi, leader of the 1 September Revolution of the Socialist People's Libyan Arab Jamahiriya. The message says: We are convinced that the good relations of friendship and solidarity between the Cambodian and Libyan peoples will be further strengthened and expanded. We wish you and the Libyan people good health, new successes, and happiness. Please accept our highest fraternal greetings. On the same occasion, Comrade Hun Sen, member of the Political Bureau of the party Central Committee and foreign minister of the PRK, also sent a congratulatory message to His Excellency Dr 'Ali 'Abd al-Salam al-Turayki, secretary of the people's committee for foreign liaison of the Socialist People's Libyan Arab Jamahiriya. The message stresses: I highly appreciate the revolutionary gains scored by the fraternal Libyan people in the active struggle against imperialism, Zionism, and every aspect of colonialism. Please accept my high consideration. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Sep 85 BK]

DRY-SEASON 'VICTORIES'--During the past dry season, we achieved victory on the O Bok battlefield in cooperation with the Ampil battlefield. On the Ampil battlefield, we achieved three good tasks that were cited at meetings to draw good experiences. On the Ta Tum battlefield, we also scored victories. We killed 60 enemy soldiers, including 1 Thai major, and wounded another 76, including 3 Thai captains. We seized 372 weapons, including 238 SK rifles, 20 SKS rifles, 22 RPD's, 31 AK's, 3 60-mm mortars, 2 42-mm mortars, a DK-75 gun, a 12.7-mm machinegun, an M-79, a K-44, a B-40 rocket launcher, 4,920 rounds of K-56 ammunition, 6 cases of K-57 ammunition, 633 60-mm mortar shells, 160 82-mm mortar shells, 550 rounds of 12.7-mm ammunition, 201 B-40 rockets, 21 shells for a DK-82, 20 M-69 mines, 4 standard radio sets, 1 YAMA generator, 1 typewriter, 3.5 metric tons of rice, 45 canteens, 120 army spades and shovels, and 5 pieces of cloth. We also destroyed two cars. We completely took control of these battlefields and stationed units there to set up defensive bases.
[By Chan Sisothao] [Text] [Phnom Penh Domestic Service in Cambodian 1200 GMT 3 Sep 85 BK]

SIHANOUK AFRAID OF LOSING POSITION--According to AFP, during his 28 August visit to a base of the reactionary Cambodian groups, Sihanouk hesitantly affirmed that had he accepted to talk directly with the Heng Samrin government, he would have had to resign as president of the so-called CGDK because China opposes the talks. This attitude shows more clearly the true nature of Sihanouk, who thinks of his own interests more than those of the people. Though Sihanouk knows very well that he will never win and will never return to Cambodia, he still desperately continues to strive by all means against the rebirth of the Cambodian revolution and continues to cling to his position as president of the so-called coalition government. These remarks by Sihanouk also clearly show that the tripartite coalition government, condemned by world opinion, has no right other than to follow the beck and call of the Beijing hegemonist-expansionists. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 5 Sep 85 BK]

'POL POT BANDITS' KILLED--Security forces in four districts in Siem Reap-Oddar Meanchey Province--Puok, Kralanh, Srei Snam, and Varin--have greatly advanced the revolutionary movement among the people. The local security forces, in cooperation with the Vietnamese volunteer army, have killed 56 Pol Pot bandits, wounded another 18, and taken 10 prisoner. They also seized 24 weapons and a large quantity of war materiel and documents. Furthermore, 179 misled persons awakened and returned to the revolution bringing with them 81 weapons and a lot of war materiel. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1300 GMT 5 Sep 85 BK]

'MISLED PERSONS' RETURN--Our militiamen in Sot Nikom, District, Siem Reap-Oddar Meanchey Province, are always ready to cooperate with the district army units in sweeping up the bandits who persist in plundering our people's rice and paddy. Furthermore, our militiamen have paid attention to the movement to win back misled persons and have persuaded 121 of them to return to the state authorities bringing with them 20 AK's and a large quantity of war materiel. [Excerpt] [Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Sep 85 BK]

CSO: 4212/105

INTERNATIONAL RELATIONS, TRADE, AND AID

SRV ARMY PAPER ARTICLE ON COOPERATION WITH USSR

BK040718 Hanoi Domestic Service in Vietnamese 0500 GMT 29 Aug 85

[QUAN DOI NHAN DAN 28 August article by (Pavlov): "Vietnam's Great Victory and Comprehensive Vietnamese-Soviet Cooperation"]

[Text] The founding of the Democratic Republic of Vietnam--the first worker-peasant state in Southeast Asia--not only shattered the weakest link of the colonial system, but also basically changed the political atmosphere in the region. Although French imperialism had waged a protracted war of aggression in a bid to restore its rule, events in Indochina prevented the colonialists from deciding the fate of their colonies as they had done previously. World War II, and especially the victories won by the Soviet Army, shook the entire colonial system throughout the world and enhanced the nationalist awareness of the colonized peoples to a higher level. Against this background, the success of the Vietnamese revolution played no small a part in the all-round development of the national liberation movement. At the Second Party Congress held in 1951, President Ho Chi Minh wrote: Not only our Vietnamese working class and people but also the working class and oppressed peoples elsewhere can be proud that for the first time in the history of the revolution of the colonized and semicolonized nations, a party only 15 years old has led the revolution to success and seized power throughout the country.

Naturally, the success of the August Revolution was simply the start of the long and complex period of transition from an old capitalist, feudal, and colonial society to socialism with a view to resolving the tasks set forth in the party's platform. In reality, right after the success of the revolution, the party had to tackle these tasks under unimaginably difficult conditions. Difficulties were indeed innumerable. One of the chief obstacles during the first stage was the war of aggression almost 9 years long conducted by the French colonialists. Nevertheless, the Vietnamese people stood firm and triumphed. They successfully defended the gains of their revolution.

The victory over the French aggressors resulted from the multifarious activities conducted by the party--a political organization that knew how to unite people of all walks of life within the ranks of the United

National Front in furtherance of the cause of national independence and freedom--from the close solidarity among the patriotic forces of the three countries of Vietnam, Laos, and Cambodia; and from the positive and all-round support of the socialist countries, the international communist and workers' movements, and all the forces of peace, democracy, and social progress. The victorious ending of this war opened up for the Vietnamese people fine prospects in their undertaking to peacefully reunify the country and work creatively for a bright future and for the happiness of their children. However, the intervention of the U.S. imperialists interrupted these creative plans of the party and people of this fraternal country. The schemes of the U.S. imperialists to consolidate the puppet regime they had set up in South Vietnam were aimed at perpetuating the partition of Vietnam and turning South Vietnam into a staging base against the national liberation movement which was constantly developing in the Southeast Asian countries.

