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21 March 1985

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AUSTRALIA

MILITARY, ECONOMIC BENEFITS OF LOCAL SUBMARINE CONSTRUCTION

Melbourne THE AGE in English 17 Jan 85 p 11

[Article by Kenneth Davidson, economics editor: "Navy Determined To Build Submarines in Australia"]

[Text]

THE Falklands War has had a fundamental impact on Australia's defence structure and strategic thinking. First, the British need for the Invincible aircraft carrier as part of the expeditionary force allowed defence planners in Australia to think through the implications, for the 1980s and beyond, of building the Australian Navy around an aircraft carrier. Second, the war showed the deterrent ability of submarines against major invasionary threats.

Briefly, if Australia had bought the UK carrier in accordance with the dreams of some of Australia's ageing admirals to maintain a "blue water" navy, most of Australia's subsequent maritime equipment purchases would have been directed to the difficult, some would say impossible, task of defending the carrier rather than to the maritime defence of Australia.

An essential element in an expeditionary force is an attack aircraft carrier but — and this is relevant in considering the ability of Australia to defend itself against an invasion force — such an expeditionary force is highly vulnerable to even a comparatively weak defence built around submarines.

In the Falklands War, the British, in sinking the General Belgrano (by conventionally armed submarine), were able to force the Argentine surface fleet to remain in port for the duration.

Even so, the expeditionary force had to devote 30 per cent of its resources to anti-submarine warfare (ASW) defence of the fleet. And this disproportionate expenditure of naval resources was against one small conventionally powered submarine.

Even this expenditure of re-

sources failed in the technical sense. The Argentine submarine managed two three-week patrols, managed to get in a killing position against the British fleet, and fired all its torpedoes.

Unfortunately for the Argentines and fortunately for the British expeditionary fleet, the Argentines literally got their torpedo wires crossed, the torpedo control systems failed and the torpedoes failed to hit their targets.

The Argentines are now adding six modern conventional submarines to their fleet. The first arrived last month from the German designer and builder, Thyssen. The second is in an advanced stage of construction and the remaining four will be built in a Thyssen-design construction facility in Argentina.

Thyssen is one of the six contenders for the Australian submarine construction project.

They will be narrowed down to two, or possibly three, contenders in August.

The Argentine war underlines what has been accepted by defence planners around the world for a long time, that the submarine is possibly the most cost-effective deterrent available in maritime warfare, especially for countries with Australia's geographic and strategic position.

This effectiveness is reflected in the fact that the number of conventional submarines operated by navies around the world has increased three-fold, while the numbers of surface ships (battleships, aircraft carriers, cruisers, destroyers and frigates) have all declined.

In the war in the Pacific, US submarines destroyed 55 per cent of the Japanese naval and merchant fleet, even though the US submarines were only 2 per cent of US naval resources.

In the Atlantic, 100 German U-boats tied down 5500 major vessels and 20,000 minor vessels in ASW.

Changes in technology since then, or in the foreseeable future, will not change the balance in favor of surface vessels. In fact, overall, the technology of warfare has moved heavily in favor of defence against offence, which means that Australia is easier to defend, given a sensible force structure, than it was in 1942.

That was when the Japanese navy decided against a direct invasion of Australia on the ground that it would require an expeditionary force capable of transporting 12 divisions, one more than it needed for its conquest of its Asian empire.

But submarines are not only effective against high-level threats of invasion. Submarines can be useful against low-level threats in that they can act covertly, in surveillance and reconnaissance, launching underwater saboteurs, land agents and raiding parties, and can lay mines in harbors and straits.

Australia now has six Oberon submarines which, in spite of their 1950s hull design, are still the most successful Australian weapons platform in joint exercises with other forces.

The Navy has just completed a submarine weapons update program so that the ageing hulls will contain the most advanced weapons system in the region, including the Harpoon missile which can be fired from underwater at targets 60 miles away. The Oberon will remain Australia's front line of maritime defence until the hulls begin to reach the end of their effective life from 1995.

So why is the Navy keen on a program involving final choice of the Oberon replacement by 1986?

Since the 1970s the strategic emphasis has shifted away from Australian forces operating as an integral part of an allied force structure and towards self-reliance.

Australia has to rely on overseas suppliers for 85 to 90 per cent of the necessary support of the Oberon. Defence planners want to reverse that ratio of overseas dependence for the replacement submarine.

The submarine replacement's deterrent value in the region will be enhanced if it is seen that it can be maintained from Australian resources.

According to the director of the new submarine construction project, Captain Graham White, "through-life support reliance cannot be achieved without a significant local build program. . . we will not achieve a satisfactory level of transfer of expertise, information and technology to meet the demands of local, through-life support unless there is a signifi-

cant local build program".

In 1983, when the philosophy was first put forward by Captain White, there was a degree of scepticism within the defence establishment and local industry, as well as from overseas submarine designers and builders, that Australian industry could play a major role in the construction program.

Thanks to the detailed discussions which have taken place between the six overseas tenderers and Australian companies in order to develop tenders which would meet the Navy requirement for substantial Australian involvement in construction, both the tenderers and Australian industry now consider local construction is possible with only a 10 to 20 per cent cost premium.

Originally it was thought that the first Australian submarine would be built overseas and the other five built here. Now it is felt that Australian industry is capable of building the lot in Australia, and some of the tenderers have indicated that they are prepared to go agree with a program along those lines.

The submarine construction program is a major industrial project for Australia, involving the expenditure of some \$1800 million to \$2000 million in today's dollars over about 15 years, and at least 60 per cent of that expenditure will stay in Australia.

The Navy is determined to get a truly cost-effective Australian industry package which adequately addresses the self-reliance issue rather than, as has happened in the recent past with other major defence purchases, an overseas buy with a little bit of offset work thrown in on the side.

It is envisaged that the submarine program will be built in Australia by a production consortium or joint venture involving the major Australian contractors to the project, plus the successful submarine designer/builder who would receive a financial return on the Australian build rather than licence fees or royalties.

The joint venture is the ideal vehicle to minimize production risks by locking the overseas designer/builder into the project while achieving the required technology transfer on an acceptable schedule and at minimum cost.

Australian industry understands the submarine construction project is not so much a ship-building exercise but a highly technical engineering exercise, calling for strict attention to scheduling and quality control, and that this has direct application to the construction of industrial plants, especially petrochemicals and offshore petroleum exploration and production.

The electronics and computer hardware and software which goes into the weapons systems involve skills which can be transferred to a wide range of industries.

While the submarine construction project will be of direct importance to a whole range

of industries and companies throughout Australia, the location of the joint venture will confer important economic benefits on the region chosen.

It is not surprising that every State Government has been lobbying quietly (or not so quietly, as in the case of the Bannock Government in South Australia) for its location in its State.

While the Navy would possibly favor the Cairns-based North Queensland Engineers and Agents because of their excellent record in building patrol boats, the choice will probably boil down to Newcastle, Geelong and Adelaide, because of their central location and general industrial and technological infrastructure.

One of the major backers of the Geelong site is the Sydney-based engineering project management company Dravo, on the basis of its judgement that Geelong is the best available site. The Corio quay site has a roll-on, roll-off container terminal and is the most central location for the construction project.

The group sponsoring the Geelong site, led by the Victorian

Chamber of Manufactures and the State Government, are hopeful, but they realise that the successful tenderer for the submarine will have a major say in the location of the project, and most of the discussions so far with the six tenderers has been shadow boxing.

They are not going to give information to State Governments relevant to location decisions when that information might be useful to their competitors for the project definition short-list, and when any expression of location preference would ensure the unremitting hostility of at least five State Governments.

Victoria and Geelong will have a better picture of their chances when the six tenderers are narrowed down to two or possibly three, and the Government allocates about \$10 million each for

project definition, which requires specific and detailed proposals for Australian submarine construction.

At present, apart from the six tenderers for the weapons platform, there are nine potential combat system suppliers, which means that the Navy and now the Defence Department have been evaluating 24 possible submarine configurations.

Which submarines are likely to make the project definition short list?

The Navy will favor the boat which it believes best meets its specification, the Rolls-Royce option.

Given these considerations I believe the three favorites for the submarine definition program are:

HOWALDTSWERKE—DEUTSCHE WERFT: from West Germany, based on the perceived quality and reliability of its design.

KOCKUMS AB: from Sweden, based on the integration of design and construction functions which allows the Swedish boat to be built with fewer manhours.

THYSSEN NORDDSEEWERKE: also from Germany, because of its low cost and because Thyssen is the largest and most diversified company of all the tenderers.

The French contender has concentrated on nuclear submarines in recent years, and the Dutch and British boats have apparently been ruled out on the grounds that their designs require labor-intensive production methods which would make their manufacture uneconomic in Australia.

Vickers, the UK contender, which builds and services the Oberon and initially believed it was favorite for the project, has lobbied both the Defence Department and the Government in recent months in effort to remain in contention. This lobbying may have been a factor in the Government's postponing a decision about the project definition short list for up to six months.

Because of the high stakes involved for everybody associated with the project, and the politics which inevitably flows, it could be that the race for the submarine project is still very open.

AUSTRALIA

EDITORIAL SUPPORTS BEAZLEY DEFENSE POLICIES, OUTLOOK

Sydney THE AUSTRALIAN in English 19-20 Jan 85 p 14

[Editorial: "Boosting Defence"]

[Text] The acceptance that Australia is defensible--and defensible from within its own resources--and the energetic and open approach taken by the new Minister for Defence, Mr Beazley, is deserving of support by every Australian, since in the final analysis defence concerns us all.

A Rhodes Scholar, and at 36 the youngest-ever Minister for Defence, Mr Beazley brings to the portfolio a valuable background of interest and involvement in defence matters and a fine record as minister for aviation.

More importantly, in his recent interview with The Australian's Defence Correspondent, Peter Young, he accepted that there was widespread public concern over the state of our defence forces. He also accepted that there was a case to answer in the findings of the Joint Parliamentary Committee on Foreign Affairs and Defence, the Cross Report, tabled last year, which condemned our present defence capability as being inadequate ever to meet a low-level threat.

Let us hope that he is right when he says that this legacy of neglect is resolvable over a 10 to 15-year time span. We agree with him, however, that nothing can be achieved without a clear understanding of our defence needs and the sort of strict and disciplined ordering of priorities that he promises.

Money, of course, remains the major problem. We would support the view that the average Australian expects a strong and efficient defence force but is reluctant to pay for it when there is no clearly defined threat.

But this reluctance to pay the full cost of defence, and the budgetary constraints that undoubtedly lie ahead, is no excuse for the sort of inefficiency that has led us to the point where we can field no more than a single brigade for a limited period and where equipment procurement has become what the Cross report describes as little more than a system of bargain and compromise.

Defence is an issue which affects us all, and the Government must accept it as a prime responsibility whatever the cost--as long as we are getting value for the money spent.

It is refreshing to see that Mr Beazley accepts this as a priority, has already called for a capability review study to be prepared and intends to seek advice from the Services on their more pressing problems as a result of cutbacks and economies.

It is welcome news, too, that he intends to take a searching look at relations between the military and the defence bureaucracy, and that while keeping an open mind on obtaining the best value for the defence dollar he favours the development of the local defence industry.

For too long defence has been neglected in the national political debate, but Mr Beazley's encouraging beginning suggests he might rectify that situation.

CSO: 4200/600

AUSTRALIA

COMMENTARY ON HIGH COST OF ANZUS INSTABILITY

Sydney THE AUSTRALIAN in English 19-20 Jan 85 p 21

[Text]

THREATS by the Minister for Foreign Affairs, Mr Hayden, to vital parts of the ANZUS alliance could force Australia to boost defence spending several-fold to build credible security. Tax rises would be harsh.

Australia, clearly, has been enjoying freedom throughout the atomic age without paying the full price. We have been freeloading on our United States benefactors since the end of World War II through ANZUS.

If Mr Hayden persists in alienating Washington, particularly its military caste, we could find ourselves in uncertain times without reasonable surety of protection under the might of American armour.

Baiting the US could lead to the end of ANZUS and usher in an era of huge defence taxation. New Zealand is doing its level best to wreck ANZUS and it may not take too much contrary behaviour by us to previously strain American confidence in Canberra. Washington can live without us.

