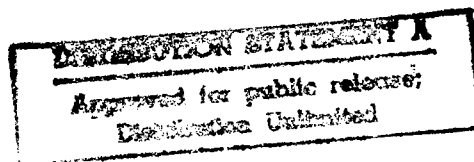


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JPRS-SEA-85-075

8 May 1985

Southeast Asia Report



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8 May 1985

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8 May 1985

INDONESIA

TRADE BALANCE WITH ITALY IN PAST 5 YEARS

Jakarta ANTARA NEWS BULLETIN in English 4 Apr 85 pp A2, A3

[Text]

Jakarta, April 3 (ANTARA).-- Indonesia's balance of trade with Italy over the past five years was always for Indonesia's favour, except in 1983 when the country had a US\$ 5.2 million deficit, source from the Department of Trade said.

Indonesia's export value to Italy in 1979 stood at US\$ 209.9 million and its import from that country was US\$ 142.8 million, a surplus of US\$ 142.8 million for Indonesia.

A surplus of US\$ 178.6 million was again for Indonesia in its trade with Italy in 1980. But from 1981 to 1983 Indonesia's export to Italy declined namely from US\$167.8 million to US\$ 119.3 million in 1983.

But in the first ten months of 1984 Indonesia's export to Italy again rose to US\$ 126.7 million and its import was US\$90.2 million or a surplus of US\$36.5 million for Indonesia.

Indonesian export commodities to that country were mostly crude, coffee, palmoil, tin, rubber and hide. Its import from Italy were chemical substance, industrial and transportation equipment.

Indonesia signed trade agreement with Italy in Rome on May 23, 1951 and is still effective.

Many Indonesia's export commodities were regarded as still under the quality standard in Italian market.

Efforts have been made to enhance bilateral trade ties through the exchange of visits of government and private trade delegations of both countries.

In the European Economic Community (EEC), Italy is always helping Indonesia's interest by making use of the EEC fund to promote Indonesia's non-oil/gas exports.

Italy's economic assistance to the developing countries including Indonesia was given through IGGI, next to providing export credit facilities.

In 1980 Italy provided a softloan credit to Indonesia amounting to US\$2.5 million and a grant of 1.8 million Lira in the form of technical aid.

In 1982/83 Italy contributed a US\$ 3 million aid to Indonesia. The figure rose to US\$30 million in 1984/85.

Many Italian made industrial components are used in various development projects in Indonesia.

CSO: 4200/792

INDONESIA

TRADE BALANCE WITH USSR IN PAST 4 YEARS

Jakarta ANTARA NEWS BULLETIN in English 3 Apr 85 pp A6, A7

[Text]

Jakarta, April 2 (ANTARA).-- Indonesia's balance of trade with Soviet Union over the past four years was always for Indonesia's favour, except in 1982 where Indonesia had a deficit of US\$ 16.83 million, a source of the Department of Trade said.

Indonesia's export value in 1980 stood at US\$ 72.93 million and US\$19.76 million import or a surplus of US\$53.17 million for Indonesia.

In 1981 Indonesia's export value to the Soviet Union rose to US\$79.98 million and its import from that country also rose to US\$41.11 million, a deficit of US\$ 38.87 million for the Soviet.

In 1982 Indonesia's export value to Soviet Union was noted at US\$22.36 million, but its import increased to US\$39.19 million, a deficit of US\$ 16.83 million for Indonesia.

Indonesia's export value to Soviet Union in 1983 went up to US\$50.32 million and its import was US\$24.93 million, a surplus of US\$25.39 million for Indonesia.

Export of Indonesian commodities to Soviet Union were mostly palmoil, coffee and rubber and its imports from that country were industrial equipment and basic materials for industry.

CSO: 4200/792

INDONESIA

ALI WARDHANA: SLUGGISH ECONOMY NOT DUE TO LACK OF FUNDS

Jakarta ANTARA NEWS BULLETIN in English 31 Mar 85 pp A6, A7

[Text]

Denpasar, March 30 (ANTARA). Minister Coordinator for the Economy, Finance and Industry and Development Supervision Ali Wardhana said the sluggishness of the Indonesian economy in the past year was not due to our lacking in money, but to our inability to make maximum use of our potentials.

"The problem does not lie in the lack of money, but how to use the funds we already have most efficiently", said Ali Wardhana, as functionary of the Golkar central executive board, before members of the Functional Group here Saturday.

He said the fact that the 1984/1985 remainder of the development budget amounted to over Rp 1 trillion was solid proof that Indonesia was still unable to use its funds efficiently.

The minister said Indonesia's economy heavily depended on oil revenues. "If the price of oil increases, we can breath of air of relief, but if it drops it would be disastrous," he added.

The price of oil has been declining in the past couple of years, which would compel Indonesia to become moresensitive to such problems, by boosting nonoil exports.

"There are so many things we have to do, and the strength of Golkar lies in its program of achieving welfare for the people. We have to pay maximum attention to the welfare of the Indonesian people. Golkar through its programs must be able to provide food, clothing and education to the people.

CSO: 4200/790

INDONESIA

COMMENTARY ON CAMBODIA'S FALL TO COMMUNISM

BK181344 Jakarta Domestic Service in Indonesian 1200 GMT 17 Apr 85

[Unattributed commentary]

[Text] Throughout the course of Cambodian history, Phnom Penh has twice fallen to communist forces. The first time, the Cambodian capital fell to Khmer Rouge soldiers on 17 April 1975 or exactly 10 years ago. Finally, it fell to Vietnamese troops on 7 January 1979 or almost 4 years later. Development in Cambodia has been influenced by development in China following the end of the second Indochina war. Prince Sihanouk led a government-in-exile in Beijing during the 1970-75 Cambodian war which was part of the 1960-75 second Indochina war. Sihanouk was still in the Chinese capital when Phnom Penh fell to the Khieu Samphan-led Khmer Rouge. It was not until the end of 1975 that he returned to Phnom Penh to lead a post-war Cambodian government made up of the factions representing Sihanouk, Khieu Samphan, and Heng Samrin.

The fate of Sihanouk's leadership depended primarily on factionalism in China following the Cultural Revolution. His leadership in Cambodia was assured as long as the Zhou Enlai faction was strong enough to compete in a power struggle in China. However, Prime Minister Zhou Enlai died in January 1976. Zhou's death was followed by steps by Mao Zedong's followers to initiate the second phase of the Cultural Revolution. Soon afterwards, an anti-Zhou Enlai campaign intensified in China that in turn encouraged the Khmer rouge in Cambodia to overthrow Sihanouk. The anti-Zhou Enlai campaign reached its climax on 5 April 1976 with a demonstration in Beijing against Deng Xiaoping who was later stripped of all posts in the government and the CPC. On the same day, Sihanouk was overthrown as head of state in Cambodia. Following Sihanouk's downfall, the Cambodian Communist Party under the leadership of Pol Pot conducted a large-scale purge which was more drastic than the Cultural Revolution in China. Almost three million Cambodians became victims of mass killing. Cambodia was on the brink of facing a Vietnamese invasion when China entered the post-Mao era that was to be followed by the victory of Zhou Enlai's followers in the power struggle.

China itself has said that following Phnom Penh's fall to Vietnamese troops, the Cambodian resistance will not achieve success if it is carried out by the Khmer Rouge alone. China believes that Sihanouk must again lead the resistance as he did during the past Cambodian war. This shows that the communist revolution has completely failed in Cambodia. This being the case, post-Vietnam Cambodia must be a noncommunist state.

CSO: 4213/209

INDONESIA

JAKARTA ON PRC'S WU PLEDGE OF NONINTERFERENCE

BK201644 Jakarta Domestic Service in Indonesian 1200 GMT 20 Apr 85

[Unattributed commentary]

[Text] On his way to Bandung for the 30th anniversary celebration of the Afro-Asian conference, PRC Foreign Minister Wu Xueqian stopped over in Manila last Thursday to start a 5-day visit to the Philippines. According to an AFP report quoted by the ANTARA News Agency, in his speech at a luncheon hosted by President Marcos at the Presidential Palace yesterday Wu Xueqian assured that the PRC will not interfere in the internal affairs of the Philippines. Behind the PRC foreign minister's statement lies the PRC's intention to regain the trust of the Philippines in particular and other Asian neighbors in general about the principle of peaceful coexistence as one of the main principles of its foreign policy. The principle of peaceful coexistence was enunciated by the late Prime Minister Zhou Enlai in his speech at the Afro-Asian Conference in Bandung 30 years ago. It should be remembered that after the Afro-Asian Conference in Bandung, the PRC has begun to adopt a stand inconsistent with the principle of peaceful coexistence by invading India in 1962 and Vietnam in 1979.

Nevertheless, by refusing calls for a second invasion of Vietnam following Vietnam's recent large-scale offensive in Cambodia, the PRC intends to regain the trust of its Asian neighbors about the principle of peaceful coexistence as one of the main principles of its foreign policy. In this connection, it should be noted that President Marcos is facing an armed insurgency launched by the New People's Army [NPA]--the military wing of the Beijing-oriented Communist Party of the Philippines [CPP]. The NPA is estimated to have between 6,000 and 10,000 armed guerrillas. The NPA-led armed insurgency has gained momentum following an intensification of opposition to Marcos in 1983 as a result of the assassination of Benigno Aquino. However, Marcos is confident that he will manage to foil the goals of the communist insurgency.

Whether Wu Xueqian's assurance that the PRC will not interfere in the internal affairs of the Philippines is sincere will depend on Marcos' own assessment. The PRC foreign minister has no doubt respected Marcos for taking Vietnam's foreign policy as an example of a foreign policy inconsistent with the principle of peaceful coexistence during his recent meeting with Malaysian Foreign Minister Tengku Rithauddeen.

CSO: 4213/209

INDONESIA

COMMENTARY ON RESPONSE TO BANDUNG COMMEMORATION

BK231505 Jakarta Domestic Service in Indonesian 1200 GMT 23 Apr 85

[Unattributed commentary]

[Text] International attention is now focused on Bandung City, which will be the venue for the commemoration of the 30th anniversary of the Asian-African Conference. Of the total of 93 countries invited to the commemoration, no fewer than 80 have confirmed their attendance. This shows the serious attention given to the outcome of the conference 30 years ago, bearing in mind the relevance of the 10 principles of Bandung to the current situation and the future.

As we can see clearly, to date, the Nonaligned Movement and the Group of 77 were formed based on the aspiration of the Bandung spirit. The Nonaligned Movement, to which 101 countries belong, desires the creation of world peace, while the Group of 77 desires the creation of a new world economic order which is more fair. Such a situation is definitely required by developing nations to fulfill their independence achievements, considering they were colonized for a long time, so that all efforts and ideas are concentrated on ways and means to develop the country and the people to a higher level as a sovereign nation. This is only possible if there is a peaceful situation, mutual respect, noninterference in each other's internal affairs, and cooperation in all aspects, based on mutual advantage.

From the population aspect, over two-thirds of the world's population lives in developing countries, especially in Asia and Africa. With due regard, no matter how, their voices must be taken into account by the superpowers or other (?industrialized) countries. With such huge populations, the Asian and African countries will definitely be good markets for industrialized countries. Therefore, it would not be fair if they were to remain mere objects and at the same time bear the consequences of the arms race, which is getting more frightening day by day. That fear is hitting the people of the affected countries.

It is in accordance with these facts that it is not astonishing that the commemoration of the 30th anniversary of the Asian-African Conference receives a good and joyful response, different from any previous commemorations. As a matter of fact, in this commemoration, a general declaration, the contents of which is still unknown, is expected to be issued. Most probably, the declaration will center on three main issues faced by the people: world peace, international economic justice, and humanity and culture.

CSO: 4213/209

8 May 1985

INDONESIA

AMBASSADORS CALLED ON TO ATTRACT FOREIGN INVESTMENTS

Jakarta BUSINESS NEWS in English 3 Apr 85 p 10

[Text]

President Soeharto has called on Indonesian ambassadors posted in other countries to attract foreign investment to Indonesia, especially from countries which have the potential to make investment abroad.

The Head of the Government made the call when he swore in Indonesian new ambassadors to several countries at the State Palace here Monday. He revealed that foreign investments would contribute to the effort to meet the investment target in Pelita IV (fourth five-year development plan).

The President also urged Indonesian ambassadors posted abroad to actively participate in the promotion of Indonesian commodities other than oil and natural gas. He stressed the urgent need to step up non-oil/gas exports, as Indonesia could no longer depend upon oil and natural gas in collecting foreign exchange earnings.

The development of non-oil/gas exports, according to the President, will boost economic growth in the country, expand job opportunities and improve people's income and welfare.

He pointed out that the task of the nation in carrying out national development would be increasingly heavier in the coming years.

CSO: 4200/790

INDONESIA

INVESTMENT BOARD APPEALS TO MORE INVESTMENTS

Jakarta BUSINESS NEWS in English 3 Apr 85 p 3

[Text]

Indonesia is one of the best places in the world to invest, Chairman of BKPM (Investment Coordinating Board) Ir. Ginanjar Kartasasmita stressed at a meeting with the Foreign Business Community here recently.

Ginanjar stated further at the meeting organized by the investment department of Kadin (Indonesian Chamber of Commerce & Industry) that Indonesia did not provide several facilities offered by other countries but could offer other facilities unavailable elsewhere.

In addition, Indonesia offers other incentives such as political stability, security, sufficient land, free flow of currencies, low rate of inflation & high economic growth rate, the BKPM chairman pointed out.

He disclosed investments approved by BKPM rose from Rp 4.4 trillion in 1982 to Rp 9.8 trillion in 1983 but dropped to Rp 3.2 trillion in 1984. The pronounced jump in approved investments for 1983 is due to a rush by investors to finalize projects before January 1, 1984, since such investments still need various incentives and facilities which were abolished as a result of the new tax laws.

Ginanjar appealed to foreign businessmen to support the Indonesian Government in increasing investments and stepping up development for the sake of the interests of Indonesia, investors themselves and the world. The stable and growing Indonesia is very important to the free world, he added.

He admitted that it was not always easy to do business in Indonesia. The government is intensively studying the matters and a series of actions can be expected in the not too distant future to create far healthier and brighter business climate, he said.

He promised that the government would abolish the "Mickey Mouse" rules, irrelevant and unnecessary requirements. There is no more need for any financial transactions in dealing with BKPM, he ensured. He pointed out that the board had abolished the Rp 5,000 required for the applications and working permits of expatriates working under investment programs. The amount is small but it may invite bigger "underground transactions" that are avoided, he stated.

In the future, the government will grant the necessary extension to expatriates if their services are still needed. Otherwise their work permits will expire, but there will definitely be no more levies, he confirmed. The least government is the best government, he added.

Hopefully in the future, BKPM's "one stop service" will no longer be the butt of jokes like "one full stop service" or "one stop and no service", he confirmed, and promised that BKPM would try to do its best to ensure that the one stop service was really a workable concept. He expressed the hope that foreign businessmen would help eliminate those jokes.

The reduction in the Investment Priority List for foreign investors can make them doubtful, he said. In this context, he pointed out that the more lucrative quick-yielding, downstream enterprises, and the production of mass oriented consumer goods had already been saturated. It is for this reason then that the entry of new participants in certain industries has to be restrained.

This governmental intervention should be viewed in a more sympathetic light in the sense that it protects new investors from entering a market that does not really offer bright prospects and gives the already established ventures a chance to develop into maturity, he revealed.

As a rule, the government promotes competition and stops only when the competition has reached reasonable limits & when additional competition will be more harmful than fruitful, Ginanjar said.

When a specific line of business is not mentioned, it does not always indicate that it is not being promoted, but may mean that when the Investment Priority List was compiled, it was not yet recognized, according to the BKPM chairman.

Absence from the Investment Priority List should not inhibit interested investors and a Letter of Intent to BKPM will result in any requested clarification, he disclosed. BKPM is now preparing Project Profiles for certain selected investment projects, which will be made available at no cost to would be investors.

CSO: 4200/790

INDONESIA

RESULTS OF CENTRAL, PROVINCIAL INVESTMENT BOARD MEETING

Jakarta BUSINESS NEWS in English 3 Apr 85 p 5

[Text]

Acting Chairman of BKPM Drs. Ginanjar Kartasasmita stated when closing the working conference of BKPM (Investment Coordinating Board) and BKPMD (Provincial Investment Coordinating Boards) here recently that Indonesia still needed foreign investments to complement domestic capital needed in the realisation of national development.

Ginanjar voiced the need to attract more foreign investments as far as they did not weaken the available potential in the country and did not bring about political ties that could make Indonesia dependent upon other sides.

The expansion of foreign investments in Indonesia, according to Ginanjar, should be prevented from the creation of excessive capacities so as to protect the available production capacities in the country, viewed from the marketing aspect, the procurement of basic materials and the procurement of other production facilities. Excessive production capacities can cause industries in the country to be inefficient.

The BKPM chairman also stressed the importance of formulating as soon as possible investment planning, by giving emphasis on the maintenance of the available investment projects and the encouragement of the growth of new investments.

He pointed to the need to create climate more favourable to investment and encouraging the participation of the business world in economic development. He mentioned several steps that should be

taken by BKPM, such as :

- Improvement of services by smoothening the processing of applications and the issuance of investment permits, in the centre and provinces.
- Increasing efficiency and effectivity in investment promotion activities in the country as well as abroad. Especially for promotion abroad, it is necessary to seek more effective ways, among others by maximizing the utilization of Indonesian embassies.
- Increasing coordination and synchronization in the implementation of investment policies among departments and non departmental institutions/agencies.
- Stepping up control and supervision so as to secure the meeting of targets in the development of the investment field.
- The promotion of the awareness of BKPM personnel of their responsibility in serving investors.

CSO: 4200/790

INDONESIA

ARMY CHIEF RUDINI ON NEW REGIONAL COMMAND SETUP

BK211252 Jakarta KOMPAS in Indonesian 10 Apr 85 pp 1, 8

[Text] Jakarta, KOMPAS--Indonesian Army Chief of Staff General Rudini has called on the commanders of the regional military commands [kodam] to study the effects arising from the reorganization of the Indonesian Army, which has been carried out since 1 October 1984 and is expected to be fully operational by 1 April 1986. The general made these remarks yesterday when he dissolved six kodams and inaugurated the establishment of several new kodams.

According to Rudini, the problem of taking care of army personnel must receive special attention in the reorganization process. He said: "We must assign personnel to suitable posts in accordance with their ability and skills as well as organizational needs. All personnel are expected to assume suitable posts in the new organization. There will be no personnel becoming jobless or retrenched from service."

The six kodams which were dissolved at a ceremony held in the army headquarters in Jakarta yesterday were the former Sriwijaya 4th Kodam, Jakarta Raya 5th Kodam, Siliwangi 6th Kodam, Diponegoro 7th Kodam, Brawijaya 8th Kodam, and the Udayana 16th Kodam.

The newly established kodams are the Sriwijaya 2d Kodam, Siliwangi 3d Kodam, Diponegoro 4th Kodam, Brawijaya 5th Kodam, Udayana 9th Kodam, and Jakarta Raya 10th Kodam. The inauguration of the six new kodams was marked by the presentation of the territorial symbols to Major General Sularso, the commander of the Brawijaya 5th Kodam; Brigadier General A.M. Rustandi, the commander of the Sriwijaya 2d Kodam; Major General Eddy Sudrajat, the commander of the Siliwangi 3d Kodam; Major General Sugiarto, the commander of the Diponegoro 4th Kodam; Brigadier General D. Sutarto, the commander of the Udayana 9th Kodam; and Major General Tri Sutrisno, the commander of the Jakarta Raya 10th Kodam.

The dissolution of the old kodams and the establishment of the new kodams on 9 April were implemented in the framework of reorganizing the Indonesian Army, and General Rudini is scheduled to preside over more ceremonies to dissolve other kodams and establish new ones so that the total number of kodams in Indonesia will be 10. Earlier, there were 16 kodams.

The 10 new kodams, expected to be fully operational by 1 April 1986, are as follows:

1. Bukit Barisan 1st Kodam with headquarters in Medan, covering territories controlled by the former 1st, 2d, and 3d Kodams;
2. Sriwijaya 2d Kodam with headquarters in Palembang, covering the territory controlled by the former 4th Kodam;
3. Siliwangi 3d Kodam with headquarters in Bandung, covering the territory controlled by the former 6th Kodam;
4. Diponegoro 4th Kodam with headquarters in Semarang, covering the territory controlled by the former 7th Kodam;
5. Brawijaya 5th Kodam with headquarters in Surabaya, covering the territory controlled by the former 8th Kodam;
6. Tanjung Pura 6th Kodam with headquarters in Banjarmasin, covering territories controlled by the former 9th, 10th, and 12th Kodams;
7. Wirabuana 7th Kodam with headquarters in Ujungpandang, covering territories controlled by the former 13th and 14th Kodams;
8. Trikora 8th Kodam with headquarters in Jayapura, covering territories controlled by the former 15th and 17th Kodams;
9. Udayana 9th Kodam with headquarters in Denpasar, covering the territory controlled by the former 16th Kodam; and
10. Jakarta Raya 10th Kodam with headquarters in Jakarta, covering the territory controlled by the former 5th Kodam.

According to Brigadier General Jhonet Hutomo, head of the army information center, the six dissolved kodams will become military area commands [korem].

Yesterday's ceremony was also marked with the presentation of a new flag of the Jakarta Raya 10th Kodam by General Rudini to its commander, Maj Gen Tri Sutrisno. In his speech during the ceremony, General Rudini said among other things that as a sociopolitical force in the respective region, a kodam must be able to attain and maintain the stability of sociopolitical situation. To ensure the success in this area, there will be a division in charge of sociopolitical affairs in the new style kodam, while in the korem level, there will also be a similar counterpart.

According to Rudini, this means that both kodam and korem have the authority and responsibility to develop sociopolitical awareness within the organization including the development of the armed forces personnel in various ways in an effort to further promote national resilience.

Rudini also said that in an effort to develop territorial defense, there will be a combat unit in every korem. This unit, which constitutes korem's strike force, consists of one infantry brigade or more. To defend the country's territorial integrity as a whole, the army concentrates on the defense and security of each island. This means that each island or each region consists of a strategic compartment which is able to defend its own region.

As such, such an island or region will become a source of resistance against any external attacks, thus making it into an island of resistance. With all the potentials in such an island or region, the local military command must be able to defend its territorial integrity. Rudini also pointed out that a kodam will function as an organizer of territorial defense, which will be assisted by the elements of naval and air forces stationed within a kodam's jurisdiction. Such a kodam can also be assisted by a reserve force, depending on the number of troops needed, time, and location of the kodam concerned.

Rudini also stated that the classification and division of the archipelagic nation into several kodams are based on the concept of insular defense system, where the ground defense is focussed on the defense of major islands, or clusters of smaller islands. Based on this concept, the whole Indonesian territory has been divided into the 10 kodams mentioned earlier.

CSO: 4213/209

INDONESIA

AIR FORCE SQUADRON 12 MOVED FROM MADIUN TO PEKANBARU

Jakarta BUSINESS NEWS in English 29 Mar 85 p A12

[Text]

Pekanbaru, March 29 (ANTARA).-- The Indonesian Airforce Chief of Staff, Marshal Sukardi inaugurated the new home base of the airforce squadron 12 and its second stage facilities at the Pekanbaru airport here Thursday.

The chief of staff on the occasion said that the inauguration had proven the success of the Indonesian airforce in spreading the Indonesian airforce power to outside Java.

Formerly the Squadron 12 was based at the Iswahyudi military airforce in Madiun, East Java. The inauguration of the Squadron 12 home base was carried out just before the reorganization of the Indonesian Airforce on April first next.

Riau Governor Imam Munandar said that inauguration of the Squadron 12 home base with all its second stage flight operation facilities in Pekanbaru must give relief to all Indonesians in general and to the people of Riau in particular because Riau has so far been well-known as sensitive region to infiltrations, subversions and smugglings, the condition of which needs intensive, well-oriented and integrated control.

The Squadron 12 is the only force for airfight outside Java.

CSO: 4200/790

INDONESIA

RICE PROCUREMENT IN E. TIMOR EXCEEDS TARGET

Jakarta ANTARA NEWS BULLETIN in English 3 Apr 85 p A8

[Text]

Dili, April 3 (ANTARA).-- The collection/purchase of dry unhusked rice by the East Timor Dolog (Logistic Depot) from farmers in the province reached 1,400 tons in the 1984/85 planting season, exceeding the target of 1,000 tons.

The East Timor Dolog has bought paddy from two regencies in the province, namely the Maliana, around 160 km west of here, and Viqueque, about 194 km east of here. The quality of rice from the two regencies meet the standard required by Bulog (logistic board), head of the East Timor Dolog H.M.Harjono disclosed here recently.

Farmers in East Timor has so far sold dry unhusked rice directly to traders at a price of Rp.120 per kg, whereas Dolog has bought dry unhusked rice from farmers in the two regencies at a basic price of Rp.165 per kg.

Harjono promised that Dolog would intensify the purchase of rice directly from farmers in various parts of East Timor, particularly in the main rice producing areas, so as to stimulate the spirit of the farmers in increasing further their rice production.

The number of diesel trucks used by the East Timor Dolog to transport rice to Dolog's warehouses will be increase from only six at present to 16 shortly. Apart from that, Dolog will soon build three more permanent warehouses each with a capacity of 1,000 tons. The three warehouses will be built in Viqueque, Manatuto and Lautem.

CSO: 4200/792

INDONESIA

NEW UNIT OF SOUTH SULAWESI CEMENT PLANT INAUGURATED

Jakarta ANTARA NEWS BULLETIN in English 3 Apr 85 p A5

[Text]

Jakarta, April 3 (ANTARA).-- President Soeharto Wednesday inaugurated unit III of Tonasa cement factory in Pangkep regency, South Sulawesi, which has a production capacity of 590,000 tons annually and was built at the cost of Rp.98.800 billion.

At the inauguration, which took place at Mangilu village, was present Singapore Prime Minister Lee Kuan Yew and Mrs. Lee Kuan Yew, who are currently on a three-day working visit to Indonesia.

With the addition of Unit III, the state-owned PT Semen Tonasa cement factory has now an overall production capacity of 1.21 million tons per year.

Installed capacity

The installed capacity of Indonesia's cement industry stands at present at 14.4 million tons per year, while domestic requirements are estimated at 9.4 million tons.

Although the real production probably reaches only 80 per cent of the (installed) capacity, there will be an estimated surplus of 1.3 million tons per year which can be exported.

In his report PT Semen Tonasa chief director Eng. A. Fuad Rivai said that construction work at unit III of the factory started in January 1982 and in October 1984 trial production could be carried out.

During the construction period some 1,500 workers were employed, including 54 foreigners. For the operation of the factory's unit III 130 workers are necessary consisting for the greater part of local people.

The extension plan of Tonasa cement plant, according to Fuad Rivai, had been set up since 1978, based on calculations, of requirement and supply at that time, in particular for the eastern part of Indonesia.

At the early stage of Repelita IV (fourth five-year plan, 1984-1989) the requirement for cement in that part of Indonesia is estimated at 1.05 million tons per year, and Tonasa cement is expected to be capable of supplying 825,000 tons. "The shortage will be met by other cement plants", Fuad Rivai added.

The marketing area of Tonasa cement covers the island of Sulawesi, a part of Kalimantan, Maluku, Irian Jaya and a part of West Nusa Tenggara (NTB).

To support cement transportation to these regions, harbour facilities, in particular at Biringkasi port, have been expanded.

Utilization of coal

Tonasa cement plant will start to use coal in the middle of next year, to replace fuel oil, which is presently used for the factory's operation. For the change in fuel, an additional investment of about Rp.10 billion is necessary, Fuad Rivai said. The change in fuel is necessary in the efforts to lower production costs, he added.

The government hopes that at the end of 1986 all cement plants in Indonesia will shift to the use of coal, to increase Indonesian cement's competitive power, mainly at the export market.

Two cement plants are at present using coal as fuel, viz. Padang (West Sumatera) and Baturaja (South Sumatera) cement factories. West and South Sumatera are known as coal producing regions in Indonesia, beside East Kalimantan which is at present at the stage of development.

CSO: 4200/792

INDONESIA

SOUTH KALIMANTAN'S ESTIMATED COAL DEPOSITS

Jakarta ANTARA NEWS BULLETIN in English 4 Apr 85 pp A1, A2

[Text]

Banjarmasin, April 3 (ANTARA).-- It is estimated that South Kalimantan has deposit of more than two billion tons of coal while exploration has revealed the certain existence of about 285 million tons.

South Kalimantan has planned to produce five million tons of coal each year. This means that the already explored coal could guarantee production for a 50-year period.

The President Director of the state-run coal company represented by Irfan K.Nasution disclosed this to reporters here Tuesday.

The government has appointed PT Adaro Indonesia and PT Arutmin Indonesia to mine the coal in this area and now an agreement between the Indonesian government and a company from Taiwan is also being processed.

The government is now studying possibilities of marketing the coal production because it would also be exported besides for home consumption.

The representative office of the mine and energy department said that other minerals like mountain rock, quartz-sand and quick-lime were richly available in South Kalimantan.

For the quick-lime, its deposit is billions of tons with a good utilization prospect. For example, parts of the South Kalimantan soil is still acid causing PH level of the soil become lower. To neutralize such a soil-acidity, it needs about 4 to 8 tons of quicklime per hectare. This gives a good prospect for the quick-lime per hectare. This gives a good prospect for the quick-lime factories in South Kalimantan.

CSO: 4200/792

INDONESIA

ULAMA COUNCIL SUPPORTS GOVERNMENT POLICY ON RELIGIOUS EDUCATION

Jakarta ANTARA NEWS BULLETIN in English 4 Apr 85 p A7

[Text]

Jakarta, April 4 (ANTARA).-- The Indonesian Council of Ulemas (MUI) is of the opinion that the government policy of requiring new students to choose the religious education they want to follow is not against the principle of religious freedom as stated in the Pancasila state philosophy and the 1945 Constitution.

This was disclosed by the secretary of the MUI, H.S. Prodjokusumo to ANTARA here Wednesday when commenting on the government policy which was stated in the letter of decision (SK) of the Director General of Basic and Middle Education, Ministry of Education and Culture No. 001/C/Kep/I/85.

We do not agree if some parties consider the obligation to fill in the forms of religious education one student wants to join a way of forcing a student to choose certain religions, he said.

Prodjokusumo who is also the head of the Muhammadiyah's Education and Culture Council further said the obligation will not limit the religious freedom among the new students. Therefore MUI agrees with the letter of decision since it is aimed at arranging the technical implementation of efforts to turn out religious Indonesians in line with the Guidelines of State Policy (GBHN).

The letter of decision (SK) among others stated that all students are obliged to choose the religious education they want to follow at state schools. For new students of Junior High Schools (SMTP) and Senior High Schools (SMTA), they must sign the forms stating they will attend the religious education they follow on approval of their parents. For new primary school students, the forms must be filled in by their parents.