The war of destruction against North Vietnam, together with the sending of hundreds of thousands of U.S. troops to South Vietnam, could not bring the heroic Vietnamese people to their knees, nor could it stifle their wish to reunify their fatherland and work in freedom and with creativity in order to build a new society in Vietnam. The self-denying war waged by the patriotic fighters under the party's leadership was crowned with total victory. The south was completely liberated, and the country was reunified.

For this fraternal republic, the past 40 years since the success of the August revolution were comparable to many centuries. The victories scored by the Vietnamese people in their bloody struggle replete with difficulties and hardships against the crafty aggressors once again testify to the correct viewpoint of President Ho Chi Minh: Only with the leadership of a party that can creatively apply Marxism-Leninism to the particular conditions of its own country will it be possible to bring the national liberation revolution to victory and the socialist revolution to success.

Vietnam is now faced with many problems. As far as the development of production forces is concerned, Vietnam still remains backward as compared to progressive socialist countries. The CPV is clearly aware of these problems. At its congresses and central committee plenums, the party has worked out a clearcut program designed to tackle them. This is a very important guarantee for the successes of the Vietnamese people in their undertaking to build the material bases of socialism and steadily advance Vietnam toward the set objectives.

While celebrating its 40th National Day, Vietnam is pursuing a positive foreign policy aimed at consolidating peace and security in Southeast Asia and Asia as a whole. It maintains multifaceted relations of fraternal solidarity with Laos and Cambodia and resolutely supports the liberation struggle of Asian, African, and Latin American nations. Vietnam's foreign policy clearly reflects the chief characteristics of the external political

line of the countries of the socialist community. That is to care for peace and see to it that all the people on this planet can live in an atmosphere of friendship and good neighborliness.

Closely cooperating with fraternal countries, the working people of Vietnam at present are struggling selflessly to carry out the tasks laid down by the Fifth CPV Congress with the aim of building the material bases of socialism. In this undertaking, the Vietnamese working people enjoy total support from the Soviet Union. The visit to the Soviet Union by the Vietnamese party and state delegation led by Comrade General Secretary of the Party Central Committee Le Duan in June-July this year was a splendid manifestation of the unshakable friendship and cooperation between the peoples of our two countries. In his greetings to the delegation, Comrade General Secretary of the CPSU Central Committee Gorbachev pointed out: The Soviet and Vietnamese peoples jointly resolve the tasks of socialist and communist construction and stand together as a united body in the defense of peace and international security.

Assessing the achievements recorded by the Vietnamese people in their socialist construction endeavor, Comrade General Secretary of the Party Central Committee Le Duan said in his reply at a grand banquet at the Kremlin: These achievements are inseparable from the effective multisided assistance of the Soviet Union. For Vietnam, he stressed, the Soviet Union always serves as an example in revolutionary struggle and as a source of encouragement and motivation in the building of a new life.

The joint Soviet-Vietnamese statement signed following the visit by leaders of the two delegations expresses satisfaction at the high level of development of the relations between the two parties and countries. This historic document--a document that opens up a new period of bilateral cooperation--points out that the unshakable basis of bilateral relations is the treaty of friendship and cooperation between the Soviet Union and the SRV signed on 3 November 1978. The statement stresses: The core of this relationship is the close cooperation between the CPSU and the CPV that is based on the principles of Marxism-Leninism and socialist internationalism.

The two sides shall continue to incessantly consolidate the close friendly relations and solidarity between the CPSU and the CPV. This is the unswerving principled stand of the CPSU and the CPV and of the Soviet Union and Vietnam; and it reflects the will and aspirations of the two peoples. The two fraternal nations recognize this as the historic relationship between the October Revolution and the August Revolution and as the continuation and development of the glorious internationalist traditions of the two revolutions.

CSO: 4209/618

INTERNATIONAL RELATIONS, TRADE, AND AID

LE DUAN RECEIVES DANISH COMMUNIST DELEGATION

OW052042 Hanoi VNA in English 1604 GMT 5 Sep 85

[Text] Hanoi VNA Sep 5--Le Duan, General Secretary of the Communist Party of Vietnam (CPV) Central Committee, received here this afternoon the visiting delegation of the communist party of Denmark led by Jorgen Jensen, chairman of the Party Central Committee.

With the General Secretary were Nguyen Duc Tam, political bureau member and secretary of the CPV Central Committee; Vu Quang, member of the CPVCC and head of its International Department; and other senior officials.

Le Duan warmly welcomed the delegation which he said was bringing to the Vietnamese party and people the expression of militant solidarity and friendship from the Danish communists and people as a whole.

He informed the Danish guests of the achievements recorded by the Vietnamese people in their national construction and defense, these achievements, he said, were contributions to the common struggle of the world people against the arms race policy of the U.S. imperialists and other international reactionary forces, for peace in Southeast Asia and the rest of the world.

Le Duan expressed the CPV and the entire Vietnamese people's solidarity with and support for the Danish communists and people in their struggle against the monopoly capitalists and the rightists forces in their country for peace, welfare, democracy and social progress. He highly valued the struggle being waged by the Danish communists and people against the U.S. bellicose policy, intensified arms race and attempt to gain military superiority, against Denmark's participation in the war plans of NATO and for the transformation of northern Europe into a nuclear-free region.

Le Duan sincerely thanked the communists and other democratic and progressive forces in Denmark for their strong support to Vietnam's national construction and defense. He wished for further development of the ties between the two parties and the two peoples.

Speaking on the occasion, Jorgen Jensen highly valued the victory of historic and epochal significance of the Vietnamese people's anti-U.S. struggle for national salvation as well as their great achievements in national construction over the past ten years.

He reaffirmed the Danish CP and people's support for the Vietnamese people in the new stage of their revolution and expressed the wish for further strengthening and enhancement of the friendly ties between the two parties.

The reception took place in a warm and cordial atmosphere.

CSO: 4200/1495

PARTY ACTIVITIES AND GOVERNMENT

NGUYEN DUC TAM ATTENDS HA TUYEN MEETING

BK041115 Hanoi Domestic Service in Vietnamese 2300 GMT 30 Aug 85

[Text] On 29 August, the party, people's, and VFF committees of Ha Tuyen Province held a grand meeting in Tuyen Quang City to mark the 40th anniversary of the August Revolution and the 2 September National Day and to receive the Gold Star Order.

Comrade Nguyen Duc Tam, member of the party Central Committee Political Bureau and Secretariat, attended.