Australia's foreign policy has not been quite as fey as the ramblings of New Zealand's Prime Minister, Mr Lange. He seems to be wooing political illiterates who imagine the Russians will disarm or leave New Zealand alone if he denies haven to US nuclear ships.

Yet, Washington also must have some doubts and forebodings about our constancy and loyalty to the alliance. Nuclear weapons are now, have long been, and will remain an integral part of US defence. Pine Gaps and so on are needed to maintain the balance of terror.

Mr Hawke already has had to rush to Washington to allay US doubts raised by Mr Hayden's cross-grained views on America's presence in Australia. The fact that Mr Hawke felt constrained to paper over the cracks speaks volumes about his concern over Mr Hayden's sniping at the alliance.

Mr Hayden's litany of reservations on

Pine Gap, North West Cape and landing and berthing rights for US planes and warships must debilitate our contribution to the alliance.

It may simply come back to a vendetta between these two leaders in the rough and tumble of domestic power politics. Yet the danger to the US alliance is not diminished even if Mr Hayden's views are based on populist foreign policy stances to secure his position at home.

The antics across the Tasman have annoyed the Americans no end; the New Zealanders will be put to the test when naval vessels from operation Sea Eagle disperse in March. The Americans plan to seek permission to send a vessel with obvious, but undefined, nuclear capacity to the Shaky Isles. Put up or shut up.

Nobody seems to know what an adequate defence of Continental Australia would cost, but well-versed military men tell me it would take at least 10 years to turn our defence force around. This could cost multiples of our present \$5820 million annual defence bill.

The defence bill absorbs about 9 per cent of the federal budget or 3.3 per cent of gross domestic product (GDP). If the defence bill doubled and the deficit were to be funded from tax, we could look to punitive personal income tax. How does that grab you?

Canberra plans to levy a net \$30,388 million in personal income tax in 1984-85. To add \$6000 million to defence and fund the estimated budget deficit of \$7000 million would lift income tax by about 40 per cent. Even this would probably be insufficient.

If we had to defend ourselves, we would probably not find \$12,000 million a year stretching far. Three times our present defence bill may barely provide a credible defence to our vast continent. That is what military people suggest.

We would probably need several carriers operating in the Indian Ocean, the Pacific Ocean and to the north. They would all need adequate carrier-based fighter screens, escorts and anti-

submarine helicopters, supply vessels and a considerably enlarged submarine pack, including nuclear boats.

Putting the carrier fleet in place with fighters would cost about \$15,000 million up front and at least \$3000 million a year in operating and depreciation costs. That is before we get our submarines, frigates and supply ships. Estimates suggest this would annually absorb our entire present defence outlay.

One assumes we would need offensive bombers, perhaps updated F111s, many new squadrons of sophisticated fighters, transports, tankers, helicopters and an aerial armada of training planes. One batch of 75 F18 fighters already has set us back about \$4000 million and air force experts say we would need hundreds of these fighters. This, too, would eat up more than our present total budget.

The army is so run down most of the lads have forgotten how to shoot from lack of practice. We have barely 100 modern tanks and our landing assault fleet is too skinny to make a dent on a realistic training exercise. This, too, would absorb our present total budget.

Then there was the gratuitous insult offered our long-time ally, the British, who were told to limp home after the former Minister for Defence, Mr Scholes, refused docking facilities for HMS Invincible. Do we really want to go it alone?

It should be obvious to everyone that we could do a better defence and generally economic effort with twice our population. Yet this government has virtually proscribed European immigration in favour of unfettered Asian inflow.

This is a pre-condition for cutting all immigration out when ordinary Australians wake up to the threat posed by destroying our former relative homogeneity. The cost of today's ethnic imbalance may be an end to large-scale immigration.

In the debate on defence it is important to note that 30 million people could probably mount a defence effort as big as the above numbers. We have a natural growth of about 1 per cent a year and with immigration of 2.5 per cent we would hit 30 million in less than 20 years. The unpopular ethnic mix of today's immigration policy will deny this opportunity.

These are among the factors which go unsung in much analysis of our security; they are excluded from the narrow perspectives of many leftist views on foreign affairs, immigration and defence.

It is all very well for ALP leaders to harp on the dangers of nuclear war. But there is also enough chemicals, nerve gas and conventional war capacity to put us all back in the caves. The bomb has been central to 40 years of peace. We simply cannot turn the clock back to an age of nuclear innocence.

AUSTRALIA

QUEENSLAND OFFICIAL: NEW CALEDONIA MAY BECOME OUR CUBA

Sydney THE AUSTRALIAN in English 17 Jan 85 p 3

[Article by Pamela Sweetapple]

[Text] The Queensland Government is concerned that unrest in New Caledonia could have grave consequences for Queensland, the Minister for Ethnic Affairs, Mr Muntz, said yesterday.

"New Caledonia is virtually on our doorstep. If the Libyan-backed communists take over, Australia could be in a similar position to the United States with communist Cuba so close," Mr Muntz said.

"The United States is facing a massive influx of illegal immigrants from the Central American troublespots.

"The South Pacific has the potential to give Australia--and Queensland in particular--a similar problem.

"In fact, the problem here could be much worse because of our long coastline and the Federal Labour Government's inadequate commitment to coastal surveillance."

The developments in New Caledonia were frightening.

If the Kanaks, with Libyan backing, gained independence from France, the face of politics in the region would change.

"Australians must be made aware of the gravity of the crisis," Mr Muntz said. "The Federal Government certainly isn't.

"In 200 years of history, Australia has never been faced with a hostile neighbouring country.

"New Caledonia is only two hours' flying time from Brisbane, less from North Queensland."

CSO: 4200/600

AUSTRALIA

JAPAN WARNS CANBERRA TO STABILIZE EXPORTS

Sydney THE AUSTRALIAN in English 17 Jan 85 p 1

[Article by Alan Goodall]

[Text] The Prime Minister of Japan, Mr Nakasone, yesterday issued his strongest warning yet on strike-affected Australian exports.

Speaking to a capacity audience at the National Press Club in Canberra, he said Japan would make up import shortfalls elsewhere if Australia could not guarantee deliveries.

The Japanese leader also refused to confirm an assurance the Australian Prime Minister, Mr Hawke, believes Mr Nakasone gave him that Australia would maintain its share of the market for coal and other commodity exports, including beef.

He hinted other countries in debt to Japan, including China, wanted to supply natural resources and might get new coal and gas contracts.

Mr Nakasone's warning, the strongest so far given on his three-day State visit, is a direct challenge to Australia's \$7 billion-a-year Japan trade.

The Japanese Prime Minister's comments were an open rebuttal to demands yesterday by Mr Hawke and senior Cabinet ministers for an assured slice of Japan's market.

During his visit, which ends in Melbourne tomorrow, Mr Nakasone has made it clear that if the NSW train drivers' strike holds up coal supplies to Japanese steel mills the Nakasone Government will look to the United States, Canada and South Africa for supplies.

The switch could cost Australia its lion's share, the \$2 billion coal market, and started an international slide in the coal trade.

Mr Nakasone made it clear he is in mood to put up with Australian strikes which threaten to cut raw materials to Japan's factories.

His reaction was in stark contrast to the "friendly, fruitful discussions" he, Foreign Minister, Mr Abe, and the International Trade Minister, Mr Murata, held earlier with Mr Hawke, the Minister for Foreign Affairs, Mr Hayden, and other senior Cabinet ministers.

The Japanese leader emphasised the Hawke-Nakasone agreements in his written speech. But later questions by reporters on apparent misunderstandings over the Hawke-Nakasone trade share agreement quickly soured the mood.

The Hawke-Nakasone summit ended in Canberra on a confused note when both sides left convinced they had won the controversial market share dispute.

Hawke Government advisers had stressed after Tuesday's meeting that Japan had agreed to hold Australia's share in markets for coal, iron ore, alumina products and beef.

But Mr Nakasone yesterday refused to endorse that interpretation and added his veiled threats of retaliation over Australian strikes.

He promised not to "sacrifice" Australia to third-country pressure--without naming the United States--but warned that Australia would hold its place only if it stayed competitive in price and stable in supply.

The reference was obviously directed at last month's Hunter Valley rail strike, which delayed 28 coal ships outside Newcastle, and to the new strike looming over the same demarcation dispute that again threatens fuel supplies for Japan's giant steel industry.

"There are strikes in Australia and at times shortfalls in supply," he said through an interpreter.

"We shall have to import whatever shortfall there is from other countries to maintain our industrial activity.

"Under private contracts, stability of supply and competitiveness are very important.

"Japan has made efforts to that the ratio of Australian coal will not decline."

Mr Nakasone named China as one of the many alternative countries offering Japan coal and gas. He said countries in trade deficit with Japan were trying to sell energy resources.

Australia, by contrast, had a \$2 billion trade advantage with Japan.

Rebutting charges of partnership infidelity, he said: "We have been making efforts to live up to our word. Australia will not be sacrificed to other countries."

But he added: "We should not let the basis of our relations be undermined. Competitiveness and stable supply are important."

Mr Nakasone admitted Japan also had industrial problems, "but it is our intention to overcome such problems and proceed with stable expansion of our trade."

In his prepared speech, Mr Nakasone said Australia's supply position would not decline so long as minerals and farm products held their competitiveness and supply stability was assured.

"We can discuss problems with the frankness of two reliable partners and find solutions on the basis of mutual trust," he said.

"The combination of mateship nurtured among Australians and the harmony that is the historical inheritance of the Japanese are combined with a partnership of great promise."

On nuclear non-proliferation, Mr Nakasone supported Mr Hawke's approach to disarmament and promised to try to increase the number of treaty country members.

On a South Pacific nuclear-free zone, he said Japan would not interfere with Australian efforts.

On dumping of low-level nuclear wastes into the Pacific Ocean: "We have no intention of carrying out disposal in disregard of concern expressed by regional communities."

The Japanese group of 55 politicians and advisers and 60 reporters and cameramen then flew to Sydney to meet with NSW Premier, Mr Wran.

Mr Nakasone last night met members of Sydney's Japanese community and held private talks with Mr Wran on rail strike delays to coal shipments before attending a State dinner.

He will meet the Victorian Premier, Mr Cain, today after inspecting a Japan-funded coal liquefaction plant on the La Trobe Valley coalfields, which are expected to provide alternative supplies to NSW and Queensland coal.

He will fly to New Zealand tomorrow where he is expected to discuss with the New Zealand Prime Minister, Mr Lange, the differences which have arisen between the United States and New Zealand on visits by nuclear-armed and nuclear-powered warships to New Zealand ports.

Mr Nakasone met the US President, Mr Reagan, in Los Angeles earlier this month but is not expected to enter into the dispute.

A Japanese spokesman said yesterday that Japan believed New Zealand's policy on ship visits was an issue between New Zealand and the United States.

CSO: 4200/600

AUSTRALIA

MEAT EXPORTS PLUNGE TO 20-YEAR LOW

Sydney THE AUSTRALIAN in English 18 Jan 85 p 6

[Article by Nigel Austin]

[Text]

AUSTRALIA fell further from its traditional position as the world's leading mutton exporter last year when exports crashed by nearly 40 per cent to a meagre 59,060 tonnes.

Poor sheepmeat exports led a general plunge in overseas sales of meat to the lowest level for nearly 20 years.

The alarming drop in meat exports, caused by poor world markets and a lack of livestock for slaughter, is expected to be reversed this year, but the outlook remains far from bright.

Although mutton exports declined the most, the beef industry suffered the largest tonnage drop with a 20 per cent decline to only 385,992 tonnes — the lowest level since 1970.

Lamb exports suffered a similar fate, with a 10 per cent drop to 28,724 tonnes, according to Australian Meat and Livestock Corporation figures.

The overall fall in meat exports to 513,593 tonnes brought the total export level tumbling by 17 per cent.

This year is looming as another troubled period for Australia's sheep and cattle producers with uncertain markets for all meat and low prices for mutton and lamb.