In the forms it is also stated that if the students fail to obey their schools' regulations they will be subjected to sanctions such as temporary suspension from schools and dismissal.

Prodjokusumo also said the forms actually can remove some obstacles in improving religious education at schools like for example students' tendency to neglect the subject. This means in essence the forms are not intended to make new students choose their religions but merely serve as a statement that the new students are willing to follow or attend religious education at their schools.

When giving comments on opinion that the obligation to fill in the forms may limit one's right to change his religion, he said there is no religion or religious institution urging its followers to change their religion. Changing a religion should not be done by any good religion follower and if one does that, means he does not have a strong character, added Prodjokusumo.

"However, we in principle agree that the implementation of religious education at schools should not be againsts one's freedom to follow his religion's teachings", he concluded.

INDONESIA

STEPS TO SMOOTH INTERINSULAR TRANSPORT OF GOODS REPORTED

Jakarta ANTARA NEWS BULLETIN in English 5 Apr 85 p A8

[Text]

Jakarta, April 5 (ANTARA).-- Coordinator Minister of Ekuin (Economic, Financial & Industrial Affairs) Ali Wardhana told newsmen after a cabinet session here Thursday that fiscal certificates and reports on interinsular shipment were no longer required in the inter-island transport of goods.

To minimize the cost of port services, the government has decided to implement the same rate for towage, anchorage fee and other fees that must be paid for services needed by every ship entering and leaving seaports, the minister said. The cost of certain services at the port has been lowered or even abolished, he added.

Ali Wardhana announced further that surcharge could be added to the cost of port services for dangerous goods, highly valued products, goods that needed special handling and goods that could create pollution.

The loading and unloading of goods is entrusted to companies appointed to handle such a service so as to reduce the cost of loading and unloading. Next year shipping companies will no longer be allowed to carry out the loading and unloading of goods at the port.

To smoothen the flow of goods to and from the Cakung Warehousing Centre, import goods with documents that can be managed at the Tanjung Priok port not necessarily be sent to Cakung.

CSO: 4200/792

INDONESIA

PPP REPLACED KAABA WITH GOLDEN STAR

Jakarta ANTARA NEWS BULLETIN in English 6 Apr 85 p A2

[Text]

Jakarta, April 6 (ANTARA).-- The Development Unity Party (PPP) has since April 5, 1985, changed its party emblem to a five-pointed star to replace the old "Kaaba" emblem, a PPP central executive board decision stated, which was taken on April 5, 1985, and signed respectively by the party's general chairman Dr. J. Naro and Drs. Mandinsyah, its secretary general.

The decision to replace the party's emblem was the unanimous decision of the party's central executive board at its session on April 4, 1985, which was also attended by the party's advisory council.

The emblem consists of a five-pointed star of gold yellow colour with a black background surrounded by a green stripe. The choice on the new emblem was taken after studying alternative proposals from the party's regional branches.

No changes in PPP group's set up

In the meantime the PPP group in Parliament in its statement on the same day stressed that the group's set up remained unchanged.

The statement was issued at the group's meeting on April 4, 1985, which was attended by ten members of the group, which also refuted reports that Soedardji had carried out changes in the PPP group's set up.

The statement was signed by Drs. H. Effendi Somad (vice chairman) and H. Ali Tamin (vice secretary general).

CSO: 4200/792

KIRIBATI

U.S. POACHERS OPEN THE WAY FOR SOVIET PENETRATION

BK190030 Sydney THE BULLETIN in English 16 Apr 85 pp 92, 93

[Article by Robert Keith-Reid: "U.S. Poachers Open the Way for Soviet Penetration"]

[Text] America's buccaneer tuna fishermen are inadvertently opening the staunchly pro-Western mini-states of the South Pacific to penetration by the Soviet Union.

Infuriated by continual American poaching inside their 200-mile economic zones, two central Pacific states which are among the smallest, poorest and most vulnerable members of the international community--Kiribati and Tuvalu--are negotiating agreements which would authorize Soviet vessels to fish inside their zones.

Soviet approaches for fishing agreement began late last year, just when a United States State Department delegation was sitting down to the first of a series of meetings at which the U.S. is trying to secure a multilateral fisheries treaty with countries in the Solomon Islands-based Forum Fisheries Agency.

Following fruitless attempts to make friends with Pacific islanders, the Soviet Union (which had not shown any previous interest in fishing the region's huge tuna stocks) apparently is succeeding at exploiting America's initial mistake of trying to force its fishing policies upon countries which possibly consider careful management of their tuna reserves as their only hope of economic salvation.

A U.S. law passed at the behest of the powerful American Tuna Boat Association lobby says, in effect, that tuna boats are free to fish almost wherever they want. In U.S. eyes--as far as tuna fishing goes--the 200-mile zones accepted by the rest of the world do not exist.

The 200-mile zones were declared by newly independent Pacific island states just as U.S. fishermen discovered the potential of the region and their traditional eastern Pacific grounds had been fished out.

This discovery co-incided with a revival of U.S. political interest in the South Pacific--a region which, with Australia and New Zealand, it wants to keep free of Soviet influence or presence.

The U.S. expanded its diplomatic activities in the region in recent years, focusing on Fiji, and has begun to make moderate increases in an aid program albeit far less than the annual amounts Australia and New Zealand spend on the islands.

But America's attempts to foster friendships under the coconut palms were crippled by having to tell island states they will be hit with trade embargoes if they arrest and confiscate U.S. tuna boats fishing without permission.

What U.S. State Department officials were dreading happened last August: The Solomons caught a big purse seiner, the "Jeanette Diana," and confiscated it.

In retaliation, the U.S. applied the provisions of the Magnuson Act--requiring the State Department to apply a trade embargo on countries seizing U.S. fishing craft in circumstances which, in Pacific island eyes, were entirely justified.

The U.S.-Forum Fisheries Agency negotiations began in December and two rounds of talks since brought the two sides close to a deal which would give U.S. fishermen access to the 200-mile zones.

Meanwhile, the freebooting U.S. purse-seiners--a breed the State Department says it will not be able to control until the fisheries treaty is signed and sealed legally--are busy.

Tuvalu and Kiribati, which each have big zones they cannot police completely, are infuriated by poaching so blatant that helicopters used by the purse-seiners as fish-spotters regularly land on their islands--in defiance of immigration, customs and quarantine rules.

Kiribati sent a stiff note of protest to the U.S. Embassy in Suva (Fiji) about an incident in which one American purse-seiner, the "Carol Linda," hit an island frienge reef and was pulled free by two other intruding ships before local authorities could intervene.

The purse-seiners poach regularly in the northern waters of Fiji, which has a small efficient patrol force. But, since it is angling to become the first country in the region to win substantial direct aid from the U.S. Fiji is not ready to provoke an incident by arresting a U.S. flag vessel.

While fisheries agency members can quickly ratify and treaty negotiated with the U.S. cumbersome American ratification procedures mean implementation of the document may take a year or two--if not more.

Meanwhile, U.S. tuna boats continue to fish at will. And, say Pacific island officials connected with the talks, the resentment they are causing is being quietly exploited by the Soviet Union.

Kiribati is on the verge of accepting a deal which would bring it about \$1 million a year for the presence of up to nine fishing vessels from the Soviet fleet.

This is much more than it got from a two-year agreement with the Americans which expired last December.

This agreement was not renewed because the Americans will not pay more or honor fully their obligations under the old agreement.

Tuvalu--nine atolls with a total area of 27 square kilometres, 8000 people and no resources apart from coconuts--was asked for shore facilities which Kiribati was not invited to supply.

Russia asked for access to the Fiji economic zone last September but was rebuffed. Fiji's ports have been closed to all Soviet vessels since mid-1982 when the ruling Alliance government said the Soviets tried to interfere in the general election of that year in favor of the Indian-dominated National Federation Party--a claim which the party denied vigorously.

Securing fishing agreements with Kiribati and Tuvalu would be the first significant Soviet foothold in the region--how secure it would be remains to be seen.

CSO: 4200/834

LAOS

PASASON COMMENTS ON EXTENSION OF ATHIT'S TERM

BK221358 Vientiane KPL in English 0918 GMT 22 Apr 85

[Text] Vientiane, 22 April OANA (KPL)--The daily PASASON in an article today, says that the extension of Athit Kamlang-ek's military career for another year will add up to the suffering of the Thai people.

The paper points out that this has stunned the majority of the Thai people, including a number of senior Thai officers. In their opinions, General Athit Kamlang-ek is a selfish and ambitious man. He would do everything possible in order to gain the top rank in the government, even for a limited period of time when Prem Tinsulanon was in the U.S. for medical treatment last year. [sentence as received] Worse still, he has deliberately fanned up tension along the Kampuchean-Thai and the Lao-Thai borders, upon Beijing's instruction.

The paper continues: While giving more military aid to the Khmer reactionary remnants, Athit Kamlang-ek put 2,000 Thai troops into action against the three Lao border hamlets in Sayaboury Province in June 1984. He has also brought pressure to bear on the Thai Government to purchase 12 U.S. F-16 bombers, regardless of the consequences this deal may entail to the Thai economy.

Athit's first reaction after the decision on the prolongation of his term of office as commander-in-chief of the Thai Army is to double the military exercises of the Thai infantry reservists. This is concrete evidence of war preparation under the leadership of Athit Kamlang-ek. Most of the Thai newspapers have expressed their doubt whether Thailand has no better generals than Athit Kamlang-ek. The answer is clear, but nobody dares to speak, because they are afraid of being charged with conspiracy as a number of them have already been so charged. Therefore, they have to endure 1 more year, and helplessly pray for the removal of the military dictatorship from their country, the paper concludes.

CSO: 4200/850

LAOS

LEADERS GREET AFGHANISTAN'S ANNIVERSARY

BK271017 Vientiane KPL in English 0906 GMT 27 Apr 85

[Text] Vientiane, 27 April (KPL)--Top Lao party and state leaders today sent a message to their counterparts in the Democratic Republic of Afghanistan greeting the 7th anniversary of the founding of the DRA.

The message was addressed by Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party CC and chairman of the Council of Ministers, and Sopheuanouvong, president of the Lao People's Democratic Republic and the People's Supreme Assembly, to Babrak Karmal, general secretary of the People's Democratic Party of Afghanistan CC and chairman of the Revolutionary Council, and Sultan Ali Keshtmand, chairman of the Council of Ministers of the DRA.

The message says:

"On the occasion of the 7th anniversary of the founding of the Democratic Republic of Afghanistan, on behalf of the People's Revolutionary Party, the People's Supreme Assembly, the government and the people of the Lao People's Democratic Republic, and on our own behalf, we have the pleasure of extending our warmest fraternal congratulations and best wishes to the Central Committee of the People's Democratic Party of Afghanistan, the Revolutionary Council, the government of the Democratic Republic of Afghanistan and the Afghan people.

"During the last 7 years, in spite of the aggression and interference launched by the U.S. imperialists and other reactionary forces against the Democratic Republic of Afghanistan, the fraternal Afghan people have been able to overcome all difficulties in safeguarding recorded comprehensive achievements in their national construction along the socialist path. [sentence as received]

"We are convinced that under the clear-sighted leadership of the People's Democratic Party of Afghanistan and, on the other hand, with the valuable assistance and support of the Soviet Union and other socialist countries as well as the progressive peace-and-justice-loving people the world over, the Afghan people succeed in their struggle against the undeclared war of the U.S. imperialists in collusion with Beijing hegemonists-expansionists and their henchmen, thus contributing to peace and security in this region and elsewhere in the world."

Phoun Sipaseut, vice-chairman of the Council of Ministers and minister of foreign affairs of the Lao PDR, has also sent a congratulatory message to Shah Mohammad Dost, minister of foreign affairs to the DRA.

CSO: 4200/850

LAOS

OUDOMSAI-HA NAM NINH PROVINCIAL COOPERATION

Vientiane KPL NEWS BULLETIN in English 6 Mar 85 pp 8, 9

[Text] VIENTIANE, MARCH 6 (KPL/VNA)--The comprehensive cooperation between the Vietnamese province of Ha Nam Ninh and the Lao province of Oudomsay has not ceased to expand since the establishment of their sisterly relations in 1979.

The trade services of the two provinces have signed successive agreements on goods exchange on the basis of the demands and capabilities of each. The value of these exchanges has increased to 850,000 dong (Vietnamese currency) in the 1983-84 period, up by 450,000 dong over the 1981-82 period and by 650,000 over the 1979-80 period.

Ha Nam Ninh province has sent eight groups of cadres to Oudomsay to help survey and work out a plan for building Muong Say town, design a house of culture and a polyclinic, and zone areas for tobacco and sugarcane growing. It has delivered to Oudomsay 370 tons of cement, nearly 300 million bricks, 78 tons of construction steel, 300 tons of coal and 260 tons of petroleum. It has also presented Oudomsay with spare parts of weaving machines, 10 motor pumps and a passenger coach.

A cable radio system with 2 kilometres of line has been put into operation in Muong Say district with Ha Nam Ninh's assistance.

In Nam Dinh town, capital of Ha Nam Ninh, many houses have been built for Lao students. Ha Nam Ninh is training Lao students in various occupations. From 1983 to the end of 1984, 27 Lao cadres and workers were trained on 11 different jobs.

Twenty-two Vietnamese experts are in Oudomsay to teach in such trades as construction, engineering, machine repair and the Vietnamese language.

CSO: 4200/803

LAOS

BRIEFS

VIENTIANE DELEGATION RETURNS--Vientiane, 22 April (KPL)--A delegation of Vientiane led by Khambou Sounchai, member of the LPRP CC, mayor of Vientiane, recently returned here from a friendship visit to Phnom Penh at the invitation of the People's Revolutionary Party and administrative committees of Phnom Penh. The delegation was met at Wattai Airport by Thongmani Thipphommachan, alternate member of the LPRP CC deputy secretary of the party and vice chairman of the administrative committees of Vientiane, and other senior officials. Nguon Phansiphon, Kampuchean ambassador, Nguyen Dinh Hiep, representative of the Hanoi party and administrative committees to Laos, were also on hand. During its stay there, the delegation toured various construction bases and historical places, had talks on cooperation between Vientiane and Phnom Penh, and called on Kampuchean leaders. The delegation was warmly welcomed everywhere they went. [Text] [Vientiane KPL in English 0906 GMT 22 Apr 85]

CPV MOBILIZATION DELEGATION VISIT--Vientiane, 22 April (KPL)--A delegation of the Mass Mobilization Committee of the CPV led by its President Tran Quoc Hoan, member of the CPV CC, on 20 April called on the mass mobilizing committee of the LPRP. The delegation was received by Mrs Sommai Vongnakhon, member of the Vientiane Party Committee, president of the Vientiane branch of the Lao Women's Union, Siang Ken Luangvong, member of the Lao Federation of Trade Unions CC, president of the Vientiane branch of the Lao Federation of Trade Unions, and other senior officials. During the warm and cordial talk, the two sides exchanged views on mass mobilization work in their respective countries. Mrs Sommai Vongnakhon brought out the great achievements of the people of Vientiane in industrial, agricultural, irrigational and cooperative development. She wished the delegation success in its visit here. [Text] [Vientiane KPL in English 0913 GMT 22 Apr 85]

TRADE WITH VIENTNAMESE PROVINCE--Vientiane, 22 April (OANA-KPL)--A memorandum on trade cooperation for 1985 between the Lao province of Savannakhet and the Vientamese province of Binh Tri Thien was signed on 14 April during the visit of the trade delegation of Binh Tri Thien to Savannakhet. According to the memorandum, the two sides will broaden their cooperation in the production of agricultural and industrial tools, construction equipment and other goods. [Text] [Vientiane KPL in English 0903 GMT 22 Apr 85]

SOCIALIST DIPLOMATS' VOLUNTEER WORK--Vientiane, 22 April (KPL)--More than 700 diplomats of socialist countries in Laos and Lao cadres joined in a voluntary workday at the polytechnic on 20 April in honour of the 40th anniversary of

the victory over Hitlerite fascism, the 115th birthday of V. L. Lenin, and the 10th anniversary of the foundation of the Lao PDR. They helped level 250 square meters of ground, lay more than 50 cubic meters of concrete on the school ground, and put in order 15 tons of materials. [Text] [Vientiane KPL in English 0916 GMT 22 Apr 85]

PRK PUBLIC HEALTH DELEGATION--Vientiane, 19 Apr (KPL)--A delegation of the Kampuchea Ministry of Public Health led by its Deputy Minister Chhea Thang arrived here yesterday on a friendship visit at the invitation of the Lao Ministry of Public Health. Meeting the delegation at Wattai Airport were Phenpheng Signa, deputy minister of public health, and other senior officials. Nguon Phansiphon, Kampuchean ambassador to Laos, was also on hand. [Text] [Vientiane KPL in English 0933 GMT 19 Apr 85]

COOPERATION WITH PHNOM PENH--Vientiane, 23 April (OANA-KPL)--An agreement on cooperation between Vientiane and Phnom Penh was signed in the Kampuchean capital on 18 April during the visit of a Vientiane delegation there. Signatories to the agreement were Khambou Sounisai, member of the LPRP CC, mayor of Vientiane, and Keo Chanda, secretary of the party committee and chairman of the administrative committee of Phnom Penh. Thongpen Souklaseng, Lao ambassador to Kampuchea, was also present on the occasion. Under this agreement, the two sides will broaden their cooperation in the production of handicraft and agricultural products and in cultural activities and exchange of visits by delegations of the two cities. [Text] [Vientiane KPL in English 0910 GMT 23 Apr 85]

SWISS ENVOY RECEIVED--Vientiane, 22 April (OANA-KPL)--The new ambassador of Switzerland, Armin Kamer, presented his letter of credentials this morning to Souphanouvong, president of the republic, the People's Supreme Assembly of the Lao PDR. During the cordial meeting, President Souphanouvong wished the new ambassador success in his diplomatic mission here for the interests of the relations between the two countries. Also present at the meeting was Inpong Khai-gnavong, deputy minister of foreign affairs of the Lao PDR. [Text] [Vientiane KPL in English 0857 GMT 22 Apr 85]

VONGKHAMSAO MEETS GDR DELEGATION--Vientiane, 24 April (OANA-KPL)--Sali Vongkhamhao, secretary of the LPRP CC, vice chairman of the Council of Ministers and chairman of the State Planning Committee, yesterday met with a delegation of the GDR Ministry of Construction headed by Dr Friedrich Slitz [name as received]. Issues discussed on the occasion were GDR Assistance to Laos regarding the carrying out of feasibility studies and designing of some projects of the LPRP CC. Dr Friedrich Slitz and his delegation arrived here on 16 April. [Text] [Vientiane KPL in English 0907 GMT 24 Apr 85]

SRV DELEGATION ARRIVES--Vientiane, 24 April (KPL)--A delegation of the Vietnamese Ministry of Materials led by its Deputy Minister Tran Trien arrived here on 22 April on a friendship visit at the invitation of the Lao Ministry for Material and Technical Supply. The delegation is here to review with the Lao side the implementation of their 1984 cooperation plan. They will also work out a new plan for future cooperation. Welcoming the delegation at the airport were Thongsavat Paseut, deputy minister for material and technical supply, and Tran Ngoc Luong, economic advisor to the Vietnamese Embassy here. [Text] [Vientiane KPL in English 0911 GMT 24 Apr 85]

SWISS AMBASSADOR RECEIVED--Vientiane, 25 April (KPL)--Phoun Sipaseut, vice chairman of the Council of Ministers, Minister for foreign affairs, received here yesterday Armin Kamer, the new ambassador of Switzerland to Laos. During the cordial reception, Phoun Sipaseut, wished the new ambassador success in his diplomatic mission here, for the interests of the two countries. They also discussed the regional and world situation. Ambassador Armin Kamer resides in Hanoi, the Socialist Republic of Vietnam. [Text] [Vientiane KPL in English 0900 GMT 25 Apr 85]

DPRK ARMY ANNIVERSARY--Vientiane, 25 April (KPL)--Defence Minister General Khamtai Siphandon today sends a message to General O Chin-U, minister of the People's Armed Forces of the Democratic People's Republic of Korea, warmly greeting the 53rd founding anniversary of the DPRK's Army. General Khamtai Siphandon hailed the Korean people's efforts towards national construction and defence and the peaceful reunification of Korea. He also wished for development of the friendly relations between the peoples and armies of the two countries. [Text] [Vientiane KPL in English 0902 GMT 25 Apr 85]

ART TROUPE VISITS PRK--Vientiane, 25 April (KPL)--An art-troupe of the Lao People's Army led by Colonel Thonglai Kommasit, head of the foreign relations department and deputy head of the defence ministry's office, recently returned here after a week-long visit to the People's Republic of Cambodia. The art-troupe invited by the Cambodian Defence Ministry took part in the celebration of the Cambodian new year and the 10th anniversary of the Cambodian people's victory over the U.S. imperialists. While there, the art-troupe gave performances and toured a number of cultural sites. [Text] [Vientiane KPL in English 0905 GMT 25 Apr 85]

JAPANESE AID--VIENTIANE, MARCH 1 (KPL)--A ceremony of exchanging of the notes on Japanese aid to the Lao Government was held at the Foreign Ministry yesterday. The aid to be used in socio-economic building of Laos amounting to over 181 million yen is the interest on the Japanese government's loan for the construction of the Nan-Ngeun Hydro-electric power station. The signatories were Soulivong Phasitthideth, Lao Deputy-Minister for Foreign Affairs and Toshitaka Toda, Japanese Ambassador to Laos. [Text] [Vientiane KPL NEWS BULLETIN in English 1 Mar 85 p 3]

FRENCH BOOK AID--VIENTIANE, MARCH 22 (KPL)--A handing-over ceremony of 1,000 books on technical and scientific studies from France to the State Scientific and technical council of Laos was held here yesterday. Present at the ceremony were Souli Nanthavong, Chairman of the State Scientific and technical Council of the Lao PDR and Jean Noel de Bouillane de Lacoste, ambassador of France to Laos. The books are equivalent to 120,000 Francs. It is the 4th of the series that France handed aid to Laos. [Text] [Vientiane KPL NEWS BULLETIN in English 22 Mar 85 p 5]

8 May 1985

NEW PASSENGER BOAT--VIENTIANE, FEBRUARY 11 (KPL)--The second 120-seat passenger-boat built with Vietnamese assistance was recently launched for trial operation. Somvang, head of the river transport company, at a ceremony reviewing its past work said that the boat would be put into operation very soon to facilitate communication along the Mekong river. Vietnam had also assisted Laos in building the first boat of the same size which is at present serving public transport. The boat is 26.4 by 40.28 metres and has an average speed of 17 km/h. [Text] [Vientiane KPL NEWS BULLETIN in English 11 Feb 85 p 1]

SAVANNAKHET-HCMC COOPERATION--VIENTIANE, FEBRUARY 18 (KPL)--An agreement on Trade cooperation for 1985 was signed in Ho Chi Minh City recently between a Savannakhet trade delegation of Laos and a Ho Chi Minh City trade delegation of Vietnam on the occasion of a trade fair in Ho Chi Minh City. Signatories to the agreement were Bounthone Sonesakda, member of the Savannakhet Party Committee, head of the Savannakhet Trade Company, and Nguyen Thanh Lac, Director of the Foreign Trade Company of Ho Chi Minh City. The two sides discussed ways to increase their trade cooperation in order to contribute to strengthening the fraternal relations, special solidarity and all-round cooperation between the two provinces. [Text] [Vientiane KPL NEWS BULLETIN in English 18 Feb 85 p 1]

CSO: 4200/803

MALAYSIA

VOMD COMMENTS ON CONFERENCE ANNIVERSARY

BK211143 (Clandestine) Voice of the Malayan Democracy in Malay 1215 GMT
18 Apr 85

["Commentary": "Widen the Bandung Spirit and Defend the Anti-Hegemonism Struggle." On the 30th anniversary of the Afro-Asian Conference.]

[Text] The 30th anniversary of the Afro-Asian Conference comes on 18 April this year. The Afro-Asian Conference was held at a time when post-World War II international relations were undergoing profound changes and the political balance was favorable to the oppressed nations and peoples around the world. The conference was an important indication of the increasing consciousness of the Asian and African peoples and a new impetus for the Afro-Asian people's struggle against imperialism and colonialism.

After World War II, the people of various Asian, African, and Latin American places released a revolutionary storm to achieve national independence and liberation. Many colonies and quasicolonies, which had been previously enslaved by the imperialists, successfully achieved independence. The colonialist system was facing destruction. A large number of newly developing countries entered the international scene. This situation dealt a serious blow to the U.S., British, and other imperialists. The victory of the Chinese Revolution had further shaken the imperialist front in the east. The victory had great international significance and gave a very strong impetus to the liberation movements of the oppressed nations and people around the world and the just struggle of the newly developing countries to defend national independence and sovereignty.

The imperialists and colonialists frantically oppressed the increasing wave of national liberation and viciously slandered the newly developing independent countries. They even concentrated all their efforts on perpetrating intimidation, subversion, intervention, and aggression for the purpose of returning these countries to the yoke of colonial rule. Consequently, the tasks that became increasingly pressing for the newly developing countries were countering the imperialist obstruction, destruction and oppression; encouraging the national liberation movement; fighting against the imperialist aggression and expansionism; and defending their independence and security.

The imperialists and colonialists had long taken the divide and rule policy against their colonies, instigated conflicts among nations, and harbored various dangerous hidden intentions. Many problems left over by history, particularly territorial disputes, were very likely to cause sharp conflicts and even bloodshed if these problems were not settled appropriately. But a question arose as to how to terminate old international relations, establish new ones, and foil the imperialists' dangerous hidden intentions that were harmful to the struggle against imperialism and hegemonism. This was another pressing task facing the people of various Asian and African countries. Accordingly, prior to the Afro-Asian Conference, many peace-loving countries around the world unanimously praised the five principles of peaceful coexistence as the guiding principles in developing mutual relations with other countries.

The successful Afro-Asian Conference corresponded with the objective historical needs and international developments and reflected the wishes and determination of the people of various Asian and African countries to unite against imperialism and colonialism, to achieve and preserve national independence, to defend world peace, and to develop friendship among the people of various countries. This represented a strong challenge to the power and arbitrary action of a small number of imperialist countries relying on their strength to control international organizations, to instigate international conflicts, to interfere in the internal affairs of other countries, and to invade other countries. In addition, it dealt a serious blow to the U.S. imperialists, who relied on their hegemonistic position to blockade and refuse to recognize the PRC, invade Korea, interfere in Indochina, threaten the Middle East, enslave Africa, and rampage around the world.

The Afro-Asian Conference strongly encouraged the liberation struggle of the oppressed people and nations around the world and set a preliminary stage for the establishment of the Nonaligned Movement. The auspicious conference was able to draw international attention and had far-reaching implications because it corresponded with the needs of the time and historical currents, made the five principles of peaceful coexistence the guiding ideology of the conference, held high the banners of the struggle and unity against imperialism, directed the struggle against imperialism and colonialism, and dealt a devastating blow against the old international order that preserved the interests and privileges of imperialism and colonialism.

It was public knowledge that the Western monopoly capitalist class was a parasite on the oppressed nations, while the so-called traditional international order--an order that preserved the interests and privileges of the capitalist class--remained an international order under which Europe ruled the world and which served the European and U.S. colonialists, even though it had been (?reshaped) after World War II. In this respect, even Western scholars have admitted that most Asian and African countries had, in fact, continued to be oppressed, enslaved, and bullied by the imperialists until the 1950's, despite their nominal participation in the international community. These countries had no say on international affairs. Their fate in the United Nations and other international organizations is a striking example.

Accordingly, the Afro-Asian Conference in Bandung, Indonesia, which was attended by representatives from 29 countries and regions was no doubt a great beginning. The conference had for the first time broken the old international order without the presence of the colonialist powers and discussed and made decisions on important matters related to the pressing interests of the Asian and African peoples. By setting aside disputes, the conference unanimously approved 10 principles on peaceful coexistence as the basis of unity in the struggle against imperialism and for mutual friendship and cooperation in the spirit of equal deliberations and mutual consensus. This was a concerted realization and development of the five principles. The declaration of the 10 principles centrally reflected the common desire of countries and regions fighting for national independence to establish and develop international relations on a new basis. Consequently, the Afro-Asian Conference has been recorded in world history as the glory of the national independence movement, while the Bandung spirit, advocating unity against imperialism, adopting equal deliberations, and encouraging friendship and cooperation among various countries, will forever emit a shining light and has to this day been very full of vitality.

International relations have undergone radical changes since the Afro-Asian Conference 30 years ago. The old colonialist system has been completely smashed. The greatly superior U.S. imperialists have now fallen from their position as overlords following a serious defeat in their war of aggression against Korea and a devastating fiasco in their war of aggression against Vietnam. The greatly cunning British imperialists were further falling to the point that they had to withdraw from places east of the Suez Canal. The Western capitalist world, which has been repeatedly affected by economic crisis, has been growing weaker and declining. In addition, it is facing various conflicts. The economic recovery in the Western capitalist world which began last year is only fragile. A deeper crisis is being hidden under the temporary recovery. On the contrary, socialist China, which was then contained and encircled by the imperialists, has now grown stronger in the East after enduring a difficult test. Most Asian, African, and Latin American countries have now achieved political independence. Armed struggle and the people's movement against imperialism and the internal reactionaries in these countries are raging and continuing. Labor strikes and antiwar campaigns in capitalist countries in Europe and North America are taking place one after another. This is the main direction of the current world situation.

Competition for world hegemony has increasingly become an important point of the policy of imperialism, as the system of imperialism is growing weaker and parasitical in nature, and hegemonism is further expanding. First, after World War II, competition among several Western imperialist countries to redivide the world has further increased and been followed by the Soviet Union. The competition has now developed to the point where two superpowers in particular--the United States and the Soviet Union--are competing for world hegemony. Second, after World War II, the imperialists and hegemonists adopted a policy of neocolonialism by supporting their agents in many developing countries to seize the gains of independence movements in these countries, to control the economies of these countries, and to brutally

oppress the democratic demands and the people's struggle for liberation in these countries. Third, the two superpowers are competing to exploit disputes and conflicts among Third World countries and try to pit them against each other, fishing in dirty water to break the great unity of the Third World against hegemonism.

Fourth, after a show of force, violent intimidation, and soft and hard persuasion by the two hegemonists--the United States and the Soviet Union--several Third World countries have been pacified in accordance with the needs of these superpowers. Fifth, the ruling cliques in several newly developing independent countries have been bribed, have openly called the hegemonists friends, and have acted as pioneers of aggression and expansionism for the superpowers.

Thus, indications are that threats to national independence and national liberation movements around the world stem primarily from the policy of aggression and expansionism of the two hegemonists, the United States and the Soviet Union. The worldwide competition between the two hegemonistic superpowers to divide the world is greater and fiercer now than the past competition between the two major imperialist power groups: the United States, Britain, and France, on the one hand; and Germany, Italy, and Japan, on the other. The competition between the two superpowers has made the whole world uneasy.