Comrade Nguyen Van Duc, member of the party Central Committee and secretary of the Ha Tuyen provincial party committee, made a speech. He praised the immortal spirit of the August Revolution and expressed the pride that the party organization and people of Ha Tuyen take in the historic locality of Tan Trao where momentous political events took place 40 years ago, leading to the successful August general insurrection and paving the way for the people of various nationalities in Ha Tuyen to become the master of their own lives and land. The local people have united to build and defend the country, perseveringly and incessantly contributing manpower and material resources to the two wars of resistance against the French and U.S. aggressors in the past and currently serving as the frontline in the struggle against the expansionists and hegemonists. Under the leadership of the party Central Committee, the party organization and people of various nationalities of Ha Tuyen have initially defeated the enemy's multifaceted war of sabotage and the war of border land-grabbing. The more they fight, the further the local people's armed forces grow, the more the educational, cultural, and social welfare services develop, and the stabler the people's living conditions become.

In an inspiring atmosphere, Comrade Nguyen Duc Tam, on behalf of the party Central Committee and the state, pinned the Gold Star Order on the traditional flag of the people of various nationalities in Ha Tuyen Province and affixed two Ho Chi Minh Orders to the traditional flags of the local armed forces and people's public security forces.

Comrade Nguyen Duc Tam conveyed the party's and state's solicitous regards to the people of all strata and to cadres and combatants of the armed forces

in Ha Tuyen. He warmly commended the great achievements recorded by Ha Tuyen's party organization and people over the past 40 years and reminded the local party organization and people of various nationalities to uphold their revolutionary vigilance so as to defeat the enemy's war of border land-grabbing and multifaceted war of sabotage.

During his stay in Ha Tuyen, Comrade Nguyen Duc Tam visited cadres and combatants of the 2d Military Region's forward command, Vi Xuyen and Son Duong Districts, the Tan Trao memorial complex, the Y La cooperative, and Tuyen Quang City.

CSO: 4209/618

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN ON NONALIGNED FOREIGN MINISTERS MEETING

OW050857 Hanoi VNA in English 0741 GMT 5 Sep 85

[Text] Hanoi VNA 5 Sep--Welcoming the Foreign Ministerial Conference of Non-aligned Countries in Luanda, Angola, Nhan Dan today expresses its belief that the non-aligned movement will continue to develop in keeping with the trend of our time, making worthy contributions to the cause of peace, democracy and social progress.

It says: "The non-aligned movement, with Prime Minister Rajiv Gandhi as its president, is strengthening its solidarity, stepping up its struggle, and continuing to uphold the anti-imperialist and anti-colonialist banner. Its political prestige is rising ever higher in the world".

"Since the 7th Summit Conference held in New Delhi in March 1983, the Foreign Ministerial Conference of the Non-countries which opened in Luanda on September 4 is the most important political event in the past two and a half years", Nhan Dan says.

The paper remarks that since the 7th Non-aligned Summit, the world situation has become more strained and complicated due to the collusion between the U.S. imperialists and international reactionary forces, especially the U.S. schemes to start a nuclear war and the activities of trans-national groups to increase economic exploitation of under-developed and developing countries.

Dealing with the situation in Southeast Asia, Nhan Dan says:

"In Southeast Asia, following the New Delhi Summit, with its appeal calling on all countries in the region to enter into dialogue aimed at settling the existing problems in the region, and advancing towards the establishment of a stable and lasting peace therein, the trend of dialogue between the ASEAN and Indochinese countries continues to forge ahead."

"Developments over the past six years in Kampuchea as well as in Southeast Asia, as pointed out by the joint communique of the three Indochinese countries' foreign ministerial conference held in Phnom Penh in August 1985, show that it is time for the parties concerned to hold substantial negotiations to settle the problems of peace and stability in Southeast Asia and the Kampuchea issue."

"The most recent talks between Indonesia and Vietnam which represent the two groups of countries on problems concerning settlements for Southeast Asia and Kampuchea were consistent with the spirit of the resolution on Southeast Asia of the 7th Summit Conference in New Delhi, marking a new advance of the peaceful co-existence between the two groups of nations in the region."

"The fact that by decision of the People's Republic of Kampuchea and Vietnam, Vietnamese army volunteers will unilaterally continue their annual withdrawal, will completely pull out of Kampuchea in 1990, once again proves Vietnam's consistent policy of respecting the independence and sovereignty of Kampuchea. At the same time, it proves the Kampuchean people's irresistible growth and determination to build and defend their homeland."

"The policy of opening talks between the PRK and groups and individuals of the opposition KHMers to discuss the implementation of national concord on the basis of eliminating the genocidal Pol Pot gang, and the talks among countries inside and outside of the region will surely make a positive contribution to a durable solution in the region in the interests of peace and stability in Southeast Asia and the rest of the world, in accordance with the ardent aspiration of all nations, including the peoples of non-aligned countries".

CSO: 4200/1495

INTERNATIONAL RELATIONS, TRADE, AND AID

INTERVIEW WITH INDIAN OFFICIAL ON COOPERATION

BK051109 Hanoi Domestic Service in Vietnamese 0015 GMT 1 Sep 85

[Station correspondent (Minh Duc) interview with Mr (Ramanath Singh), director of the Projects and Equipment Corporation of India, on the occasion of the latter's "recent" visit to Vietnam--(Ramanath Singh's) answers in quotation marks recorded in English fading into Vietnamese translation]

[Text] Question 1: Could you tell us about the economic cooperation between Vietnam and India, especially the cooperation between the Projects and Equipment Corporation of India and Vietnam?

Answer: "The prospects for cooperation between India and Vietnam are enormous. This is because the economic cooperation between the two countries is derived from the political relationship between the two governments and the two peoples. The friendship between India and Vietnam has a long-standing history. India highly treasures this friendship. We are convinced that this relationship will help make our two countries more economically and politically steadfast. Cooperation on project equipment between India, especially the Projects and Equipment Corporation--PEC--of India, and the Foreign Trade Ministry of Vietnam; the lasting and close friendship between India and Vietnam; and the trade relations between the two countries have constituted a source of encouragement for the PEC to pursue its policies."

"Since 1977, the PEC has actively participated in the supply of rail cars and looms in accordance with the Indian Government's loans agreements. We provided Vietnam with rail cars for both passengers and freight, valued at 350 million rupees, under a 1978 contract. We also provided coal wagons, valued at 110 million rupees, under a 1981 contract and many locomotive equipment items under a 1982 contract. In 1983, we signed a contract to supply diesel locomotives. In 1984, we signed a contract for the modernization of the Nam Dinh textile plant. This contract is being fulfilled and scheduled for completing by June 1986, but it may be finished sooner."

"To maintain the close relationship, PEC now has two offices in Vietnam, one in Hanoi and the other in Ho Chi Minh City. We have maintained close relations with the Government and various public organs of Vietnam. Many Vietnamese Government officials have visited India, such as Foreign Trade Minister Le Khac and Light Industry Minister Nguyen Chi Vu. Many groups of Vietnamese officials have also gone to India for talks and training. These efforts have resulted in the PEC'S taking a leading role in credit cooperation with Vietnam. The credit loans have reached 350 million [Rupees--FBIS]. We are expecting more new credit loan agreements so we can further develop our trade relations with Vietnam."