Mutton is facing the most severe crisis with the erosion of markets by New Zealand and the EEC, pointing to a possible price drop of as much as 40 per cent, the secretary of the Sheepmeat Council of Australia, Mr Richard Moxham, said yesterday.

Mr Moxham said the council was concerned about the outlook for mutton in 1985. After steady flock rebuilding to about 140 million sheep last year, woolgrowers would need to sell off a large number of old ewes this year.

The relatively high sheep population, a levelling in flock rebuilding and dry pastoral conditions would exacerbate the problem.

Australia's share of its main mutton market in Japan has dwindled with exports down to a low of 20,823 tonnes last year compared with 34,300 tonnes in 1983 and levels of about 80,000 tonnes in the 1970s.

Mr Moxham said New Zealand competition was the underlying cause for the drop in sheepmeat exports in 1984, but exports to Japan had also fallen significantly because of European pork imports.

Definite

However, Japan is the only bright spot on the horizon for the lamb industry. Exports increased to 5442 tonnes in 1984 and the likelihood of further increases is strong.

Mr Moxham said that, provided Australia could remain competitive with New Zealand, it was a definite growth market for specialised chilled and feedlot lambs.

The Soviet Union, a large market for Australian mutton and lamb in the past, was notably absent from the Australian red-meat market in 1984 because of large sales from New Zealand in late 1983, he said.

The outlook for the beef industry is more optimistic, with a strong likelihood of considerably larger markets this year.

The executive director of the Cattle Council of Australia, Mr Bob Coombs, said yesterday larger markets would be available for Australian beef in Japan, Canada and the United States.

Mr Coombs said Australia's beef exports had slumped in 1984 because of the high level of herd rebuilding which was a necessary prerequisite for higher production in the rest of the decade.

Export markets most affected were the US, which took only 225,000 tonnes, South Korea with 10,682 tonnes, the Middle East and Britain.

Australia's main concern this year was to service its existing markets and keep the EEC out of the Pacific Basin, he said.

Exports to Canada could increase from 10,869 tonnes to 25,000 tonnes this year, while Taiwan would maintain its level of buying.

South Korea was the wild card for the beef industry this year, but Mr Coombs expected exports to rise above the low 1984 level.

Price prospects for the beef industry generally appear sound, with the Bureau of Agricultural Economics forecasting a 10 per cent increase this year.

Buffalo meat exports fell to a disappointing 1318 tonnes in 1984 after reaching more than 2000 tonnes the previous year.

Meat exports: by destination

Destinations	Tonnes shipped weight 1984		
	Beef & Veal	Mutton	Lamb
UK	2623	956	1331
Other EEC	196	6936	1176
Other Europe	327	130	819
USSR	—	—	—
US E/coast	169,372	375	461
US W/coast	56,160	16	726
Canada E/coast	10,074	130	110
Canada W/coast	795	148	142
Japan	91,383	20,823	5442
Korea	10,682	638	8
Other Asia	30,090	9839	541
Middle East	3165	15,826	14,642
Other destinations	11,123	3244	3325
Total	385,992	59,060	28,724

CSO: 4200/600

AUSTRALIA

WHEAT INDUSTRY CONCERN OVER RISING CARRYOVER COSTS

Windsor THE LAND in English 17 Jan 85 p 3

[Article by Don Jones]

[Text]

Mounting concern over the cost of the 1984 wheat carry-over erupted this week culminating in a call for the resignation of the NSW Grain Handling Authority managing director, Mr Geoff Dobbin.

Wheat industry leaders also called on the NSW Government to accept responsibility for the failure of the GHA to reduce the carryover.

The inability of the GHA to ship at least two million tonnes of the 3.2 million tonne carryover has been estimated to cost wheatgrowers as much as \$100 million.

Market prices have fallen in the past six months cutting \$20 a tonne off farmers' returns. As well, holding costs including interest have been put at \$25 a tonne lifting the total to \$45 a tonne.

Chairman of the LGPA wheat committee, Mr Cliff Rees, said the GHA could have shipped one million tonnes out through Geelong in Victoria last year and refused a similar offer to ship one million tonnes through South Australia.

Australian Wheat Board member, Mr Milton Taylor believed up to two million tonnes of NSW grain could have been shipped out through Victoria alone.

The call for Mr Dobbin's resignation this week came from deputy leader

of the NSW National Party, Mr Ian Armstrong.

He said that the GHA should have got the wheat out through Newcastle and Sydney in late autumn last year instead of being involved in industrial action at the time.

Then there were two overseas orders that could have taken more wheat, he said.

Mr Armstrong said: "The third shift was due to start in August but didn't get going until late September. They had to get 70 odd staff but it should not have been hard to get these with so many unemployed."

"The industrial action at Newcastle and Sydney has been totally unacceptable."

"It may be an inherited problem for the NSW Grain Elevators Board, but the GHA under the present managing director has had more than ample time to rectify the problems at Newcastle and Sydney."

"The responsibility is quite clear. It lies with Agriculture Minister, Mr Hallam who in turn delegates the responsibility to the GHA chairman."

AWB member, Mr Taylor, Henty, said the State Labor Government had taken over the NSW Grain Handling Authority and they had to accept the responsibility for the situation.

"If it was right five years ago for the Government to lay the blame at the feet of the former Grain Elevators Board then it is equally right to lay the blame at the feet of the existing GHA and the State Government."

He maintained that despite protests to the contrary the GHA was under the direction of Agriculture Minister, Mr Hallam.

"The NSW State Government has a definite responsibility to ensure the problem of the Hunter Valley train drivers is dealt with quickly."

"Now that three shifts have been introduced at the terminals, it is even more essential that the State Rail Authority maintains a flow of grain sufficient to warrant the working of three shifts."

Mr Taylor congratulated the GHA on getting a second and then a third shift working at the export terminals. But said this

was to no avail without the SRA raling in sufficient grain.

Mr Taylor doubted that the resignation of Mr Dobbin would solve the problem. It was bigger than one man's performance.

The LGPA wheat committee chairman, Mr Cliff Rees said, "If the terminal operators, the train drivers and others won't handle our grain then we have to look at taking it interstate."

"It's about time the union blokes woke up that the world is passing them by. If the strikes continue NSW will not be a decent place to live for anyone."

"Overseas customers are calling for wheat from Australia but they don't want it out of NSW ports."

"The wheat industry is being penalised to the point that it won't be a profitable industry."

Mr Rees said LGPA would not be satisfied with a 1.2 million tonnes carryover. If sales were available, the carryover should be back to bedrock of about 500,000 tonnes. If a harvest was visible in the fields in September, the grain silos should be emptied before the new crop came in, he said.

CSO: 4200/600

AUSTRALIA

AGRICULTURE EDITORIAL URGES LARGER 1985 PRICE RISES

Windsor THE LAND in English 3 Jan 85 p 6

[Editorial: "Farmers Need Larger 1985 Price Rises"]

[Text]

Primary producers can take some comfort in the Bureau of Agricultural Economics forecast that the rise in the index of farm costs will be six per cent in 1984-85, a substantial drop on the rise of 8.1pc in 1983-84 and 10.8pc in 1982-83.

But it still does little to help the cost price squeeze in the grain industry where huge surpluses worldwide are expected to mean wheat prices will ease two to five pc and coarse grain prices 10pc in 1985.

The BAE farm cost index rise of six pc indicates that real returns for grain farmers will drop eight to 17pc in the year ahead.

Fortunately, prospects appear better for wool up five pc, beef up nine pc and sugar up five pc. In these industries, the higher costs could be covered by the rise in prices.

But for mutton the outlook appears disastrous with prices tipped to fall 19pc while dairy returns are expected to drop five pc. In real terms the falls will be closer to 25pc and 11pc.

It should not be forgotten that at best, the BAE forecasts can be described as a guide for what might happen in the year ahead. Occasionally these forecasts prove wide of the mark.

The major wheat exporting nations have large

carryover stocks including 7.2 million tonnes carryover in Australia. The BAE forecast of a slight dip in wheat prices would appear optimistic but for the support programs in the US.

But prices could quickly turn upwards if a drought occurs in a major importing country such as Russia or China or by a major producing nation such as the US.

Others in the community should remember that while they can claim and obtain regular wage increases, the farming industry usually must take a cut in net income to pay for the higher costs.

Primary producers have done an amazing job in lifting productivity 200pc in the past 30 years, but most of the benefit appears to have been passed onto consumers or to have been absorbed in higher production costs.

Too rarely do world prices jump to give farmers the return they really deserve for the investment in their properties.

For the wool industry it occurred in 1951 with the Korean War and for the wheat industry, it occurred in the early 1970s when the world became short of wheat.

But for 1985 it appears that farmers once again will have to put their shoulders to the wheel and produce above average yields and hope for above average seasonal conditions if they are to have a prosperous year.

CSO: 4200/600

INDONESIA

NATIONAL UNITY OBJECTIVE OF WAR IN EAST TIMOR

Bissau NO PINTCHA in Portuguese 16 Jan 85 pp 4, 5

[Report on interview with FRETILIN leader Roque Rodrigues regarding FRETILIN's peace efforts and objectives in East Timor, by NO PINTCHA; date and place not given]

[Text] The principal objective of FRETILIN [Revolutionary Front for Independent East Timor] is now the attainment of national unity, conceived, analyzed and carefully thought out by its leadership as a strategic question in the war for national liberation.

The struggle in East Timor is becoming increasingly difficult, according to Comrade Roque Rodrigues, inasmuch as Indonesia has sent an immense armed contingent to that area well supported by both the navy and the air force and intent upon destroying FRETILIN's Political Directorate. "They thought that, in eliminating FRETILIN, they could put an end to the revolutionary armed conflict for national liberation."

After the failure of those two operations, designated as "Unidade" ["Unity"] and "Vassourada" ["Housecleaning"], the enemy concluded that it was not possible to destroy FRETILIN through military action. He is therefore reverting to action of a psychological nature and reviving the policy of "capturing hearts and minds."

"According to the latest information received by our country's leadership, no cadre of medium or superior rank in FRETILIN has been killed within our territory."

Meanwhile, in view of the operations and attacks by the air force and navy, FRETILIN is being forced to reduce the extent of the areas it has liberated and the size of the military units it has deployed.

After a number of battles in which the FALENTIL forces attacked at various parts of the territory, from the easternmost part to the border area, from the southern sea to the northern sea, Indonesia's land forces were placed on the defensive.

Faced with this situation, the enemy is now using air strikes. He is pounding and lashing FRETILIN's positions from sunrise to sunset, using all weapons, including napalm, and this had led to a "tragie situation with respect to food production."

In areas occupied by Indonesia there is mass arrest of all individuals suspected of supporting FRETILIN; this is being accompanied by torture and the annihilation of a number of rank and file organizations. Lately, more specifically since April 1984, some of these organizations have managed to recover from the harsh blow the enemy had dealt to clandestine resistance.

Psychological Action

Within the framework of Indonesia's policy of captivating "hearts and minds," Gen Oani Mourdani, the country's number two man, recently led a delegation of widows of Indonesian soldiers killed in East Timor on a memorial excursion to cemeteries containing the victims' mortal remains.

The general also spent last Christmas with his troops in East Timor to improve their morale. On the same occasion, he gave a speech in a hospital where wounded Indonesian soldiers are being treated. "In our opinion," Roque Rodrigues said, "this is definitely action of a psychological nature."

According to the FRETILIN leader, this is the sixth appeal made by the commander in chief of the Indonesian Armed Forces to the guerrillas to surrender--"clear evidence that the conflict is continuing in my country."

Moreover, Indonesia is making an effort to recruit Timorese for the war effort with the objective of pitting Timorese against Timorese. Here again we have the question of national unity.

In the meantime, the war in East Timor is having repercussions in Indonesia itself. For example, the hierarchy of the Catholic Church is dissociating itself from the plan of annexation and colonial expansion envisioned by the regime with regard to East Timor.

The Indonesian Church now declares itself in favor of the Mauber people's right to self-determination and independence and recognizes FRETILIN as legitimate and valid spokesman, that is, as a liberation movement. The attitude "has caused a break within the assemblage of social groups who supported the colonial expansionist plan of the Suharto regime."