Looking at Asia, the Soviet Union has invaded Afghanistan. Vietnam is occupying Cambodia. The United States supports Israel in occupying Palestine and other Arab countries and in threatening peace in the Middle East. The Iran-Iraq war has been continuing under instigations from the two superpowers. Vietnam, which was present at the Afro-Asian Conference and which once stood at the anti-imperialist front, has now turned into a stepping-stone for the Soviet Union to expand southward. Vietnam is smearing Cambodia with blood, launching aggression against Thailand, and greatly threatening peace and security in Southeast Asia. All this is the most brutal violation of the declaration of the 10 principles on peaceful coexistence approved by the Afro-Asian Conference and the greatest insult to the Bandung spirit.

The people of various Asian and African countries, including the people of our country, can in no way stand idle or be indifferent. They should instead rise up together to condemn these actions. Facing the present permanent enemies--the two ready hegemonists--it is now even more important than ever before for the Third World to rehabilitate and widen the declaration of the 10 principles of peaceful coexistence and the Bandung spirit and consistently encourage the struggle against hegemonism, imperialism, and colonialism. Hence, Asian and African countries should fight against erroneous statements and actions that run counter to the declaration of the 10 principles and the Bandung spirit. It is recommended that they hold deliberations as equals to eliminate various obstacles to unity, reach an agreement by setting aside conflicts, and face the common enemies.

What are obstacles to unity? Here are some examples: India has bullied and oppressed Pakistan. It has annexed Sikkim and controls Bhutan. Indonesia is occupying East Timor and threatening Papua New Guinea. All these actions are against the declaration of the 10 principles. In ASEAN countries, the support given by the Kuala Lumpur government of Mahathir for Patani United Liberation Movement elements to conduct separatist activities in southern Thailand is also a striking example. These conflicts and events have been instigated, on the one hand, by the superpowers and created out of self-interests, on the other. The ruling cliques in several countries do not act in accordance with the declaration of the 10 principles and do not respect the sovereignty and territorial integrity of other countries. If this is not changed it will only lead to confusion and enmity among Asian and African countries, weaken the struggle against hegemonism, and provide the superpowers with an opportunity to pit them against one another and create disunity.

Accordingly, on the occasion of the 30th anniversary commemoration of the Afro-Asian Conference, whether or not these countries are courageous enough to face these problems constitutes a test of their honesty and sincerity in supporting the declaration of the 10 principles and widening the Bandung spirit. Faced with the great threats posed by the military buildup in preparation of war and aggression and expansionism by the two hegemonists--the United States and the Soviet Union--and the collusion between the ruling cliques in several newly independent countries and the two hegemonists in bullying others, the peoples in various Asian and African countries should unite more closely on the basis of the declaration of the 10 principles formulated by the Afro-Asian Conference, widen the Bandung spirit, work to widen and expand the people's forces in various countries against hegemonism, and continue to end the struggle against hegemonism and the reactionaries in various countries. This constitutes the best commemoration of the Afro-Asian conference--the historical auspicious conference which will last forever.

CSO: 4213/210

NEW CALEDONIA

PISANI HOLDS SECRET TALKS WITH KANAKS

Auckland THE NEW ZEALAND HERALD in English 8 Mar 85 p 7

[Text]

Noumea

French special envoy Edgard Pisani and the leader of militant independence-seeking Kanaks in New Caledonia, Jean-Marie Tjibaou, held secret talks this week as police continued to raid militant strongholds, French officials said.

A spokesman at Mr Pisani's office in New Caledonia would not confirm or deny the meeting, but officials in Paris said the two had held their first talks in several weeks on Tuesday. They gave no details.

Police have carried out their third raid in three days on the militant east coast stronghold of Thio.

About 100 heavily armed gendarmes, supported by a Puma helicopter, carried out an hour-long sweep in a tribal area but made no arrests.

Thio, site of the island's key nickel mining operations, is a stronghold of the Kanak Socialist National

Liberation Front (FLNKS), which wants independence from France.

Police were searching for militants who had set fire to a garage owned by a contractor working for the Societe le Nickel (SLN). The garage and five 10-tonne trucks were destroyed.

At the Thio mines, which President Mitterrand vowed last January would be reopened as a sign of returning normality, SLN reported 169 of its 256 workers back at work, but few were Melanesians.

The FLNKS has called for a boycott of the mines by Melanesian workers.

CSO: 4200/824

8 May 1985

NEW CALEDONIA

PISANI APPEALS TO MILITANTS

Apia THE SAMOA TIMES in English 3 Apr 85 p 3

[Text]

NOUMEA, New Caledonia
(NZPA) - French mediator Edgard Pisani, who is being boycotted by some independence and anti-independence leaders, appealed last week over their heads to their young followers. In an open letter to Melanesian youths, he warned: "You have the right to independence but you do not have the capacity to manage it alone today". The Melanesians would hurt themselves by driving white farmers out of the bush before learning from them how to farm more productively, he said. He asked them to understand that dis-

putes among themselves and their sticks of dynamite would not build a better future. A separate letter to white youths hinted that they should beware of some anti-independence leaders at the heads of big businesses and political parties who wanted to conserve their privileges. "When independence is ineluctable, you should contribute to its success because a happy, pro-independence militant is more open (to offering guarantees to settlers) than a victorious militant still panting after an implacable battle".

CSO: 4200/824

NEW ZEALAND

OFFICIAL SAYS NUCLEAR VIEW GAINS SUPPORT ABROAD

Auckland THE NEW ZEALAND HERALD in English 11 Mar 85 p 3

[Text] The Minister of Internal Affairs, Mr Tapsell, who has just returned from the United States and Europe, says that more people there are beginning to favour New Zealand's anti-nuclear stance.

He said in Auckland yesterday that it was probably the subject most raised during his visit to the United States and Britain.

Growing

"There is a growing anti-nuclear movement in the world and it is interesting to note that on the west coast of the United States there is a lot more support for New Zealand than on the east coast," he said.

He encountered no hostility regarding the Government's stance and while some did not understand the New Zealand point of view they accepted it.

"I estimate the majority oppose us, but that may well change within a decade with the growth in the world anti-nuclear movement," he said.

The organiser of a petition for a referendum on the Government's anti-nuclear warship policy, Dr Jim Sprott, is convinced that most people want a say on the issue.

The Auckland industrial chemist says he plans to spend up to \$30,000 on the petition.

Opposed

He opposes the Government's ban on visiting nuclear warships and a month ago formed the Peace Through Security movement in order to promote a referendum.

Dr Sprott said last night that support was growing every day, and several thousand dollars in donations had been received.

He has sent petition forms around the country and this week newspaper advertisements in Auckland and Wellington will contain more forms.

Continuing

The Prime Minister, Mr Lange, has confirmed that the Australian Minister of Defence, Mr Kim Beazley, will visit New Zealand to talk about maintaining and expanding defence links across the Tasman.

Mr Beazley will begin a five-day visit on March 31.

CSO: 4200/823

NEW ZEALAND

MILITARY BUDGET, LIMITS ANALYZED

Sydney THE SYDNEY MORNING HERALD in English 7 Mar 85 p 7

[Article by Hugh White]

[Text]

CANBERRA: New Zealand appears to be sailing into a sea of financial troubles as a result of the Lange Government's dispute with Washington over the visits of nuclear-powered warships.

After the suspension of US military support, Wellington has said that it will have to step up defence spending to compensate. Where the money will come from is far from clear.

Among Western industrialised countries, only neutral Austria and Finland, and tiny Luxembourg, spend a smaller proportion of their national wealth on defence.

Even such pacifist countries as Denmark and the Netherlands spend more on defence than New Zealand's 2 per cent of Gross National Product. Australia spends 3.2 per cent.

The lingering influence of the Forward Defence strategy is evident in the retention in the New Zealand Army of relatively large armoured and artillery formations, including up-to-date Scorpion tanks, while the Navy and Air Force — more important to the defence of New Zealand's sea-girt territory, are poorly armed.

Recently New Zealand considered buying two submarines. This would have been a powerful addition to its Navy and a substantial deterrence to attack.

But the idea was scrapped in January by the Lange Government, which is under heavy pressure from a badly ailing economy.

This leaves the Navy with only four frigates, dating to the 1960s, and a handful of patrol craft.

The Air Force is equally weak and any major expansion will be expensive.

Some of the costs may be met by withdrawing overseas commitments. New Zealand retains a major commitment to Forward Defence in Asia. One of New Zealand's two infantry battalions is stationed in Singapore.

New Zealand has also joined Australia in contributing helicopters to the US-sponsored Sinai peacekeeping force.

With the withdrawal of US support for New Zealand, Mr Lange may decide to withdraw his support for the US in the Sinai. The decision to withdraw his troops from Singapore would be harder.

NEW ZEALAND'S ARMED FORCES

ARMY



2 Infantry Battalions
 1 Artillery Battery
 1 Light Armoured Squadron
 28 Scorpion Light Tanks
 72 Armoured Personnel
 Carriers
 10 8.5in Guns
 41 105mm Howitzers
 71 81mm Mortars
 22 106mm Recoilless Rifles
 Reserves: 1,410 Regular and
 6,288 Territorial (7 weeks
 training then 20 days a
 year)

ARMED FORCES
 TOTAL: 12,692

NAVY



4 Leander Frigates
 4 Lake Patrol Craft
 2 Inshore Patrol Craft
 7 Wasp Helicopters
 Reserves: 708 Regular
 and 400
 Territorial

AIR FORCE

1 Fighter Squadron
 with 12 Skyhawks
 1 Training Squadron with 16
 Strikemasters
 1 Maritime Reconnaissance
 Squadron with 8 Orions
 2 Medium Transport Squadrons
 with 5 Hercules, 6 Andovers
 and 2 Boeing 727s
 1 Transport Helicopter Squadron with
 6 Sioux
 1 Communications Squadron with 32 aircraft
 Reserves: 866 Regular and 201 Territorial



CSO: 4200/823

NEW ZEALAND

DAIRYMEN QUERY LANGE ON COST OF NUCLEAR POLICY

Auckland THE NEW ZEALAND HERALD in English 11 Mar 85 p 11

[Text]

Two dairy industry leaders publicly expressed alarm to the Prime Minister, Mr Lange, on Saturday at the effects of the Government's anti-nuclear policy.

Mr Lange, just back from his overseas mission to promote and explain the policy, was opening a \$19 million butter factory for the New Zealand Co-operative Dairy Company at Paerata, near Pukekohe, south of Auckland.

Before several hundred guests, the chairman of the Dairy Board, Mr Jim Graham, told Mr Lange that a moral stance might have a financial cost.

"If it is a community stand, it must have a community cost."

Mr Graham said the floating of the dollar, which he welcomed, would spread that cost over the community in the long run, but at first the cost would be on the dairy industry and other exporters.

"I would expect that your Government will recompense those who first experience the costs of a national policy."

The chairman of the

dairy company, Mr Dryden Spring, said he would be failing in his duty to his shareholders if he did not express their concern that the Government policy might upset delicate political balances and impair trading relationships which had been painstakingly built up.

Mr Spring said the dairy industry was constrained in most markets by politics and needed Government support and the active goodwill of the United States and British Governments to ensure continued access to two most important markets.

The Prime Minister replied that the British Prime Minister, Mrs Thatcher, had assured him last week that the United Kingdom would persist in its advocacy of New Zealand's interests in the European Common Market.

Mr Lange said the United States special trade representative, Mr Bill Brock, had firmly committed himself to a stance in New Zealand's interests as recently as Friday, in a meeting in Washington with the Minister of Overseas Trade and Marketing, Mr Moore.

8 May 1985

NEW ZEALAND

KIWANIS 'UNANIMOUSLY REJECT' ANTINUCLEAR MOVE

Auckland THE NEW ZEALAND HERALD in English 11 Mar 85 p 11

[Text]

A remit calling for New Zealand Kiwanis clubs to withdraw from their United States-based international body because of United States action over the Anzus row was unanimously rejected at a meeting of the North Shore-Massey division at the weekend.

The former lieutenant-governor of the Takapuna club, Mr Denis Turner, put forward a remit calling for Kiwanis to stop paying the \$24 a head affiliation fee to their parent organisation.

The lieutenant-governor of the North Shore-Massey division, Mr Murray Pile, said the remit had provoked very little discussion.

"It was very quick and quiet," he said.

Mr Turner said he had mixed feelings about its defeat.

"It was an individual proposal, although I had discussed it with a dozen members of the Takapuna club, who supported it."

Mr Turner said he had been reprimanded for using the Kiwanis club for a political purpose and the remit had been "squashed" as a result.

CSO: 4200/823

NEW ZEALAND

COLUMNIST DISCUSSES NATIONAL TRANSFORMATION

Wellington THE EVENING POST in English 12 Mar 85 p 6

["Tony Garnier's Weekwatch" column by Tony Garnier: "NZ Creating a New Image"]

[Text]

Who are we? What sort of nation are we creating for ourselves? These questions are at the heart of the nationwide exorcism unleashed by the Government's anti-nuclear stand.

Initially, the stand looked simply to be a moral protest against the nuclear arms race, despite the risk of upsetting the Anzus alliance.

Partly by choice, but much more as a result of the US breaking defence co-operation and intelligence sharing, and the Australian decision to call off the annual Anzus council meeting (where differences could have been perhaps talked out), New Zealand has been left no choice but to accelerate the transformation from dependent, colony status into a self-reliant, decisive nation. It has, in fact, been propelled by events into a debate about its sense of nationhood.

The Government has said that it wants a defence review completed so decisions can be taken by the end of the month. But New Zealand is facing not just a change of defence policies to meet a new situation. There is now a basic questioning of underlying assumptions about our society.

Emerged

In the last 20 years, New Zealand has emerged as a small, active nation rather than simply a dependant of Britain, the US or even Australia. A tradition of dependence has given over to a search for independence, and last July 14 marked a turning point in that debate when a new generation came to power asking new questions.

Who, really, are our enemies? Who are our true friends? Is there a better way?

An observation about the Soviet Union, which, like the US, is a major trading partner, by New Zealand Party leader Bob Jones made sense: How many New Zealanders go to bed at night fearing an invasion by the Soviet Union?

It is a fair bet, though, that some worry about the nuclear threat, whether by war or accident, from the US or the Soviets.

Mr Lange made sense when he argued that New Zealand did not want to be defended by nuclear weapons of the US (or anyone else); whether dropped in defence or attack ... what is the difference.

Alliance

An alliance based upon this sort of imperative is useless. It makes sense to try something else.

And on New Zealand's trade the new generation has a new imperative.

The Minister of Overseas Trade, Mr Moore, says New Zealand is no longer an imperial farm of Britain, "where life was secure under an empire on which the sun never set. Those days have gone."

Despite the vigour the new breed — Messrs Lange and Moore — are showing, the alternatives to the old trade and defence arrangements have not been shaped.

All the options are not yet out in the open and the new attitude surging through the generation now in power is as yet imperfectly articulated.

A more mature New Zealand sense of identity is rapidly evolving, but the

shape remains indistinct.

Colonials

Now, New Zealanders — both on the trade and defence fronts (but also evident in filmmaking, art, pottery, sport etc) — are saying they are in an alliance of questioning equals. They are no longer seeing themselves as passive, compliant colonials. Being "small" is no reason not to have a strong point of view.

The younger ministers in particular see New Zealand less as a member of the Western alliance than as part of a distinctive South Pacific region.

Where the previous government worked to link an economic imperative with the Anzus/Western alliance, so that New Zealand could lobby in Washington and European capitals, the new breed believes the trade case can be made on its own merits.

Part of those "merits" is that New Zealand products are environmentally "clean." It is a commercial argument, not one linked to the plea that the alliance should buy NZ to help maintain security in this part of the world.

Radical

On world trips, Mr Moore tells his hosts that he is a Pacific Islander, a Polynesian, a hundred percent New Zealander, not some derivative or lost European.

Applying this to the issue of defence and security, a radically new view of this country's primary needs in these areas comes into focus.

To the extent that all New Zealanders are pro-New Zealand, they are "anti" or compete with others, be it the US, Britain or the Soviets.

Therefore a realistic defence for New Zealand must be based on a proper assessment of the sphere of interest and influence.

The last two defence reviews said New Zealand commanded a vast off-shore economic zone. It needs a protective surveillance.

Many of the small Pacific island nations look to New Zealand as their "major" neighbour, suggesting a second key defence role for New Zealand.

It should involve friendship, surveillance and intelligence, including knowing about and interpreting overtures by outside powers for influence in the region.

This role can be equally applied to questioning the motives of the Soviets when seeking port access for fishing fleets as to US actions disregarding the Law of the Sea, which it has refused to sign. There is a watching brief needed on French activities, too, and so on.

And there is an alliance role with Australia and perhaps Chile in guarding the potentially important shipping corridor across the southern Pacific between the Atlantic and Indian oceans.

Challenge

Bearing in mind the Government has been challenged to promote trade to sustain economic recovery, a strong trade, marketing and science intelligence gathering function would seem a logical component to replace and expand some of the material which could be lost from US sources.

There are economic and military elements in the equation, and possibly a lot of money may have to be spent. But perhaps the most important ingredient is the coherence of purpose of, and public confidence in, governmental policymaking.

From the vantage point of Wellington in the mid-1980s, it appears New Zealand is at the threshold of creating a new image of itself.

NEW ZEALAND

EDITORIAL ON TRADE MISSION TO ASEAN

Christchurch THE PRESS in English 11 Mar 85 p 22

[Editorial: "Mission to A.S.E.A.N."]

[Text]

The trip that the Minister of Trade and Marketing, Mr Moore, is planning to the countries in the Association of South-East Asian Nations will be the biggest of the tours he has undertaken. Shortly after taking over the trade portfolio, Mr Moore made a brief visit to Australia. Later last year he led a mission of 12 people to Japan and South Korea, and in December he took a group of about 35 to China. Nearly 60 people are touring the A.S.E.A.N. countries with Mr Moore. The party will include business people, Government officials, trade union officials, and journalists. Mr Moore uses an Air Force aircraft and the business people pay a fare which is slightly lower than an airline's economy class fare as well as all other expenses such as hotels. The long-term effects of such tours cannot yet be gauged; but those who have accompanied him on tours so far have come back enthusiastic and believing that their mission has received high-level attention.

The countries in A.S.E.A.N. — Malaysia, Singapore, Indonesia, Thailand, the Philippines, and Brunei — have some of the fastest-growing economies in the world. They should provide some of New Zealand's best long-term markets. Instead of trade increasing, as might have been expected, export trade declined in a number of these countries last year. The decline has not been sharp, but it is a reminder that markets need careful cultivation. Mr Moore's mission should help to focus attention on the region.

In the year to June, 1984, New Zealand exports to Singapore amounted to \$114.1 million; imports from Singapore, mainly refined petroleum products, amounted to \$210.7 million. Exports to the Philippines in that year amounted to \$74.3 million, which was a decline from about \$90 million a year for the three previous years; imports amounted to \$14.8 million, up from \$9.6 million the previous year.

Exports to Malaysia were \$110.4 million and imports from Malaysia were \$45 million. Exports to Thailand declined from \$45 million in the 1982-83 trade year to \$36.4 million last year. Imports from Thailand were \$23.4 million. New Zealand's exports to Indonesia were \$84.2 million last year, compared with the \$99.5 million at which they have been hovering for the last few years. Imports amounted to \$367 million. Of that, \$352 million was in oil. Coffee and tea accounted for most of the rest.

Many of the products that New Zealand sells to South-East Asian countries are not of interest to all the people of the region. In fact, many are of interest only to the more affluent groups in the societies. The large international hotels are also interested in New Zealand products. Many of the larger hotels in Jakarta, for example, are carpeted with carpets from New Zealand. Kiwifruit is sold extensively throughout the area, largely to hotels. In societies in which the economic growth is rapid, the size of the more affluent groups is increasing all the time, and even if the New Zealand agricultural and horticultural products have a limited appeal, the number of those to whom they appeal is increasing.

New Zealand engineers and consultants have worked in the area, particularly in Indonesia and the Philippines, and sooner or later there should be the prospect of some large contracts. The sale of goods is not limited to primary products; in Indonesia, for instance, there have been substantial sales of electric fencing made in New Zealand. Mr Moore, in his invitations to those who will accompany him, has taken account of the diversity of New Zealand manufacturing as well as farming. The A.S.E.A.N. markets must remain significant to New Zealand. If Mr Moore's mission succeeds in making sure trade begins to increase again, it will be worth while.

CSO: 4200/823

NEW ZEALAND

BRIEFS

ARMY SEEKS NEW GUNS--The Army has put forward a proposal for \$11 million of new equipment to the Government. A Ministry of Defence spokesman said today that the proposal was for a new range of 155mm guns. The guns could replace the Army's present range of 5.5-inch artillery. [Text] [Wellington THE EVENING POST in English 13 Mar 85 p 1]

UK MUNITIONS OFFER--AUCKLAND, Today (PA)--New Zealand could get from Britain any military hardware it needed and could afford, the British High Commissioner, Mr Terence O'Leary, said here yesterday. There was no question of denying New Zealand any military hardware or supplies it needed, he said. In many instances, British makers were able to match American equipment in cost and technology, he said. And as a member of the North Atlantic Treaty Organisation, Britain had a whole range of sophisticated military equipment on its inventory. Of New Zealand's anti-nuclear stance, he said: "Britain's relations with New Zealand are not affected. They remain extremely good. There is a distinct difference of opinion on one subject, but no crisis, just an honest and clear difference of opinion." That difference of opinion, he said, would not affect the normal flow of intelligence and diplomatic information New Zealand received from Britain. [Text] [Wellington THE EVENING POST in English 13 Mar 85 p 4]

OPPOSITION DEBATE REJECTED--The Government was running from debating the National Party's no-confidence motion, the Opposition leader, Mr McLay, said yesterday. He gave notice of the motion last week, citing the inflation rate, high interest rates, industrial relations and Anzus as reasons. He told reporters then that the Opposition would ask the Government to make time available for a special debate. Under parliamentary standing orders, such a debate could only take place if the Government made time available, he said. However, in a statement yesterday, Mr McLay said he had been told by the Deputy Prime Minister, Mr Palmer, that the Government was not prepared to make time for the debate. Mr McLay said the Government was not willing to face New Zealanders on any of those issues. He would suggest to the standing orders committee that specific new rules be made to allow such important debates to take place. [Text] [Wellington THE EVENING POST in English 13 Mar 85 p 4]

CSO: 4200/823

PHILIPPINES

FOREIGN FUNDING FOR HUMAN RIGHTS LAWYERS MONITORED

Davao City PEOPLE'S DAILY FORUM in English 10 Mar 85 pp 1, 8

[Article by Pris Rojo]

[Text] "The foreign grant in gargantuan dollars to human rights legal aid extended to some members of the local IBP Chapter which shocked the city populace was already monitored by RECOM XI several months before it was exposed on the pages of local newspaper," stressed General Dionisio S. Tan-Gatue, Jr., yesterday, in the course of the interview with him by the Davao Broadcasters Association in its weekly program Dialogue with Broadcasters aired over DXOW every Saturday from 10:00 up to 12:00 o'clock A.M.

The General said that in spite of the fact that we are the target of accusations for supposedly gross violations of human rights committed by our law enforcers, we have not capitalized on the issue of foreign grant to the IBP. We stuck to our duties by firmly upholding the law and giving our accusers as much latitude possible. We are not vicious nor vengeful but we stick to our duties.

"Our commitment to the supremacy of the law still stands. As peace officers, after we have completed enforcing the law, or gather enough evidence to support the cases beyond reasonable doubts, we file the same in the proper courts, we leave it to our courts and the prosecution to complete the judicial process within the purview of our system of justice," Tan-Gatue emphasized.

The RECOM Commander considered it very difficult to determine whether the TWO MILLION PESOS (₱2,000.000.00) foreign grant extended to human rights lawyers in the region had possibly corrupted or in some way affected by such grant the court decisions acquitting subversives, who based on their (military) findings, were definitely guilty. As a matter of fact, the General continued, many of them confessed to have been committing acts which were contrary to the security of the state.

"However, officially and personally I have always believed in the integrity of our courts and our prosecution arm. Even if we are morally convinced of the guilt of some of the suspects against whom we filed subversion charges, we always abide by a contrary decision of the court.

"At this juncture, I feel that there is still so much that can be done to harmonize law enforcement with those of the prosecution and our courts. A confessed NPA killer is a criminal in any language," General Tan-Gatue said.

This portion of the General's discussion stemmed from a question propounded by a panelist to the effect that the public these days, since the said Asia Foundation grant to human rights local IBP lawyers was exposed, the integrity of the concerned lawyers and even the actuations of the prosecuting arms of the government and the courts had been heavily beclouded with doubts as to their veracity and credibility.

Is it possible for the grant to have influenced the actuations and decisions of the prosecuting officers and the courts in dismissing subversive cases filed by the military? This was the pertinent question which Gen Tan-Gatue had stressed in his foregoing answer.

CSO: 4200/832

PHILIPPINES

FURTHER DETAILS ON IBP FOREIGN FUNDING

Public Doubts Persist

Davao City PEOPLE'S DAILY FORUM in English 12 Mar 85 p 2

["Sparkplug of Public Opinion" column by Pris Rojo: "Gen. Tan-Gatue and the IBP Human Rights Lawyers Fund"]

[Text] "The Military had already monitored the human rights lawyers fund granted by a foreign based organization several months before it was exposed by a local newspaper." General Dionisio S. Tan-Gatue stressed this point in the course of the interview with him by the Davao Broadcasters Association in its weekly program Dialogue with Broadcasters aired over station DXOW every 10:00 to 12:00 o'clock A.M. on Saturdays.

The General's statement stemmed from a question from a panelist which in effect inquiring the General as to whether it is possible for the grant to have influenced the actuations and decisions of the prosecuting officers and the courts in dismissing subversive cases filed by the military.

Tan-Gatue said that in spite of the fact that the military is the target of accusations for supposedly gross violations of human rights committed by our law enforcers, we have not capitalized on the issue of foreign grant to the IBP. He further stressed, "we stuck to our duties by firmly upholding the law and giving our accusers as much latitude possible. We are not vicious nor vengeful but stick to our duties because our commitment to the supremacy of the law still stands."

There is no stain of doubt the RECOM XI Commander considered it very difficult to determine whether the TWO MILLION PESOS (P2,000,000 foreign grant extended to human rights in the region had possibly corrupted or in some way affected by such grant the court decisions acquitting subversives and the actuations of some other officials in the prosecution of such cases. However, we can't prevent that there is now a prevailing public opinion that confronted the minds of the people that consolidated doubts from the time this foreign grant was exposed. Moreover, some sectors of the city populace go to the extent of doubting that some sectors of the media also fall victims of the gargantuan amount.

Considering that this concerns on matters of public interest although some said the IBP is private organization but the fact remains that the public is greatly affected because it is the people who are the main objects of the so-called "Human Rights Crusade" by the IBP.

It is incumbent on the part of the local Chapter of the Integrated Bar of the Philippines to lucidly convince the doubting Thomases that the said Asia Foundation amount did not affect in one way or another the aforementioned public officials or the said sectors of the media.

Whether we like it or not the public pulse is impulsive in beating the way it has been discussed above and it is not an easy job for the IBP to eradicate what had transpired on the doubting minds of the people.

IBP Lawyer Explains Funds

Davao City THE MINDANAO MIRROR-BULLETIN in English 11-17 Mar 85 pp 2, 6

[Commentary by Tony Ajero: "A Matter of Propriety"]

[Text] The voluntary submission of IBP Davao del Sur chapter President Cesar S. Europa to an unscheduled roasting by local mediamen at Hotel Maguindanao's Rajah coffeeshop was a wise move for an honorable man who at the time was fast becoming the butt of jokes which are not funny among gossip attorneys and newsmen who are just as given to effeminate tattling. It was a valiant effort to be candid as can be on an issue that could have remained aphotic if he didn't decide to face the music.

Although some heretofore unknown facts like the handsome monthly salaries accruing to Europa and company shocked some IBP officers and members, in the whole the interview did a lot in throwing some light on the \$132,400-Asia Foundation grant.

As revealed, the funding assist is for the establishment of a legal aid and human rights institute for Mindanao (LAHRIM), a very laudable project which is a brainchild of human rights lawyer Abelardo L. Aportadera Jr. Billy, a youthful practitioner affiliated with the prestigious Free Legal Assistance Group (FLAG) of ex-Sen. Jose W. Diokno, studied the mechanisms and wherewithals of legal aid centers in other Asian countries which he had occasion to visit during international lawyers' conventions. (In most Asian countries specially those led by strongmen, euphemism for dictators, only legal aid institutes are allowed, since human rights centers are taboo.)

But of course, Mr. Europa's worry is not yet over. He needs to take a little of his remaining time out as IBP president to explain the grant about which many of his brother lawyers are still in the dark. This late, many of them still feel having been betrayed and believe, rightly or wrongly, that there was indeed a deliberate attempt to conceal certain facts about the huge funding assistance and they can hardly be blamed for the latter sentiment.

Mr. Europa had many opportunities to bare details of the grant which he did not seize.

First, he could have simply provided each members of the IBP chapter board of officers a copy of the Letter of AGreement, after it was signed on October, 1984. As he himself admitted during the interview, only the chapter secretary and the chapter treasurer had copies of the document.

The second opportunity for disclosure of the grant's details presented itself to the maiden issue of the THE ADVOCATES, the local chapter's house organ. Seven of the 13 articles printed in the 12-page affair, mentioned LAHRIM. The main article about LAHRIM carried a front page heading "Lahrim organized." This 13-paragraph item mentioned the funding only in the last paragraph, to be exact, in the penultimate sentence of the 23-column inch article. None of the THE ADVOCATES articles revealed the amount of the foreign grant, or the salaries accruing monthly to Europa as LAHRIM project director, Aportadera and Rolando A. Delima as unit directors, and Antonio B. Arellano, Rudy G. Agravante and Elpidio Nolasco as trial lawyers, or the criteria followed by Governor Europa and the Asia Foundation in appointing himself and the other administrative officers of the institute.

The third occasion wherein Mr. Europa, wittingly or unwittingly, omitted the amount of salaries was in a four-page press statement he gave the Daily Mirror in answer to the Mirror-Bulletin's headline of "BARE \$40,000 PAID TO HUMAN RIGHTS LAWYERS."

The fourth and final occasion was the 45-minute taperecorded interview he granted to a mixture of print and electronic newsmen at Hotel Maguindanao Wednesday. Here, he and Aportadera failed to mention one tal fact, which to us, is most vital, that of the foreign funding's being from the United States Agency for International Development, granted through the Asia Foundation! Incidentally, the matter of the USAID being the real source of the \$132,400-three-year grant was indicatd in the penultimate sentence of the 13-paragraph, 23-column inch article on LAHRIM mentioned earlier.