Question 2: Could you tell us about the results of the cooperation between the two countries as well as between the Projects and Equipment Corporation--PEC--of India and the Vietnamese foreign trade sector and your impression of this visit to Vietnam?

Answer: "Economic cooperation between India and Vietnam must continue to grow. We will expand our areas of cooperation and intensify our activities in each of these areas. We have made suggestions and proposals for the development of essential industries. For instance, in the railroad industry, efforts have not been confined to providing locomotives and rail cars for passengers and freight, but they have also been extended to repairing the trans-Vietnam rail line. This repair is being carried out by an Indian railroad building corporation. There have been many railroad and sluice gate repair projects and other related services, which may cost hundreds of millions of dollars. Still, India thinks that Vietnam needs a rapid and effective railroad network."

"In the field of light industry, the Projects and Equipment Corporation--PEC--of India is considering relations of cooperation in many areas. We are also thinking of the possibility of restoring, modernizing, and balancing the operation of the Vinh Phu textile plant, the 8 March textile plant, and a jute processing plant. We have proposed giving a brand new car to the filament spinning workshop of the Nam Dinh textile plant, where we are now doing some work apart from providing textile-industry-related equipment to this plant. As you may see friends, these proposals will involve large amounts of capital. Both India and Vietnam are developing countries and have limited capital. The Indian Government treasures its friendship with Vietnam and is aware of the difficulties and hardships now confronting Vietnam. India also has its own problems--its limited capability in the source of loans. However, India has always striven to help Vietnam in its great mandate to rebuild the country."

"The main purpose of my visit this time is to explore new areas and modes of cooperation between the two countries. Having participated in providing economic assistance to Vietnam, the Projects and Equipment Corporation--PEC--of India is now seeking additional new contracts with Vietnam in the future."

"We also hope to see more Vietnamese products exported to India or a third country. Vietnamese exports to India are still few because Vietnam and India export the same kinds of goods. We are trying to build up our capital by exporting our goods to a third country. We are selling our tea on the world market in exchange for modern tea processing machines. Modern tea processing machines provided by India will help improve the quality of Vietnamese tea production."

"Similar efforts have also been made in jute production. We have proposed that Vietnam import India-made jute spinners and looms. At present, friends, you are exporting crude jute while importing jute products to meet your requirements. Thus, on the one hand you get less foreign currency selling crude jute, while on the other hand you have to spend more foreign currency to import jute products. Once you have obtained these machines, friends, you can process jute by yourselves. This will create more employment for the people while saving foreign currency."

"Another thing about which India is concerned is vegetable oil. Every year India has to import large quantities of vegetable oil. We can import vegetable oil from Vietnam and provide Vietnam with the machines it needs."

CSO: 4209/618

INTERNATIONAL RELATIONS, TRADE, AND AID

NATIONAL DAY CELEBRATIONS ABROAD REPORTED

OW052054 Hanoi VNA in English 1530 GMT 5 Sep 85

[Text] Hanoi VNA 5 Sep--Polish television screened a special program on September 2 on the history and the present day of Vietnam in honour of the 40th National Day.

The program included an interview with the President of the Poland-Vietnam Friendship Association (P.V.F.A.), General Marian Ryba, who reviewed his association's activities since its foundation in 1982 to enhance the solidarity between Poland and Vietnam.

Many other activities such as exhibitions, a gala concert in Warsaw, and radio and television broadcasts to mark this event were organized by the P.V.F.A.

Present at the gala concert in Warsaw on September 2 were high-ranking leaders of the Polish United Workers' Party Central Committee, Warsaw Party Committee, and senior officials of the Polish diplomatic corps.

In his address before the concert, Marian Wozniak, first secretary of the Warsaw Party Committee noted that "Poland and Vietnam have been bound by long, [word indistinct] traditions of friendship and cooperation".

"Today," he said, "the Polish-Vietnamese cooperation is gaining momentum to the benefit of both sides. We highly esteem Vietnam's stance toward and its support to Poland in its hardest times. Our trade exchange is consistently rising and our bilateral economic cooperation is expanding into new fields. Our two countries are linked by joint concern for peace in the world".

A mass meeting was held in Havana on September 2 to mark Vietnam's 40th National Day by the Cuban Institute of Friendship with the Peoples (C.I.F.P.) and the Cuban Committee for Solidarity with Vietnam (C.C.S.V.).

Present on the presidium of the meeting were Jesus Montance, alternate political bureau member and secretary of the Central Committee of the Communist Party on Cuba, and head of its Department of International Relations; Rene Rodrigue, member of the C.P.C.C.C., and head of the C.I.F.P., and other senior party and state officials.

Speaking at the meeting, Jesus Montance stressed that "the foundation of the Democratic Republic of Vietnam, now the Socialist Republic of Vietnam, is an event of great significance".

He said this event marked the collapse of the colonial system in Asia and Africa, in our time, he went on, the movement of national liberation is always associated with the struggle for social justice and socialism.

After bringing out the brilliant achievements of the Vietnamese people over the past 40 years in all fields, Jesus Montance reaffirmed Cuba's strong support for and assistance with Vietnam.

The Cuban Trade Union of Building Service held a meeting the same day in honour of this anniversary. On this occasion, it conferred "Ho Chi Minh" rotation banners on units which had made outstanding achievements in socialist labour emulation movement over the past eight months.

A photo exhibition on Vietnam's achievements in national construction and defense over the past 40 years was opened in Havana on August 30 under the joint auspices of the ministries of culture and foreign affairs, and the Cuban Committee for Solidarity with Vietnam.

Another meeting was arranged at the Osvaldo Sanchez Printing Factory to mark Vietnam's major anniversaries and make public the experimental publication of the first Vietnam pictorial in Spanish in Cuba.

The books distribution office of Cuba has published selected Vietnam's short stories in Spanish.

In Prague (Czechoslovakia), a meeting was held on September 2 by the Central Committee of the Czechoslovak National Front and the Front Committees of the Czech Region, and Prague and the Association for Friendship with Foreign Countries in celebration of Vietnam's National Day.

Present at the meeting were Rudof Ro Licek, deputy prime minister and president of the Czechoslovakia-Vietnam Committee for Economic, Scientific and Technical Cooperation, T. Tranvnicek, vice president of the Central Committee of the Czechoslovak National Front, and other senior Polish officials.

Addressing the meeting, R. Ro Licek brought out the process of the Vietnamese people's struggle for national liberation, independence and freedom since the August Revolution in 1945 and their achievement in socialist construction since the country's reunification.

Another meeting was held on August 31 in Bratislava, capital of the Slovak Socialist Republic (S.S.R.), to mark Vietnam's historic event. It was sponsored by the Czechoslovakia-Vietnam Friendship Association and the G. Dimitrov Chemical Factory.