Curiously, certain editorials of major Indonesian newspapers are beginning to stress the opinion that a guerrilla war, such as that occurring in East Timor, cannot be resolved by military means. The question must be resolved by political means. "We think," our interviewee asserted, "that the extent of our combat, the ardor of our liberating struggle, is a triumph within Indonesian society and, more specifically, within the political power segment itself."

To give a better understanding of the present status of the conflict in East Timor, Comrade Roque Rodrigues chose to backtrack a little in time. He began as follows: "FRETILIN's first national conference was held in East Timor in 1981, and this evolved into a genuine congress. Present at that meeting were the only two surviving members of the Central Committee in the country and, with them, 59 cadres of medium rank who had survived the extensive campaigns of encirclement and annihilation waged by the Indonesian occupation army and its air force.

"The national conference established three objectives: the reorganization and subsequent election of FRETILIN's Central Committee, the reorganization of the armed forces and their direct subordination to FRETILIN's Policy Directorate and the reorganization of the country itself, which implied, first and foremost, extending the armed conflict to the entire national territory."

Expanded Liberating Fire

"In September of the same year Indonesia launched a major offensive which it termed 'decisive.' They thought that it would be possible to destroy the political armed resistance spearheaded by FRETILIN. This operation failed in its principal objectives, although four members of the struggle's strategic directorate had fallen in the conflict.

"The Falentils, imbued with new spirit, united by common thought and language, had succeeded in expanding 'the liberating fire of our arms' to nearly the entire national territory.

"In 1982, the year of the strategic counteroffensive, there was not a single part of the Mauber territory "which had not been beaten or felt the heat produced by our weapons, including Dili, the capital of my occupied country.

"In view of the progress made by our forces, the question of national unity came up. On the agenda of all important meetings, whether at the level of FRETILIN's Political Directorate or at that of the state's highest government body--the Revolutionary Council for National Resistance--is the subject of national unity depicted as the fundamental factor of our war.

"In 1983, given the advances made by East Timor's armed forces, the extension of the conflict and the increased number of liberated areas under the control of FRETILIN's political organization, the enemy requested preliminary talks. In this connection, the Mauber people's vanguard party demanded that any talks must be held in liberated areas.

"In the dialogue which took place in the central military region, Comrade Xanana Gusmao presented a peace plan on behalf of FRETILIN's Political Directorate and the Revolutionary Council for National Resistance, and this was sent to the secretary general of the United Nations."

The dialogue between FRETILIN and Indonesia resulted in a cease-fire agreement which, according to Roque Rodrigues, ended up being very unstable, with the peace resulting therefrom being very weak.

"About 5 months after the cease-fire became effective, along with the precarious peace which prevailed in the country, the warmongering faction in the Indonesian regime decided to break the agreement it had signed with the FRETILIN delegation, and hostilities were resumed," our interviewee concluded.

8568

CSO: 3442/170

21 March 1985

INDONESIA

MP CALLS FOR INTENSIFICATION OF ASEAN ECONOMIC COOPERATION

Jakarta ANTARA NEWS BULLETIN 17 Feb 85 p A2

[Text] Jakarta, 17 Feb (ANTARA)--The Vice Chairman of the House Commission I (Foreign Affairs) Soebekti has said that economic cooperation among ASEAN member countries should be more intensified.

Commenting on the recent statement of former Thai Minister of Economic Affairs Boonchu Rojanastian Soebekti (Democratic Party) told ANTARA here Saturday that the ASEAN member countries should intensify their economic cooperation in order to gain more progress in integrating their policies on economic affairs.

Boonchu Rojanastian said during his meeting with Thai businessmen in Bangkok last Tuesday that ASEAN had only gained little progress in their effort to integrate their economic policies than that of political affairs.

But, Soebekti said, there was a problem that should be settled. The problem was that the ASEAN member countries had similar commodities in general, he added.

"Therefore, I hope that the ASEAN member countries should launch a joint effort in the field of industry, such as the ASEAN fertilizer industry," he continued.

According to Soebekti ASEAN had actually achieved some progress in economic cooperation, such as a cooperation agreement between ASEAN and the European Economic Community (EEC). But, he went on, further progress for the economic cooperation would be fully depending on the current international economic situation, and results of the North-South dialogue, as well as development for the realization of the new international economic order.

On the occasion Soebekti also pointed to the weakness of the joint marketing of ASEAN commodities under the ASEAN economic cooperation scheme, but he didn't elaborate. While Boonchu Rojanastien firmly stated that the joint marketing of the ASEAN commodities should make the ASEAN peoples increase their income and improve their standard of life.

CSO: 4200/589

INDONESIA

FRETILIN FLEXIBILITY ON EAST TIMOR PROBLEM

Lisbon DIARIO DE NOTICIAS in Portuguese 23 Jan 85 p 4

[Text] "In a meeting held yesterday with the contingent committee established for the purpose of keeping abreast of the situation in East Timor, FRETILIN [Revolutionary Front for Independent East Timor] declared itself one of the representatives of the Timorese people and not the only representative," revealed Rudolfo Crespo, chairman of the committee in question. The socialist representative also said that, during the meeting, held at FRETILIN's request, there was an exchange of information, principally with regard to the work carried out by the committee and the positions and activities of FRETILIN.

Rudolfo Crespo pointed out that, with this meeting, the contingent committee for keeping abreast of the situation in East Timor concluded the series of meetings which were scheduled with organizations involved in the question of the Mauber people.

He also said that an internal report is almost completed--restricted to the members of the committee--which will serve as a basis for future participation by Portuguese representatives in international organizations.

Moreover, he said that he considered it "a victory of Portuguese diplomacy" that Indonesia has agreed to negotiate with Portugal, since, in this manner, "it recognizes Portugal as an administrative power."

Violations

Until a few months ago, FRETILIN claimed the right to represent all the people of East Timor and, in the future, to hold power; but since the end of November it has acknowledged the possibility of the establishment of a multipartisan parliament in which various political forces would be represented.

FRETILIN has negotiated with the Timorese Democratic Union (UDT) as well as with independent entities to come up with a broad resistance platform inasmuch as the forced annexation of the territory by Indonesia is being contested by almost the entire East Timorese population.

As recently as December, the Portuguese contingent of Amnesty International denounced the violation of human rights in East Timor by the Indonesian Armed Forces.

Among the violations cited, it stressed the disappearance and summary execution of civilians and the torture of individuals held in custody by the Indonesian military, the number of such individuals in East Timor amounting to tens of thousands.

8568

CSO: 3542/114

INDONESIA

TRADE BALANCE WITH BELGIUM IN LAST 5 YEARS

Jakarta ANTARA NEWS BULLETIN 15 Feb 85 p A4

[Text] Jakarta, 15 Feb (ANTARA)--The trade balance between Indonesia and Belgium during the last 5 years has always been favourable for Belgium which among other things is due to Indonesia's substantial capital good imports from that country.

Data, obtained by ANTARA from the public relations officer of the Ministry of Trade Friday, showed that value of Indonesian exports to Belgium in 1979 recorded U.S. \$17.86 million, while Indonesian imports from that country reached U.S. \$63.25 million or a deficit of U.S. \$45.39 million for Indonesia.

In 1980 the value of Indonesian exports increased to U.S. \$24.81 million, while imports increased to U.S. \$96.51 million, or a surplus for Belgium of U.S. \$76.89 million.

In 1983 Indonesian exports to Belgium increased to U.S. \$32.90 million, while imports also increased to U.S. \$123.75 million, or a deficit for Indonesia of U.S. \$90.86 million.

Indonesian exports during the first 5 months (January through May) of 1984 recorded a value of U.S. \$12.18 million, while imports stood at U.S. \$41.94 million, a deficit for Indonesia of U.S. \$29.76 million.

These figures showed that biggest deficit was suffered by Indonesia in 1983, viz U.S. \$90.86 million.

Indonesian commodities exported to Belgium cover about 80 commodities, among them the most important are plywood, natural rubber, coffee froglegs, shrimps, garments and handicrafts products.

Indonesian imports from Belgium on the other hand consist for the greater part of capital goods, such as industrial tools, ships, chemicals and telecommunication equipment.

CSO: 4200/589

INDONESIA

INVESTMENT FIGURES FOR LAST 4 YEARS

Jakarta ANTARA NEWS BULLETIN 15 Feb 85 p A5

[Text] Jakarta, 15 Feb (ANTARA)--Investments in the foreign (PMA) and domestic (PMDN) sectors during the last 4 years, from February 1981 through February 1985, have reached about U.S. \$27 billion, former BKPM (capital investment coordinating board) Chairman Suhartoyo has said.

He made this statement to newsmen after his meeting with President Soeharto at Bina Graha presidential office here Thursday. Suhartoyo was received by the president after the handing over of the post of chairman of the BKPM to his successor, Drs Ir. Ginanjar Kartasasmita, junior minister for promotion of the use of domestic products.

According to Suhartoyo investments in the foreign as well as in the domestic sectors from 1967 until now have reached a total of U.S. \$51 billion out of which about 53 percent have received permits.

Suhartoyo was a top official at the Ministry of Industries for 14.5 years, from 1966, before becoming chairman of the BKPM.

He still does not know what his new post will be, he said, but while waiting he is now attached to the Ministry of Foreign Affairs.

CSO: 4200/589

INDONESIA

BELGIAN ECONOMIC DELEGATION CONCLUDES VISIT

Jakarta ANTARA NEWS BULLETIN 21 Feb 85 pp A4, A5

[Text] Jakarta, 21 Feb (ANTARA)--The Belgian economic delegation, led by Prince Albert, president of the Belgian Economic Promotion Office, left here for Bangkok Wednesday after concluding an 8-day visit to Indonesia.

The delegation, consisting of more than 100 businessmen and government officials, arrived here last 13 February, and during their stay here they had a series of discussions with a number of cabinet ministers, other ranking government officials, and Indonesian businessmen.

The Belgian mission also included Belgian Deputy Premier concurrently Minister for Foreign Trade Jean Gol and Belgian State Minister for Development Cooperation F. X. de Donnea.

Prince Albert said upon his arrival here last week that his country wanted to maintain the existing good relations between the two countries by exchanging visits at various levels.

While in Indonesia Prince Albert and his delegation had a discussion with State Minister for National Development Plan/Chairman of the National Development Planning Board (Bappenas) Prof J. B. Sumarlin on efforts to strengthen economic relations between the two countries.

Trade balance between Indonesia and Belgium had always been in Belgium's favour. Touching on this situation, Belgian State Minister for Development Cooperation F. X. de Donnea told newsmen on Tuesday that the trade balance between the two countries would be put on par in the future.

According to him, the two countries should closely cooperate by jointly boosting their exports and not by cutting one's export for the favour of another.

Indonesia has been importing machineries and electronic equipment from Belgium while Belgium has been importing oil, timber rubber, coffee and tea from Indonesia.

In addition to trade problems, the Belgian mission also discussed with several Indonesian cabinet ministers and ranking officials on various issues relating to transportation, telecommunication and industry.

While in Jakarta Prince Albert and party also paid a courtesy call on President Soeharto at the Bina Graha presidential office.

CSO: 4200/590

INDONESIA

SUDOMO ON FBSI, WORKERS' WELFARE

Jakarta ANTARA NEWS BULLETIN 21 Feb 85 p A6

[Text] Jakarta, 21 Feb (ANTARA)--The All Indonesian Labor Federation (FBSI) should be able to become a strong social force and professional organization. It will be capable of developing and fostering its members both in implementing political education and the Pancasila-based Industrial Relations (HIP).

"To meet these objectives from now on FBSI must conduct introspection within its own organization," said Minister Sudomo to newsmen here Wednesday following his 2-day working visit to East Java.

FBSI, according to the minister, should simplify and renew its structure of organization so every step or policy adopted by FBSI will match the present condition.

Minister Sudomo also reminded that efforts to increase the welfare of every worker did not depend on the government only but also on how far FBSI played its role.

The government in efforts to step up workers' welfare has set up regional organizations chaired by the governors which will handle minimum wage enactment, cooperative, common working agreement and workers insurance problems, he added.

With the regional organizations popularly known as the "Tripartite Daerah" every problem relating to workforce issues in the regions can be tackled once.