We think that this piece of information is vital because of its disquieting implications. For one, it could becloud the propriety of appointing as LAHRIM officers some lawyers reputed for their anti-American sentiments. One doesn't have to be endowed with the mental acuity of a lawyer to know there is outrageous incongruity in here. For how can the local IBP justify the appointment and subsequent payment of American government money as salaries to lawyers who join rallies and other mass protest actions denouncing American imperialism, among others? We even doubt that the newly-found candidness of President Europa can satisfactorily answer this question.

In the halcyon days of propriety, decency, delicadiza and similar time-honored values of professionals, the American funding could put all members of the recipient organization in estoppel from overtly manifesting anti-American feeling.

But the situation is salvageable.

As outsider looking in, we suggest that the outgoing and incoming boards of officers review the grant in a joint meeting. The gathering which should give the recipient lawyers a day in court can decide to throw the question to the IBP elders or to the general membership. The Asia Foundation representative may be invited to help out.

On the other hand, it is understandable for the local media to harp on the issue to the point of browbeating, a lawyer's courtroom technique in trying to upset a witness and discredit his testimony.

The human rights lawyers are our troubled times' "knights in shining armor," the emerging folk heroes who protect the oppressed and the downtrodden at the risk of their own lives and that of their families. They are the media's heroes, too. And we want them to remain that way. We want them to remain unstained because we work with them for the protection of human rights. Except for the nongs and the twerps among us, we all realize that human rights lawyers are our allies in the pursuit of our pro-people commitments.

We have not lost track, too, of the fact that LAHRIM is not just for human rights advocacy. It is also for legal aid among others including projects that could strengthen the legal profession.

For come to think of it, our lives in the country are ruled by lawyers and the laws they pass for all of us to abide with.

Many local mediamen grieve the untimely death of lawyer Saturnino G. Parcasio, a ranking member of the Davao del Sur Sangguniang Panlalawigan. Nonoy's death marked the passing of one of the most colorful political figures of the province. He was a member of the defunct Batasang Bayan, forerunner of the interim Batasang Pambansa. Nonoy was survived by wife Nelly and children, one of whom is Randolph, a lawyer, No. 1 councilor of Malita and potential lawmaker.

Cartoon Views Contradiction

Davao City THE MINDANAO MIRROR-BULLETIN in English 11-17 Mar 85 p 1

[Text]



CSO: 4200/822

PHILIPPINES

IBP SUSPENDS RIGHTS INSTITUTE FOLLOWING FUNDING QUERIES

Davao City MINDANAO TIMES in English 4-11 Apr 85 p 1

[Text] The board of directors of the Integrated Bar here suspended effective April 1st, the implementation of the Asia Foundation grant which funds the legal aid and human rights institute for Mindanao (Lahrim).

This was one of the first official acts of the new set of officers of the IBP when it assumed office April 1st for their two-year term.

The board action, according to IBP President Jesus Dureza, was prompted by the creation of a special 5-man commission which is tasked with the job of reviewing the Asia Foundation grant. The findings of the commission will serve as basis for whatever decision the IBP board will pursue, it was learned. Asia Foundation will be duly informed of the decision.

The members of the five-man commission are:

Atty. Leonido C. Delante, past IBP President;

Atty. Wilgefortis F. Escudero, past IBP director

Judge Marcelino M. Francisco, former RTC judge of Digos, Davao del Sur;

Atty. Hildegardo F. Inigo, past IBP director and professor of law at the Ateneo; and

Judge Milagros C. Nartatez, acting executive judge, RTC, Davao City.

The commission is expected to start its work after the Holy Week.

The Asia Foundation letter of agreement with the local IBP will be reviewed in view of the controversy that surfaced following its public disclosure last month. The issue triggered mass resignations from the members of the staff of LAHRIM.

The new set of officers of the IBP, aside from Dureza are: Benjamin C. de Guzman, vice president; Ruben V. Abarquez, secretary; Corazon Malanyaon, treasurer;

Directors: Raul O. Tolentino, Gladys S. J. Tiongco; Jose C. Adao; Prospero C. Mojica and Peter J. Nugas.

CSO: 4200/832

PHILIPPINES

DAVAO COLUMNIST ON MAOIST THEORY REVERSAL, POLITICS

Davao City PEOPLE'S DAILY FORUM in English 12 Mar 85 p 3

["Light and Shadow" column by Gil M. Abarico: "Maoist Theory or Guerrilla Warfare Being Applied Here?"]

[Text] Newscaption: "CUTS IN FOOD PRICES, POWER RATES ORDERED."--Too good to be true?

Indeed, news about reductions in food prices as well as in power rates are welcome, very much welcome by suffering consumers who see nothing but sky-rocketing prices around them. Pres. Marcos seems to have finally realized that he must also protect the small Filipinos, not only the businessmen and traders, transport operators and electric farms. For without the consumers, no economy can exist. If people can no longer afford to buy products and pay for services--then the collapse of the economy is just a matter of time.

The increasing activities of subversive elements cannot be denied, specially in certain areas of the country--and Mindanao (or parts of it) seems to be the target of the classic Maoist theory of guerrilla warfare which worked well in China. Simply stated, this strategy calls for mounting pressures from the countryside on the urban centers of population. But it appears not to be working quite that way, at least in the Davao area. For one thing, the countryside of Davao City have been pacified lately with military pressure bearing down on areas of subversive activities, like Paquibato, Calinan Toril, and Mandug. Hence, the other side has apparently shifted to urban terrorism to take the pressure off from their hinterland redoubts. This is what appears on the surface and we could be wrong, of course.

Politics seems to be the favorite topic in coffee-shop nowadays despite the fact that the scheduled local elections are still more than a year away (May, 1986). Speculations are rife about tickets and line-ups of various parties, either the KBL or the oppositions groups. Even ex-Mayor Luis Santos, who lost in his bid for the Batasan in last year's poll, is again rumored staging a comeback. It seems that the oppositions will find it hard to choose a common candidate for the mayor, what with "human rights" fighter Boy Nograles and Councilor Boy Zuno making themselves very much available as UNIDO bets. And what about the fractured PDP-LABAN, the MA and the Nacionalistas and Liberals?

MISCELLANEOUS: On the national level, opposition leaders seem to be gravitating towards unity against President Marcos' reelection bid in 1987 or earlier. The UNIDO-led National Unification Convention this Sunday will test the sincerity of opposition segments whether or not they can rise above their petty personal interest...In the local scene, even our name has been mentioned as among probables for the city council, hence we would like to say here and now that we have no political ambitions (we would rather endorse our senior colleague, Bert Tesorero, for that distinction.

CSO: 4200/822

8 May 1985

PHILIPPINES

DAVAO JOURNALISTS REVIEW HANDLING OF NPA KILLINGS

Davao City MINDANAO TIMES in English 4-11 Apr 85 pp 1, 3, 4

[Text] (Davao City)--"A newsman may be forgiven for lack of knowledge but never for lack of courage."

With this theme, media practitioners of this city rose as one to literally "declare war against communism and its military arm, the NPA."

Managers, announcers, anchormen, news writers and reporters, columnists, editors of the local TV and radio stations and newspapers met Tuesday morning to denounce the atrocities committed by the terrorists against civilians, private and government workers and policemen.

The meeting of media members came in the wake of the early Monday night slaying of Patm. Reynaldo Chan, younger brother of Bulletin Today correspondent Romeo Chan.

Patm. Chan, 35, and assigned with the Metro-discom Crime laboratory at Ecoland subdivision, was with PC Sgt. Roberto Diero on board a motorcycle at about six o'clock in the evening on their way to Sasa. Upon reaching R. Castillo street at Agdao the motorcycle had a flat tire and they stopped at a small vulcanizing shop to have it fixed. While waiting, the two were made to sit down on a bench by the road side opposite the shop. Three persons in their early twenties came from behind them and strafed them with a .45 caliber Thompson submachinegun.

Chan suffered five bullet wounds at the back and Diero was hit six times. Both died on the spot. The assailants took the .45 caliber pistol of Diero and the .38 caliber service revolver of Chan and walked away toward the houses nearby. The submachinegun used in the killing is believed to have been taken by the terrorists from a slain ICHDF member of Agdao and concealed in one of the houses where the NPAs had a mass base or sympathizers.

Patm. Chan left a wife, Marichu, four months on the family way, children Rev-rev, 5, Marilyn, 3, and Marisol, 8 months.

Sgt. Diero left a wife and three children age four, two years and a seven-month baby. The victims were the sole bread winners of the families.

The atrocities of the terrorists escalated during the month of March where no less than 104 persons were killed in the city. Last February, Rene Ramiro, 35, was shot dead by two NPA terrorists at her residence in Bugac, Ma-a, in the presence of her three children. Then followed the shooting of a constable visiting the grave of his wife at the Catholic cemetery, the killing of an innocent driver, Rolando Latorilla and a housewife at the Panacan relocation.

Most of the media practitioners who attended the Tuesday meeting admitted that some in the profession "have been used unwittingly" by the communists through newspaper and radio reporting.

The killings of Chan and Rene Ramiro were cases in point: The radio and newspapers accounts of the killings were considered "dry" compared to the "emotional" reporting on alleged salvagings, they pointed out.

The communist propaganda ploy to sow terrorism is unwittingly spread by media practitioners, the newsmen observed.

The terrorists kill people, men and women, with these announced motives: "He was killed for being a womanizer; she was killed for being an informer; he was killed for not paying the salaries of employees; he was killed for quarreling with his wife or abandoning his family; he or she was killed for refusing to give contributions."

With these announced motives behind the killings, written in newspapers or aired in the radio stations, the NPAs advance their message of fear. No one will inform the authorities of the presence (of terrorists); no one will dare erase their written propagandas of "ibagsak" on the walls and even sepulchers, every one will readily contribute to their revenues.

The members of the media agreed to meet again and discuss guidelines they will be formulated within the week for them to observe in the manner of reporting these killings by the terrorists.

CSO: 4200/832

PHILIPPINES

DAVAO WEEKLY ASSESSES CAUSES, SOLUTIONS TO NPA PROBLEMS

Davao City MINDANAO TIMES in English 4-11 Apr 85 pp 1, 2, 4

[Article by Jose L. Angliongto]

[Text] In 1974, we were told that the NPA is composed of no more than 600 regular forces. It was then not a threat to our movement--the Bangsa Moro--MNLF. Today, our Acting Chief of Staff, Lt. Gen. Fidel V. Ramos, estimated the strength of the NPA regular forces to be around 12,000. In a period of one decade, the CPP military arm, the NPA, has increased its strength by almost 2,000% and has become a major threat to our internal security. The questions that many asked are:

- 1) How did it happen?
- 2) Who are responsible?
- 3) What are we going to do about it?

We have listed down the following factors which, we believe, contributed to the escalation of subversion and the increase of the NPA strength.

1) The effects of martial Law; 2) The Bangsa Moro-MNLF Problem; 3) Socio-Political-Economic Problem; 4) The military Abuses; 5) The Removal of Police from Mayor Supervision; 6) The Wrong Application of Counterinsurgency Strategy; 7) Alienation of (Church-Businessmen-Intelligentsia Groups; 8) Lack of Accountability of Public Officials; 9) Lost of Credibility of National Leadership; 10) Absence of credible and strong Opposition Party.

Before the declaration of Martial Law in 1972, elections were conducted every four years. Thus, politicians, such as governor, mayor, and councilors, in order to maintain contact with their constituents, visited the barrios as often as possible. The barrio leaders looked upon these politicians for favors and to solve their problems. There was constant inter-action and/or feed-back between the barrio leadership and the higher political leadership.

But when Martial Law was declared in 1972, the situation changed. Since there was no election, the politicians and public officials were not accountable anymore to the people but to President Marcos; all roads led to Malacanang. The local leadership neglected the people. A political vacuum was created.

This was aggravated by the removal of the police from the Mayor's supervision. The military during the Martial Law had gained considerable power and influence that gradually displaced the civilian authority. For lack of check and balance, little by little some military personnel started to abuse.

As Martial Law entered its third year, the New Society was gradually losing its steam. Grafts and corruptions started to change the picture of the New Republic. Cronyism and new oligarchs replaced the old oligarchs that Martial Law had dismantled. Influence peddling became a way of life. The know-how and qualifications were relegated to the background and the who-you-know became the order of the day. The moral fibers weakened. The results was the alienation of the intelligentsia and the Church which were becoming more and more critical of the national leadership.

In the meantime, while the Armed Forces were concentrated in fighting the secessionists in the South, the CPP-NPA started to concentrate its recruitment and indoctrination in the rural areas where a political vacuum was created. They have adopted the Maoist strategy of countryside surrounding the cities.

The police in the old days, being a part of the community, could easily spot the communist activities and nip it at the beginning. But since its integration into the PC/INP organization, the reshuffle and transfer of the policemen to other regions have weakened them and made them ineffective to discover the NPA movement at the beginning. When the authorities started to recognize the problem, the NPA had already gained control of many towns in the rural areas.

The military reacted at once by suppression through brute force. The untrained soldiers and the CHDF in the counter-insurgency effort aggravated the problem. As the problem escalated, more troops were needed. The troops that were trained for combat were used for counterinsurgency. The emphasis of using the military solution to solve the NPA problem in the long run only contributed to the alienation of the people from the military. Gradually they became polarized. Since the police are now being identified as military, aside from the military abuses, the military image suffered because the unpleasant tasks such as the dismantling of slum areas, anti riots, and serving of warrants are now being carried out by the military instead of by the police who was identified as civilians.

The low prices of farm products, specially copra, on which more than 45% of the population in Mindanao and Visayas are dependent, and the monopoly of the industry was thoroughly exploited by the CPP-NPA.

The final blow came when the late Sen. Benigno Aquino, Jr. was assassinated in 1983; it triggered massive capital flight. It resulted in the devaluation of the peso by more than 200%. The inflation rate went up and the cost of money became more prohibitive for production. The economy stood still. People suffered.

Economic hardship, disillusionment in life, and lack of confidence in the future of our country have been properly exploited by the CPP-NPA. For lack

of credible opposition, the anti-administration elements, wittingly or unwittingly, have played into the hands of the CPP-NPA. The theology of liberation of the Church had unleashed the naive priests and nuns who equated Marxism as the solution to the present ills of our country. The "Parliament of the Street" became the mode of the time.

On the other side of our national leadership, cronyism and favoritism, the inability to solve our national problems, and the retention of the decree power under Amendment No. 6, and many other unpublished decrees have created doubts in the people in the sincerity of the national leadership. Eventually, it created a credibility problem.

The MNLF and the NPA have different ideology, but have one thing in common-- that is, against the government forces. In the beginning, they co-existed with each other. But as both expanded their area of influence eventually conflict of interests made one intolerable to the other. In the latest development, some MNLF chose to side with the government to fight the NPA.

Here we must caution the government to use the MNLF to fight the NPA. The use of the MNLF can only achieve short term objective but in the long run it might create again problems for the government.

Proposals for our Government to Study and Consider:

- 1) Return the police to the civilian authority by creating a civilian national police force directly under the Ministry of Local Government where the mayors are directly under its control.

- 2) Retain our troops for counterinsurgency efforts instead of combat. Increase the pay of the soldiers to boost their morale and instill discipline and check the abuses.

- 3) Sincerely restore a strong Opposition Party. Remember that not all of those who oppose the government are communists. We must avoid pushing the yellow to join the red.

- 4) Study the possibility of general amnesty for political offenders.

- 5) Repeal or amend the Amendment No. 6 and other repressive decrees.

- 6) Call for another Constitutional Convention to rewrite a Constitution that is acceptable to the majority of our people and to be ratified not under Martial Law atmosphere. The people, even the lawyers, are confused about our present Constitution.

- 7) Change the attitude and values of our people, specially the military. The national leadership must provide the leadership by example in order to gain back the confidence of our people. Otherwise, the credibility problem of our national leadership will destroy the unit of our people and hamper the concerted effort to counteract the CPP-NPA threat to our national security.

8) Conduct honest elections in 1986 and 1987. A truly strong and popular local leadership is one of the best weapons to counteract the influence of the NPA.

9) Make our Supreme Court and Comelec truly independent. This is one way of regaining the respect and confidence of our people for our national leadership.

10) Sincere and serious implementation of economic and political reforms.

Conclusion:

Counterinsurgency is 20% military and 80% socio-political-economic reform. Communists have long recognized the need for the support of the masses of the population. Unfortunately, our government has stressed more on the military aspects of the peace-and-order problem. They have tended to ignore the other facets of the dilemma, and by default, have allowed the Communist to assimilate a big part of the masses into their ranks.

The campaign against communism is the campaign for the minds and hearts of the population. Whoever wins the population wins the war. It requires the application of sound socio-economic, political, military, and psychological warfare plans. It requires the wisdom, sincerity, and determination of our national leaders as well as well-informed citizenry. Destruction of insurgent forces and its political organization without eradicating the root causes will not solve the insurgency problem. If the causes remain, one is destroyed--another recreated. It is like burning down of cogon fields in summertime but when the first shower of rain comes the grass grows again. This time, maybe, more luxuriantly than before. We destroyed the threat of Huks, but now we have a more serious problem--the NPA. We must learn our lessons from the past.

CSO: 4200/832

PHILIPPINES

MARCOS REITERATES ASEAN, EEC COMMITMENT

Manila BULLETIN TODAY in English 12 Mar 85 pp 1, 10

[Excerpt] President Marcos reiterated yesterday the Philippines' commitment to the goals of the Association of Southeast Asian Nations (ASEAN), including the establishment of fruitful cooperation with the European Economic Community (EEC).

"The Philippines is committed to the purposes and goals of ASEAN which include the establishment of fruitful cooperation with EEC, the President told Ambassador Bermot Waldron who presented his credential as the first ambassador of Ireland to the Philippines.

The President pointed out that the ASEAN-EEC ministerial meeting, held last November in Dublin, Ireland, focused the attention on the need for the continued dialogue between the two regional organizations to improve economic and social relations.

The President lauded the contribution of hundreds of Irish priests, educators, and nuns, particularly those belonging to Columban and Redemptorist organizations to the country's progress during their stay here.

CSO: 4200/821

PHILIPPINES

CEBU EDITORIAL VIEWS CHANGING U.S. ATTITUDE

Cebu City VISAYAN HERALD in English 12 Mar 85 p 3

[Editorial: "The Changing U.S. Attitude"]

[Text] There are indications that Americans are increasingly aware of the irrelevance of the Marcos rule, with the exception of Mr. Reagan whose eyes are still closed to the realities of the Philippine situation.

Military aid infused into the country is looked upon with disfavor by the Filipino people. Any American military hardware brought into the country is used in killing fellow Filipinos in the anti-rebellion campaign in the hands of the oppressive regime under Mr. Marcos.

This must have prompted a former U.S. state department official to state before the U.S. congress that aid given out by the American government is not for Mr. Marcos but for the Filipino people.

However, the rationale of American aid can not easily be acceptable to the Filipinos for as long as Mr. Marcos is still in the saddle. The regime is unpopular. And unpopular regime can not successfully swing the pendulum for the U.S. If American influence is ebbing in the country, it is because America continues to be supporting an unpopular Marcos rule, made irrelevant by its conscienceless violations on the people's human rights, against freedom, liberty and democracy.

CSO: 4200/821

PHILIPPINES

THREE KBL GROUPS STRUGGLE FOR POST-MARCOS ROLE

Quezon City ANG PAHAYAGANG MALAYA in English 12 Mar 85 pp 1, 2

[Article by Marlen Ronquillo]

[Text] The Kilusang Bagong Lipunan (KBL) is being rocked by a power struggle between three main groups, all preparing to lead the ruling party in an election without President Marcos, sources from the political opposition said.

The power struggle among the three groups has been described by the sources as "very intense" despite the apparent "semblance of unity in the ruling party."

"The realignment of forces in the KBL has been prompted by the intense power struggle. The regional and provincial leaders of the KBL have been forced to choose their affiliations," sources said.

The first group is led by a powerful political bloc from the Visayas, while the second is led by an equally powerful bloc from Luzon. The third is a loose coalition of disenchanged KBLs who have been censured by Malacanang for taking views incompatible with that of the ruling party, the sources said.

The first group is reportedly lobbying intensely for a snap election. The sources said it sees more changes "of getting the presidential slot of KBL in an election without Mr. Marcos, but with the President still "cracking the whip" in the ruling party.

The second group has more changes of dominating the KBL in a "scenario with Mr. Marcos completely out of politics," the sources said.

The third group, though without the resources and following of the first two groups, is the "logical refuge point" of independent-minded KBLs who want to assert their leadership and work out a new thrust for the ruling party.

Sacked Foreign Affairs Minister Arturo Tolentino is the logical leader of this third group but we do not know whether he has taken over its command," the sources said.

The third group also has the following of the National Party leaders affiliated with the wing of former Senator Jose Roy.

Cracks in the once-monolithic KBL have been leaked to media despite massive efforts to cover up the vicious in fighting.

Last Jan 7, Mrs. Imelda Romualdez Marcos and Defense Minister Juan Ponce Enrile clashed over the magnitude of the country's insurgency problem. When Enrile, the country's defense minister for 14 years, reported to the KBL the rising insurgency problem, Mrs. Marcos said any breakdown in the drive against insurgency could be attributed to the failure of the ministry.

Enrile has announced he will seek the KBL presidential draft if his boss is no longer interested in running. Mrs. Marcos has scoffed all talks she will run for president, but political observers consider her an aspirant for the presidency in an election without her husband.

President Marcos recently sacked Tolentino for the latter's vocal criticism of the former's emergency lawmaking power and other government policies.

The dismissal of Tolentino, a political maverick, and a widely-respected parliamentarian is so far the biggest sign the KBL is cracking up.

Last wekk, Labor Minister Blas F. Ople was censured for the second time in four months for some views which irked President Marcos. Ople offered his resignation, but Malacanang has yet to announce its decision.

CSO: 4200/821

PHILIPPINES

PRESS, MILITARY BODY COUNT DISCREPANCY NOTED

Quezon City ANG PAHAYAGANG MALAYA in English 11 Mar 85 p 6

["Straight from Negros" column by Edgar Cadagat: "Negros: Visayan Powderkeg"; first two paragraphs are MALAYA introduction]

[Text] This column which starts today, would greatly help our readers understand what is happening in Negros today, the island which some political observers say, is the number three powderkeg after Davao and Zamboanga.

This columnist is a native of Negros, and hails from the depressed town of Cauayan in Southern Negros. It is part of the so-called CHICKS area, an acronym for the towns of Candoni, Hinobaan, Ilog, Cauayan, Kabankalan and Sipalay.

Bacolenos suspected something was up when they heard the whirring sound of the PC provincial command's lone helicopter, very early in the morning of Tuesday, Feb. 26, going in the direction of Southern Negros.

Later in the day, wounded soldiers of the 7th IB's Delta Company started arriving in the Western Visayas Regional Hospital in the city.

The airplanes immediately started crackling with reports of a big battle in Inayauan, Cauayan town, scene of the so-called Langoni 9 Massacre.

Military authorities later reported that four soldiers of the 7th IB Delta Company were ambushed on the road going to the Marinduque Mining and Industrial Corp. (MMIC), which is located in the town of Sipalay, 178.4 kilometers south of Negros.

Bacolod was all ears, the residents intently listening to their radio sets, monitoring the progress of the battle. The next day, along with the whirring of helicopter blades, local radio reported that security guards of the MMIC were disarmed when 50 fully armed members of an NPA regular unit, quietly entered the mining areas and "confiscated" a substantial number of firearms and ammunitions. Belated reports trickling in from the south showed that the NPA team lectured the guards, all members of the VILLMAPI Security Agency, based in the city.

The raid was not the first in Negros, the biggest to date was the virtual occupation of the mountain town of Candoni, a coal rich area, some years ago

also by the NPA. Last month's raid, however, caught Negrenses by surprise, as it followed by only a few days the reported killing of an alleged NPA commander, one George Belleza in sitio Omas, Camindangan, Sipalay. The military reported that the rebels then went "on the run."

A road security team from the 7th IB's Delta Company which was sent to aid the beleaguered guards, it now appears, was ambushed while it scouted the road ahead of its mother unit. Killed were a soldier; four others were wounded. Another group of wounded soldiers were brought the next day, Feb. 27 to the hospital.

After that, the military reported a series of gunbattles with the NPAs after the ambush. They said that in the final tally, 21 rebels were slain. No bodies, however, could be produced. It was the body count syndrome again.

During the supposed battle, radiomen of Radyo Bombo reported that crates of small arms ammo arrived at the Banago Wharf. They were loaded on army trucks.

As of Monday, March 4, the rebels were able to successfully disengage their forces from the areas and just as suddenly as they had appeared, they vanished like smoke.

What is ominous about their appearance was that, when they mounted their attack, there were about 200 of them, something which had not happened before. It is the volcano erupting, some local folk said.

According to mediamen from Negros who were in Malacanang, on March 1 upon the invitation of the First Couple, the Negros situation including the recent gunbattles in the CHICKS area had, aroused some concern from President Marcos himself, who told those present that the situation was still "manageable."

According to the 7 mediamen, the dialogue with the First Couple was unprecedented in that it went on for hours, from 11 a.m. to 9 p.m.

The First Lady reportedly talked on a wide range of topics, while the President who came later in the evening because he was, according to the First Lady, "still out jogging," accommodated the mediamen by answering their questions.

Someone whispered that the First Lady definitely seemed to be partial to mediamen from the Visayas, especially the chosen 20, who listened with rapt attention to what she had to say.

As for the proverbial envelope, nobody was talking.

CSO: 4200/821

PHILIPPINES

NUC CHAIRPERSON: ONLY CORY CAN RUN UNOPPOSED

Quezon City ANG PAHAYAGANG MALAYA in English 12 Mar 85 pp 1, 2

[Text] MANILA, March 11 (AFP)--Only Benigno Aquino's widow Corazon could run for president on short notice with the support of all opposition forces, a central figure in opposition unity efforts said here today.

MP Cecilia Munoz Palma, a former Supreme Court justice who chaired the National Unification Conference (NUC) of the opposition yesterday, told a press forum that other aspirants would step aside if Mrs. Aquino ran.

"If you're looking for one who could really unify right now, it would be Mrs. Cory Aquino. That's the feeling among all of us, that if Cory would only decide to run for the presidency, then there will be no one...that would run against her," she said.

"She is the personification of the spirit and the ideals of Ninoy (Benigno) Aquino," Mrs. Palma added.

Mr. Aquino, President Ferdinand Marcos's chief political foe, was shot dead at Manila airport on August 21, 1983. Armed Forces chief General Fabian Ver and 25 others are now on trial for the murder of the former senator and the man the military claimed to be his assassin.

Mrs. Palma, who described yesterday's unity conference as a success, said there were "so many capable men in the opposition" qualified to be president but only Mrs. Aquino could make all the others rally around her candidacy.

Mrs. Aquino has repeatedly disavowed having any political ambitions.

The choice and manner of choosing the presidential candidate has sparked opposition disunity since late 1984, when Mr. Marcos's medical isolation, first attributed to the 'flu and then to an unnamed virus, sparked fears of possible snap elections.

The presidential polls are officially scheduled for 1987.

Mrs. Aquino, former Sen. Lorenzo Tanada and business leader Jaime Ongpin formed a "Convenor Group" that devised a "fast-track" system of choosing the opposition presidential candidate in a sudden poll.

But Salvador Laurel's United Nationalist Democratic Organization (Unido), the largest opposition combine, rejected this formula and led yesterday's conference, in which some 700 delegates agreed to hold a national convention to choose the candidate.

The delegates, representing national and regional opposition parties, also voted for the forging of a national alliance in preparation for the 1986 local government elections and the presidential polls. ©

There are about a dozen known presidential aspirants in the opposition, led by Mr. Laurel, MP Aquilino Pimentel, MP Ramon Mitra, MP Eva Estrada Kalaw and former Sen. Jovito Salonga.

CSO: 4200/821

PHILIPPINES

SILVER CERTIFICATE TRADE RULES APPROVAL URGED

Manila PHILIPPINES DAILY EXPRESS in English 11 Mar 85 pp 1, 9

[Article by Ellen Samaniego]

[Text] BROKERS at the local stock exchanges have urged the Securities and Exchange Commission (SEC) to approve the proposed rules governing the trading of silver certificates.

The rules, which have been finalized and approved by the respective boards of governors of the Makati and Manila stock exchanges, were submitted recently to SEC Chairman Manuel G. Abello.

Central Bank Governor Jose B. Fernandez earlier approved the brokers' proposal to trade silver certificates at the stock exchanges with the CB acting as custodian for the silver bars that will back up the certificates.

THE wanted exchanges' present rules and regulations governing trading of stocks to govern trading on silver certificates.

The issuance of silver certificates, the brokers said, will be limited to 10, 50 and 100 ounces of silver denominations. Some P20-million worth of silver certificates will be initially offered to the public.

The certificates will be issued only by the transfer office upon instruction of the authorized stockbrokers to prospective investors, who will be permitted to buy and sell the silver certificates.

BASED on the proposed rules, investors may sell their certificates through the authorized stockbrokers at the stock exchanges or they may go to the CB and redeem their certificates for silver bars.

Upon redemption of a certificate by an investor, he will be permitted to own and hold the silver bullion but will be required to obtain a CB license to export the silver.

Those already holding silver bars may directly sell their silver to the CB.

The silver will be assayed and the CB will authorize the transfer office to issue a new silver certificate representing the surrendered silver bullion.

A stock transfer tax of $1/4$ of one percent of the value of the transaction was proposed to be charged on sellers of silver certificates.

CSO: 4200/821

PHILIPPINES

COLUMNIST VIEWS U.S. RELATIONS WITH NICARAGUA

Manila PHILIPPINES DAILY EXPRESS in English 12 Mar 85 pp 4, 5

["The Foreign Scene" column by Nestor Mata: "To War or Live with Managua?"]

[Text] WHAT WILL IT be, to war with Nicaragua or to live with Nicaragua?

Lately, this question has been troubling more and more Americans, as Nicaragua's Sandinista government appears more and more accommodating, and as the United States government sounds more and more belligerent.

The truth, actually, is somewhere in between--for both Managua and Washington.

The Sandinista government in Managua is not suddenly cozying up to Washington out of a delayed conversion to the West. Neither are they finally disenchanted with the Soviet Union.

In the years since they seized power, the Sandinistas have shown wariness toward Washington, openness toward Moscow. That has changed very little, perhaps not at all.

If Nicaraguan President Daniel Ortega now launches peace bids aimed at satisfying a few of US President Ronald Reagan's objections against the Sandinista program of government, if Ortega now also seeks more frequent meetings with US Secretary of State George Shultz, it is hardly because he has suddenly found out that the US is his model and savior.

It is merely because Ortega realizes that his government is fighting a war which gets more of its funding and support from Washington, a war which slowly but increasingly drains his economy of precious resources and his country of possible progress and growth.

And the posture of compromise, of Managua's willingness to negotiate with the US government, may well be a play, a strategy to convince the US Congress that there is real hope for a turn-around toward democracy in Nicaragua and that therefore, there is no need to increase US financial support for the CONTRAS, the anti-Sandinista rebels.