Speaking at the meeting, M. Valovis, vice minister of Labour and Social Affairs of the S.S.R., stressed: "The heroic Vietnamese people have over the past 40 years perseveringly fought for independence, freedom, and have achieved great victories".

After an arduous struggle for national salvation, he continued, the Vietnamese people are trying their best to accelerate national construction and improve their living standard. The Czechoslovak people are firmly convinced that the Vietnamese people will certainly overcome all difficulties and achieve ever bigger success, he noted.

A mass meeting was held in Pyongyang on August 31 in honour of Vietnam's National Day in the presence of Kim Bong Ju, president of the General Federation of Trade Unions of Korea, Li Sang Song, president of the D.P.R.K.-Vietnam Friendship Society, and others.

A get-together was arranged in New York on August 30 on the occasion of Vietnam's 40th National Day.

It was attended by representatives of the Communist Party of America, other political parties and mass organizations including the American Committee for solidarity with Vietnamese People.

CSO: 4200/1495

INTERNATIONAL RELATIONS, TRADE, AND AID

SRV NATIONAL DAY MARKED BY VARIOUS COUNTRIES

OWO42142 Hanoi VNA in English 1451 GMT 4 Sep 85

[Text] Hanoi VNA 4 Sep--An exhibition on the history of the Vietnamese Revolution was held in Phnom Penh on September 1 in honour of the 40th anniversaries of Vietnam's August Revolution (August 19) and National Day (September 2).

Among those present on the occasion were Wen Samon, member of the People's Revolutionary Party of Kampuchean Central Committee and head of the Commission for Propaganda and Training, Vietnamese Ambassador Ngo Dien and also charge d'affaires A.I. Sokhala.

The national weekly THE REVOLUTIONARY ARMED FORCES in its editorial stressed that these events had ushered in a new era in Vietnam, the era of independence and freedom, in which the people became the true master of their destiny."

The weekly PHNOM PENH in its editorial pointed out that the impact of the victory of the August Revolution was felt outside Vietnam's frontiers. It strongly encouraged the liberation movements in other countries, especially in Kampuchea and Laos. It wrote: "The Socialist Republic of Vietnam has been and will remain the mainstay of the revolution on the Indochinese peninsula, an outpost of socialism in Southeast Asia. Vietnam is contributing to the cause of world revolution and to peace and stability in this region, and its international prestige is rising."

VOICE OF THE KAMPUCHEAN PEOPLE radio said in a recent broadcast "the victory of the August Revolution brought momentous changes on the land of Vietnam. It smashed the triple yoke of native feudalism, French colonialism and Japanese fascism which has weighed heavily on the Vietnamese people for many years. The reunification of Vietnam created good conditions for the work of defense and reconstruction."

The 40th anniversaries of Vietnam's August Revolution and National Day were honoured at a meeting held in Ulaanbaatar on August 27. It was sponsored by the Ulaanbaatar Party Organization, the Mongolian Peace and Friendship Committee and the Mongolia-Vietnam Friendship Association.

Present at the meeting were D. Molomjamts, political bureau member and secretary of the People's Revolutionary Party (PRP) Central Committee; B. Dejid, political bureau member of the PRP CC and head of the Party Control Commission, and other Mongolian senior leaders. Vietnamese Ambassador Tran Trung attended the meeting.

The meeting voiced the Mongolian people's support for and solidarity with the Vietnamese people in their struggle for independence, and freedom and to preserve their revolutionary gains, and welcomed Vietnam's efforts and initiatives aimed at bringing stability to Southeast Asia, and establishing good neighbourly relations among countries in the region.

Speakers at the meeting said the Mongolian people warmly welcome the decision on complete withdrawal of Vietnamese army volunteers from Kampuchea in 1990, decision taken at the conference of the recent Indochinese foreign ministers held in Phnom Penh and which, they believe will make a contribution to the peaceful settlement of the Kampuchean issue in the interest of world peace and security. [sentence as received]

An exhibition titled "Vietnam 40 Years" was held on August 26 in Sofia, capital of the People's Republic of Bulgaria, on Vietnam's 40th National Day. Present on the occasion were M. Marinov, vice chairman of the Committee for Culture, A. Kabakchiev, president of the Bulgaria-Vietnam Friendship Association, and other officials.

On the occasion of Vietnam's 40th National Day, many mass organizations in India have sent letters to the Vietnamese Embassy in New Delhi greeting the Vietnamese people and government, and expressing their admiration for President Ho Chi Minh.

An exhibition titled "Vietnam As Seen by Soviet Painters" was held in Moscow on September 2 in honour of Vietnam's 40th National Day.

Speaking at the opening ceremony, Tania Silevanova, vice president of the Central Committee of the Soviet-Vietnamese Friendship Society, highly valued the exhibition and considered it a new contribution to strengthening the close fraternal relationship between the two countries.

An exhibition on Vietnam's export trade was held in Moscow the same day.

Tran Xuan Bach, secretary of the Communist Party of Vietnam Central Committee, and I.V. Kapitonov, secretary of the Central Committee of the Communist Party of the Soviet Union, cut the ribbon to inaugurate the exhibition.

Present at the opening ceremony were K.P. Pitovranov, chairman of the Chamber of Commerce and Industry, I.T. Grishin, deputy minister of Foreign Trade; N.M. Daichenko, first deputy minister of Fruit and Vegetable Growing, and many ambassadors and commercial attaches of foreign countries.

Visitors highly valued the potentials of Vietnam's export trade and voiced their belief that the exhibition would help enhance the friendship between the two peoples and promote USSR-Vietnam economic and commercial cooperation.

INTERNATIONAL RELATIONS, TRADE, AND AID

SRV NATIONAL DAY OBSERVED IN EAST BLOC COUNTRIES

OW060803 Hanoi VNA in English 0714 GMT 6 Sep 85

[Text] Hanoi VNA 6 Sep--A meeting was jointly held in Budapest on September 2 by the Central Committee of the Hungarian Socialist Workers Party and the Central Council of the Hungarian Patriotic People's Front to celebrate Vietnam's 40th National Day.

Addressing the meeting, Lajos Czinege, member of the H.S.W.P. C.C. and vice president of the Council of Ministers, brought out the great significance of the August Revolution and exalted the Vietnamese people's struggle for national independence and freedom.

He said: "The Hungarian people will strengthen through their practical deeds their solidarity with and support for Vietnam's initiatives and concrete measures aimed at easing the tense situation in Southeast Asia, raising the people's living standard and building a prosperous country".

In Warsaw, a meeting was jointly arranged on September 2 in honour of Vietnam's National Day by the Council of Friendship Association with other nations and the Poland-Vietnam Friendship Association in the presence of Jozef Czyrek, member of the Politbureau and secretary of the Central Committee of the Polish United Workers' Party (P.U.W.P); Marian Wozniak, political bureau member of the P.U.W.P. C.C. and first secretary of the Warsaw Party Committee.