And with the common working agreement or KKB, at present around 500,000 workers can enjoy a relatively decent life. Through the workers insurance at (ASTEK) compensation will be provided for workers when there is a laid-off and scholarship for children of workers can also be provided through the insurance, said Minister Sudomo.

The government, in this case the Manpower Ministry, as of next 1 April will collect retribution through the check-off system, so every month fund of as much as Rp 600,000,000 can be raised and used by the labor federation to step up the skill of its members through training and education.

"And not the least important is the change of term of 'labor' (buruh) to 'worker' (pekerja) which is more suitable to the spirit of the 1945 Constitution and the Pancasila state philosophy," the minister said.

Minister of Manpower during his working visit to East Java among others opened the first national congress of Cigarette and Clove Trade Union. On the occasion he explained that face to face dialog was very important in handling labor disputes.

Apart from it, every corporation needs a trade union every problem relating to manpower issues such as career development, social securities and rate of wage can be handled by both the employers and the employee.

The first national congress of Cigarette and Clove Trade Union was joined in by 145 participants and also attended by the labor attache of the U.S. Embassy in Indonesia, Wash Burn.

CSO: 4200/590

INDONESIA

LOW QUALITY OF EXPORT COMMODITIES CITED

Jakarta ANTARA NEWS BULLETIN 21 Feb 85 p A3

[Text] Jakarta, 20 Feb (ANTARA)--The Indonesia's export commodities still have no competitive power in international market for their low quality.

This was disclosed by Director General of Foreign Trade Drs Soesilo Sardadi in a written speech read for him by Director for Standardization and Quality Control Drs Mudjono at the 14th technical meeting on industrial standard application here Wednesday.

He said that Indonesia's export commodities are frequently subjected to high deduction costs, even difficult to enter the international market terminal because of their low quality or still under the international quality standard.

He cited an example that Indonesia's cacao could not enter the London market and was deducted by around 75 to 100 pounds sterling per ton under the price set at the Terminal London Market.

For these all the government has taken necessary steps to improve the quality of Indonesia's export commodities to minimally meet with the standard of the Terminal London Market.

Indonesia exported around 10 tons of cacao to England in 1983, and because of its low quality this commodity was deducted by around Rp 1,185,000.

Such a deduction may not happen again in the future after the quality of this commodity is improved meeting with the international standard, he added.

CSO: 4200/590

INDONESIA

JAKARTA BAY FOUND POLLUTED

Jakarta ANTARA NEWS BULLETIN 20 Feb 85 p A8

[Text] Jakarta, 19 Feb (ANTARA)--Whatever the criteria used in viewing the bay of Jakarta, the conclusion will convey that the bay is strikingly polluted.

The view was elucidated by the director of the National Oceanology Institute (LON)--LIPI (Indonesian Sciences Institute) Apriliani S. in a hearing with the Commission X led by his Vice Chairman Ir. Lukas Nanlehy at DPR (House of Representative) building, here Tuesday.

The statement of the director of LON-LIPI is supported by the explanation of the chief of ecology, Kasyan and the chief of the maritime biological laboratory, Otto SR Ongkosongo with a conclusion that the degree of the pollution of Jakarta bay has proceeded to surpass the standard ascertained by WHO (World Health Organization).

The director further revealed that the problem of sea contamination standard should be agreed on and put into a book.

For that purpose, he went on to say, the LON-LIPI is cooperating with the Population and Life Environment Ministry in compiling the government regulation drafts on the quality of sea-water.

According to him, the rate stipulated in measuring the quality of sea water, is taken from WHO, and other state literatures. And the results of integrated and detailed research need to be conducted regularly in this tropical waters.

The results of the research can be used for renovating the standard rate in Indonesian waters.

Touching on the Indonesian maritime map pertaining of data of maritime resources, the director said that under certain circumstances, LON-LIPI has possessed a maritime map of Indonesian maritime resources.

CSO: 4200/590

INDONESIA

NEW COPPER MINE IN IRIAN JAYA COMMISSIONED

Jakarta ANTARA NEWS BULLETIN 15 Feb 85 p A7

[Text] Tembagapura, 15 Feb (ANTARA)--Director General of General Mining Soetarjo Sigit here Thursday commissioned a new copper mine, 1 Km east of "Bijih Mount" Irian Jaya, managed by Freeport Indonesia Incorporated (FII) a subsidiary of the U.S.-based Freeport Mac Moran.

The copper mine is estimated to contain some 45 million tons of deposits which will be exploited until 1992.

Deputy President of FII Usman Pamuntjak reported that the company had spent some Rp.20 billion of investment for exploration of the new mine having deposits of 2 percent copper content compared with its first mine at Mt Bijih reserving only 1.7 percent of copper content.

He said the new discover would enable the FII to proceed with operation longer in Indonesia and employ more new workers.

Director General of General Mining Soetardjo Sigit on the occasion praised the continuing exploration works by FII through substantial expenses despite the present sluggish condition on the copper world market.

Freeport Indonesia Incorporated installed by President Soeharto on 3 March 1973, up to now export 180,000 tons of copper concentrate to Japan annually from its mine having 33 million tons of copper deposits.

Spokesman for FII Imrad Idris said every ton of exported concentrate contains 42 percent of copper, 11 to 12 grams of gold and 100 to 200 grams of silver.

At present, the FII employs some 2,933 workers, of these, 2,526 are Indonesians and the rest are expatriates from the United States, Australia and Canada.

CSO: 4200/589

INDONESIA

MEASURES TO BOOST NON-OIL EXPORTS RECOMMENDED

Jakarta ANTARA NEWS BULLETIN 15 Feb 85 p A11

[Text] Jakarta, 15 Feb (ANTARA)--More regular shipping, fast handling of port documents and a speedy tackling of goods congestion in port should be seriously and thoroughly guaranteed, if Indonesia is to regain foreign confidence in Indonesia's non-oil/gas export commodities.

The second vice-chairman of the Middle East Division of the Indonesian Exporters Association (GPEI), M. F. Ubaidin, made this comment to the press Friday.

He said the GPEI supported the action taken by President Soeharto who had instructed Finance Minister Radius Prawiro Wednesday to eliminate all hurdles in Indonesian ports particularly in connection with the export of non-oil/gas commodities.

As a response to the news of the instruction, the GPEI had also issued instruction to all its divisions to take firm actions against any of their members who acted dishonestly. But, Ubaidi said, the government on the other hand should also act without hesitation to punish all involved in any manipulation relating to exports.

He said to smoothen non-oil/gas exports the government has to simplify bureaucracy, prevent the congestion of goods in ports (which leads to high cost), assure a more regular shipping, and speed the handling of export documents.

Under present conditions, he said, effort to get goods out of warehouses in the port would need from 10 to 15 days, sometimes even a month. Then exporters have to wait for the arrival of ships.

In contrast, in Singapore, he said, the loading of export goods into ships would take only 2 times 24 hours.

Thus the loading cost for Singapore exporters is much cheaper than for Indonesian exporters.

The result is reflected in the following case, an importer in the Middle East, Ubaidi said, wanted to import textiles worth U.S. \$4 million. The textiles offered by Indonesia was U.S. \$5 more costly per meter than those offered by Singapore although Singapore got its textiles from Japan.

Due to these facts, Ubaidi urged the government to press down costs incurred in Indonesian ports for Indonesian exporters, such as the cost of shipping, warehousing and transshipment from smaller ports to the main port.

At present, transshipment from Lampung to Jakarta is more costly than transshipment from Lampung to Singapore.

Ubaidi added that bank services to exporters such as in export transfer cheques negotiation should also be made more efficient, to prevent the exporters from having to pay greater interest on credits.

CSO: 4200/589

INDONESIA

ULEMA COUNCIL ON WEARING OF MUSLIM HEADDRESS

Jakarta ANTARA NEWS BULLETIN 15 Feb 85 p A3

[Text] Jakarta, 15 Feb (ANTARA)--MUI (the Indonesian Council of Ulemas) has stated that the use of headdress by Muslim school girls has no connection whatsoever with politics, therefore need not be considered as a national issue.

The statement was made by MUI chief Prof Dr KH. E. Z. Muttaqien during a hearing with the House Commission IX lead by its Deputy Chairman Achmad Djunaedi Thursday.

Matters around headdress have been discussed by MUI with Minister for Education and Culture Prof Dr Nugroho Notosusanto and the director general for basic and intermediate education, Prof Dardji Darmodiharjo, with the hope that it could be localized and prevented from becoming a national issue.

Problems concerning headdress, according to MUI chief, could be localized by school teachers by directly dealing with the students wearing it. Unfortunately some people connect headdress with politics, he said.

"If a student wears a headdress because of her faith to her religion, let her do what she believes her faith tells her to," he added.

Dr Muttaqien stated MUI never issued "fatwa" (religious advices) with regard to headdress since it has been stated clearly in the Holy Al Qur'an.

MUI will issue fatwa if there is no fixed rule or regulation in the Holy book, such as matters concerning "frong" where some ulemas believe it is prohibited (haram) and others say it is alright to eat.

Headdress becomes a problem only within school students, not university students. It is expected that a new clothing is designed to avoid further arguments, according to MUI chief.

CSO: 4200/589

INDONESIA

BRIEFS

EXPATRIATES IN FORESTRY INDUSTRY DROPS--Jakarta, 19 Feb (ANTARA)--The number of expatriates in the forestry industry now stood at only 3,434 comprising 178 top executives and 3,256 professionals, compared with 6,600 in 1971, Secretary General of the Forestry Ministry Sudjono Surjo said Monday at a parliamentary hearing. The work force transfer from expatriates to Indonesians was carried out through trainings and upgrading courses and dispatches of Indonesian workers abroad for trainings, he added. Although the presidential decree and some ministerial decisions have been issued for limiting the number of expatriates in forestry industry, there are certain special requirements set by investors, so the hire of expatriates is unavoidable, said Sudjono Surjo. In the present Fourth Five Year Plan, the government plans to absorb 0.5 million workers in the forestry industry such as, in the fields of logging, sawing-mill, plywood plants, replantation and afforestation. [Text] [Jakarta ANTARA NEWS BULLETIN 19 Feb 85 p A3]

NEW AUSTRALIAN AMBASSADOR--Canberra, 17 Feb (ANTARA/AFP)--Foreign Minister Bill Hayden Sunday announced the appointment of former senior government Backbencher Bill Morrison as ambassador to Indonesia. A career diplomat before entering federal politics in 1969, Morrison has had a long association with Indonesia and was widely tipped for the job when he retired from politics before last December's general election. Hayden emphasised in his statement that the government was committed to the further development of mature ties with neighbouring Jakarta. He noted that relations were not easy and required close consultations, particularly on policies and activities likely to affect the others. Morrison is due to take up his position in Jakarta in late April. Hayden did not reveal the next posting of present Ambassador Rawdown Dalrymple but unconfirmed reports have tipped him for Washington. Morrison's support of Indonesia has angered Australian Labor Party (ALP) supporters of Fretelin separatists in East Timor. He most recently visited Indonesia in 1983 as leader of the Australian parliamentary delegation which reported on the former Portuguese territory. [Text] [Jakarta ANTARA NEWS BULLETIN 18 Feb 85 p A5]

NETHERLANDS ARMY CHIEF RECEIVED--Jakarta, 19 Feb (ANTARA)--Indonesian Armed Forces Commander General L. B. Moerdani at armed forces headquarters Monday received the commander/chief of staff of the Dutch Army, Lieutenant General J. G. Roos, who arrived here 15 February and who will stay in Indonesia until 24 February as guest of the Indonesian Army Chief of Staff. During the