It is the US Congress, after all, which will take a second vote to finalize the \$14-million US aid for the CONTRAS who are fighting the government in Managua.

On the other hand, there is also need to read between the lines of the Reagan administration's increasing belligerence toward the Sandinistas.

From rejecting any accusations that he wants to over throw the Sandinistas, Reagan has now virtually admitted that he wants to remove the Sandinista government in Nicaragua--or, at least, remove its present structure. Which may really be what he wants to do.

Indeed, if he were to make a unilateral and thoroughly binding decision on the US government, Reagan may indeed send all possible aid to the CONTRAS, even including US military forces.

However, Reagan knows he cannot just do so.

And so, Reagan talks tough not because he will, or can, act tough, but because by doing so, he can put pressure on everybody to shape up: on the US Congress to vote in \$14-million for the CONTRAS; on the Sandinista government in Managua to negotiate and eventually reform.

Negotiation with the US, after all, as both Washington and Managua realize, can only be to Nicaragua's advantage, both politically and economically.

So, what is the fly in the ointment, or, to put it simply, what is keeping Managua and Washington from getting together?

The reason is simple.

Nicaragua has enough national pride not to come begging to the negotiating table, while the Reagan administration has always been insensitive about national pride, at least where sworn enemies are concerned.

In other words, Washington does not make the mistake of demanding from allies like South Korea and Pakistan, perhaps even the Philippines, the kind of demands it imposes on enemies like Nicaragua and Vietnam.

Under such circumstances, can we then blame the Sandinista government in Managua for approaching any negotiations warily, or the US Congress for being in two minds about funding the overthrow of an established government?

CSO: 4200/821

PHILIPPINES

CEBU MILITARY ASSURES NO INTERVENTION IN STUDENT RALLIES

Cebu City VISAYAN HERALD in English 11 Mar 85 pp 2, 8

[Text] Local military officials the other day reassured that the military will not intervene in peaceful student mass actions.

This was disclosed by Col. Zosimo Angan, Cebu Metrodiscom Commander during a dialogue with several student leaders of various colleges and universities in Cebu.

Rosilyn Rosito, chairman of the Cebu Institute of Technology-Alliance of Concerned Technologists (CIT-ACT) reported to Angan of alleged harassment by a San Nicolas Station policemen Joseph Racasa and three CIT security guards during a CIT student leader, Meinhart Pagraran on that day while one security guard had fired at him.

Angan promised to investigate on the incident after he also advised the students to file charges against Racasa and the guards.

Ruben Carranza, chairman of the University of the Phil. College Cebu-Student Council also revealed during the dialogue that four of their streamers and placards were snatched by four men aboard in a jeep last November 13 during the council's protest demonstration against the UP tuition fee increase. After Carranza disclosed of circumstantial evidence pointing to a certain Romeo Macaraya of Tres de Abril this city as the owner of the vehicle, Angan promised to look into the matter.

Larry Tagalog, an officer of the League of Filipino Students--University of the Visayas Chapter, also disclosed during the dialogue of alleged intimidation of the UV police against student leaders. Joviseto Sepe, president of the USC Supreme Student Council further revealed of alleged presence of plainclothesmen and intelligence personnel roaming inside the university particularly during the last University Days.

Angan also reaffirmed a mutually-agreed accord between the Ministry of National Defense and representatives of student groups governing the military's role in student activities. The agreement dated Oct. 28, 1981, provides among others, that military elements will not interfere with peaceful student protest actions inside that campuses, that they will enter campuses only to

deal with crimes actually being committed or about to be committed, and that only uniformed policemen will be employed inside schools.

Angan also reassured that no surveillance operations shall be conducted within campuses without the prior consultation with student organizations and groups concerned.

The student leaders presented a resolution to Angan for approval, defining the military's role towards student activities. Angan however said that the military officials have to study the resolution further. The resolution is a written accord of points agreed upon during the dialogue yesterday.

The students are also expected to file within this week written complaints of alleged military intervention and harassment committed inside the campuses.

Present during the dialogue were also Dra. Vilma Desquitada of the Ministry of Education, Culture and Sports (MECS), Atty. Bernardito Florido and Col. Roger Dienla, Regional Chief-of-Staff. Florido who also acted as the moderator clarified certain legal aspects of student-military relations particularly on the issuance of permits for student mass actions and procedures for the filing of cases against military personnel.

Other student leaders present were representatives from the Student Catholic Action of the Phil. (SCAP), Cebu, the Christian and Muslim Participation for a United Studentry from Mindanao (CAMPUS-Mindanao), the Cebu Law Students for Humanity (CLASH), and the College Editors' Guild of the Phil.

CSO: 4200/821

PHILIPPINES

VISAYAN CHURCH GROUPS PUBLICIZE MILITARY 'HARASSMENT'

Cebu City VISAYAN HERALD in English 11 Mar 85 p 2

[Article by Jojie R. Gairanod]

[Text] The recent press conference facilitated by the Task Force Detainees of the Philippines (TFD-P) and the Visayas Ecumecal Movement for Justice and Peace (VEMJP) was just a response to the request of the affected residents in the area. Barangay Sapangdaku residents experienced harassments after the survey conducted by Longina Gabayan supposedly to check malnourished children. As documented by TFD-P in testimonies given by the fear-stricken residents, harassments by military informers continue up to the present.

Terror sown by these military informers had heightened the fear of the residents thus prompting them to air out their grievances through the press.

In a later development, some of the affected residents testified that military personnel are already present in the area brandishing their guns. This further terrorizes the people.

A VEMJP spokesman commented that if these reported military harassments were not really true, how come that these people from the mountain barangay came down risking their lives, leaving their farms and families just to seek assistance from human rights groups. The military on the other hand issued a checking comprehensively the veracity of the people's testimonies during the said press conference.

Human rights groups in the city are apprehensive that all these complaints would fall on deaf ears or that outright denials be made.

CSO: 4200/821

PHILIPPINES

NEW ZEALAND VIEWS 'STRANGE FORM OF MARXISM,' CHURCH SUPPORT

Christchurch THE PRESS in English 11 Mar 85 p 22

[Editorial: "The Philippines on Trial"]

[Text]

At the same time as five witnesses in the Philippines trial of General Fabian Ver were reported missing, it was announced that if the General is found not guilty, he would be reinstated as Chief of the Armed Forces. This juxtaposition of events will do nothing to lend more credibility to the rule of President Marcos with whom General Ver has been a close associate. It was only after considerable pressure that General Ver was forced to stand trial with 25 others on charges related to the killing of the Philippines Opposition leader, Mr Benigno Aquino, who was shot as he left his aircraft on August 21, 1983, on his return from a long exile.

General Ver was charged with being an accessory after the fact by attempting to cover up the circumstances of the assassination. Some senior Filipino politicians are arguing that it would be difficult for General Ver to resume his command even if he is acquitted. How President Marcos will respond to the views of the politicians remains to be seen. His actions will be watched with more than passing interest by many others concerned about the future of the Philippines.

Much of the military command in the Philippines is acknowledged as being corrupt. It is also proving to be inefficient against the New People's Army, the armed wing of the Communist Party in the Philippines. The United States is becoming alarmed about the position of President Marcos. It has been concerned for some time about the denial of human rights and the subversion of democracy by President Marcos. The other countries of the Association of South-East Asian Nations have also been alarmed about the course of events in the Philippines.

Although the Philippines has been a member of A.S.E.A.N. from the beginning, it has not been as closely associated with other

members as it might have been. Part of the reason is, no doubt, because of the geographical position of the Philippines. The United States has a considerable strategic interest in the outcome of the events in the Philippines because it has a large Air Force base and a large naval base there.

The United States recently increased military aid to the Philippines. It was doubtful about the wisdom of this move because it seemed possible that President Marcos would use the increased aid to shore up his own position and delay once again some of the reforms that have been urged upon him. If the N.P.A. or even a more moderate party won power in the Philippines, it is not certain that the American bases would be welcome any longer. What the United States would like to see is a successor to President Marcos who would be sympathetic to the United States.

Just what would happen if the bases had to be shifted is unclear. One theory is that Australia would be asked to accommodate a United States presence. However, that is mere speculation at the moment. President Marcos is clearly not going to go willingly or quickly. It has been the policy of successive Governments of New Zealand and Australia to want an American presence in the Pacific area. At the moment, because of the dispute over port access for American warships, that aspect of New Zealand's foreign policy is unlikely to be emphasised.

One of the unusual aspects of the Communist Party in the Philippines is that it has a large number of members who are devout Catholics. In a series of clumsy moves the Government of President Marcos has alienated many of the Catholic clergy and laity. The result has been that some priests have joined the ranks of the N.P.A. and a theological backing has been given to that organisation. A "Marxist liberation theology," which occasionally earns disapproval from Rome, has been promulgated.

The numbers of priests and nuns involved has been disputed. President Marcos has accused 20 priests and nuns of being associated with the National Democratic Front, the Communist Party's front organisation, and talked of another 97 members of the clergy said to be helping the Communist Party and the N.P.A. It has been calculated, however, that even if his estimates are accurate, these people would represent less than 1 per cent of the more than 13,000 priests and nuns in the country. Some observers of the Philippines, however, argue that it is a strange form of Marxism practised in the Philippines. Whatever form it is, support for its cause has been increasing. The only answer to its advances would seem to be a more vigorous drive in the Philippines towards relieving poverty and in giving more attention to human rights.

THAILAND

ZERO PLUS BUDGET FOR 1986 DESCRIBED

Bangkok THE NATION REVIEW in English 10 Feb 85 p 9

[Text] TOP FISCAL and economic policy planners began yesterday to tackle the practical details of a "zero-plus" growth Budget for 1986, with the initial agreement in principle that the new fiscal year's spending limit will be equal to this year's 213,000 million baht budget, plus debt and interest repayments as well as "very selective exceptions."

Informed sources told The Nation that yesterday's meeting, chaired by Finance Minister Sommai Hoontrakool, debated the actual interpretation of the term "zero-growth" Budget and how "austere" the spending ceilings for this year and next year should be.

No definite consensus was reached on the interpretations but it was agreed that the need is genuine and urgent to cut down on overspending, a problem which has been growing for the past four to five years.

Meanwhile, in a separate meeting, the Council of Economic Ministers decided to form a special "Fund for Economic Development" to handle the privatization of state enterprises. The Fund will also be responsible for improving state enterprises which must be maintained as public utilities.

According to the proposal, the Fund will be handled by the Finance Ministry. Ministries concerned have been given two months to present their detailed operation plans before the Finance Ministry decides on their future roles.

Government Spokesman Trairong Suwannakhiri said yesterday that the government would not knuckle under criticism in its move to dispense with losing enterprises and to sell shares of profit-making ones in the stock market.

"The government is determined to solve the national problems. So, we are not afraid to face any obstacles, political or otherwise," he said.

Sources said that during yesterday's meeting at the Finance Ministry, participants thrashed out the exact interpretations of the "zero-plus" and "austerity measures" to be adopted by the government.

There is no question that the basic expenditure budget for the new fiscal year will be equal to that of this year's but the "plus" amount will depend on how "austere" the government is ready to be.

Representatives from the Finance Ministry, Budget Bureau, National Economic and Social Development Board and Bank of Thailand were present during the meeting. The earlier rounds of meetings called by Finance Minister Sommai were described as deliberations to identify the problems and to decide whether or not to adopt an austerity budget. Once the decision to go ahead was approved by Prime Minister Prem Tinsulanonda and the parties in the coalition, the minister yesterday called the first round of meeting to get down to brassstacks on how to draw up the "zero-growth" Budget and how to go about it.

The meeting was told that in the practice of the United States, "zero-based" Budget means that the amount is equal to that of the previous year plus the actual repayments of loans (principals and interests on principals).

The conference yesterday debated whether Thailand will follow that policy in the new fiscal year. One option is to have a zero-based budget plus *real* debt repayment while the second one is a zero-growth budget plus *allocated* amounts for loan and interest repayments. The actual debt repayment is usually about 80% of the allocated sum for the same purpose.

"So, if we follow the first option, the new budget will really be austere while the second option would still give us some room for flexibility although it's still a tight budget," said an informed source.

Apart from the "plus" of debt repayment item, selective exceptions of absolute necessity will be added on to the Budget. Details were not finalized yesterday although criteria for priorities of the spending were discussed.

Another source said that once the total amount is agreed upon for the new year, the impact on priorities will be worked out. It is expected that the Eastern Seaboard Development Plan will be affected, with the government's commitment limited to only the construction of such main infrastructures as the Laem Chabang Port, gas separation plant and industrial estate with the remaining plans deferred until after 1987.

"The principle of a zero-growth budget for the new year

has been agreed upon by the parties concerned. Now, we have to translate that into an action plan which mustn't be too ambitious but at the same time it mustn't allow for so much flexibility that it won't resolve the fiscal problems we are facing," the sources said.

They said that two to three more meeting will be held to finalize details of the action plan. "Once the principles are agreed upon, things should move fast," the sources added.

The discussions also dwelled on the cuts for this year's spending which may be below 10,000 million baht. "But still, cuts have to be made. We used to cut five per cent of the budget across the board but it didn't work out. There must be proper and effective measures to ensure strict enforcement of the measures," the sources added.

"Things have to move fast now since we are already four months into the current fiscal year and Parliament is due to reconvene soon. All these measures must be wrapped up before then," the sources said, adding that privatization of state enterprises or selling of shares of profit-making ones will involve amendments to existing laws. "And that won't be easy since they will have to be debated in Parliament. That could be a controversial, time-consuming process," said another source.

The National Debt Committee has set the ceiling of borrowings for the new fiscal year at US\$1,600 million, down from this year's limit of US\$2,000 million.

THAILAND

CENTRAL BANK TO EASE MONETARY POLICY IF TAX PACKAGE VOTED

Bangkok THE NATION REVIEW in English 2 Apr 85 p 21

[Text] THE Bank of Thailand will ease monetary policy to complement a new tax package which will be presented to the Cabinet for approval today, a senior central banker said yesterday.

At the same time, the central bank is considering whether regulations requiring commercial banks to submit applications for bringing in foreign funds into the country one or two weeks in advance could also be applicable to other forms of capital inflow, said Deputy Governor Chavalit Thanachanan.

He indicated that the central bank will relax monetary policy once the tax package, rejected by the Cabinet for political reasons last week, received approval today. The relaxation will make the situation more favourable to private investment.

The central bank is also reviewing the economic growth rate of the country from a six per cent forecast earlier for this year to five per cent as it foresees that the baht devaluation has significantly reduced imports. "We are satisfied with five per cent growth rate under the present circumstances," he added.

Chavalit did not rule out the possibility that domestic interest rates could also be reduced to maintain economic momentum and encourage private investment and spending since the government budget will increase by one two per cent this year, considerably below the inflation rate projected at about six per cent.

He explained that the central bank has been adopting strict monetary policy because of the chronic problems of trade and balance-of-payments deficits as well as budget deficits. The government has adopted a series of deficit-reducing measures to improve its fiscal position which has been weakened due to revenue short-fall.

Chavalit is confident that the tax package will help cut down trade deficit further while government spending is set to grow by only two

per cent this year from 213,000 million baht to 218,000 million baht.

The central bank, he said, will instruct commercial banks to report in advance the amounts of foreign loans so that monetary authorities can effectively monitor capital movements. This instruction may be enforced on other forms of capital inflow.

Commercial banks are required to report to monetary authorities about their foreign borrowings. They invariably do so after funds are brought in. Chavalit said that about 90 per cent of such transactions have been reported so far.

Director of the Banking Department, Remgchai Marakanonda, said in a separate interview with reporters that the situation of tight money has eased but the extent to which domestic interest rates would drop still depends on a number of reviews conducted the central bank.

He explained that there has been some capital inflow particularly of US dollar as its value has weakened against major world currencies. Exporters, at the same time, have been able to sell goods at higher prices in February.

Capital movement has been a worry for monetary authorities. In March, outflow in the private sector amounted to US\$40 million but commercial banks brought in an equivalent of US\$62 million in diversified currencies including US dollar, Deutsche mark and Japanese yen to reduce currency risks.

Meanwhile, Director of the Office of the Governor Prapapim Sakuntabhaya told *The Nation* that during the first three weeks of March, deposits in Bangkok rose by 5,000 million baht which also included 1,500 million baht from the Oil Fund.

The central bank expects that deposits in the past month to rise by 6,000-7,000 million baht nationwide. Deposits in February rose by 1,400 million baht.

8 May 1985

THAILAND

BACKGROUND TO CHALERM YUBAMRUNG MASS PARTY

Bangkok THE NATION REVIEW in English 10 Feb 85 p 9

[Text]

THE MYSTERY remains as to who is actually behind the formation of the new grouping called "Mass Party" which has emerged with a bang. Cynics have suggested that name-dropping might have been the name of the game and that certain well-known figures which have been cited as backing the party have denied any affiliation to the grouping. "They are all rumours created to lend credibility to the new political grouping," said one seasoned political observer.

On the surface, however, the key man which has been actively identified with the new grouping is Police Capt Chalerm Yubamroong, former secretary to Deputy Prime Minister Bhichai Rattakul, who is also leader of the Democrat Party.

Several wellknown names including police officers, a deputy Social Action Party (SAP) leader and a senior military officer as well as well-known MPs have been cited as "key supporters" of the new party but no confirmation could be obtained. Another claim has it that about 40 MPs have joined the party. But again, the list must remain confidential,

according to some insiders of the new party, since it is not the ripe time to make the disclosure.

The Nation has contacted some of the personalities named to be affiliated with the new party. They have all denied any connection. A senior police officer said: "I have no involvement whatsoever with the Mass Party. And I don't plan to enter politics after my retirement either. How can I come under a person who was once my subordinate in the police hierarchy?" he said.

Chalerm himself denied speculation that First Army Region Commander, Lt Gen Phichit Kullavanijaya, may be an adviser to the new party as was suggested in certain newspapers. However, a key member of the party said a senior army general had offered his blessings to the new political grouping and plans to take the plunge into politics after retirement.

The source said: "We cannot disclose his identity just yet because he is still active in the army. When the time comes, the people will certainly accept him. Of that, we are sure," the source claimed.

ANOTHER CLAIM from the party's insiders say that about 25 Northeastern MPs of SAP support the new grouping but many Northeastern lawmakers of SAP pooh-poohed the rumour. Mahasarakham MP Chanchai Chairungrueng, and Kalasin MP Sangthong Sritharet, said they had never been approached by the new party at all.

Rachan Hussein has said that MP Watana Assawahem and Police Lt Boonlert Lertpricha have not been approached by the party. Rachan, who ran unsuccessfully in an election under the Democrat Party, has publicly said he backs the new grouping. Two supposed strong "pillars" of the new grouping are, according to Rachan, Nakhon Panom MP Thanong Siriprichapong and Supanburi MP Chongchai Thiangtham.

The meeting of the Mass Party at Bangkhae Cafelast Sunday saw attendance by a large number of "new faces" except Chalerm and Rachan. They included lawyers, businessmen and others. Rachan said the new group's current activity is to set up organization system of the party as well as drawing up the regulations and rules for the party.

"We won't make any public movements just yet. We will become active when Parliament convenes. That's when supporters of the party will make themselves known," Rachan said.

Rachan has been appointed office manager of the new party, with a temporary office at the law firm of Mr Somsak Pakipo, who is acting party chief. The plan is to

rent an office near Phra Pin-khao Bridge to set up a permanent headquarters.

According to Rachan, Chalerm will continue to coordinate the work of various political parties, with an aim to try to persuade new members to join the party.

"The party has ten groupings including administration, advisory board, coordination with branches, international relations, public services, planning and policies, legal and political affairs," Rachan said.

THE PLANNING and policies grouping will serve as the "shadow Cabinet" which will monitor the work of each ministry. It will also receive complaints from the public. The political affairs section will analyse current political activities to guide the party's direction.

Sources in the Mass Party also claimed that members recruited so far are more than what the law requires as the minimum. "We now have about 7,000 members around the country. And the important thing is that about 1,000 members of the Democrat Party have expressed their support for the Mass Party," another source claimed.

Rachan, asked about the murder of an important vote canvasser for Mass Party last week, said the incident, which took place in Thonburi, did affect the morale of the party members. "But our preliminary findings show that the motives behind the killing were personal interest conflicts rather than politically motivated," he said.

Many observers remain un-

certain over the direction and the rationale behind the formation of the new grouping. Chalerm himself has insisted that he will be the real leader of the new party. "Samak Sundaravej managed to successfully set up Prachakorn Thai Party, why can't I do it with the Mass Party?" Chalerm asked.

The new political grouping has yet to make itself and the background for the formation clear. So far, a considerable amount of cynicism has been cast and skepticism will remain until a clearer picture emerges.

CSO: 4200/820

THAILAND

PULO DEFECTORS MAY BE SPYING ON GOVERNMENT

Bankgok THE NATION REVIEW in English 5 Feb 85 p 2

[Text] **THE PULO Muslim terrorist movement is using its defectors to spy on government authorities, according to the Internal Security Operations Command (ISOC).**

ISOC said in a press release summarising the insurgency situation of the past week that PULO — the biggest Muslim terrorist group in the South — adopted the tactic during a recent meeting of its members in Mecca, Saudi Arabia.

The press release said the meeting was held at the headquarters of the movement but gave no date and other details.

It said the PULO members agreed recently "to adopt a new policy to use defectors to spy on the movement of government authorities."

An informed source in ISOC told *The Nation* that the report was based on information provided by PULO defectors. "Their information sounds credible. We have been seeing more PULO defectors recently," he said.

But deputy spokesman of the Fourth Army Region Col Banchorn Chawalsilp said yesterday he knew nothing of the report. "I think it is unlikely that PULO has adopted such tactic," he

added.

Col Banchorn said PULO now poses no threat to government authorities because of the success of the policy No. 66/2523.

"The PULO terrorists have been reduced to merely ordinary criminals," he said.

But he said government authorities still detect frequent movements of the PULO terrorists. He quoted intelligence reports as saying that a group of about 40 PULO terrorists trained in subversion slipped into the country through Narathiwat last month.

Col Banchorn said PULO now remains the largest among all the Muslim terrorist groups with about 50-70 men.

CSO: 4200/820

THAILAND

STEEL, SODA ASH PROJECTS DUMPED

Bangkok THE NATION REVIEW in English 2 Apr 85 p 21

[Text]

THE Council of economic Ministers yesterday decided to abandon two multi-million baht industrial projects, which included an integrated steel complex and the long-delayed ASEAN rock salt-soda ash plant, saying that the prevailing fiscal and monetary problems and world market situation are not favourable to such heavy investments, well-informed sources told *The Nation* yesterday.

The two projects were among four topics discussed by the council during the afternoon meeting. The two others included an upcoming meeting of the Joint Public/Private Sector Consultative Committee scheduled for the middle of this month in Songkhla and the government paddy price support scheme, the sources said.

The rejection obviously brought an end to the two industrial projects which had been under study for years. The sources said that the council instructed the Industry Ministry to report to other ASEAN partners and suggested that the project should be replaced.

Other ministries were instructed to propose their respective projects as ASEAN industrial joint venture within 30 days. Industry Minister Ob Vasuratna has said that if the scheme was dropped he would propose a joint venture in fisheries in the Andaman Sea.

The council rejected the soda ash project because it considered that world price for the product is too low and the plant will not yield a viable rate of return on investment. Moreover, rock salt mines discovered in the Northeast also faced underground flooding.

The project has been discussed many times by the Cabinet, the latest being in late February. The council at that time instructed government units concerned to make a complete review of the project within a month after hearing the Board of Investment's contention that the scheme is not feasible for it to grant promotional privileges.

The review was to be made on technical aspects of rock salt mining, supply of ash and the overall viability of the scheme. The Finance Ministry and the National Economic and Social Development Board have long shared the same view that the project is not viable but the only support came

from the Industry Ministry and private partners.

The rejection came despite a feasibility study conducted by Kali and Salz of West Germany that it would be viable if the size of the project is scaled down. Instead of direct-rock salt mining on its own, promoter of the project Rock Salt-Soda Ash Holding Co Ltd, should seek supply from a pilot project being financed by the World Bank in Bamnet Narong District of Chaiyaphum Province.

It has long been believed that the project will never get off the ground. Not only that there exist doubts over its viability, while there is reluctance among private partners and Japanese firms which want to provide financing for the project.

ASEAN has formed ASEAN Soda Ash Co Ltd in which the Thai equity is 60 per cent. Other holders include Malaysia, Indonesia and the Philippines, each holding 13 per cent, leaving one per cent for Singapore.

Total investment in the project was to be US\$279 million, of which 70 per cent was to be fulfilled by borrowings and 30 per cent by equity. It was marked for implementation on the Eastern Seaboard.

Well-informed sources said that Thailand will inform its ASEAN partners that the project will be called off and replaced by other schemes. Other ministries, according to the council's instruction, have to consider whether their projects to be proposed as ASEAN industrial joint ventures, would benefit the economy of the grouping.

New projects will be screened by the council before a final approval from the Cabinet, the sources said.

Until the final decision yesterday, the Industry Ministry remained hopeful that the government would carry on with the project to avoid

embarrassment as Malaysia and Indonesia have already carried out their respective AIJV projects.

The ministry suggested to the meeting in February that a loan application should be submitted to Japan which will send a team of experts to study and evaluate the scheme whether it is viable or not.

INTEGRATED STEEL COMPLEX

It has also long been believed that Thailand will never be able to carry out an ambitious plan to build a multi-million baht integrated steel complex though it had been under study many times during the past decade.

The latest study was conducted by Estel Technical Service BV of the Netherlands. When it was submitted to Minister Ob in April last year, it showed that, after taxes the rate of return will be 11.1 per cent at lower privileges, and net foreign exchange savings will be 10 billion baht a year. At that time, Thai officials pointed out that with proper technology, local energy could be used, and the viability of the project could be enhanced.

It was the second of a two-stage feasibility study for the steel complex, proposed to be set up in Bang Saphan in Prachuab Khiri Khan Province, 350 kms south of Bangkok. The study points out that the attractiveness of this site is primarily based on its ability to hold a deep-water port to accommodate large ore and coal bulk carriers.

The project's cost is estimated at 60 billion baht, including all production facilities and the port. The facilities comprise a smelting plant, a coke plant, a 5,000-ton per day blast furnace, a BOF steel plant with 170 converters, two continuous slab casters and complete hot and cold rolling mill, including finishing facilities.

ESTS BV carried out the study in association with NEDECO-Haskoning and SEATEC, while the Netherlands Economic Institute was entrusted with analysis of the economic aspects.

Sources said that the council instructed the NESDB yesterday to study whether the project should be carried out by the private sector. They said the rejection was on grounds that the Industry Ministry wants the government to spearhead its implementation.

CSO: 4200/820

THAILAND

PTT FACES MORE COSTS IN GAS SEPARATION PLANT

Bangkok THE NATION REVIEW in English 2 Apr 85 p 21

[Text] THE Petroleum Authority of Thailand has already paid 500 million baht to the Finance Ministry for import duty and taxes on machinery and equipment for its natural gas separation plant, out of a claim for 1,000 million baht.

PTT Governor Dr Tongchat Hongladaromp said yesterday that the balance will be paid at the rate of 500 million baht monthly spreading over the next 10 months. The payments have affected PTT cash flow position to a certain extent.

The import duty and taxes were equivalent to 20 per cent of the total value of machinery and equipment. "We are gripped by cash flow problems because we have been unable to collect payments from our clients," he said.

He disclosed that the State Railway of Thailand still owes 1,000 million baht and the Bangkok Mass Transit Authority another 1,500 million baht in overdue bills for fuel supply. The amount does not exclude 1,000 million baht to be paid under approval by the Cabinet.

Dr Tongchat said PTT had earlier not expected that it would have to pay import duty and taxes because it is a government project and no fund was set aside for the purpose. "We had to withdraw our deposits at Sayam Bank to pay to the Finance Ministry," he said.

PTT, he said, still does not know whether to add the extra cost to natural gas price and investment in a second gas separation plant.

He believes that natural gas price will have to go up now that PTT has to face higher costs.

TAX SYSTEM

Meanwhile, General Manager of the Electricity Generating Authority of Thailand, Mr Kasame Chatikavanij, who is also a PTT director, said that EGAT also faces similar problems. It remains undecided whether the import duty and taxes will be calculated as a flat rate or item by item for machinery and equipment.

"This tax hunt system will go on. It is not that we are not willing to pay, but we want fair rates for import duty and taxes," Kasame said.

He said this topic had been discussed among people concerned and they all agreed. However, there was no positive move towards improvement. "We have invested in sending telexes to other ASEAN countries to find out whether they had to pay import duty and taxes on machinery and equipment for power plants. They all said the same thing that they were not required to do so because the projects are for public use."

"The Finance Ministry spent just five minutes to come out with regulations to collect more taxes. But it normally takes over a year for one to get tax refund," he said.

Kasame, who is also chairman of Sayam Bank, said the banking institution also felt the impact when PTT and other state enterprises withdrew their deposits to improve cash flow position.

He pointed out that EGAT had little left in deposit at the bank because it had to pay import duty and taxes as well.

"We were somewhat better when deposits from private firms and individuals increased," he said.

THAILAND

MULTINATIONAL ROLE BEING QUESTIONED

Islamabad THE MUSLIM in English 30 Mar 85 p 5

[Article by Wirasak Salayakanond]

[Text]

Foreign investment has played an important role in the development of Thailand's private business. For the last 20-25 years direct foreign investment has increased rapidly, helping spur the country's economic development. But serious questions also continue to beset this "partnership." For instance, Dr. Somsak Tambunlertchai, Faculty of Economics, Thammasat University, and Ian McGovern, Social Research Institute, Chulalongkorn University, note: Multinational Corporations (MNCs) in Thailand cannot be relied upon to solve unemployment and balance of payments problems.

Given the type of activity carried by most manufacturing MNCs, the researchers point out, there is little hope that new investment will be located in the provinces to correct the regional imbalance. As such, MNCs have had only a small impact on Thailand's overall development efforts. In poorer countries, MNCs may not be the ideal source of finance or technology. Technology may be cheaper elsewhere and may not be easily adapted locally", says Anand Panyarachun, former undersecretary of state for foreign affairs and now vice-chairman of Saha-Union Corp., Ltd. "It is the prerogative of each country to be selective and to determine for itself the advantages and disadvantages of inviting MNCs. Our success in this area is limited and not one to be much proud of".

Mr. Panyarachun notes, however, that some countries unfettered by narrow nationalism and

political bias owe their success for their semi-industrialised economies to the massive inflow of MNC investments. These are Hongkong, Singapore, South Korea and Taiwan which concentrated on foreign-exchange earning, export-oriented industries of textiles and electronics. These new industrialising countries have "placed the role of MNCs in a more balanced perspective," he says.