Vietnamese Ambassador Nguyen Trong Thuat was also present at the meeting.

Speaking on the occasion, M. Wozniak said: "Poland highly values Vietnam's foreign policy of peace as well as its support for Poland during our most difficult time".

In the Soviet Union, meetings were held at the "Krasnaya Proleteria" factory and the party high school in Moscow on September 2 to honour the Vietnamese anniversary.

A week of Vietnamese films was opened at the "Hanoi" Cinema House in Moscow on September 4. The film "Death Coordinates", screened at the opening ceremony, was highly appreciated by moviegoers.

Day of Vietnamese films also began in Albania on September 4 in celebration of Vietnam's National Day.

INTERNATIONAL RELATIONS, TRADE, AND AID

HANOI RADIO REPORTS USSR, LPDR, PRK GREETINGS

BK051238 Hanoi International Service in English 1000 GMT 5 Sep 85

[Text] Party and state leaders of the Soviet Union, Laos, and Kampuchea have sent their warmest greetings to their Vietnamese counterparts on Vietnam's 40th National Day.

The message of the Soviet leaders said: The official friendship visit to the Soviet Union by the Vietnamese party and state delegation led by party General Secretary Le Duan was a new important turning point in the development of the coordination of action between the two parties and the peoples of the two countries. The Soviet people believe that the Vietnamese people will gain new achievements in the cause of building socialism and go in the van of the struggle of the Indochinese people for freedom and progress and will make a great contribution to ensuring peace and security in Asia and the rest of the world.

The message of the Lao leaders said: The special solidarity between the two parties and peoples of Vietnam and Laos which was cultivated by President Ho Chi Minh has become the root of victory in national construction and defense of each country. The message expressed profound gratitude to the party, government, and people of Vietnam for their precious support to the Lao people.

The message of the Kampuchean leaders said: The Kampuchean people are determined to do their best for the conservation of the special militant solidarity, fraternal friendship, and all-sided cooperation between the three Indochinese countries in general and between Kampuchea and Vietnam in particular.

CSO: 4200/1495

INTERNATIONAL RELATIONS, TRADE, AND AID

LAO LEADERS SEND NATIONAL DAY GREETINGS

OW051824 Hanoi VNA in English 1632 GMT 5 Sep 85

[Text] Hanoi VNA 5 Sep--Vietnamese leaders have received a message of greetings from Lao leaders on the 40th anniversary of the August Revolution and National Day.

The message jointly signed by Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party Central Committee, chairman of the Council of Ministers, and Souphanouvong, president of the Lao P.D.R. and the People's Supreme Assembly, reads:

Forty years ago, the Vietnamese people, under the leadership of the communist party of Indochina headed by the beloved President Ho Chi Minh successfully carried out the August Revolution, seized power and proclaimed the Democratic Republic of Vietnam, the first worker-peasant state in Southeast Asia. Following this historic date, the heroic Vietnamese people successfully waged a struggle against the French colonialists, defeated the U.S. imperialists' aggressive war, reunified the country and took the whole nation onto the socialist path in implementation of the testament of the great and beloved President Ho Chi Minh.

"During the past decade, the Vietnamese people under the leadership of the CPV headed by Le Duan have successfully carried out two strategic tasks of socialist building and national defense. They have defeated the aggressive war launched by the Chinese hegemonists and expansionists and saved the fraternal Kampuchean people from genocide."

"Implementing the resolutions of the 4th and 5th Congress of the CPV, the entire Vietnamese party, army and people have scored great and all-round successes in socio-economic building in defense and security. The prestige of the S.R.V. has been greatly enhanced in the international arena."

"The victory of historical and epochal significance won by the Vietnamese people has significantly contributed to the safeguarding of peace and stability in Indochina, Southeast Asia and the rest of the world. It has also contributed to the reinforcement of the cohesion of the world socialist community and to the struggle of nations for peace, national independence, democracy and social progress."

"As comrade-in-arms who share the same destiny and ideals with the Vietnamese people and who face the common enemies, we are proud of all the victories of the Vietnamese people and consider them as our own victories."

"The special relations between the two parties cultivated by the late President Ho Chi Minh, have become objective laws in the victorious realization of the national defense and construction tasks of each country."

"On this solemn and historical date, we would like to express our deep gratitude and thanks to the party, government and the entire people of Vietnam. We are convinced that the great friendship, combative solidarity and all-round cooperation between our two parties, states and peoples will be unceasingly strengthened".

CSO: 4200/1495

INTERNATIONAL RELATIONS, TRADE, AND AID

NATIONAL DAY GREETINGS FROM CAMBODIAN LEADERS

OW051832 Hanoi VNA in English 1641 GMT 5 Sep 85

[Text] Hanoi VNA 5 Sep--On the occasion of the 40th National Day, Vietnamese leaders have received a message of greetings from their Kampuchean counterparts.

The message was signed by General Secretary of the People's Revolutionary Party and President of the State Council Heng Samrin; Chairman of the National Assembly Chea Sim and Chairman of the Council of Ministers Hun Sen.

It reads: "The success of the August Revolution and the emergence of the Democratic Republic of Vietnam (now the Socialist Republic of Vietnam) on September 2, 1945, the first socialist country in Southeast Asia, is a historic victory of the Vietnamese people. That brilliant victory ushered in a new era and inspired the oppressed peoples in all continents to step up their struggle to regain their independence and freedom.

This is not a glorious victory of the Vietnamese brothers alone but of all the Indochinese peoples and also a victory of the correct revolutionary line of the Indochinese communist party.

The glorious achievements recorded by the Vietnamese party, government and people over the past 40 years in socialist construction and national defense are great results of the heroic Vietnamese people's persistent struggle full of noble sacrifices under the correct and talented leadership of the communist party of Vietnam headed by the late President Ho Chi Minh and by Comrade General Secretary Le Duan at present.

"We warmly congratulate you on this occasion and pledge to learn from the spirit of the August Revolution and the tradition of revolutionary struggle of the heroic Vietnamese people."

"We highly value the policy of peace, friendship and cooperation of Vietnam which has made relentless endeavours world." [sentence as received]

"On this solemn occasion, we express our profound gratitude to the Vietnamese party, government and people for their constant support and

assistance to the Kampuchean revolution with a noble internationalism, especially the sacrifices of the fraternal Vietnamese people and the heroic Vietnam people's army."

"The Kampuchean people pledge to do their utmost to cultivate the special militant solidarity, fraternal friendship and all-round cooperation between the Indochinese countries in general and between Kampuchea and Vietnam in particular, which has fruitfully developed and cannot be broken by any reactionary force".