21 March 1985

courtesy call the topic of discussions was enhancement of cooperation between the armed forces of both countries. The Netherlands Army chief of staff was impressed at the welcome he had received so far and at the end of the courtesy call there was an exchange of souvenirs. At the meeting the Indonesian Armed Forces commander was flanked by Army Chief of Staff General Rudini and the Netherlands Army Chief of Staff by Netherlands Ambassador to Indonesia Dr Frans van Dongen. During his stay in Indonesia, the Dutch Army chief also called on his Indonesian counterpart General Rudini. He was also scheduled to visit Taman Mini Indonesia Indah (Indonesia in miniature park), the National Monument, Kalibata Heroes Cemetery, the "Satria Mandala" Armed Forces Museum, the Pancasila Sakti Monument, Pusandha Linud (special airborne troop unit command), Seskoad (Army Staff College), the Military Academy, tourist attraction in Tanah Toraja, the tombs of Prince Diponegoro and Sultan Hasanuddin. [Text] [Jakarta ANTARA NEWS BULLETIN 19 Feb 85 p A1]

EEC ASSISTS SOYBEAN DEVELOPMENT--Banda Aceh, 20 Feb (ANTARA)--The European Economic Community will soon provide assistance to develop soya bean cultivation in Aceh, because the province is considered potential in the sector of non-oil/non-gas commodity after Jambi in Sumatera. Each hectare has the production capacity to yield around one metric ton of soya bean. The Food and Agriculture Organisation had carried out a research and discovered that Aceh should be remarkable potential area in soya bean production. In East Aceh regency each hectare of land can yield two of three metric tons. Based on these facts the Common Market is interested to assist Aceh's development plan in soya bean production. Aceh, Jambi and East Nusatenggara also enjoys EEC's assistance in the same business activities. Head of the Agricultural and Food Crops Services of Aceh, Ir T.Za Panglima Polim, told Antara Tuesday that the Common Market's aid will be used to open 50 hectares of soya bean plantation in East Aceh. Panglima Polim estimated that the project would be realized in 1985-1986. [Text] [Jakarta ANTARA NEWS BULLETIN 21 Feb 85 p A2]

JETRO DELEGATION VISITS SOUTH SULAWESI--Ujungpandang, 21 Feb (ANTARA)--Director of Japan's External Trade Organisations (Jetro) Oshima is now visiting South Sulawesi to explore the possibility of setting up trade cooperation with regional counterparts. Takao Suzuki of the Japanese Consulate General in Ujungpandang said Wednesday that the visit by the Jetro official to the region was a positive response to the local government policy of opening foreign investment opportunities. Jetro will play a great role in spreading information about the market conditions of non-oil commodities in Japan. And south Sulawesi has great potential in developing these non-oil products Suzuki said. The Japanese consulate in Ujungpandang helps promote the regional economic growth by attracting Japanese investments next to handling official aid from the Japanese Government. The Jetro mission will stay in the region until 24 February 1985. Next to exchanging information with the local government, the mission will also inspect a cooperation project between the Japanese and Indonesian private sector in Barru and Tana Toraja regencies. [Text] [Jakarta ANTARA NEWS BULLETIN 21 Feb 85 pp A1, A2]

SAUDI AID--Jakarta, 16 Feb (ANTARA)--Minister of Religious Affairs H. Munawir Sjadzali has stated that he sees no indication that the Saudi Arabian aid is aimed at meddling or interfering in Indonesia's domestic affairs. The minister disclosed this here Friday when witnessing the presentation of Saudi Arabia Kingdom's aid worth around Rp 343,852,478 to seven Islamic educational and religious service institutions in the country. On the occasion Minister Sjadzali stressed that the Indonesian government greatly appreciated the aid of the Saudi Arabian Government which had never been presented in the form of each money to avoid charges or accusations that the aid was used in subversive acts. "Aid from Saudi Arabia is always given in cheques so it would be easy to control where the aid goes," said the minister. [Text] [Jakarta ANTARA NEWS BULLETIN 16 Feb 85 p A4]

EXPORTS TO JAPAN--Tokyo, 17 Feb (ANTARA)--Of the 42 million tons of Indonesian exports to Japan during the first 10 months of 1984, only 334,000 tons were shipped by Indonesian carriers, while the remainder were carried by Japanese ships. More than 41 million tons of the export commodities are composed of minerals including 30 million tons of crude oil, 10 million tons of liquefied natural gas, while the remainder consisted of coal, bauxite and aluminium. As the export of minerals was based on FOB, their shipment was taken care of by Japanese ships. Only non oil exports based on CIF were shipped by Indonesian carriers and the total exports was recorded at 334,000 tons. If compared with those in the corresponding period of 1983, the exports were regarded as having increased 20 percent, reflecting an increase in Indonesian non oil exports to Japan. The import commodities carried by Indonesian ships during the first 11 months of 1984 amounted to 2.97 tons, down by 21 percent the year before, which was recorded at 2.716 million tons, due to the slump in Indonesian exports to Japan. [Text] [Jakarta ANTARA NEWS BULLETIN 18 Feb 85 p A2]

CSO: 4200/589

MALAYSIA

VOMD ON GROWTH OF COMPRADOR CAPITALIST CLASS

BK191500 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 7 Feb 85

[Station commentator's "article": "The Birth and Expansion of the Comprador Bureaucrat Capitalist Class in Our Country"]

[Text] The Kuala Lumpur and Singapore ruling cliques governing Malaya--Peninsular Malaya and Singapore--have been implementing reactionary anticommunist, antidemocratic, and antipeople policies for more than 20 years and have been hostile to patriotic and democratic forces of all nationalities in our country. The two ruling cliques are this stubborn and reactionary because they are political representatives of the comprador bureaucrat capitalist class, the most reactionary class emerging since the independence of our country. The two cliques are implementing policies to serve the comprador bureaucrat capitalist class.

Let us follow developments since World War II to observe how the comprador bureaucrat capitalist class was born in the peninsula and how it expanded rapidly by exploiting the working masses and plundering state wealth.

1. How Malaya's Independence Was Achieved.

Soon after the end of World War II, the British imperialists returned to continue their colonization of Malaya. The Malayan people of all nationalities had been trained and hardened in the anti-Japanese war led by the Communist Party of Malaya [CPM]. In addition, their consciousness was further motivated by a trend in the world in which the peoples of colonies and semi-colonies in Asia, Africa, and Latin America were demanding national independence and liberation following World War II. Consequently, the people of our country strongly opposed various tricks used by the British imperialists to preserve their colonialism. However, the British imperialists persisted in their efforts. They united 11 peninsular states within the so-called Federation of Malaya under their direct colonial rule. Singapore, which was separated from the peninsula, also came under their direct colonial rule. The people of our country strongly opposed the British scheme of the Federation of Malaya because it was designed to preserve Malaya as their colony. As a result, the British imperialists resorted to violence to oppress the CPM and the people of all nationalities under its leadership. For the sake of national independence and the people's interests, the CPM perseveringly

ordered all the people of our country to take up arms against the British imperialists. Thus, a fiery anti-British national liberation war erupted. With strong support from the people of all nationalities and close coordination with other patriotic and democratic forces, the CPM and its popular armed force, the Malayan National Liberation Army--now named the Malayan People's Army--fought fiercely for over 9 years. Eventually, the British imperialists could not continue their colonialism because they had suffered a serious blow in the political, military, and economic fields. As a result, the British imperialists were forced to end their direct colonial rule in Peninsular Malaya by recognizing the independence of the Federation of Malaya in 1957. Singapore was given self-rule in 1959. It is very obvious that the Federation of Malaya could free itself from the British imperialists and proclaimed independence under which the peninsula was turned from a colony to a semi-colony as a result of the long-term bloody struggle of the Malayan people of all nationalities, particularly the CPM and its popular armed force. The claim by the Kuala Lumpur and Singapore reactionaries that this independence was awarded by the British imperialists thanks to their appeal is a distortion of history.

2. The Birth of the Comprador Bureaucrat Capitalist Class.

When the anti-British national liberation war reached its middle stage, the British imperialists felt they were no longer powerful enough to crush the people's armed resistance in our country. Their war efforts continued to face deadlock. They would suffer the most serious failure. On the other hand, a new historical stage of the Malayan people to evict the British imperialists and achieve full independence would come at an early date. This being the case, on arrival in Malaya, the British imperial high commissioner and concurrently supreme war commander, Gerald Templar, who was installed in 1952, continued to elaborate on a new program of his rule containing the intensification of military operations, holding of parliamentary general elections, and splitting of racial unity in our country. Templar said that the program would help the Malays play an important role in the economic field and claimed that it would correct the imbalance in the economic sector of our country and so on. It was public knowledge that the people of any nationality in our country belong to certain classes. Thus, which Malays would the British imperialists help? What kind of imbalance did they want to correct? It turned out that the British imperialists did not want to help the broad Malay working masses; neither did they want to correct the imbalance between the British monopoly capital and the weak national capital in our country. The purpose of the British imperialists was to invite a handful of Malay officials and aristocrats together with a handful of Chinese and Indian comprador groups and turn them into a new social group serving as agents of their rule if such a need arose in the future.

To this end, the British imperialists masterminded the holding of the so-called federal legislative elections and (?called) a handful of reactionary elements they had raised as their so-called honors. Following the establishment in 1952 of the Rural and Industrial Development Authority, the predecessor of the Council of Trust for the Indigeneous People, they set up

the Federal Land Development Authority [FELDA] and others in 1956. All these bodies were reserved for creating conditions to place their agents in the economic sector. As a result of the anti-British national liberation war, which lasted over 9 years, the British imperialists were forced to renounce their direct colonial rule in the Federation of Malaya. However, having been worn out in the war while the anti-British popular forces could not further force the British imperialists to hand over their political power to the people, the British imperialists handed over power to a new social group they had raised represented by Tunku Abdul Rahman. Ever since, this social group has developed into a comprador bureaucrat capitalist class in our country. In addition to receiving the power transferred to them by the British imperialists, the Rahman clique also received conditions to betray the country. Here conditions included the British imperialists' proposals that the colonial war be continued and that the clique be dependent on the British imperialists in the economic and political fields. Viewed from historical conditions, the comprador bureaucrat capitalist class in our country was born with support from the British imperialists and by seizing the people's revolutionary gains. Consequently, it has from the beginning shown the nature of being heavily dependent on imperialism and of being treasonous and comprador. In addition, with power in its hands, it has been frantically plundering state wealth, oppressing the people, and been hostile to the revolution. It is also autocratic and monopolistic. As a treasonous, comprador, autocratic, and monopolistic class, the comprador bureaucrat capitalist class is a corrupt force that is hampering social progress in our country.

3. From the First Indigenous People's Economic Congress to the 13 May Massacre.

The holding of the First Indigenous People's Economic Congress in 1965 indicated the growth of the comprador bureaucratic capitalist class under the auspices of United Malays National Organization [UMNO] big compradors and bureaucrats. Under the guise of protecting the indigenous people's interests and manipulating the Malay people's reputation, UMNO never hesitated to press its greedy demands on the state resources. A resolution was issued at the congress to set up statutory bodies and public enterprises--that is to say, bureaucratic capitalist organizations. The terms "statutory bodies" and "public enterprises" used for these organizations were aimed at misleading the public in an effort to cover up the control exercised by a handful of big compradors and bureaucrats over these organizations. Besides, they also used their positions for plundering states funds and pursuing various economic activities that oppressed the working class of various nationalities. Some of the bureaucratic capitalist organizations set up after the congress are the Council of Trust for the Indigenous People [MARA], Bumiputera Bank, the Federal Agricultural Marketing Association, and a [word indistinct] corporation located in Pahang.

In 1968, the comprador bureaucratic capitalist class held the Second Indigenous People's Economic Congress during which they loudly proclaimed that the so-called indigenous capital was actually comprador capital controlled and managed by the UMNO leadership clique. They claimed that they had to have at

least 50 percent equity of the industrial and trade sectors in the country. Therefore, they wanted more bureaucratic capital organizations to be established so that they could participate more. They also wanted to plunder more state natural resources, such as forests, mines, oil fields, estates, and others. They even wanted the government to give more tax facilities and privileges to enable them to cruelly oppress the majority of workers and peasants in the country. The Kuala Lumpur ruling clique also allocated over 100 million ringgit at the end of 1969 for establishing the National Trading Corporation [PERNAS] and its subsidiaries. Another 200 million ringgit was also allocated in 1971 to establish the Urban Development Authority [UDA] with a view to controlling the sales of urban land and development projects.