ABUNDANT RESOURCES

Thailand's abundant natural resources have attracted sizable investments in oil and gas exploration and minerals development like tin mining. Competitive costs, proximity to low-cost material inputs, availability of appropriate labour, a growing domestic demand and foreign barriers to import have spurred foreign investment in other areas like manufacturing.

From 1965-74, direct investment inflow was an important contributor to Thailand's net foreign exchange receipts in the balance of payments; it accounted for over one-third of the total net capital inflow. Direct investment, however, has declined since the mid-70s due to increasing loans from local sources. In 1979-82, net direct investment inflow accounted for only 8.7 percent of the total net capital inflow.

The US and Japan are the two most important foreign investing countries, together accounting for nearly 60 per cent of the net investment inflow in the past decade. Investment from Hongkong and Singapore has increased significantly over the last decade and are now among Thailand's major foreign investors. Manufacturing accounted for 32.9 per cent of the net inflow, followed by textiles and electronics and electrical goods.

The investment by MNCs has contributed to the diversification of the local industrial structure. MNCs are among the largest companies in textiles, chemicals, petroleum, electronics and electrical products, and transport equipment. Numerous products have been introduced like tyres, passenger cars and trucks and electrical appliances. MNCs have also produced high-quality products with competitive prices and made possible the transfer of technical know-how.

As Thailand goes for full industrialisation, success in agriculture is important. For some crops, ten-fold increases are possible. Technical transfer is also needed in areas like genetic engineering and breeding, new techniques for planting, harvesting and applications of fertiliser, herbicides and insecticides. Technical transfer is necessary for manufacturing, processing and marketing.

"We would like to see MNCs here increase their investment profile," says Mr. Panyarachun. "Those in trading might progress to assembly, those (in) assembly to manufacturing. To get this type of commitment the Government should provide an effective telecommunications system, a fair tax structure, workable immigration laws and reasonable foreign exchange control regulations. The main task that lies ahead is not so much in offering new incentives of more attractive terms as in removing disincentives for investment".

Other critics note, however, that in the 1980s, cash outflows in fees paid to MNCs exceeded cash inflows. Many studies conclude that the main sources of funds for MNCs in Thailand come from locally-operated financial institutions. The MNCs also have substantial advantages over local business in securing loans, ranging from availability to interest rates. Moreover, they tend to have a heavier investment in machinery, their production process too capital-intensive which does not seem to respond too well to the government policy of creating more employment.

As Dr. Tambunlertchai and Mr. McGovern note, MNCs are sending back more out of the country than they previously invested. They are the largest importers in Thailand. Some industries which rely heavily on imported materials are chemicals, plastics, glass, metal products, electrical appliances and transport equipment. Over 90 per cent of the capital equipment needed by the Japanese are imported while Japanese exports were about 10 per

cent in recent years, mostly from the textile industry.

The high degree of import dependence by MNCs also implies that their operations have "small effects to the local economy" say Dr. Tambunlertchai and Mr. McGovern. "The hope that investment by MNCs would stimulate further investment in related industries seems not to have been realised as most foreign companies tend to rely more on imported inputs rather than securing inputs locally and there seems to be little improvement on this aspect as time passes."

The volume of employment by foreign manufacturing companies represents a very small percentage of total manufacturing employment in the country. This is partly due to the capital-intensive nature of production and to the fact that MNCs, while dominant in certain industries represent only a very small portion of total investment in manufacturing. Wage and salary payments usually comprise only a very small percentage of the total production value of the MNCs.

In cases where MNCs share ownership with Thais, part of the profits should belong to Thai partners. However, this income can be very limited; it benefits only a few wealthy individuals who have entered into joint ventures with the MNCs.

Thailand also seems to have paid little attention to the technological aspect of foreign investment. There is virtually no specific policy regarding technology transfer. MNCs operation in Thailand has not been encouraged to upgrade their technology or effectively transfer their technology to the local workforce.

TECHNOLOGY

There has been much complaint about the reluctance of foreign expatriates to import their knowledge to local workers. The limited extent of technology transfer could also be due to the lack of local trained personnel who can effectively learn the imported technology. In a study on foreign investment made in the Association of Southeast Asian Nations (ASEAN) in recent years, Thailand appeared to receive very low rankings for the availability of qualified personnel. Still there is a growing number of unemployed graduates in the social sciences while MNCs keep insisting there is a shortage of well-qualified engineers and technicians.

On the whole, Thailand's policy towards MNCs is rather liberal. There is no formal screening of

investment and technology contracts, except for projects which seek promotional privileges from the Board of Investment. Thailand has a long experience with foreign investment, however, which has accounted for about one-third of investment in the manufacturing sector on average. But investment in the resource sector has been relatively new, largely due to the natural gas and oil-related activities.

"The Government is well aware of the potential negative aspects of MNCs," says Chira Panupong, deputy secretary general, Board of Investment. "Three major problems are: rapid increase in outward remittances, the practice of restrictive business by some firms and the apparent lack of technology transfer -- all of which have been partly blamed on the lack of organisation on the Thai side. The Government would certainly want to do something about these problems, but has to proceed very cautiously. For one thing local business is worried that government interference may jeopardise their business. The Government is also very concerned with the problems of attracting MNCs".-

CSO: 4200/820

MILITARY AFFAIRS AND PUBLIC SECURITY

ARMY PAPER INTERVIEWS BORDER DEFENSE OFFICIAL

BK210957 Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Mar 85 p 2

[Text] Ha Tuyen Province shares a border with China. Since 1979, as part of its multifaceted war of sabotage, the enemy has constantly and frenziedly stepped up its sabotage activities against us. In particular, they have resorted to violent military steps, such as shelling us and using ground forces for land-grabbing operations against our territory. In order to better understand the enemy's plots and tricks, we have met and talked to the comrade colonel in charge of border defense in Ha Tuyen Province, and here are the questions and answers:

Reporter: Could you, comrade, tell us of the Chinese reactionaries' attempts to carry out sabotage on the border of Ha Tuyen and along our country's entire northern border?

The colonel in charge of border defense: Following the February 1979 war waged by the Chinese on the northern border, the Beijing reactionaries have intensified their multifaceted war of sabotage against us. On the one hand, they have exerted military pressure and issued threats of war. On the other, they have striven to gather exiled reactionary forces and set up training schools and camps for their spies and commandos. They have sent these spies and commandos into our border areas to establish contacts, collect intelligence, carry out psychological warfare activities, and set up their underground organizations and forces there. They have set up, consolidated, and renovated various specialized organizations in order to achieve this goal. With various crafty tricks, they have striven to win the hearts of, bribe, and influence our cadres and people, and to corrupt our internal ranks in order to foment internal strife. Their key areas of operation continue to be those areas populated by compatriots of various ethnic minority groups. Their major goal in those areas is to incite tribal people to oppose the people from the lowlands. Ha Tuyen is a key target for the enemy's sabotage activities. The enemy has long plotted to conduct land-grabbing operations on various hills along the border of Ha Tuyen. Over the past few years, they have attacked and occupied one hill after another in order to narrow our defensive areas along the border.

The enemy is attempting to attack and occupy the border area of Ha Tuyen Province--a mountainous province where vehicular traffic is still difficult

and where isolated hilly terrain can be easily divided--in order to control various key hills from where it can exercise control over other areas. It is noteworthy that the border area of Ha Tuyen has a specific feature. That is, it has a large community of ethnic compatriots who, with long-standing family relations on both sides of the border, can be easily incited, bribed, and persuaded.

At the border, there are many sensitive areas frequently exploited by the enemy to succeed in their efforts to send the exiled reactionaries "from an area outside their bases" back to where they are in order to carry out sabotage activities inside our territory.

Reporter: Comrade, could you tell us about the operational methods and tricks that the enemy has usually resorted to on the Ha Tuyen border?

The colonel in charge of border defense: The enemy has tended to intensify its psychological warfare, step up its espionage war and intelligence activities, plant and establish contact with underground agents, surreptitiously organize armed reactionary elements, and combine these activities with military efforts to attack and occupy various hills, make deep infiltration in order to conduct raids and ambushes and kidnap people, thus stepping up their multifaceted war of sabotage.

It is trying to undermine the political foundation of the border villages and the internal structure of the armed forces and to sow worry, consternation, and doubt among the people of all walks of life in the border areas. It can be said that the enemy's obvious move is to extensively take advantage of racial and family relations between peoples of both sides of the border and use money as well as a large amount of psychological warfare to carry out intelligence and espionage activities and economic sabotage against us. On the other hand, the enemy distributes leaflets announcing the dates of future attacks on Vietnam to undermine us politically and ideologically. In particular, they have stepped up efforts to set up underground bases in realization of their scheme to "fight us from without as well as from within," taken advantage of family and racial relations to infiltrate spies, and intensified raids by bandits and commandos. On the other side of the border, the enemy has set up many bases for bandits in exile who are under direct control of the Chinese border guards and security forces, and frequently sent them back into our country for harassment attacks. Small detachments of these bandits have repeatedly infiltrated 1-4 km deep into our territory to ambush, attack, and kidnap cadres and soldiers of the local armed forces and members of the militia stationed in out-of-the-way barracks or on solitary assignments in a bid to undermine our defense network of combat villages and our system of combat coordination.

Concerning armed activities, the enemy has made use of the bandits in exile and stepped up shelling attacks. It has deployed artillery units equipped with thousands of artillery and mortar pieces of various types, including 152-mm field guns, 122-mm and D-74 self-propelled rocket launchers, 120-mm mortar guns, 85-mm and H-12 artillery guns, and so forth. Infantry forces would be used for land-grabbing attacks after hours of intensive artillery bombardment.

Reporter: Comrade, please tell us about our counterplan to defeat the enemy's scheme.

Colonel in charge of border defense: It can be said that, recently, the sabotage activities conducted in an intensive manner, on a wide front, and for prolonged periods of time on the Ha Tuyen borderline by the enemy have caused us more than a few difficulties in many fields. However, with their determined efforts, the armed forces and people of Ha Tuyen, in general, and the border defense forces of Ha Tuyen, in particular, have positively prepared for combat and seized the initiative in attacking the enemy. They have effectively carried out the task of countering enemy land-grabbing attacks and contained, decimated, and destroyed enemy forces. Initial success has been made in territorial control. Our soldiers have taken the initiative in assessing the situation and assume a staff role in helping the local party committee echelons carry out well-devised counterplans. Once the targets were clearly identified, we arrested all the dangerous elements and resolutely uncovered underground enemy bases to cleanse the area of operation and firmly maintain political security and social order in the border areas, thereby preventing unrest and rebellion and ensuring safety for the people and political organs. We have rapidly drawn upon experience, improved our fighting methods and operational procedures, brought into full play the aggregate strength of the local people's war, and ensured close coordination among the various forces to serve as the nucleus of the network of combat villages and assist the local administration and militia in firmly defending their positions, destroying the enemy, and protecting the national border.

CSO: 4209/355

MILITARY AFFAIRS AND PUBLIC SECURITY

GUIDELINES ON COMBINING ECONOMIC, MILITARY WORK IN HAIPHONG

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Jan 85 pp 17-31

[Article by Senior Colonel Nguyen Truong Xuan: "Combining the Economy with National Defense Within the Port City"]

[Text] Ever since it was liberated (1955), especially since the adoption of resolution 45 by the 2nd Party Central Committee (1959), Haiphong and the rest of the North have been making every effort to build both the economy and the national defense system in order to contribute to the common cause of the revolution. In recent years, bearing in mind the law that the building of the country must be carried out in conjunction with defending the fatherland and with a full understanding of the two strategic tasks of our country's revolution in the new stage, the tasks of successfully building socialism and firmly defending the Vietnamese socialist fatherland, the 3rd Military Region has adopted the policy of orienting every activity of the armed forces and people of the entire military region toward the goal of "becoming prosperous and winning victory." In its efforts to implement the line of the revolution, perform the tasks of the revolution and meet the goal set by the military region, the municipality of Haiphong has recorded initial achievements, achievements which, although still far short of requirements, have laid important foundations both within the field of economic construction and the field of strengthening the national defense system. Closely combining the economy with the national defense system has been one of the keys in recording these achievements.

Below are several major experiences that have been gained in combining the economy and national defense within the municipality of Haiphong, a municipality whose characteristics are unique.

I. Understanding What Is Involved in Combining the Economy with the National Defense System Is an Essential Requirement in Building the Port City; Heightening the Responsibility of All Levels and Sectors Within the City

Combining the economy with national defense, national defense with the economy not only reflects the common law that applies in the building of our country, in socialist construction within our country, but also reflects an objective, necessary requirement in building and defending the port city, a requirement that stems from the position and nature of the city itself.

Haiphong is a port city, a major seaport of the fatherland, a seaport through which many large ships of our country and foreign countries pass on a regular basis. It is a gateway to the Red River Delta, to the capital from the sea. It lies at the southern tip of strategic Route Number 5. It abuts northeastern Bac Bo, the offshore waters and mainland of which abut China, a country being ruled by expansionists and hegemonists, a country hostile toward our people. The Haiphong area encompasses several river basins and the mouths of large rivers, which stretch back from the sea into the mainland. Haiphong encompasses very important barrier islands that lie offshore and rugged mountains that give it a solid position on the mainland. It is a city with industrial zones and agricultural areas, an ocean fishing industry as well as a forest product industry and rather rich and abundant raw materials for both domestic consumption and exportation. Haiphong's strategic political, military and economic positions as well as its rugged terrain are a very important base underlying the city's master planning.

Haiphong's position and terrain made it a target of attacks, blockades and occupation at the very outset of many wars of aggression. This will continue to be true in the future. From the northern aggressors of ancient times to the French imperialists, the Japanese fascists, the forces of Jiang and the U.S. imperialists of today, they all invaded and attacked Haiphong. The Chinese expansionists and hegemonists, who are collaborating with the U.S. imperialists in a war of sabotage and making preparations for wars of aggression of every conceivable scale, consider Haiphong to be an attractive target. Under modern conditions, the enemy can invade Haiphong by many different methods: from the sea, from the air or from the mainland and can employ one, two or all three of these methods at the same time or one after another and do so on a campaign or tactical scale. In addition, in the offshore waters of the Gulf of Tonkin, there is a zone within our country's territorial waters that Beijing expansionists and hegemonists are demanding that our country cede to them. We must accurately assess these plans and tactics of the enemy so that we can develop contingency plans for dealing with them and must make the necessary preparations even while building the city in peace time so that we can seize the initiative when war breaks out.

Also because of its important position and advantageous terrain, there are many forces of the central level and the locality, both economic and military forces, within Haiphong. Economically, the city has a major commercial port, a network of warehouses and factories, important sea, land, rail and river routes, domestic and international trade centers, tourist, service, banking and other facilities that are developing with each passing day on the momentum of the growth of the country, in general, and the city, in particular. Militarily, there are within Haiphong forces representing all services, the army, the navy, the air defense force and the air force, main force troops and local troops, mobile forces and stationary forces, port security forces and rear service, technical and other support units, all of which are large in normal times and can be made increasingly large if a war to defend the fatherland breaks out. The decisive and complex nature of combat within this area must be examined and planned for very thoroughly in order to avoid being taken by surprise in unexpected situations.

Within the country's strategic defense deployment on this battlefield, the armed forces and people of Haiphong are determined to remain in complete control of the city and attack the enemy, determined to win victory over their war of sabotage and ready to defeat a war of aggression in exact accordance with the requirements that have been set for each line on the mainland, on the islands and at sea, from those far away to those nearest the city. They are determined to fulfill their tasks of preparing the battlefield, coordinating in combat and providing combat support to main force troops while creating every possible condition for closely combining our two modes of warfare: the local people's war and the war waged by the main force military corps within the city, thereby making very extensive use of the combined strength of the people's war to defend the fatherland. They are determined to fulfill their tasks of supplying manpower and materiel to and coordinating in combat with the localities and friendly units on adjacent battlefields. In view of these tasks and the area's specific terrain, the forms of fighting employed within the municipality of Haiphong are very diverse and complex. Fighting occurs on the mainland, on the islands, on the peninsula, along the seacoast, in the air and along the rivers. To fulfill these tasks, we must give thought to the methods of fighting employed by the armed forces of the municipality when fighting independently as well as when coordinating in combat with main force troops and must do so on the basis of a thorough understanding of the political and military lines of the party, of Vietnamese military science and art. We must have many different combat contingency plans and established methods of fighting for each force, both regular armed forces and the militia and self-defense forces, on land, along the seacoast, on the islands, in the air, at sea and on the rivers.

All of the problems presented above can only be resolved on the basis of the combined strength of the entire municipality, of the forces of the central level within the city and the forces of the locality. The economic, political, military, cultural and social factors of the city must be made increasingly strong and be closely coordinated with one another, the key to which is closely combining the economy with national defense, national defense with the economy. Combining the economy with national defense does not weaken the economy but creates the conditions for the economy to develop in a strong and stable manner, for protecting the gains that have been made in the face of the enemy's war of sabotage and even if they should unleash a war of aggression, regardless of the scale of such a war. This is an objective demand, a necessary law. However, combining the economy with national defense is also something that depends upon the subjective awareness of the armed forces and people of the entire municipality and, to some extent, upon many sectors on the central level as well. In recent years, initial achievements have been recorded and the groundwork has been laid for continued efforts and growth chiefly because the people and the armed forces of Haiphong, the levels and sectors from the municipality to the wards, districts, subwards and villages have, under the leadership of the municipal party committee and the entire party organization and under the guidance and organization of the people's committee and the local military agencies on the various levels, become increasingly aware of this objective necessity, displayed high political responsibility, been determined to take action and felt confident that they can indeed succeed.

II. Developing an Overall Model, a Master Plan that Are Long-rang in Nature and Encompass Specific Stages of Development During Each Specific Period; the Guidelines for Their Implementation

Having gained a thorough understanding of the revolutionary line of the party in the new stage and on the basis of analyzing the enemy, ourselves, the terrain, fighting methods and so forth, Haiphong's economic and military agencies, under the leadership of the municipal party committee and the guidance of the people's committee, developed a long-range model for building the port city, one that defines the entire period of transition in broad terms and the immediate stage in relatively specific terms. The general goal is to build Haiphong into a city that has a modern industry and agriculture, a strong and solid national defense system, a progressive culture, advanced science and technology and a civilized and happy life, into an iron fortress of the fatherland. Of course, the city's planning was not perfect when originally adopted and is being gradually refined. Some aspects of this planning can only be discerned over time. It will continue to be developed as time passes and the other factors affecting it develop. However, at the very outset, those factors that are of primary and most basic importance must be defined and must be examined within the context of their close relationship to one another. Only in this way can the model of a future municipality characterized by close coordination between the economy and the national defense system be properly oriented from the very outset. On this basis, our model and master plan will be supplemented when the factors that serve as their basis are revealed in increasingly clear detail.

The first matter with which the model of the port city deals is the scope of the municipality's area of operation. Previously, Haiphong only consisted of the inner city and a number of adjacent areas. Later, after making a study of many different factors, the party and state decided to incorporate a number of districts, cities, towns and islands to form the complete city we know today. The area encompassed by the city contains all the arable land, labor and natural resources needed to develop Haiphong into a complete industrial-agricultural-forestry-fishing economic unit. At the same time, it encompasses all the terrain-conditions needed to deploy the various combat lines and provides a battlefield of the size needed to establish a strategic national defense unit that can fight by itself on the level of campaigns of the local people's war and also be ready and able to coordinate the two different modes of warfare on both the tactical and campaign levels.

Within its established area, the municipality has been divided into zones in a manner closely tied to production guidelines and combat contingency plans. The boundaries of the wards, districts and the areas of the inner and outer city have been defined by combining an examination of the present and future shape of the terrain, natural obstacles and the quality of the land and soil with an examination of the factors of population, labor and the sectors and trades. Within these areas are industrial, agricultural, forestry and fishing economic zones, the stationary and mobile armed units of the municipality and cultural and public health complexes, population centers... These areas form a network of fortress wards and districts defending the fatherland and each ward and district consists of a network of interconnected combat clusters made up of hamlets or streets, all of which lie within the defensive battlefield

deployment of the entire area and form the pieces of the self-contained defensive battlefield deployment of the entire military region on this front.

Linking the areas to one another as well as the various points within each area to one another is a network of highways and water routes that was planned at an early date and is being constantly improved. The communications network and the network of ward and district areas have been planned at the same time to insure the full utilization of the old road network and the construction of adequate new roads. The communications network has been divided into roads of the following types: inter-provincial roads, inter-district roads and inter-village roads in order to establish an order of priority for investments and assign responsibilities for the improvement and construction of roads. Closely tied to the communications network is the system of basic transport units of the municipality, districts, villages and the people, which are being developed simultaneously. On the basis of the formation of the communications-transportation network, a host of economic, cultural, social and other projects will come into existence and be developed.

The establishment of economic, military and population zones and the communications network has been closely tied to forecasting how the terrain will be changed and improved on the basis of Haiphong's strength as a city that has a mainland, mountains, islands, offshore waters and rivers. The terrain of the entire city, which has always afforded major economic and national defense advantages and is being improved under bold and precise plans, will create a new posture and very important, new advantages for the comprehensive development of the municipality.

The model and master plan of the entire municipality are a general model and master plan for the entire period of transition to socialism in our country but include relatively specific targets for the immediate stage and specific norms for the 5-year plans and each yearly plan. The master plan and the various plans that have been adopted encompass many economic and national defense jobs that cannot be performed all at once. Therefore, we have had to set the following guidelines:

--Any job that benefits both the economy and the national defense system must be performed immediately.

--Jobs that only benefit the national defense system but are of pressing importance and cannot be postponed must also be performed immediately.

--Jobs that only benefit the economy but for which the necessary conditions exist should also be performed.

--As regards jobs that only benefit the national defense system and have a negative influence upon the economy and are not of pressing importance, every necessary condition must be prepared so that these jobs can be performed as soon as necessary.

These guidelines for combining the economy with the national defense system are correct. They have played a major role in bringing about a uniformity of thinking and in coordinating the actions of the various economic and military

sectors in the course of implementing the master plan that has been adopted. The economy and national defense system go hand in hand in some instances and contradict one another in other instances. To find a solution that benefits both sides is the ideal. In practice, however, such solutions do not always exist. Rather, one side sometimes benefits more than the other and there are even times when one side is harmed. In such cases, the above guidelines must be applied in order to arrive at a satisfactory solution.

III. The Primary Achievements that Have Been Recorded in Combining the Economy with the National Defense System in Recent Years Within the Port City; from the Model to Reality

Industry: Haiphong was formerly a city that had many factories but those factories were set up along colonialist lines, that is, set up to squeeze out large profits. Today, on the basis of a thorough understanding of the party's line on socialist industrialization, we must develop Haiphong into a socialist industrial city of the fatherland in a manner befitting its importance, a manner consistent with the valuable sources of raw materials and fuel found locally and in adjacent areas, with its constantly developing traditional technical skills and increasingly abundant labor force, with its convenient international trade conditions. At the same time, this industrial zone must also be firmly maintained in every war situation. Modern warfare is closely linked to modern industry. Therefore, the industrial network is always one of the first and constant targets of enemy attacks. For this reason, in the plan to defend the municipality, a special effort must be made to properly resolve the problems of protecting industry and combining the economy with national defense within the field of industry.

To begin with, we must examine the strategic nature of factories. From a solely economic standpoint it is very convenient to build certain types of factories in Haiphong; however, if the same factories are examined from the standpoint of national defense, they should be constructed deep within the country's rear area, even though higher raw material transportation costs will be incurred. As regards those types of factories which both economic argumentation and national defense argumentation show can be constructed within Haiphong, we must conduct studies to determine where the best places to locate them are. That is, the sites selected for these factories must fully utilize the terrain (the mountains, the islands, the offshore waters, the rivers, the hills...) so that they can be conveniently served by transportation during normal times or either be firmly defended or relocated in time of war. This matter must be examined from two perspectives: the conditions needed to defend the factory and, on the other hand, how the factory itself, once constructed will help to strengthen the defense of the city by, for example, creating a new population center and, along with it, new self-defense forces. Sometimes, basic production units must be turned over to the regular armed forces of the city (the troops engaged in economic work) to be built and managed in order to establish a solid foothold for the combat forces protecting the city's flanks within the overall defense plan. For example, a building materials production unit that is under the command of a high ranking army cadre and manned by a force of significant size is also a troop unit that has established a foothold on an important front at a place that has always been unpopulated. Of course, there are also jobs in which

these approaches cannot be taken at the very outset. Rather, it is only in the process of performing these jobs or only after they have been completed that we recognize what is correct and, as a result, must augment or even rectify what has already been done.

On the basis of the viewpoints presented above, Haiphong gradually developed the present model of the city's industrial zones. Unlike previously, the industrial units are not all concentrated within the inner city but arranged in zones that lie in different directions, such as the Quan Toan-Ben Kien industrial zone, the northern Thuy Nguyen industrial zone... Within each of these zones, the factories, population centers and service zones have been situated with a view toward combining the economy with national defense. The cultural, public health and social facilities, such as the college, the municipal hospital and so forth, will be built in Kien An. Fishing and marine product processing units, salt production units and tourist facilities have been situated in Do Son... The industrial units and the self-defense forces that have been developed along with them (in some zones, such as the Quan Toan-Ben Kien Zone, there are more than 30,000 militia troops and several thousand self-defense troops) have formed a new battlefield deployment, a new force in the people's war within the municipality that never existed before. The industrial units of the central, local and basic levels that are being built in Haiphong and their business revenues of tens of billions of dong per year will make a significant contribution to strengthening the economic and military potentials of the country. Many of these basic units are also capable of directly contributing to the national defense industry by, for example, producing spare parts and providing repair services or shifting their high capacity production by modern technical processes from civilian to military goods. The future of the port city's industry is very promising. Haiphong's industry will develop even more strongly as the socialized industry of the country develops. Under the guideline of combining the economy with national defense within the field of industry, we have made a correct start with the basic units that exist now, units which will surely steadily increase the strength of the city and the country.

Agriculture: the agricultural zone encompasses the entire municipality. It surrounds the industrial zones in the outskirts of the municipality, the cities and the towns and includes the districts of Thuy Nguyen, An Hai, An Thuy, Do Son, Tien Lang, Kien An and Vinh Bao. In Cat Hai District, the island district, ocean fishing, forestry and agriculture are practiced. This network of districts has been planned, in terms of population and arable land, to meet the requirements involved in building the districts in accordance with our party's line on the socialist revolution and its line on building the socialist economy. The position and character of each district have been clearly defined from the standpoint of both the economy and national defense within the municipality's master plan. There is a district on the island line, districts along the seacoast and districts in the rear on each front. All of these districts are closely tied to one another within a single zone defense system.

As regards their economies, the majority of the districts are engaged mainly in agriculture. In some districts the principal trade is fishing, in addition to which there is a forest products industry and small industry and handicraft

units of the locality. Haiphong's agriculture is characterized by intensive cultivation and multicropping as well as by the continuous expansion of arable land toward the sea through reclamation. In the districts of Haiphong as well as the majority of the other districts of our country, practicing intensive cultivation and multicropping in order to continuously raise the yield and output of crops and livestock is a matter of major economic and national defense significance. Whereas it once lacked food, Haiphong, although it has yet to establish a full and stable supply, is meeting a very large portion of its grain and food needs. While there are still times that we must request assistance from the central level, there are also times when we contribute to the central level. Haiphong is always trying to establish grain and food reserves. In addition, it must also be mentioned that the forces of the central level, the various sectors and the main force units in Haiphong are quite large and consume a considerable amount of grain.

In the process of planning the countryside and building the districts, the matter of redrawing the boundaries of villages and forming specialized farming zones and population centers that are closely linked to the water conservancy network has been carefully studied from the perspective of both the economy and national defense. For generations, the people of the inner city and the coastal areas encountered many difficulties obtaining water for their crops and everyday lives. Today, a network of salt water retention dikes has been established and a system of large sluices together with canals and ditches that carry fresh water from inland areas to the seacoast, from the upper reaches of rivers to their lower reaches have been constructed. In Tien Lang, there is the Ro sluice, which brings in water from the Thai Binh River. Two sluices in Vinh Bao bring in water from the Luoc and Tranh Rivers. Water now flows from the former Kim Thanh area to the An Hai area and from the former Kinh Mon area to Thuy Nguyen. Nearly 200 large and small electric pump stations and thousands of kilometers of canals and ditches provide fresh water to all of the municipality's islands.

The widespread availability of fresh water has turned areas of acidic, saline soil that once only raised one crop per year into areas of fertile land raising two crops per year. Not only is there sufficient fresh water for production and everyday needs, but we have also established water reserves to enable us to stay and fight for many days within each area and at each point within the municipality. If we realize that the lack of fresh water has no less of an impact upon fighting strength than the lack of rice (a person can sometimes go longer without food than without water), we see just how important it is to provide fresh water to all wards, districts, cities and inner urban areas as well as the islands. Moreover, this network of canals and ditches will also serve as a communications network for the movement of armed forces in combat and the system of pump stations will become a system of stations used to detoxify the environment in a chemical war unleashed by the enemy. Plans will soon be adopted to plant timber trees, fruit trees and trees to provide concealment along the banks of these canals and ditches.

One of the most noticeable features of Haiphong is the increasing buildup of deposits along the seacoast. Consequently, we must make an active effort to claim land from the sea. The purposes of this effort are to expand our farmland while improving upon the natural terrain and improving the defense

posture of the municipality. In recent years, the coastal districts have opened nearly 10,000 additional hectares of land, thousands of hectares of which have been put under cultivation. This figure of 10,000 hectares of land claimed from the sea is truly significant when compared to the total size of the municipality, only some 45,000 hectares. New population centers will gradually be established on the land that has been claimed from the sea. At important sites, state farms have been or will be built. The new population centers and state farms will also result in the establishment of increasingly strong and solid militia and self-defense companies and battalions on the outer perimeter. Many more fire power positions aimed at or along the flanks of potential enemy forces landing on the mainland have been constructed, thus turning points that once jutted out into the sea and could be easily isolated when attacked and occupied by the enemy into elements of a network of interconnected combat positions. The inner areas of the municipality, which once abutted the water's edge, will gradually recede deeper into the mainland. New wards and new villages established on the seaward side of Haiphong will embrace the inner areas of the municipality, thereby creating new combat lines and giving increasing depth and size to the defensive deployment of the municipality as they stretch ever further into the sea. At places along the seacoast that have the necessary conditions, the planting of bamboo and rattan has been organized in order to establish fence rows to provide concealment and protection along the seacoast and, in coordination with the network of dikes, make increasingly strong fortifications.