CSO: 4200/1495

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

CUBAN DELEGATION CONCLUDES VISIT, DEPARTS--Hanoi VNA Sep 4--Mrs Melba Hernandez, director of the Centre for Research on Asia and the Pacific of the communist party of Cuba Central Committee and former president of the Cuban Committee for Solidarity with Vietnam left here today after a visit to Vietnam as a guest of the communist party of Vietnam Central Committee's International Department. While here, she was warmly received on September 3 by Pham Van Dong, political bureau member of the CPV Central Committee and chairman of the Council of Ministers. She paid tribute to the Ho Chi Minh Mausoleum, visited the late president's home and office here and attended celebrations of Vietnam's National Day. Mrs Melba Hernandez also had working sessions with Hoang Tung, secretary of the CPVCC, and official of the Party Central Committee's International Department and the Vietnam Commission for Social Sciences. [Text] [Hanoi VNA in English 1534 GMT 4 Sep 85 OW]

CSO: 4200/1495

PARTY ACTIVITIES AND GOVERNMENT

VAN TIEN DUNG ADDRESSES ORDER AWARD CEREMONY

BK040700 Hanoi Domestic Service in Vietnamese 2300 GMT 30 Aug 85

[Text] On 30 August the VPA General Rear Services Department held a meeting to mark the 40th anniversary of the August Revolution and the 2 September national day and to receive the Ho Chi Minh Order awarded by the Council of State. Senior General Van Tien Dung, member of the party Central Committee Political Bureau and minister of national defense, attended. Also present were Lieutenant General Bui Phung, member of the party Central Committee and vice defense minister; Lt Gen Dang Vu Hiep, member of the party Central Committee and deputy of the General Political Department; representatives of the General Technical Department and the Ministry of Interior; and numerous cadres and combatants of the General Rear Services Department.

Making a speech, Lt Gen Nguyen Chanh, director of the General Rear Services Department, greeted the nation's historic festive days while highlighting the achievements and the process of building and growth of the army's rear services over the past 35 years. Gradually overcoming difficulties, the General Rear Services Department has provided timely combat support for our army, thereby contributing to the glorious victories of the two wars of resistance for national independence and freedom and of the fight for national defense at the southwestern and northern borders. At the same time, the general department has paid attention to building the army's rear service sector by providing it with relatively modern material and technical bases and an experienced contingent of specialized cadres to support the standardization and modernization of our army and make sure that it is always combat ready and can always fight victoriously.

On behalf of the Ministry of National Defense, Senior Gen Van Tien Dung pinned the Ho Chi Minh Order on the banner of the General Rear Services Department. The defense minister commended the achievements of the rear service sector in general and the General Rear Services department in particular over the past 35 years. During that period, the rear service sector has overcome all difficulties, hardships, and sacrifices and have striven to satisfactorily fulfill the role of the army's courageous and resourceful housekeeper, thereby ensuring that the army successfully carried out its building and fighting tasks and fulfilled its sacred national duty and noble international obligation to fraternal Laos and Cambodia.

The senior general advised cadres, combatants, workers, and employees of the rear service sector to bring into full play the strength of their organization and of the traditions of our nation, our army, and our rear service sector. They must be deeply imbued with Uncle Ho's teachings about industriousness, thriftiness, honesty, righteousness, and impartiality. They must uphold the spirit of self-reliance and advance to outstandingly fulfill the rear services' tasks in the new stage, thus proving themselves forever worthy of the order bearing the name of great Uncle Ho.

CSO: 4209/618

PARTY ACTIVITIES AND GOVERNMENT

DONG SY NGUYEN ATTENDS VINH PHU MEETING

BK041145 Hanoi Domestic Service in Vietnamese 2300 GMT 30 Aug 85

[Text] On 30 August, the party, people's, and VFF committees of Vinh Phu Province held a grand meeting in Viet Tri City to mark the 40th anniversary of the August Revolution and the 2 September National Day and to receive the Gold Star Order and Ho Chi Minh Order awarded by our state to the party organization and people and the armed forces of Vinh Phu respectively.

Comrades Dong Sy Nguyen, alternate member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, and Hoang Quoc Viet, honorary chairman of the VFF Central Committee, attended. Comrade Nguyen Van Ton, secretary of the provincial party committee, made a speech in which he reviewed the great achievements of the local people and armed forces over the past 40 years.

After presenting the party organization, people, and armed forces of Vinh Phu with the Gold Star and Ho Chi Minh Order, high honors bestowed by our state, Comrade Dong Sy Nguyen made a speech, hailing the great achievements scored by the local party organization, people of various nationalities, and armed forces over the past 40 years. He conveyed the party's and state's solicitous regards and cordial sentiments to the party organization, people, and combatants of Vinh Phu.

On the same day, Comrade Dong Sy Nguyen cut the ribbon to inaugurate an exhibition of Vinh Phu's economic, scientific, technical, cultural, and social welfare achievements over the past 40 years. He visited the road building and management corporation of Viet Tri City, the motorboat plant of Vinh Phu Province, and a provincial fair.

On this occasion, Vinh Phu Province held a ceremony to present the Independence Order, the 50-year-of-party-service badge, and the Hung King commemorative badge to veteran revolutionary cadres and those comrades who have achieved meritorious services in building the province over the past 40 years. On behalf of the Council of State, Comrade Dong Sy Nguyen pinned the Independence Order on the local veteran revolutionary cadres.

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AGRICULTURE

CIRCULAR ON FORESTRY MANAGEMENT ISSUED

BK061403 Hanoi Domestic Service in Vietnamese 0500 GMT 4 Sep 85

[Text] The Ministry of Forestry recently forwarded its Circular No 3 to various localities and establishments on the implementation of Directive No 29 of the party Central Committee Secretariat on the need to accelerate the turning over of forest land and forests, carry out afforestation, and organize exploitation in accordance with linking forestry with agriculture. The circular provides an assessment of the implementation of Directive No 29 in various localities as follows:

Many localities and establishments have experienced improvements in terms of judgment and direction of implementation. So far, there have been 16 provincial party committee resolutions on forestry work, 20 provinces have set up hill- and forest-based economic sections or sections in charge of turning over forest land and forests, and 17 provinces with forestry development plans and stipulations on their policies to promote forestry production. At the district level, there have been 41 district party committee resolutions on forestry work calling for better planning in the turning over of forest land and forests and in the allocation of land for vegetable planting or afforestation, for linking these activities with the reorganization of forestry production in districts, and for accelerating the pace of afforestation.

In 1984, there were 127 districts carrying out forestry planning. At present, a number of provinces are turning over forestry site management to districts. In particular, Quang Ninh and Son La are decentralizing all forestry sites owned by these provinces or their districts. In localities with good records, the responsibility of districts has been upheld, forests have been satisfactorily protected, and forestry production results have exceeded targets. Typical of these localities is Hoanh Bo of Quang Ninh.