Along with the relentless growth of greedy comprador bureaucratic capitalists who coveted huge profits and power, they felt dissatisfied with the somewhat conservative clique of Tengku Abdul Rahman. Therefore, there soon appeared on the stage the Razak clique, which controlled a great deal of reactionary armed forces and perpetrated the 13 May massacre in 1969. By so doing, the clique paved the way for wresting total power. After that, Razak also hatched the so-called New Economic Policy [NEP]--a notorious policy.

The rise to power of the Razak clique marked the expansion of the comprador bureaucratic capitalists' economic power without following the normal capitalists system of free competition; the clique wanted to plunder the state resources through political power--namely, through reactionary violence--to enable them to become over-night millionaires.

4. Implementation of the NEP in the 1970's.

The NEP was announced on 1 July 1969, but its implementation is supposed to last from 1970 to 1990. The Second Malaysia Plan, 1971-75, was described as a master plan for the implementation of the NEP, while the Third, Fourth, and the Fifth Malaysia Plans constitute an overall implementation of the NEP. The NEP is ostensibly aimed at restructuring the society and eradicating poverty. The so-called restructuring of society is in fact to create a group of Malay millionaires who will possess the greater part of state resources as well as a 70 percent equity of state corporations by the time the NEP expires in 1990.

Therefore, the so-called restructuring of society is nothing but how the national economic cake is cut up and divided among the comprador bureaucratic capitalists. As for the claimed eradication of poverty, if they are serious in improving the living standards of ordinary Malay people and other nationalities, they should not let a handful of Malay, Chinese, and Indian millionaires hoard their riches. This is meant to make it seem that when looked at from a statistical point of view, the wealth these few millionaires will enable them to cover up the poverty rate of people of all nationalities, especially the Malays. In short, the two main objectives of the NEP can in fact be summarized as one--that is, to increase the wealth of millionaires of various nationalities in general and the Malay ones in particular, as well as to force vast numbers of workers and peasants, especially impoverished Malay peasants, to remain below the poverty line.

During the 1970's, or more precisely from 1969 to 1980, the NEP produced more than 150 Malay comprador bureaucratic capitalists. Earlier, these people were only clerks or indigent royalty, but they became rich overnight. To cite an example known nationwide is Mohamed Noah, the father-in-law of former Prime Ministers Razak and Hussein Onn. Another example are the families of Mahathir, the current prime minister.

During this period, the Kuala Lumpur ruling clique also established giant bureaucratic corporations belonging to the federal and state government in the form of statutory bodies and public enterprises. These corporations received a total of over 10 billion ringgit allocation from the government and consisted of about 1,000 state of joint venture undertakings. Besides FELDA, Bumiputera Bank, MARA, and other outstanding corporations set up during that period were PERNAS, UDA, the Muda Agricultural Development Authority, Petronas, Radio and Television Malaysia, the Malaysia Rubber Promotion Agency, the National Finance Corporation, and other agencies.

Statistics have shown that Malay comprador bureaucratic capitalists and these bureaucratic capital corporations have exploited the labor of the working class people and plundered a great deal of state resources during the 10-year period. Even in corporations that do not involve the participation of Malay millionaires, official figures prove the swelling of their wealth. At the end of 1970, only 4.3 percent of equity in the business undertakings, or 270 million ringgit, belonged to the Malay millionaires, but it increased to 12.4 percent, or 3.275 billion ringgit, in 1980. According to informed sources, the figures released by the government in 1980 were scaled down. The sources also pointed out that Malay millionaires are expected to own 70 percent equity of state corporations by the end of 1983--earlier than their target of 1990.

During the first 10 years of the implementation of the NEP, the comprador bureaucratic capitalists already controlled important aspects of our country's economy. The power of the comprador bureaucratic capitalists has grown as a whole, with the overnight millionaires being their main pillars. These people are indeed the ones that have reaped the implementation of the NEP, which explains their active advocacy and implementation of several reactionary measures under the NEP.

One of the Kuala Lumpur ruling clique's tricks in implementing the NEP is by misleading the populace, especially the impoverished Malays, into thinking that the NEP is aimed at redistributing national resources for the benefit of the poor. What has happened during the past 10 years has exposed the deceit of the reactionaries--the populace has witnessed the implementation of the NEP as a policy to enrich the comprador bureaucratic capitalists of various nationalities, especially the Malay ones. The implementation of the NEP has simply caused the rich to become richer and the poor to become poorer.

5. The New Tricks of the Mahathir Ruling Clique.

Following the decline of the British imperialists, the U.S. and Japanese monopoly capitalists entered the country, resulting in our country being an

arena of competition for their capital. Our country's capitalists are keenly cooperating with them in plundering national resources and cruelly oppressing the people. Their most spectacular growth is reflected in the wealth of the bureaucratic capitalist corporations, which hoarded direct profits, in the utilization of the state armed forces, and in the imposition of economic monopoly.

The Third Indigenous People's Economic Congress was held in Kuala Lumpur in May 1980. Unlike the first and second congresses, which were sponsored by the Kuala Lumpur Government, the third congress was organized by the UMNO leadership clique. The third congress demanded the government transfer the shares of profit-making national corporations to comprador bureaucratic capitalists during the Fourth Malaysia Plan, which will begin in 1986. In other words, the common property of the comprador bureaucratic capitalists obtained during the 10 years of the NEP implementation through bureaucratic capital corporations will now be transferred to the personal possession of big capitalists. In fact, the demands made by the third congress were intended precisely to make financial monsters headed by Mahathir himself take over the economic reins from the Razak-Hussein Onn families. It was reported that at the end of 1980, the indigenous people already controlled 12.4 percent equity of national corporations, or some 3.235 billion ringgit--2.144 billion ringgit of which was owned by the government through bureaucratic capital organizations. The ownership of the equity is being gradually transferred to the personal possession of private Malay capitalists, especially to the National Finance Corporation, which has been controlled by Mahathir's brother-in-law since 1981.

Mahathir officially succeeded Hussein Onn as prime minister in July 1981. Since that time, he has advocated new policies, such as the Look East policy, the concept of Malaysia Incorporated, the privatization policy, the launching of heavy industries, the encouragement of international trade and investment, the modernization of rural areas, the so-called policy of working diligently and attaining of the 70-million population, and other policies.

All these policies are designed to further boost the expansion of the comprador bureaucratic capitalists in the 1980's. Among the numerous of Mahathir's policies, two are typical: the Look East policy and the concept of Malaysia Incorporated.

The advocacy of the Look East policy has confirmed his regime's dependence not only on the British imperialists, but also on the U.S. and Japanese imperialists' capital. Facts prove that the United States and Japan are currently not only our country's main trading partners, but also main (?consultants) and investors in important sectors of our country's economy. Instead of reducing our dependence on foreign countries, Mahathir's Look East policy has increased it. The policy is a further development of the comprador nature of the comprador bureaucratic capitalist class.

The so-called concept of Malaysia Incorporated is primarily aimed at consolidating the comprador bureaucratic capitalists' positions in the country by

utilizing state armed forces and other means, such as the state budget, credit [word indistinct] and export subsidy, with a view to implementing economic exploitation and reaping maximum profits through economic monopoly. In other words, Mahathir's concept views the whole country as a large corporation with the Kuala Lumpur ruling clique being the master, state civil servants being clerks, and the vast majority of people being workers. Mahathir wants all civil servants and all people to view local corporations, belonging to the state, comprador, or foreign capitalists, as part of Malaysia Incorporated. Mahathir wants all these people to work hard for these corporations.

The introduction of the Malaysia Incorporated concept is sufficient evidence of the financial monsters' greed. These capitalists want to dominate and control the whole country. It is obvious that Mahathir and his cronies have fully realized all the demands made during the Third Indigenous People's Economic Congress on the transferring of state wealth to personal ownership of big capitalists. The Mahathir ruling clique's reign in 1980's has further increased the comprador and monopolistic nature of the comprador bureaucratic capitalist class and ushered them into a more [word indistinct] level.

6. Oppose the Dictatorial Regime and Encourage Social Change.

The Mahathir ruling clique believes it can depend on false propaganda by advocating the campaigns of cleanliness, firmness, and trustworthiness, leadership by example, austerity measures, the application of Islamic values, and so on. However, these sweet slogans cannot hide his reactionary and decadent nature. There are at least two facts easily seen by the people throughout the country. The first is the growing foreign debt, which has severely affected the national economy and the people's lives ever since Mahathir assumed power. This is clear evidence of the Mahathir ruling clique's dependence on imperialists' capital and thorough exposition of his comprador nature. The second fact is the rampant corruption and abuse within the state enterprises. The loan scandal of the Bumiputera Bank subsidiary is one typical example. This shows the further exploitation of working class people by comprador bureaucratic capitalists, which are more brutal than ordinary capitalists. This clique is extremely power hungry, as can be seen from its decision to amend the Constitution with a view to assuming all state powers. This also shows his autocratic and dictatorial nature.

The Mahathir clique represents the most reactionary and decadent power and is definitely an obstruction toward progress for the people in our country. This is not theoretical knowledge, but something directly experienced by the vast masses of people. The oppressed and exploited people of all nationalities on the peninsula must unite to oppose the reactionary policies of this clique, which are anticommunist, antidemocratic, and antipeople. They must establish a democratic coalition government consisting of patriotic and democratic forces to replace the autocratic and dictatorial government of the Mahathir ruling clique. Only by so doing can the productive energy of our country's people be correctly channeled to enable us to tread the path leading to prosperity and affluence.

CSO: 4213/160

NEW ZEALAND

ARTICLE, EDITORIAL HAIL JAPANESE CALL FOR GATT REVIEW

Moves Will Aid Local Products

Auckland THE NEW ZEALAND HERALD in English 21 Jan 85 p 2

[Text] New Zealand farm exports could get better access to world markets--with Japanese help.

Japan is likely to ask for a review of the General Agreement on Tariffs and Trade, which covers most world trade. This could lead to fewer restrictions on New Zealand products.

The Japanese Government is set to ease barriers on some New Zealand exports to Japan following the visit of the Japanese Prime Minister, Mr Nakasone.

Mr Nakasone left Auckland yesterday after a successful round of talks with the Prime Minister, Mr Lange, and cabinet ministers from both countries.

Review

After two days of talks, Mr Lange and the Minister of Overseas Trade, Mr Moore, said there had been significant developments in trade and other matters.

One of the most important was likely to be Japan's efforts to get a review of Gatt, particularly regarding agricultural products.

Both Mr Lange and Mr Moore were confident that Japan would initiate a review which could result in easier market access for New Zealand farm products not just to Japan, but to all other nations which are part of Gatt.

They also expected that Japan would soon ease some none-tariff barriers on some New Zealand exports.

Mr Moore said on Saturday that after talking to Japan's Minister of Foreign Affairs, Mr Abe, he felt that Japan would seek an easing of Gatt restrictions on farm exports, as far as Japan's domestic politics would allow.

Agreed

Japan has agreed to have agricultural officials man Tokyo's international airport, Narita, seven days a week in order to give immediate clearance to New Zealand horticulture exports.

Mr Lange told Mr Nakasone that New Zealand did not want to suffer at the expense of Japan easing access for American grain-fed beef, which could have a detrimental effect on New Zealand beef exports.

The question of boosting the number of flights between Japan and New Zealand was not raised during the discussions but Mr Lange and Mr Moore later made it clear that New Zealand wanted to increase tourism from Japan.

Earlier in the week, at a reception for Mr Nakasone, Mr Lange said that New Zealand liked doing business with Japan and there would be increased opportunities for investors.

"We welcome investment from Japan particularly, because we know that your people value stability and like to make investment decisions on a long-term basis."

Resolve

And later, when Mr Nakasone ended his official business, he said that his visit had given him resolve to further Japan's co-operation with New Zealand.

At the official farewell in Auckland on Saturday night, Mr Nakasone said that his visit had given him great pleasure.

He felt that he shared similar political stances with Mr Lange.

He said he would like to see a stronger relationship between the two countries and he would welcome a visit by Mr Lange.

Mr Nakasone went on a brief unscheduled walkabout just before leaving Auckland airport yesterday.

Leaving his limousine, he walked across to about 50 people, mostly Japanese, gathered at the edge of the tarmac.