Communications: prior to liberation day, Haiphong had only a few roads. The road network consisted primarily of the two main roads Route Number 5 and Route Number 10 and a few roads that led to the former district seats. Today, the roads of the municipality have been developed into a rather complete network. In addition to the large, main roads leading up to the central level and interprovincial roads, there are inter-district, inter-village and inter-hamlet roads. This network benefits the local people in many ways in both their production and daily lives. At the same time, this road network will become a system of campaign and tactical roads when a war to defend the fatherland breaks out, a system which, with its main roads that run from north to south and east to west, is well suited to projected combat intentions. Together with planting trees along the banks of canals and ditches, we will continue to plant trees along the various main roads. Deserving of attention in the development of water and land transportation routes in Haiphong is the emergence of the island causeway connecting the inner areas of the municipality to the islands of Dinh Vu, Cat Hai and Cat Ba (two ferry landings there are still in use)--a road that has yielded many large returns. It is not only of value from the standpoint of communications, but also from the standpoint of improving the terrain and turning the islands into a peninsula. Strategic Route Number 5 has been extended by several dozen kilometers out to sea. Goods being transported to or from Cat Ba Island and manpower and materiel sent from the mainland to reinforce an entire combat line on Cat Ba no longer need travel by land and then by water route. As a result, the many obstacles once encountered no longer exist and several thousand tons of fuel worth several billion dong are saved each year. This has not only shortened sea transportation routes, made more farmland available and gradually moved port piers farther out to sea to areas of deeper water, but has also basically improved the terrain in this area and, along with this,

the strength of the interconnected battlefield positions of the municipality's outer perimeter defense line is being multiplied.

In the development of communications in Haiphong, a municipality that lies along the seacoast and is traversed by many rivers and waterways, mention must be made of the system of bridges. There have been several cases in which the state plan called for the central level to invest only 30,000 dong in the construction of a light duty bridge but the municipality, taking military transport needs into consideration has boldly invested hundreds of thousands of additional dong in order to build a bridge that can accommodate heavy tanks.

Just as the industrial zones, wards, districts, cities, towns and population centers have been rearranged with a view toward combining the economy with national defense, the service network, the commerce system and so forth are also being built in a manner consistent with this guideline. The characteristic feature of Haiphong's terrain is that all the large zones of the municipality are enveloped by rivers. In normal times, every zone has the necessary service units; in time of war, these units are also combat support units attached to a predetermined campaign or tactical line. A relatively well coordinated system of local rear service units has been formed within each zone.

Ever since the days spent fighting the war of destruction waged by the U.S. imperialists, Haiphong has attached full importance to the development of the posts-telecommunications and wired radio system. This system insures the rapid transmission of information from leadership and command agencies in the center of the municipality to the ward, district, city and town levels, to the enterprises and villages. This system of wire lines and transmission equipment was protected and utilized well during the years of the war. During the past several years, although the transmission system is not as widespread as it once was and because these transmission facilities have not been protected well, many materials have been lost. However, it is clear that organizing a relatively modern information network extending from the highest agencies of the municipality down to the basic production and combat units is something that can be achieved.

Housing construction: the policy of Haiphong is to make every house in the municipality a house with a tile roof. This is a pressing requirement of everyday life and is part of what is involved in creating and replenishing the energies that the laborer needs to work. Houses must be sturdy and attractive in coordination with providing for passive defense against bombs and shells as dictated by civil defense requirements.

At the same time, preparations must also be made for the construction of the leadership and command facilities, such as command posts, information centers and so forth, of the city in time of war.

The above are only achievements that have been recorded in combining the economy with national defense in the building of the various potentials of the municipality. The economy must also be combined with national defense in the mobilization of these potentials to meet the requirements that are faced

when war breaks out. When war breaks out, not everything becomes a matter of military affairs or warfare, even though these matters do involve higher requirements and are given much higher priority than in peace time. In war, we must still maintain our economic activities and support the daily lives of the people and the armed forces as this is the only way we can maintain and carry on the war itself. Therefore, in time of war, we must combine the war effort with the economy on a higher level than we are currently combining the economy with national defense. Achieving this level in war time requires the immediate and full preparation of plans now. From the plan for mobilizing every national defense potential during the initial period of the war to the plans for shifting the economy from a peace time to a war time footing, continuing to develop the economy in order to support the war effort, support daily life and prepare all the conditions needed to restore the coordination between the economy and national defense system at the conclusion of the war, all of this must be worked out in a scientific manner. This is a large issue, one that involves many difficulties; however, the municipality of Haiphong has adopted its plans, worked on this matter and is continuing its efforts in this area. The basic plans that were adopted have been tested in exercises by each component and are supplemented each year to keep pace with the development of the economic and national defense sectors of the locality.

IV. Achieving the Combined Strength of and Coordination Among the Various Levels and Sectors of the Municipality, Between the Municipality and the Central Level with the Local Military Agency Serving as a Competent Command Staff and the Armed Forces of the Municipality Playing the Shock Role

Combining the economy with national defense is a complex matter because both the economy and the national defense system are governed by separate laws and each has separate characteristics, each differs in nature, each involves different requirements. In view of our country's present circumstances, circumstances in which we must meet very high and very urgent economic as well as national defense requirements and face many new problems in each field for which there are no precedents, and in view of the circumstances of Haiphong itself, a municipality in which there are many forces of the central, local and basic levels, main force troops of the various services, local troops and militia and self-defense forces, all of which are operating together, the matter of combining the economy with the national defense system becomes even more complex. Therefore, achieving a combined strength, achieving coordination and cooperation among the various levels and sectors, which are an important principle within the system of socialist collective ownership throughout the country, become an even more important principle in combining the economy with national defense within the scope of our municipality.

The first prerequisites to achieving a combined strength, to achieving close coordination among the various sectors and levels is unity of will and action based on thoroughly understanding the line and tasks of the revolution, clearly defining the enemy, displaying a high spirit of vigilance and developing the tremendous potentials of the entire municipality. At the same time, we must soon develop a model, a master plan to serve as the basis for achieving coordinated actions and must ultimately turn this model, this master plan into resolutions of the party committee echelon, into norms and plans of the people's committee, into programs of action of the economic and military

sectors and mass organizations. In the process of achieving consensus in both our understanding and thinking concerning this matter so that we can then achieve unity in our plans of action, one important matter with which we must be concerned is that of increasing the economic and military knowledge of each cadre in accordance with the duties of each level and sector by implementing a system of military study for cadres of the various sectors and economic study for military cadres. It is also necessary to research and discuss these matters many times, develop complete economic argumentation and military argumentation and struggle against such incorrect approaches as only looking at the enemy or only at the national defense system, only looking at the immediate future but not seeing what lies ahead over the long range and vice versa, a careless approach, a timid approach, etc.

On large projects that require several tens of millions of dong and must be constructed by both the locality and the concerned sector on the central level, unity of thought and action between the upper level and the lower level is very important and sometimes must be achieved through much discussion and debate, even struggle. There are also cases in which complete agreement can be reached concerning a project that the locality deems beneficial, a project that lies within its authority and capabilities and which it is determined to construct if it continues to debate and discuss the matter while going ahead with the project.

Ideological work and negotiations are not enough to insure unity of action, organizational measures are necessary as well. Most importantly, unity must be achieved within the planning committee of the municipality. The vice chairman of this committee is a member of the municipality's military command. Through this vice chairman, the collective of the municipal military command expresses its opinions and, also through this vice chairman, the military command gains a better understanding of the economic matters contained within the overall plan.

To achieve a combined strength, we must make correct use of the function and strengths of each sector. The economic and military sectors each have their own separate strengths. Purely economic work can best be performed by the economic sectors and military forces must, of course, be at the nucleus of national defense work. However, combining the economy with national defense requires the coordination of both of these forces. Within the scope of this article, only the role and capabilities of the military agency and the armed forces of the municipality will be discussed.

The military agency of the municipality of Haiphong, a municipality that, as analyzed above, occupies a very important strategic position, must be developed into an agency that is able to meet established requirements. In normal times, the municipal military agency serves as the competent staff of the party committee echelon and skillfully organizes the performance of that portion of the task of combining the economy with national defense that is the responsibility of the armed forces. In war time, the military agency must command the armed forces of the municipality in combat operations under the command of the military region and the leadership of the municipal party committee; at the same time, it must continue to serve as the staff of the

party committee echelon in the work of combining the economy with national defense under war time conditions.

The municipal military command must possess campaign-strategic military qualifications so that it can deal with matters involved in combining the economy with national defense on the campaign-strategic levels and not lose sight of long-range, overall interests in the face of immediate, partial interests. Of course, the proposed combat plans of the municipal military command are supplemented and ultimately determined by the upper level; however, the military command itself and all of its agencies, from its staff and political agencies to its rear service, technical and military science research agencies, must be made increasingly strong and solid so that they can take the initiative in proposing effective contingency plans and organizing the implementation of these plans in a creative manner. Because its military qualifications have been raised, the municipal military command has been able to make important contributions in analyzing the enemy's situation, our situation and the terrain and made proposals concerning how Haiphong's area should be divided, how zone boundaries should be drawn and concerning combat contingency plans and the contingency plans for the deployment of forces from the standpoint of both national defense and the economy within the municipality.

The armed forces and people of Haiphong, as well as the armed forces and people of the North, gained definite experience in national defense during the years of the resistance against the United States for national salvation. However, the present issues of national defense and the war to defend the fatherland involve many new developments that are continuing to be researched and resolved. The municipal military agency must engage in intensive study in order to gain a thorough understanding of the party's military line and become thoroughly familiar with the new issues of Vietnamese military science and art and must make every effort to research and correctly resolve the problems of military science encountered within the municipality. Only by thoroughly familiarizing itself with these matters and giving all leadership cadres and cadres of the various sectors a thorough understanding of them as well, including military cadres currently working in the sectors who gained some experience during the war of liberation so that they clearly understand which of their former experiences are still of value and must be developed upon and which are no longer suitable, so that they guard against and overcome conservative approaches, is it possible to lay a good foundation for combining the economy with national defense under present conditions.

The armed forces of the municipality, the nucleus of which are the municipality's local troops, must, in conjunction with fulfilling their military tasks, participate in economic work and play the shock role in the performance of tasks that combine the economy with national defense, a role in which the armed forces are still encountering many difficulties. Everyone realizes that performing military work is the purpose of building the armed forces. However, there is one issue that has not been thoroughly studied by everyone, namely that in addition to military activities, the armed forces can perform many other jobs, including economic construction tasks. The resolutions of both the 4th and 5th Congresses of our party asserted that the army must participate in economic work. The realities of the 3rd Military

Region and Haiphong verify that the performance of economic work by troops benefits both the economy and the national defense system. The performance of economic work by troops, rather than posing an obstacle to, creates favorable conditions for military activities and supports the effort to achieve high efficiency in military training and the maintenance of combat readiness. The armed forces of the municipality, while generating business revenues of several tens of millions of dong and contributing tens of millions of dong to the state each year as a result of their economic work, have still recorded high achievements in military work and lead the military region in some areas of troop training. Troops engaged in economic work never use any materials allocated for training or the maintenance of combat readiness; to the contrary, their efforts result in more materials being used in and stockpiled for training and the maintenance of combat readiness. Because, through their economic work, which is performed on the basis of their own labor, of arable land and trade skills, they create wealth for society which, in turn, results in the formation of capital, thereby making their work self-sustaining and, in the process, creating additional liquid capital and an increasingly abundant supply of materials.

A comparison of the morale and thinking of the municipality's troops during two different periods, that is, the period preceding and the period since the start of the involvement of troops in economic work provides additional proof of the benefits derived from it. When they were not performing economic work, troops performed all sorts of strenuous jobs but never received anything additional for their efforts outside the standards set by the state. During the period that troops have been engaged in economic work, as a result of exceeding plan quotas, they have received material bonuses to replenish the energies expended in their work. I am not at all referring here to actions taken to realize illegal material gains. This phenomena has caused unwholesome attitudes to develop among cadres and soldiers, such as a lack of concern for building the army, liberalism, the lack of discipline and so forth, which we must resolve through educational efforts, but not simply educational efforts alone. However, since the municipality's troops have been performing economic work, they have earned both profits and bonuses. The energies they expend in their work are appropriately replenished. The spirit of troops is higher and they have peace of mind. By performing skillful economic work that generates large business revenues and high profits that are utilized in a fair manner and appropriately distributed, economic construction units compensate for those units that are unable to perform economic work. Moreover, economic units are also able to assist retired cadres and help them overcome some of the difficulties they are facing, thereby reducing the unwholesome phenomena among retired army cadres that sometimes are still seen on the streets. The mere fact that cadres and soldiers of the armed forces have been given peace of mind and a feeling of enthusiasm for their task has been of major significance from the standpoint of national defense.

Of course, once engaged in economic work, it is necessary to practice economic accountability and generate a profit. And, the armed forces of the municipality of Haiphong have generated profits in their work. However, when combining the economy with national defense, it is not enough to merely examine profit and loss nor is it correct to only look at the immediate expenses incurred and not see the long-range benefits that result. For

example, if the construction of the Dinh Vu Road is examined solely from the standpoint of the profits earned by the construction unit, the benefits derived are insignificant; however, if it is examined from the standpoint of its long-range economic returns, the benefits that will be derived are immeasurable. This is not to mention the national defense benefits that will be derived from this road should a war break out.

Troops engaged in economic work possess the strength of military organization, a strength that a modern productive labor organization needs very much, a strength which, under our current circumstances, certain types of projects must have in order to be constructed. There have been some projects which the concerned sectors, after weighing what they stood to gain or lose by way of immediate interests, have been unwilling to undertake. However, the armed forces of the municipality have boldly undertaken these projects and successfully completed them. The armed forces of the municipality are able to mobilize a rather large labor force when necessary, a force consisting of regular main force troops and militia and self-defense forces, of simple labor and technical labor, of large pieces of technical equipment supplied by the military region, thereby creating a large combined strength and doing so under very urgent circumstances. The workstyle of the armed forces is organized labor performed under a centralized, unified command and marked by close cooperation, strict discipline, a high spirit of bravery and highly developed technical skills. Only in this way can the armed forces always be ready to go anywhere and perform any job, be it at sea, on deep rivers...

To truly develop the role and capabilities of the armed forces in economic work, we must fully understand what their strengths are; at the same time, we must recognize their weaknesses. Of importance is the need to boldly assign them tasks, boldly make investments of capital and technical equipment and adopt correct policies. The armed forces themselves must establish a division of responsibilities among the municipality, the wards, the districts, the villages and so forth that defines which jobs are to be undertaken by each level. They must clearly indicate which subjects must be studied and concern themselves with improving, through study and training, their ability to perform economic work in a comprehensive manner, a manner encompassing both management and technical skills, as required by their assigned task. In this way, each cadre and soldier of the armed forces will truly be trained within the great school of socialism in order to become increasingly well rounded, new socialists.

In summary, the armed forces of the municipality must be deeply inspired and highly determined to "become prosperous and win victory." They must train well, maintain combat readiness and fight well and perform economic work efficiently. They must dare to think, dare to act, dare to assume responsibility. By having the confidence that they can indeed succeed and by succeeding in their work, they will build their own confidence and the confidence of everyone else. They must also have correct guidelines, guidelines designed to develop upon strengths. For example, the strength of a coastal municipality is the reclamation of land from the sea. The benefits of land reclamation are many, but it is also difficult work. We must overcome these difficulties and go ahead with this work if the long-range benefits accruing to the economy and national defense system are large, even if it

means a capital loss in the immediate future (in practice, losses are never incurred where good organization exists). Once work has been undertaken, it must be carried out under a thorough plan and a regimented command structure just as though we were conducting a military campaign.

The realities of Haiphong over the past several decades confirm that, despite many shortcomings, efforts to combine the economy with the national defense system have, for the most part, been properly oriented. Each of the achievements recorded by Haiphong in recent years has made the municipality stronger both economically and from the standpoint of national defense. These achievements and the experiences that have been reviewed, although only initial ones, have laid the groundwork for the continued development of the municipality toward the 3rd Military Region's goal of "becoming prosperous and winning victory," thereby helping to successfully carry out the two strategic tasks set by the party.

7809

CSO: 4209/276

INTERNATIONAL RELATIONS, TRADE AND AID

VPA PAPER ON HU YAOBANG REMARKS ON POL POT

BK201524 Hanoi Domestic Service in Vietnamese 1430 GMT 19 Apr 85

[QUAN DOI NHAN DAN 19 April commentary: "They Have Once Again Exposed Their True Face"]

[Text] Answering newsmen at the Australian National Press Club on the evening of 16 April during his visit to Australia, Hu Yaobang expressed China's viewpoint on the genocidal Pol Pot clique which the whole mankind is condemning and demanding for its elimination. He boasted that the Pol Pot forces have become twice larger than they were 6 years ago. He then naively argued that such a development would have been difficult to realize had Pol Pot truly perpetrated the horrendous crimes as denounced by the people, which means that these forces are enjoying the most sympathy of the Cambodian people. The gist of such a statement by a top Beijing leader is: The Pol Pot clique must have a legal role in any future Cambodian coalition government.

The whole world has been aware of the genocide committed by the Pol Pot clique, an unprecedented horrendous crime in history. Heaps of bones in thousands of mass graves and prisons, witnesses, and vestiges of complete painful destruction during the years of Pol Pot's cruel domination--most of which can still be seen throughout the once beautiful Cambodia--constitute undeniable evidence.

All the foreign politicians, diplomats, and newsmen who have visited Cambodia can clearly see and understand the distress and misery suffered by the people for 4 years under the Pol Pot clique domination. Their crimes are recorded in human history as the most gloomy and painful page. The criminals have been overthrown by the Cambodian people, have been sentenced to death by the Cambodian people's tribunal, and have been severely judged by world public opinion.

Over the past 6 years, factual evidence of crimes by the Pol Pot clique has been exposed all the more clearly. No people of conscience in the world have defended and justified their crimes. Only the reactionaries among the Beijing who were the mastermind of the genocide in Cambodia, have shut their eyes to this unpardonable crime by the lackey Pol Pot clique. Now, they again bent their tongue to defend the clique and reject the world indictment of a group of remnant troops fostered by them. Such a defensive argument is nothing but

a means being used by the reactionaries among the Beijing ruling circles to justify their own crimes because the disaster in Cambodia during the years under the Pol Pot regime was the product of crimes perpetrated by Chinese expansionism and hegemonism. Now, their plot to create the imaginary force for the disintegrated bandits and a role for the putrefied ghost political corpse is really a wrong move.

Mr Hu Yaobang not only seems to contempt but worse still to defy public opinion when he inconsiderately explained the so-called growth of the monsters and the people's sympathy for these monsters. He publicly confessed the cruel scheme of the Beijing ruling circles against the Cambodian people. So it is known that out of their expansionist ambition, they can resort to everything, no matter how cruel or deceitful they might be.

The elimination of Pol Pot has now become a demand inevitable to any political solution for Cambodia. This is a trend conforming to law and human heart which has been supported by more countries with every passing day.

Beijing's demand for these executioners to play a role in any future government in Cambodia is an arrogant challenge. The criminal Pol Pot genocidal clique can have no foothold in Cambodia. Broad segments of world public opinion have clearly realized this and have so demanded. Many international statemen, including Australian Foreign Minister Bill Hayden and UN Secretary-General Perez de Cuellar, have expressed their sympathy with the elimination of Pol Pot from any political solution. Only Beijing alone has insisntently defended these executioners and demanded an appropriate role for them. It means that Beijing wants them to return to Cambodia and continue their policy of exterminating the Khmer people, and totally destroy Cambodia once again.

Such a defense is an insult to human conscience. Beijing's demand is a transgression of law and ethics. With such a move, the reactionaries among the Beijing ruling circles have once again exposed their true face as the father of the genocidal policy implemented by Pol Pot in Cambodia, and they have not relinquished this horrendous policy.

CSO: 4209/355

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

USSR RUBBER PRODUCTION AGREEMENT--Hanoi, VNA, 20 April--An agreement between the Vietnamese and Soviet governments on continuing to develop bilateral co-operation in the production of natural rubber in Vietnam was signed in Moscow Friday. The signatories were Vo Van Kiet, Political Bureau member of the Communist Party of Vietnam Central Committee, vice-chairman of the Council of Ministers and chairman of the State Planning Commission; and N. V. Talyzin, member of the Communist Party of the Soviet Union Central Committee and vice-chairman of the U.S.S.R. Council of Ministers. [Text] [Hanoi VNA in English 1542 GMT 20 Apr 85 BK]

SOVIET-VIETNAMEES EMULATION DRIVE--A seething labor emulation drive has been launched by Soviet experts and Vietnamese workers at the construction site of the Hoa Binh electric plant in honor of great Lenin's 115th birthday and the 10th anniversary of South Vietnam's liberation. On this occasion, 20,000 Soviet experts and Vietnamese workers at the site participated in a communist labor day to raise funds for activities to anticipate the 12th world youth and students festival. Communist labor was also held on Sunday, 21 April, at the construction site of Lenin's monument in Chi Lang Park and the Cultural Palace in Hanoi in celebration of Lenin's birthday. [Text] [Hanoi International Service in English 1000 GMT 22 Apr 85 BK]

HEALTH MINISTER AT HYGIENE INSTITUTE--Hanoi, VNA, 25 April--The expansion of the Ho Chi Minh City Institute of Hygiene, built with the assistance of the World Health Organization (WHO) and the Kingdom of Holland, has been completed just in time for the celebration of the 10th anniversary of the liberation of South Vietnam. Attending the inaugural ceremony held in Ho Chi Minh City yesterday by the Vietnamese Public Health Ministry were Dr Dang Hoi Xuan, health minister, and Do Duy Lien, vice chairwoman of the city people's committee. Also present are Dr H. Nakajima, WHO director for the Western Pacific and H. Horbach, charge d'affaires of the Kingdom of Holland in Vietnam. Dang Hoi Xuan, on behalf of the Vietnamese Government, expressed heartfelt thanks to the world health organization and the Dutch Government for the valuable assistance. Construction of the institute was started before 1975 and was resumed in 1981 with the help of WHO and the Dutch Government. It has been expanded from 3,500 square metres before liberation to 18,000 square metres, of which 3,000 square metres are for laboratory research and training work. The institute will be a major research and training centre as well as a centre for the popularization and implementation of prophylactic measures in 15 cities and provinces in southern Vietnam. It has so far trained over 1,200 health workers. [Text] [Hanoi VNA in English 1538 GMT 25 Apr 85 OW]

CSO: 4200/847

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

DONG SPEAKS AT FORESTRY CONFERENCE--Hanoi, VNA, 25 April--The forestry service recently held a conference to review its work and discuss measures to better exploit the country's rich forestry resources. Addressing the participants, chairman of the Council of Ministers Pham van Dong dwelt on the great significance of the policy to entrust the management and exploitation of the forests to the districts, cooperatives, public offices, military units, schools and individual farmers where the forests are located. Under this policy, these units and individuals will enjoy with the result of their work after meeting their quotas assigned under the state plan. They also have the right to herit- age over these forest lands. This policy, the chairman said, aims to make full use of the local work force, rationalize the distribution of the popula- tion and improve the liivng standard of the people. At present, more than half of the country's population live in the Red River and Mekong River deltas which cover about 5 million hectares. The rest live scatteringly in the mountain and midland areas totalling more than 28 million hectares, or 85 percent of the total land area. [Text] [Hanoi VNA in English 0710 GMT 25 Apr 85 OW]

CSO: 4200/847

8 May 1985

ECONOMIC PLANNING, TRADE AND FINANCE

KYODO INTERVIEWS HO CHI MINH CITY MAYOR

OW250641 Tokyo KYODO in English 0621 GMT 25 Apr 85

[Text] Ho Chi Minh City, 25 April, KYODO--This city formerly known as Saigon will become the center of Vietnam's industry, trade, science and technology, and culture, according to its mayor.

In an interview with KYODO News Service Wednesday, Mayor Mai Chi Tho predicted that the population of Vietnam is expected to reach 70 million in the next 10 to 15 years.

Tho, a Central Committee member of the Vietnamese Communist Party, said during the same period the population of Ho Chi Minh City will grow to five million from 3.42 million at present.

He pointed out that the goal of the current economic development program is to build up the machinery industry and its service sector, the food processing industry and the packing and storing facilities for agricultural and fishery products.

He also said authorities are trying to complete a transportation and communications network.

The mayor said some 60,000 hectares of swamp land opposite the Saigon River bank south of the city is under development for agricultural use.

He said the land will be used to raise lobsters and fish for exports to Japan.

He said a new port will also be constructed.

Tho also expressed the hope to develop in the city industries for plastics, synthetic fibers and medical supplies. The city is expected to become a heartland of the Vietnamese oil industry as a result of successful oil drilling in the South China Sea.

Speaking on the outcome of the city in the 10 years since the end of the Vietnam War, Tho said the good thing was that the basic structure of the economy has remained intact.

But he said the city has also inherited the negative aspect of a consumer society.

He said in the past decade crimes in the city have decreased and stabilized.

CSO: 4200/847

ECONOMIC PLANNING, TRADE AND FINANCE

74,798 GO TO NEW ECONOMIC ZONES BY END OF MARCH

BK190518 Hanoi Domestic Service in Vietnamese 0500 GMT 18 Apr 85

[Text] According to statistics provided by the Labor and Population Distribution Department, as of the end of March 1985, the localities in the country had sent 74,798 people, including nearly 35,500 laborers, to build various new economic zones.

Localities have vigorously shifted to on-site population distribution to obtain thorough land exploitation within villages and districts. Some 27,113 of these laborers have been sent collectively to many new economic zones and the remainder have either gone to various state farms or have been sent in separate groups to new economic zones.

Ha Son Binh Province has been noted for its great efforts to renovate the method of organizing and distributing population. Thanks to close cooperation between sender and recipient, the province has succeeded in drawing a response from the bulk of the population and has thus obtained high results. Within 3 months, the province successfully mustered more than 15,000 people, including 7,767 laborers, for this purpose. It is noted for mastering the situation regarding production seasons in the areas to which the people were to be sent and for skill in preparing crop seeds. As soon as they arrived in the new locations, the people quickly built their houses while racing against time to reclaim wastelands and to plant their subsidiary food crops and short-term industrial crops.

An Giang and Ben Tre Provinces have made great efforts to distribute manpower locally. An Giang and Ben Tre attained 208 percent and 144.3 percent of the planned targets respectively. Northern midland and mountain provinces with good records in this task include Lang Son, which redistributed nearly 12,000 people, 20 times more than the number planned at the beginning of the year; Ha Bac, which attained 310 percent of its planned target; and Bac Thai, which attained 198 percent of the planned target.

A prominent feature noted in the recent past is that various party committee echelons and local administrations, especially those at the district level, have concentrated on directing the redistribution of manpower and population. Some provinces have launched campaigns to redistribute their manpower and population, under which the people are required to uphold the do-it-yourself principle and--with the help of the districts concerned--to make full use of capital and material supplies from the central government.

CSO: 4209/355

AGRICULTURE

SHORT-TERM INDUSTRIAL CROPS IN VIETNAM

Hanoi TAP CHI KE HOACH HOA in Vietnamese Nov 84 pp 32, 33

[Text] The development of industrial export crops is a matter of utmost strategic importance, one of the sources of initial capital for each installation, each locality, and the nation in the first stretch of road in the transition period in our country. A particularly correct course of action is to develop short-term industrial crops--an option well suited to the poor condition of our country's material and technical base, because it involves a low level of capital investment, a short term of investment recovery and quick returns. In daily life, our people cannot do without peanuts, sesame, soybeans, straw mats, tobacco, sugarcane, and other sources of vegetable oils. These are also scarce, high-demand goods that command a high price on the international market.

Our country has very great potential for raising short-term industrial crops. Many local areas can be turned into large areas specializing in the cultivation of short-term industrial crops, such as the peanut-growing regions in Nghe Tinh, Song Be, Dong Nai, Tay Ninh, and Dac Lac; the soybean regions in Dong Nai, Ha Bac, Cao Bang; the sugarcane region in Hau Giang, Tay Ninh, Long An, and Nghia Binh. In addition, all these crops can be raised in nearly every locality countrywide, and many of the crops are raised on dry land, are suitable for hillside cultivation, are easy to plant, resist disease and pests, and are cultivated with uncomplicated techniques.

According to research documents, on the 7.5 to 8 million hectares of rice-growing land in our country, 2 to 2.5 million hectares of short-term industrial crops and subsidiary food crops can be raised in rotation with the rice. Countrywide, 2.5 million hectares are devoted to specialized cultivation of short-term rice and subsidiary food crops. If the network of utilized land in the territory under control is expanded 2.5 times, and if the area cleared on new land is increased by 1.4 percent, there will be as many as 3.6 million hectares more. In addition, 100,000 to 150,000 hectares of short-term crops can be interplanted with long-term crops. The area in which short-term industrial crops and subsidiary food crops are raised can thus be expanded about 5.3 to 6.3 million hectares.

With such land available, we could increase the area under cultivation, expand the raising of suitable short-term industrial crops, and achieve a high degree of economic effectiveness. Nevertheless, that potential has not yet been exploited to the fullest. In 1983, our country devoted only 1.08 million hectares to industrial crops, which was 64 percent more than in 1976. Of this area, 556,000 hectares were in long-term crops, an increase of 100 percent over that of 1976, and 524,000 hectares were in short-term crops, an increase of 80 percent.

Following is the 1983 situation in the development of the main short-term industrial crops:

Peanuts: 171,269 hectares, with an average nationwide yield of 8.9 quintals per hectare and an output volume of 125,392 tons. Of this, Nghe Tinh had the largest area and output: 13,814 hectares; 17,222 tons. Song Be: 13,814 hectares; 9,292 tons. Dong Nay: 10,939 hectares; 9,169 tons. Tay Ninh: 10,570 hectares; 11,677 tons (a per-hectare yield of 10.9 quintals). Dac Lac, in particular, planted only 10,246 hectares, but achieved the highest per-hectare yield--11.1 quintals--and an output of 11,451 tons.

Products processed from peanuts are very valuable. Of them, peanut oil is considered an ideal food product in these industrial times. On the international market, the price of peanut oil will rise sharply over the next few years. In the Holland market, it was \$585 a ton in 1982 and \$1,160 a ton in 1984.

Soybeans: 96,755 hectares, with an average nationwide yield of 6.5 quintals per hectare and an output volume of 63,670 tons. Of these hectares, 24,003 were in Dong Nai; 9,761 were in Ha Bac. It is noteworthy that Phu Hoa Village (Tan Phu District, Dong Nai Province), a locality with a long history of raising soybeans, raised 4,000 hectares this year, with yields of 1 to 1.2 tons per hectare. If intensive cultivation is performed well, soybeans can yield 15 to 20 quintals per hectare throughout the Mekong River delta provinces. According to the General Statistical Department, over 40,000 hectares were planted in our country, making it rank 23rd or 24th in area and output volume among 50 nations raising soybeans around the world.

Sugarcane: 145,924 hectares, with an average per-hectare yield of 390 quintals and an output volume of 5,692,640 tons. Of this, Hau Giang had the largest area and output: 14,314 hectares and 702,201 tons. Tay Ninh: 12,845 hectares; 484,698 tons. Ben Tre, in particular, after planting only 9,300 hectares, had the highest per-hectare yield--534.9 tons--and an output volume of 500,354 tons.