The circular, however, says that in the allocation of forestry sites to districts, some localities have carried out this task perfunctorily and nonuniformly and that decentralization has only been carried out organizationally without taking into account other aspects such as planning, supply, and funds. In certain localities, after the allocation of forestry sites to districts has been carried out, there is a lack of guidance and

assistance on the part of the forestry sector. Some districts, after being allocated forestry sites, have developed the feelings of departmentalism and localism as they have organized the exploitation of logs and forestry products for sales or for barter trade without ensuring the delivery of products to the state.

In addition, thus far, 26 provinces have allocated 1.3 million or more of forest land and forests to various collectives and private individuals for exploitation. Many districts have linked this task with the reorganization of forestry production in their own localities and have succeeded in bringing between 20 and 30 percent of their total forest land and forested area under protection or afforestation per year. Districts with good achievements are Tran Yen in Hoang Lien Son, Chiem Hoa in Ha Tuyen, Doan Hung in Vinh Phu, Tan Yen in Lang Son, and Viet Yen in Ha Bac.

The circular urges various establishments and localities, especially those which have not yet carried out this task or are carrying it out but in a weak manner, to continue to implement those things already outlined in Directive No 29 of the party Central Committee Secretariat.

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HEAVY INDUSTRY AND CONSTRUCTION

FORTY YEARS OF CONSTRUCTION

OW042128 Hanoi VNA in English 1505 GMT 4 Sep 85

[Text] Hanoi VNA 4 Sep--Following is an article written by Minister of Construction Phan Ngoc Tuong in the DAILY NHAN DAN on the 40th anniversary of the construction service: Before the August Revolution, Vietnam's industrial bases were negligible. There were no iron and steel plants, no engineering or chemical industries.

Forty years were too short a time for rebuilding our country from scratch. The construction service, set up right after the August Revolution in 1945, faced enormous tasks: to build economic, technical, cultural and public welfare projects in all parts of the country while overcoming the sequels of the U.S. wars of destruction. By the end of 1964, barely seven years had been actually devoted to construction, the rest being taken up by rehabilitation. Yet, a number of factories had been built and new many industrial branches founded.

In the power industry, the Yen Phu Thermo-electric Power Plant doubled its capacity while other thermo-electric power plants such as in Vinh, Thanh Hoa, Lao Cai, Uong Bi and Viet Tri were restored. Small-sized hydro-electric power stations were erected at Ta Sa, Na Ngan and Ban Thach...

In the engineering service, the machine tools factory no 1, the first of its kind in Vietnam, was built and many machine construction factories such as the Tran Hung Dao and Duyen Hai factories were restored and expanded.

Many chemical factories were also set up such as the Lam Thao Superphosphate Fertilizer Plant in Vinh Phu Province, north of Hanoi, the Lao Cai Apatite Mine at the northern border, the Van Dien Phosphate Fertilizer Plant in Hanoi and other chemical factories.

The light industries saw the emergence of a dozen factories of textile, glassware, rubber goods, soap, plywood, paper cigarettes, tinned food and bread. Quick reconditioning was also undertaken at the coal mines in Hon Gai northeast of Hanoi and Bac Thai, the tin mine in Cao Bang, and the chromite mine in Thanh Hoa.

In the building materials industry, the Haiphong Cement Works was restored and enlarged with the addition of a dozen brick factories, stone quarries and floor tile factories.

Along with the building of industrial projects, many cultural, educational and healthcare establishments saw the light such as the Institute of Water Conservancy and Agriculture, the Polytechnical, Finance and Sports Colleges, the Conservatoire of Hanoi, the College of Fine Arts, the Hanoi School of Choreography, Fi Studios and a system of general schools in all provinces, together with a series of specialized institutions such as ophthalmology, traditional medicines, leprosy, neurology, etc.

Many cities have been expanded. Hanoi, in particular, has doubled in area compared with 1954.

In 1965, the U.S. imperialists launched a very brutal war of destruction against the North, demolishing a large number of newly-built establishments. Twenty major towns and provincial capitals and 51 district towns were virtually razed. Four thousand among a total of 5,800 communes suffered damage to various extents, 300 of them seriously. All industrial centres were bombed. More than five million square metres of housing in the towns were damaged, 3,000 schools and 350 hospitals were hit, 10 of which were levelled. In the South, the "pacification campaign" of the U.S. imperialists and the Saigon puppet administration left a ruined countryside.

Since the liberation of the South in 1975, the construction service has restored and expanded many industrial projects including the thermo-electric power plants in Uong Bi, Vinh, Dong Hoi, Hue and Danang, the hydro-electric power plant in Hoa Binh, restored and built several food processing factories at the centre and in the localities. In the textile industry, together with the renovation and expansion of the Nam Dinh, Dong Nam and Thang Loi textile mills, four spinning mills have been set up in Nha Trang, Hanoi, Hue and Vinh.

The plywood factories in the central highlands, the Swedish-built Bai Bang paper and pulp mill in Vinh Phu and the Van Dien and La Nga sugar factories have been restored and expanded. A system of refrigerating factories have also been built. Many chemical factories have been restored and expanded such as the Lam Thao Superphosphate Fertilizer Plant, the Van Dien Phosphate Fertilizer Plant and the Gia Sang Steel Rolling Mill.

Many coal, chromite, apatite and tin mines have been restored and expanded. The Bim Son and Hoang Thach cement plants have been completed and put into operation. The Haiphong Cement Factory which was heavily damaged in the war has been restored. The Ha Tien Cement Factory has been enlarged and is expected to turn out one million tons of cement a year by 1990. The engineering industry saw the construction of the Song Cong Diesel Factory, the Campha truck-repair workshop, and the Gia Lam locomotive repair works as well as many local engineering factories.

The medical service has restored most war-damaged hospitals and built a series of new ones with assistance from socialist countries and international organizations, including modern and well-equipped hospitals such as the Bach Mai Hospital, the obstetrics hospital, the Hanoi Children's Hospital, and the Dong Hoi Hospital. The construction service has also built or repaired 1,300 schools and 114 colleges capable of seating 12 million pupils and 140,000 students. More than 10 million square metres of housing space have been built including some major apartment blocs in Hanoi. Sixty-two water supply works have been restored bringing the total number to 116 new stadiums and parks have been built. The face of the countryside has changed. Some 60 percent of the houses in the countryside already have tile roofs.

The construction service has also built a dozen modern buildings of national significance such as the Ho Chi Minh mausoleum, the Vietnam-USSR Friendship Workers' Cultural Place, the Bai Bang Paper and Pulp Mill, the Pha Lai Thermo-electric Power Plant and the Hoa Binh and Tri An hydro-electric power plants.

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