Tobacco: 29,799 hectares, with an average per-hectare yield of 8.3 quintals and an output volume of 24,850 tons. Dong Nai had the largest tobacco area, with 3,956 hectares and an output of 2,711 tons. Ha Bac had 2,400 hectares, but the highest per-hectare yield--9.4 quintals--and an output volume of 2,294 tons.

About 120 countries around the world raise tobacco. It is a substantial source of foreign revenue for more than 60 developing countries. The price of hot-air-dried tobacco rose in the United States from about \$3,748 to \$4,000 per ton in 1983.

Jute: 24,951 hectares, with an average per-hectare yield of 19.6 quintals and a 48,841-ton output volume. Hai Hung had the largest area and output: 6,660 hectares; 17,263 tons. Thai Binh: 4,632 hectares, with an output volume of 11,352 tons.

Reeds: 15,758 hectares, with an average per-hectare yield of 53.1 quintals and an output volume of 83,742 tons. Thai Binh, Ha Nam Ninh, and Thanh Hoa provinces had the large areas nationwide, with similar totals of 2,600 to 2,800 hectares and output volumes of 16,500 to 19,000 tons.

Sesame: 35,142 hectares, with an average per-hectare yield of 3 quintals and an output volume of 10,764 tons. The province with the largest area and output was An Giang, with 16,447 hectares and 4,756 tons, which amounted to half the nationwide totals. In 1984, 20,000 hectares were planted provincewide, and a 10,000-ton output volume was achieved. Chau Phu District alone raised 15,000 hectares, which will yield 8 tons per hectare if a good job has been done of intensive cultivation.

In 1984, a number of short-term industrial crops were expanded over those of 1983, such as peanuts, tobacco and sugarcane. Development was not yet stable in the general situation, however, and the borders of areas raising specialized crops were not yet clearly delineated. There is still very great potential for expanding the area, planting companion crops and intensively cultivating short-term industrial crops in local areas.

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CSO: 4209/286

AGRICULTURE

RESULTS PRESENTED FOR 3 YEARS OF PRODUCT CONTRACTING

Hanoi KHOA HOC VA KY THUAT NONG NGHIEP in Vietnamese Dec 84 pp 531-538

[Article by Duong Quoc Cam, director of the Central Agricultural Cooperatives Management Committee: "Principal Results after 3 Years of Implementing Product Contracts with Labor Groups and Laborers in Agriculture"]

[Text] On 13 January 1981, the Secretariat of the VCP Central Committee issued Instruction No 100, covering: "Reforming the Contract System; Expanding Product Contracting with Labor Groups and Laborers in Agriculture."

In just a short time after the Central Committee instruction was issued, thanks to prompt and close guidance by levels and sectors and enthusiastic response from the peasant masses nationwide, the great majority of production groups and cooperatives in different regions, with differing scales of organization, with differing production orientations, and with differing processes of establishment and activity, whether production groups and cooperatives with good, average, or weak progress before, put the new form of contracting into effect.

The 3 years of implementing end-product contracting with labor groups and laborers in production groups and cooperatives have actually been a period of transition from the old way of management to a new way, creating a management system suited to the pace and special characteristics of the initial stretch of road in the transition period of agriculture in our country as it moves from small-scale production up to large-scale socialist production.

An extremely critical task is to correctly evaluate results achieved and, at the same time, uncover and correct shortcomings and mistakes made in the course of implementing Instruction No 100 of the Secretariat and continuing to perfect end-product contracting with labor groups and laborers in agricultural production groups and cooperatives in the spirit of Resolution No 154-HDBT of the Council of Ministers.

By following the general situation and from evaluations obtained at many conferences at the central echelon and on local levels throughout the nation, we have seen certain key points emerge:

The first is that, by putting product contracting into effect, employing the principle of encouraging proper material benefits for the laborer, and tying responsibility and benefits of the laborer to the final product, production groups and cooperatives were better able to activate labor potential and create a work atmosphere of dynamic and strong production.

According to 1982 figures of the General Statistics Department, production groups and cooperatives that put product contracting into effect increased the number of within-age workers brought into the collective sector by 15.6 percent over 1980 and the number outside age limits by 10.2 percent, and the average length of a workday for cooperative members also increased 2.1 hours. Labor productivity of cooperative members increased markedly, and output value and newly created income, as calculated on the average of one laborer, both increased over the years in production groups and cooperatives (Table 1).

Table 1. Output Value and Newly Created Income (calculated on the average for one laborer)

Standards	Unit of Calculation	Totals			Ratios	
		1980	1981	1982	1981/80	1982/81
Output value	dong	732.0	1,302	2,688	177.7	206.4
Newly created income	dong	438.1	835	1,557	190.6	186.4

By activating labor, production groups and agricultural cooperatives made better use of land. Much of the area previously lying fallow was now brought under cultivation. In 1981, for example, cooperatives that put product contracting into effect in Hai Nam Ninh Province brought 2,500 more hectares under cultivation. In Kien An District, Hai Phong Province, 908 hectares were added. In the process of putting product contracting into effect, many places restructured crop work to make it more rational and, especially important, to exploit the peasants' previous experience at planting companion crops and catch crops overlapping preceding and following crops in order to formulate plans and issue contracts to units and cooperative members for implementation. Levied with the requirements to perform intensive cultivation to increase yields and to strive to exceed contracts, many production groups and cooperatives planned field reconstruction and invested in land improvement, thereby gradually raising fertility, bringing many fields from a poor level up to a good level of

quality, and solved problems of soil infertility. This brought about a marked increase in effective land use. Survey statistics from 1,397 production groups and cooperatives of different areas reveal that the average output value per hectare of land was 3,094 dong in 1980, 5,501 dong in 1981 (an 81 percent increase over 1980), and 11,750 dong in 1982 (a 113 percent increase over 1981).

The value of commodities also increased over the years: 656 dong in 1980, 1,362 dong in 1981, and 2,883 dong in 1982--over double the value of the year before.

Good use of labor and land greatly increased the potential for developing occupations in the countryside. Many production groups and cooperatives restored or developed a number of occupations, such as cultivating mulberry bushes, raising silkworms and unwinding silk from cocoons; cultivating reeds and weaving mats; cultivating rattan and bamboo and weaving goods for export; ocean fishing; weaving mats from coconut fibers and corn fibers; and performing various services. They developed new experience in starting occupations that involve intensive use of labor, land and raw materials.

The second is that, in implementing the product-contracting system, cooperative members always pay attention to end-product results, and therefore pay attention to technical measures and are quick to adopt technical advances in production. The movement for technical labor and study and adoption of techniques became a widespread self-awareness movement of the masses. Not only were economic and technical goals and production regulations set by cooperatives and groups followed better than before, but cooperative members also took the initiative by increasing efforts to fertilize and harvest the entire crop in order to perform intensive cultivation and exceed contract targets with the harvest. Table 2 portrays data derived from a study of 2,315 families on the amount of fertilizer and workdays invested in a hectare of land over those invested in 1982.

(See Table 2 on following page)

Table 2. Additional Investment and Amount Exceeding Contract Targets

Province	Number of families studied (families)	Extent to which contract yields were exceeded		Amount of additional fertilizer & workdays					
				Stable manure		Nitrogen fertilizer		Workdays	
		Yields (quintals/hectare)	Percentage in excess (%)	+ or - tons	+ or - %	+ or - kg	+ or - %	+ or - work-days	+ or - %
Ha Nam Ninh	126	+ 7.56	24.2	+ 0.80	+ 10.5	+ 19.6	+ 34.7	+107.9	25.2
Hai Hung	192	+ 4.50	23.2	+ 3.29	+ 42.6	+ 70.2	+124.7	+109.0	27.5
Haiphong	304	+12.21	59.3	+ 1.16	+ 12.8	+ 58.0	+ 24.7	+ 56.4	+ 6.5
Vinh Phu	122	+ 4.00	17.0	+ 2.76	+ 27.2	+ 26.0	+ 45.0	+ 81.0	+ 20.3
Ha Bac	1,072	+ 5.86	28.0	+ 0.90	+ 16.0	+ 60.0	+ 61.0	+ 44.0	+ 8.5
Thanh Hoa	265	+ 3.31	27.5	+ 2.37	+ 34.0	+ 86.0	+ 34.4	+111.0	+ 32.0
Phu Khanh	234	+ 3.96	12.7	+ 0.18	+ 5.9	+ 34.6	+ 26.6	+ 14.1	6.2

In addition to implementing technical measures better and investing in intensive cultivation, production groups and cooperatives that implemented product contracting paid attention to expanding key elements of the material and technical base supporting production. According to Research Data 1-7, collected from cooperatives in northern provinces, there was a 7 percent increase in the number of plows of every type between 1980 and 1982, a 48.3 percent increase in the number of water pumps, a 47 percent increase in the number of rice huskers, a 2.5 percent increase in the number of motorboats, a 2.5 percent increase in the number of draft and plow buffaloes, a 15.7 percent increase in the number of draft and plow cattle, a 34.7 percent increase in the number of rakes, a 49.1 percent increase in the number of insecticide sprayers, a 4.3 percent increase in the number of cargo boats, a 20.6 percent increase in the number of trucks, a 20.6 percent increase in the area under irrigation, and a 30.7 percent increase in the area of controlled drainage. Furthermore, many production groups and cooperatives took elements of the material and technical base that were inappropriate or had low efficiency and put them to better use elsewhere. In general, the material and technical base of production groups and cooperatives, as reflected in the value of fixed property, showed a 10.5 percent increase in 1981 over that of 1980 and a 24.5 percent increase in 1982 over that of 1981. In 1983, more attention was paid by production groups and cooperatives to building up the material and technical base in support of intensive cultivation. The movement to build small- and medium-scale water conservancy projects, especially developed steadily and strong in all areas. Production groups and cooperatives and peasants contributed 369 million dong of the total investment of 573 million dong, put in 43 million workdays, moved 60 million M³ of earth, 138,000 M³ of rock, and 14,000 M³ of concrete, raised irrigation capability to 43,000 hectares over the previous year, raised drainage capability by 21,000 hectares, and desalinated tens of thousands of hectares. This work contributed positively to the limitation of serious damage by drought and flooding last year.

Increasing the material and technical base in direct support of production and transferring elements with low efficiency to other areas where they were more useful for production and living caused marked increases in the investment in the material and technical base. According to figures of the General Statistics Department, the income per dong of fixed property of production groups and cooperatives in 1980 was 2.4 dong; in 1981 it was 3.42 dong, and in 1982 it had risen to 5.12 dong. For the crop-raising sector alone, income per dong of fixed property over those years, respectively, was 2.36 dong, 3.59 dong, and 5.44 dong.

The third point is that, on the basis of activating labor, using land effectively, increasing the material and technical base, and using technical advances, production groups and cooperatives that implemented product contracting pushed production development to a new level. What is more noteworthy is that they produced bumper crops for 6 to 7 seasons in a row, with yields higher each year than they were the year before.

Data for 756 cooperatives in 17 districts in Hai Hung, Thai Binh, and Ha Nam Ninh show that, with no more investment than before, the productivity and output volume of the fifth-month and spring rice crops increased at a moderate pace over the years (Table 3).

Table 3. Rate of Increase in Production Due to Implementation of Contracting

Standards	Average over 3 years before product contracting	1982	1983
Area planted in fifth-month rice (hectares)	181,079	184,979	186,712
Percentage of increase compared to the average over 3 years before the new contracts (%)	100	102.0	103.1
Real harvest yields (quintals/hectare)	23	29.9	34.3
Percentage of increase compared to the average over 3 years before the new contracts (%)	100	130.0	149.1
Contract productivity for cooperative members (%)	-	24.7	25.3
Contract productivity compared to average real harvest yields over the 3 years before the new contracts (%)	-	107.3	110.0
Extent contracts exceeded by cooperative members on a hectare (quintals/hectare)	-	5.2	9.0
Percentage of contract productivity surpassed (%)	-	21.0	35.3
Real harvest output volume (tons)	416,480	554,225	643,988
Percentage of increase compared to the average over 3 years before the new contracts (%)	100	133.0	154.6
Output volume of cooperatives contracted with cooperative members (tons)	-	457,019	472,388
Percentage of increase compared to average real harvest output over 3 years before the new contracts (%)	-	109.7	113.4
Output in excess of contracts of cooperative members (tons)	-	97,206	171,600
Percentage in excess of contract (%)	-	21.2	36.3

It is obvious that under the new contracts, cooperatives set contract goals for productivity and output volumes for the fifth-month crop higher than the average real harvest yields and output volume over the 3 previous years (7.3 to 9.7 percent higher in 1982, 10 to 13.4 percent higher in 1983), but cooperative members still surpassed contract targets for productivity and output volume by rather large margins (33 percent in 1982; 54.6 percent in 1983). Cooperative members exceeded contract productivity and output volume goals primarily because they put in more effort than contract goals demanded in order to cultivate more intensively. A study of the farming of 1,000 families that exceeded contracts in the fifth-month crop of 1983 indicated that for every 100 kg of paddy over the contracted amount, cooperative members had to invest 364.8 dong and 24.2 workdays. It is also clear from this study that the potential of the land is very great, with much potential for increasing productivity and output volume. Collectives and cooperatives can invest more to raise contract goals even higher and further exceed contract targets for volume of production.

The above situation developed generally among production groups and cooperatives in every area; intensive cultivation was performed better and better and yields grew higher and higher. In 1982, 13 provinces and municipalities achieved annual per-hectare yields of 5 to 6 tons or more; it was commonplace for individual districts, production groups, and cooperatives to achieve yields of 5 tons and higher--among them, 50 districts achieved 7 tons, 24 achieved 8 tons, and 5 achieved 9 to 10 tons or more; 500 production groups and cooperatives achieved 8 tons, 108 achieved 9 tons, 34 achieved 10 tons, 13 achieved 13 tons, and Dai Phuoc Cooperative, in Quang Nam-Da Nang Province, achieved a particularly high per-hectare yield for the year in excess of 20 tons. In 1983, in spite of bad weather conditions, instances of high yields occurred with crops of higher quality; two areas that are key rice-growing areas nationally achieved per-hectare yields of nearly 6 tons for the year in an area of 3.31 million hectares, which is 59.7 percent of the entire rice-growing area--those were the Red River delta area, where 5.95 tons were produced per hectare, and the Mekong River delta area, which yielded 5.91 tons per hectare. Product contracting clearly made an important contribution to raising the volume of grain production from 14.1 million tons in 1980 to 15.1 million tons in 1981, then 16.6 million tons in 1982, and roughly 17 million tons in 1983, a positive contribution toward resolving the food problem in our country.

The development of grain production and needs of intensive cultivation to increase productivity created conditions favoring development of livestock raising in production groups and cooperatives. In general, there has been a very great increase over the past few years in the raising of all types of livestock throughout both the collective sector and among families of cooperative members. According to Research Data 1-10, the rate of livestock development in production groups and cooperatives was as shown in Table 4.

Table 4. Rate of Livestock Development

	1980	1981	1982	1983
--Swine (1,000 head)	9,637	10,112	10,403	10,646
Rate of development (%)	100	107.0	107.8	110.6
--Buffaloes (1,000 head)	2,279	2,365	2,423	2,470
Rate of development (%)	100	103.3	107.0	108.4
--Cattle (1,000 head)	1,507	1,674	1,844	2,058
Rate of development (%)	100	111.6	122.3	136.5

Although the number of swine raised collectively decreased, production groups and cooperatives compensated for this by arranging more contracts with cooperative members to raise pigs for the collective, so the output value of collective livestock and meat sold to the state increased over the years. According to data from a General Statistics Department study of 1,379 cooperatives, the average output value of collective livestock per cooperative in 1980 was 101,600 dong, was 137,800 dong in 1981, and rose to 296,000 dong in 1982, accounting for 9.32 percent of the income of the cooperative. The amount of pork on the hoof sold to the state per hectare of cultivated land in 1982 was 40.5 kg; it was only 33 kg in 1980.

The fourth point is that, thanks to increased production and income, production groups and cooperatives were better able to satisfy the three interests. As for interests of the state, production teams and cooperatives tried to complete the overall targets set by the state for grain mobilization, including tax quotas, sales obligations, and selling at the incentive price. This contributed significantly to raising the level of grain production for the state from 1980 to the present, each year higher than the one before. According to data collected on 756 cooperatives, the ratio of grain raised for sale to the state to total output volume in contract plans of the cooperatives was 39.7 percent; many production groups and cooperatives mobilized an average of 2 to 3 tons of grain per hectare for sale to the state.

In the interest of the collective production groups and cooperatives, they were generally able to save set amounts of money and grain. The amount of grain designated for accounts each year amounted to 20 to 22 percent of the total volume of grain in contract plans, insuring that the means were available for growing seedlings, making feed for livestock and providing stocks for contingencies and social welfare. Over the past few years, thanks to product contracting and economic accounting, production groups and cooperatives have generally made a profit of 20 percent of their real income, so amounts placed in savings accounts,

public good accounts, contingency accounts and awards accounts increased each year, and capital of production groups and cooperatives constantly grew. According to research data of the General Statistics Department, the average capital per worker and per hectare of cultivated land has been as follows:

<u>Standard</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Average capital per hectare of cultivated land (dong)	3,115	4,416	6,496
Of this, the value of fixed assets	1,584	2,002	2,846
Average capital per worker (dong)	738	1,045	1,485
Of this, the value of fixed assets	375	474	615

Nevertheless, because the state does not yet have sufficient production materials and supplies to sell to cooperatives and groups, the price of production supplies and materials has risen fast, and amounts saved have been insufficient to expand the material base in proportion to the needs of production, and the production capability of production groups and cooperatives has been slow to increase.

As for the interests of cooperative members, although the contracted volume of production groups and cooperatives in general increased 3 to 5 percent yearly, output volumes contracted by a number of cooperatives and groups remained unchanged for a number of years, while the requirements for sales to the state increased much more than before and the needs of the collective for savings also increased, so the portion of money and grain available for dividends to cooperative members was slow to increase--in many places not increasing at all, or decreasing. Due to the bonus received for greatly exceeding contract targets, however, the income and living standard of cooperative members rose moderately. For example, in the 756 cooperatives studied, the output volume in the contract plan for the fifth-month crop of 1983 used as dividends for cooperative members was 177,456 tons, which was 37.7 percent of the contracted amount, a 10 percent decrease from the percentage of 1982. The average monthly amount of grain distributed to each cooperative member was only 12.6 kg. However, because the cooperative members produced 171,600 tons of rice in excess of the contracted amount, equal to 36.3 percent of the contracted amount, the average monthly amount received by each member was increased to 24.3 kg, so that not only did they have enough grain for their own consumption and for a reserve, but there was also enough grain to exchange for merchandise and to sell to the state at the incentive price--the portion of the grain mobilized for the state from the cooperative members' portion over the contracted amount was 68,650 tons, or 40 percent of the total volume of grain over the contracted amount and 26.4 percent of the total amount of grain mobilized in cooperatives for the state.

For cooperative families that are short of workers and have priority in welfare programs, production groups and cooperatives, on one hand, established conditions favorable to their participating in labor and work contracted fields; on the other hand, they deposited funds into a public welfare account in order to help these families when they ran into difficulties and set aside stores of grain to ensure that they had enough to eat. Because of this, the income of these families, although much lower than that of other families with many workers, was still higher than during the years before the new contract system was in effect.

The fifth point is that implementation of the product contracting system strengthened and perfected socialist production relations and expanded them more and more in agriculture. It is surprising how production groups and cooperatives implementing the new contract system were truly able to firmly establish and develop the ownership role of cooperative members toward all aspects of production organization and management of the basic level, in everything done and in every field. All matters in the production group or cooperative were given attention by cooperative members, discussed by them actively, and implemented with a heightened sense of responsibility. Because of this, the system of collective ownership of the means of production was strengthened and expanded, land encroachment was limited and stopped, and the [previously] frequent instances of corruption, exploitation, and destruction of collective property decreased. The production and business orientation of production groups and cooperatives became more positive and practical, economic and technical goals and contract goals more detailed and reasonable, and distribution of income and products more equitable and clear. These are the very basic factors that ensure that production relations are strengthened and perfected, and that allow production groups and cooperatives to move steadily forward. In 1980 only 36 percent of the cooperatives were rated "good" and "progressive"; in 1982, cooperatives with these ratings had increased to 43.6 percent. In 1980 "weak" cooperatives accounted for 23 percent of the total; in 1982 these had decreased to 14 percent.

In Nam Bo, combining cooperativization with implementation of product contracting created a new direction in which agricultural cooperativization could develop stronger and better. Before mid-1981, during 5 to 6 years of mobilization, the provinces of Nam Bo had been able to establish only 4,000 groups and nearly 200 cooperatives, accounting for about 7 percent of the area and 9 percent of the peasant families. The movement also often had an adverse effect on the production and morale of the masses. Since the end of 1981, thanks to combining the cooperativization movement with implementation of the product contract system, censuring anxiousness, one-sidedness, or hesitancy and indecision, making better use of the formulas and policies of cooperativization, and increasing the training and development of cadres for the basic level, provinces were able to consolidate cooperatives and groups that were dispersed, promote land reform, and develop many more new cooperatives and groups.

These cooperatives and groups, which increased production and brought in generally higher incomes for cooperative members than they received when they made livings separately, attracted individual peasants to join the collective sector and enabled the virtual completion of agricultural cooperativization in the provinces of Nam Bo, principally in the form of the production group, in 1985.

Nevertheless, the implementation of end-product contracting with labor groups and laborers is still a new endeavor, and many production groups and cooperatives lack experience, so there are still shortcomings and mistakes are made, as clearly indicated on 14 December 1983 by Resolution No 154 of the Council of Ministers. Specifically:

1. Economic and technical goals, as a basis for improving production organization and managing cooperatives and groups, and contract output goals have not been set carefully; they are set low in many places.

In many production groups and cooperatives, economic and technical goals have not been carefully established and are seldom checked, adjusted, and increased season-by-season and year-by-year in keeping with real production conditions, with the result that production and business effectiveness is still not high, and contract goals are not yet being set carefully. In many places, contract goals have been based on economic and technical goals set a long time ago and on average production volumes achieved for many years before (including years of very poor harvests). Goals are not derived primarily from the potential of the various grades of soil and the situation with investment increases, not to mention effects created by the implementation of the new contracts, which increases the tendency to want lower goals in order to increase the income of cooperative members by far surpassing contracted levels, so the contract output goals are not rational. In some places, cooperative members arranged contracts with which they could surpass goals by 50 percent and 100 percent without much effort, which affected the collective's general production volume to be distributed.

2. In many places, fields are still being contracted out arbitrarily, not according to the field. In many places, they are not contracted out on the basis of economic and technical standards appropriate to each grade of soil and each field, and there is still a tendency to go by the average, so that land, good or bad, near or far, is contracted out to anyone arbitrarily, and is being cut up into small pieces. There are places where families get dozens of pieces of land, which makes it hard for cooperative members to achieve any degree of productivity in their work. In a number of places, fields are contracted out on a per-capita basis, on the basis of food rationing, or on the basis of the average number of workers in production groups and cooperatives, with the result that some families do not have enough workers to work the large plots they get, while families with many workers do not have enough land. Intensive cultivation could not be implemented evenly in all fields, and all other aspects of production and crop-raising by groups and cooperatives were adversely affected.

A number of production groups in Nam Bo have not collectivized yet, nor centralized management of land use, nor adopted a production orientation and formulated economic and technical goals and collective production plans. Many cooperatives in the high country of the north have not clearly collectivized--they have implemented a so-called system of product contracting with labor groups and laborers, but whoever has his house closest to a particular field works that field; collective fields are not yet assigned by contract to cooperative members. There are no real groups or cooperatives there, or the type of socialism of the group or cooperative is still very low, not yet in effect, or facilitating the implementation of neither the old nor the new system of contracting.

3. There is a lack of intensity in work division and unification and regulation of operations in the production process. Attention is not paid to consolidating units and teams to specialize in important operations that require complicated techniques at the common material and technical base.

Many new production groups and cooperatives do establish contract goals and arrange contracts with units, teams, and cooperative members, but do not consider it important to arrange for cooperative work division and to manage and regulate operations in the production process. In a number of places with erroneous perceptions, it was thought that the system of end-product contracting with the laborer meant that it was best to contract the work out, no matter what it was, to cooperative members, so the majority of work was contracted out to families of cooperative members, with some places contracting work out right from the initial operation of growing seedlings and working the ground to the final operations of harvesting and delivering produce, even going to the extent of dissolving specialized labor units and teams, which leads to "blank-check" contracting that is something like leasing land for rent and to narrowing and restricting work division and labor unification.

It was recently rather commonplace for cooperative cadres, after they formulated plans and contracted work out to units and teams, and for unit, team, and group cadres, after they formulated plans and contracted work out to cooperative members, to turn to work the contracted fields, indifferent to general management and regulation. Leadership was lax in its duty to promote and control work. The tasks of uncovering and handling problems that arise in the process of production and distribution, of adjusting contract targets at those times when it is needed, and of helping people out when they are having problems implementing contracts were not performed on time. Statistical and bookkeeping tables and ledgers for economic information and accounting were not filled out fully and regularly. This resulted in such shortcomings as disputes over buffaloes, disputes over water, bribing plow and pump operators, arbitrarily changing seed varieties, performing the crop-work cycle incorrectly, distributing insecticides among families of cooperative members to mix and use, holding out and not delivering enough produce to the collective, not properly storing and using elements of the material

base, not insuring that production regulations and technical standards are fulfilled, and not doing accounting that accurately reflects the effectiveness of production and business. Not only was production development slow at such cooperatives and groups, but the strengthening of production relations was also affected.

4. Insufficient attention is given to the use of the material and technical base that has been established, especially stables, drying yards, and storage sheds. Waste and damage are tolerated. According to Research Data 1-7, collected yearly in northern provinces, there were 16.8 percent fewer storage sheds in 1982 than there were in 1980, and there were 20.8 fewer drying sheds, 40 percent fewer centralized cattle and buffalo stables, and 36.3 fewer centralized pigsties. These drops were partly understandable because effective use was low, and they have to be rearranged and adjusted to better serve production and living, but it was wrong, after the new contracting management of these elements of the material base became lax, for their use not to be rationally planned and for damage and waste to be tolerated. In 1982, in just the cooperatives of Kien Xuong District, Thai Binh Province, fixed assets worth more than 600,000 dong were unused, an average of 15,000 dong per cooperative, but were not written off nor put to other use, and depreciation was still figured as 10.7 percent of the total yearly depreciation for fixed assets.

5. Income is not rationally distributed in many cooperatives. While obligations to the state increase and the collective budget makes more demands, cooperatives and groups still do not aggressively seek ways to increase investments in order to raise contract output goals. In a number of places, contracted output remained the same for many years, so the portion of income to be distributed for workdays of cooperatives tended to drop, when actually ways should have been found to make the main portion of income that part which goes to cooperative members for workdays put in for the collective and to increase that portion constantly. In many production groups and cooperatives, the principle of centralized distribution has not been implemented well in combination with accounting by sector. They do not ensure that satisfactory distribution reaches workers in the various sectors and in different jobs associated with the end product. Remuneration of management cadres is not closely tied to level of responsibility and results in directing production, so cadres in many places focused on working contracted fields and neglected general management. Collective funds are still used arbitrarily in many places; they are spent on things not associated with the production and business of the cooperative or group, and there are instances of corruption and exploitation, causing large deficits in capital and funds.

6. Many production groups and cooperatives do not yet have plans for expanding production and developing occupations to make better use of present land and money, and especially to use all surplus labor. They do not yet know how to do business jointly with marketing cooperatives and credit cooperatives in order to increase income and increase support

to production and life. They have not yet tied agricultural reform closely to industrial reform at the basic level.

The production of many production groups and cooperatives still concentrates mainly on the rice crop, and other crops, livestock and occupations are not developed or are developing only slowly, not in proportion to their real potential. Progressive production groups and cooperatives are units that produce and skillfully manage crop raising, livestock raising and occupations, have a large output volume and large total output value, have cooperative members with a high income and living standard and make large contributions to the state. Units that develop occupations have a particularly fast rate of growth in all aspects. But overall, the present situation is one of slow development or lack of development of livestock raising and occupations alongside generally moderate growth in crop raising (principally, rice), which leads to a drop in the ratio of income from all these sectors to the total income of the production group or cooperative. According to a study of 1,379 cooperatives, the ratio of income from collective livestock raising to total income of the cooperative was 11.6 percent in 1980 and had dropped to 9.32 percent in 1981-1982. The ratio of income from small and handicrafts industries to the total income of the cooperative was 11.9 percent in 1980, and dropped to 8.82 percent in 1981 and 7.57 percent in 1982.

The cause of the above failures and shortcomings is principally that production groups and cooperatives do not yet adhere to and grasp the aim of, principle of and orientation toward improved contracting, and they lack experience. On the other hand, it is because levels and sectors fail to provide control and close guidance to exploit advantages and overcome shortcomings in a timely fashion. At some times and in some places, people not yet truly in agreement with the new contract system posed obstacles to its implementation. If better implementation had taken place and shortcomings and mistakes that were made had been criticized more promptly over the recent past, the results and effects of product contracting would have been much greater.

In summary, it is clear that although there are still many shortcomings and mistakes, results and effects achieved are great and prove, mainly, that product contracting in production groups and cooperatives is very suited to the first stretch of road in the transition from small-scale production to large-scale socialist production in agriculture in our country. It gave agriculture a new driving force to increase production forces and develop production. It created new factors for strengthening and perfecting socialist production relations in agriculture and accelerated agricultural reform in the south. It created new conditions favorable to simultaneously carrying on the three revolutions in the countryside and contributed significantly to resolving present difficulties of the general economy. Therefore, the resolutions of the fifth and sixth plenums of the Central Executive Committee of the party stated:

"Continue to improve and perfect the system of management of agricultural cooperatives and the system of product contracting with labor groups and laborers." Resolution No 154 of the Council of Ministers and a series of communiques being issued and to be issued by the Ministry of Agriculture aim at implementing those requirements.

For the immediate future, on the basis of improving and raising the standards of production organization and the management of cooperatives and groups, the contents of product contracts with labor groups and laborers must be perfected in reference to crops, livestock and products from occupations. Efforts must be made to exploit results and effects obtained, surmount shortcomings and failures that have occurred, and better establish and implement the new management structure in production groups and cooperatives. At the same time, activity programs of levels and sectors must be improved, especially at the district level, to provide guidance and support to production groups and cooperatives. The plans of action and responsibilities of each level and sector must be linked with the implementation of plans for production, business and distribution of cooperatives and groups, keeping the general management system and the management system in each cooperative and group in agreement with each other and encouraging each other to initiate new actions to promote development of the agricultural economy on the basic level, at the district and province level and generally nationwide. We must consider this an important policy and an effective way of attempting to perfect and surpass goals of production and agricultural reform envisioned by the resolution of the Fifth National VCP Congress and the 5-year plan of 1981-1985.

Received 1 September 1984.

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CSO: 4209/286

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