They were delighted as Mr Nakasone moved down the line shaking hands.

Signals Change in Attitude

Auckland THE NEW ZEALAND HERALD in English 22 Jan 85 p 6

[Editorial: "Japan May Be on Our Side"]

[Text] New Zealand and other farm exporters have often expressed justifiable cynicism about the failure of the General Agreement on Tariffs and Trade to

reduce agricultural protectionism in major industrial countries. Now it seems that one of the industrial giants, Japan, is prepared to try to ease international trade barriers against farm exports.

Both Mr Lange and the Minister of Overseas Trade are confident that Japan will initiate a review of Gatt that would cover most world trade and would consequently result in easier access for pastoral exports to all members of Gatt. Such a move by the Japanese Government could be of great benefit to New Zealand.

It would also signal a change of attitude by Japan. Only a few days ago it was reported that New Zealand had succumbed to official pressure and been persuaded to limit its exports to the Japanese market of "prepared edible fats"--a controversial butter-like product.

That is not to suggest that Mr Nakasone is insincere. But it does indicate that any genuine freeing of world agricultural trade would require a marked change of attitude from the major industrial nations--including Japan.

CSO: 4200/610

NEW ZEALAND

MARXIST WEEKLY URGES SUPPORT FOR SHIP BAN, PEACE MOVEMENT

Auckland NEW ZEALAND TRIBUNE in English 21 Jan 85 p 2

[Editorial: "A Year of Challenges"]

[Text] --Internationally...

1985 will mark the 40th anniversary of the historic defeat of Nazism and the end of World War Two. As people throughout the world celebrate this crucial victory which brought an end to the horrors of Nazi oppression and Japanese militarism we will recall the tremendous sacrifices required to ensure humanity's future. What more powerful reminder could we have to the absolute necessity of preventing a further world war and halting the nuclear arms build up?

There could be no more powerful stimulus to build a bigger and stronger world peace movement, linking both socialist and capitalist worlds for the benefit of all mankind, just as in that mighty alliance that was forged during the years of war. This is the challenge of the 40th anniversary.

The country that bore the brunt and 'tore the guts out of the Nazi war machine is once again giving leadership in the struggle for peace. On the initiative of the Soviet Union talks have been held in Geneva between Andrei Gromyko, Minister of Foreign Affairs for the USSR and George Shultz, US Secretary of State. The results of those discussions have been sufficiently positive to fuel the hope that new, meaningful negotiations will begin, covering the full range of nuclear weapons systems, including President Reagan's 'star wars' programme. This does not mean that the US administration has given up its plans for gaining a position of military superiority, but it is an indicator of the power and strength of the international forces for peace.

...and Nationally

We in New Zealand have our own special responsibilities in the crucial struggle for peace. We must continue to build our own peace movement and to develop support for the Labour Government's policy of banning the visits of U.S. nuclear warships to our ports to enable it to withstand the pressures it is now facing. The labour movement must regain the momentum it had when its efforts ensured the victory of the Labour Government. This victory must not be seen as the end of the campaign with everything now being left to the Government. Such an approach is quite erroneous and dangerous. All sorts of pressures are being

brought to bear on the Government to prevent it from carrying out those policies which will benefit working people; policies agreed to with the FOL and CSU before the elections, and policies outlined in the Economic Summit Communique.

Although the Government has taken positive steps in the area of foreign policy, its economic policies are benefiting the employing class, not the workers. This may win praise from New Zealand Party supporters but it will lose the support of the working class and spell electoral defeat for Labour.

The labour movement must respond. In fact, it must do more; it must go onto the offensive, building support around demands for the Government to implement economic policies aimed at:

--full employment

--price stability

--economic growth

--a redistribution of wealth and income in favour of working people.

As the Economic Summit Communique states: "economic policy must ensure that all New Zealanders enjoy an adequate standard of living, including satisfactory housing and access to health, education and welfare services."

These objectives cannot be achieved by taking from middle or higher paid workers to give to those on lower incomes.

The Government must make inroads into the massive profits being made by big business, and it needs the organised strength of a united labour movement to do this,

Urgent, too, is the repeal of all anti-union legislation--another of the Labour Party's election promises. Some progress has been made with respect to the unqualified preference legislation, but the Marsden Point 'Disputes Act' and 24 other Acts are still on the books ready to be used against workers in action.

There is much to be done in 1985, let's get started!

CSO: 4200/610

NEW ZEALAND

JAPAN PM TELLS LANGE OF 'SHARED' FEARS ON NUCLEAR ARMS RACE

Sydney THE SYDNEY MORNING HERALD in English 21 Jan 85 p 7

[Text] Auckland, Sunday: The Japanese Prime Minister, Mr Nakasone, left for home today after a week-long tour of the South Pacific.

Mr Nakasone visited Fiji, Papua New Guinea and Australia before arriving in New Zealand on Friday for two days.

He left the New Zealand Prime Minister, Mr Lange, with a promise that Japan would not dump nuclear waste in the Pacific Ocean in the face of opposition from Pacific nations. He also told Mr Lange that Japan shared New Zealand's "sense of urgency and sense of danger about the nuclear arms race".

Mr Lange said he hoped Mr Nakasone would leave "with the impression that New Zealand is a peaceable and stable country inhabited by energetic, educated and sensible people".

"New Zealand and Japan are natural partners and friends," Mr Lange said.

Mr Lange emphasised New Zealand's commitment to a nuclear-weapons-free zone in the South Pacific and its ban on nuclear armed and powered warships entering New Zealand ports.

Mr Nakasone also held talks with the Leader of the Opposition, Mr Jim McClay. Mr McClay said Mr Nakasone had "expressed the hope that any differences there might be between New Zealand and the United States (over the nuclear ship ban) could be quickly and amicably resolved".

CSO: 4200/610

NEW ZEALAND

DAILY CREDITS JAPANESE ASSURANCES AGAINST NUCLEAR WASTE

Auckland THE NEW ZEALAND HERALD in English 21 Jan 85 p 6

[Editorial: "Nuclear Waste Danger"]

[Text] By assuring the Australian and New Zealand Governments that Japan will not dump nuclear waste in the Pacific, the Japanese Prime Minister has given a clear signal of his country's growing awareness of the dangers of nuclear refuse. Mr. Nakasone says the plans to dump low-level nuclear material will not proceed so long as the Pacific nations oppose them. Yet it is only four years since a team of Japanese experts visiting Wellington strongly defended the Pacific dumping policy on the grounds that no release of radioactivity would occur.

Since then, nations the world over have registered concern about the problems associated with the disposal of the waste and scientists and politicians have put considerable effort into trying to find solutions. So far, in spite of talk about shooting the material into space, burying it under a polar ice cap, or submerging it in the Gobi desert, no foolproof method of disposal has been found.

What has emerged is a growing body of evidence on both the dangers of the waste and the flaws inherent in the present dumping systems. For instance, in the United States last year the Department of Energy commissioned scholars to solve the difficulties of communicating with the next 300 generations. The step was considered necessary because in 10,000 years nuclear waste buried this century will still be lethal.

About the same time, a United States research programme produced new evidence on the strength of undersea storms and seabed currents. Research in the Northern Hemisphere showed that bottom currents are capable of shifting half a metre of sediments a second. The scientists asserted that such facts throw serious doubts on the safety of dumping nuclear and like refuse in the sea.

In Britain, radioactive matter from Windscale has been found on the south Cornish coast. Its discovery shows that pollution from the Cumbrian nuclear complex now surrounds the British mainland. As a result, drastic measures to clean up the Windscale discharges to the sea have been announced.

Such discoveries make it even more imperative that the South Pacific Forum holds fast to its opposition to the disposal of nuclear waste in this part of the world. Japan, to its credit, seems to be listening. It is to be hoped that other nations will follow that lead. The Pacific must not be allowed to become a receptacle for radioactive pollution.

CSO: 4200/610

PHILIPPINES

COLUMNIST ON MARCOS' PROMISE TO REINSTATE VER

HK041505 Manila BUSINESS DAY in English 4 Mar 85 pp 4, 5

["Here and Now" column by Francisco S. Tatad: "Reinstating Ver"]

[Text] No Filipino politician ever walked the tightrope as long as Mr. Marcos has, and no one ever had his run of luck. The opposition finds it disgraceful. But he will need every skill he has learned these past 20 years to defy international public opinion and do what he has announced he would--reinstate Gen. Fabian Ver, if acquitted in the Aquino-Galman double murder case, as AFP [Armed Forces of the Philippines] chief of staff. That might yet prove his most disastrous balancing act.

This number will have to be performed on a very high wire, without a safety net to break one's fall, and above a hostile crowd threatening to riot or set the whole tent on fire. Why do it at all doesn't make any sense. Assuming it can be explained, it is not clear how Mr. Marcos proposes to do it without dashing the hopes created by recent changes in the military establishment.

Last October, when Gen. Ver wrote the President to say he was going on leave to prepare for his defense, the original draft of the President's reply was seen to contain a passage saying that Mr. Marcos looked forward to seeing Ver back in his post, should he be vindicated. That passage was deleted, and the letter which the President signed and released to the press gave no hint of it.

Was it merely a tactical withdrawal? Or had some unforeseen events intervened to cause a change of heart altogether? What made the President so prudent then, and what makes him so bold (reckless perhaps is the word) now? Is it his calculation that what he had not hoped to survive last year, he can afford to handle now? Or is it possible that while he was prepared to say goodbye to Ver for good, he had not counted on the acting chief of staff, Lt. Gen. Fidel Ramos, becoming so acceptable to everyone to the point of becoming a reproach to his personal regime? Does he now find himself in the shoes of Saul listening to the multitude outside proclaim David's virtues above those of the king's?

Assuming the Sandiganbayan declares Ver innocent--and who is foolish enough to doubt it?--can Mr. Marcos so easily reinstate him? Is the matter that simple? The Aquino-Galman double murder case is the greatest detective story of our time. Twenty-six persons are accused of conspiring to kill a man who had only one bullet-wound, and no one has come forward to describe the murder. The officially-nominated assassin is dead, killed before he was supposed to have killed his victim. Who is the murderer, and who masterminded the murder?

We obviously need the services of a Sherlock Holmes. But everyone who has read or heard about it has decided to become his own Holmes. He knows, or thinks he knows, who the mastermind and the murderer are, and that knowledge has now become part of the body of knowledge of mankind. World opinion, not the Sandiganbayan, has become the real court, and as far as that is concerned, the trial is over.

The Sandiganbayan has a duty to ignore that: it cannot sway to the prejudices or passions of the rabble. But can the accused, or the regime itself, disregard what appears to have become a universal perception? Not only the accused, but the very court itself is on trial. A finding of innocence by the Sandiganbayan protects the accused from being brought to court again, but it does not automatically confer public approval. That has to be won in a separate battle. And it cannot be won by putting Gen. Ver back in his position.

Like anyone else, Gen. Ver has a right to his good name. But it doesn't follow that he has a vested right to his position. The office should not be made the battleground of his vindication; he should seek it outside, if necessary by running for an elective position later to determine whether, in a free and honest election, the people will agree with the court, or with its detractors. We are not suggesting that he run for the presidency--the picture there is more than sufficiently muddled as of now--but there should be an appropriate elective office that would allow him to test legitimate popular perceptions.

To be declared innocent of any participation in the double murder or in the coverup is not the same as to be free of any responsibility in the whole affair. As chief of staff, Gen. Ver was ultimately responsible for Aquino's safety upon his return, Aquino being a "political prisoner." That he was killed in a military conspiracy needs no further proof that he had failed to secure him. For that, he and not anybody else of lower rank was responsible.

That should have merited immediate resignation. In a more civilized country, where the integrity of public office is superior to the claims on it by the office-holder, it would have merited the resignation not only of one man, but of the entire government. Resignation is not always the acceptance of censure, it is also one way of expressing one's sense of honor.

But there has been no single resignation. Gen. Ver has gone on leave, but until now there is no common interpretation of what it means. Ideally, it

should not surprise anyone if by the time the trial was over, certain reasons would have developed to allow him to quietly depart the scene. But as it turns out, Mr. Marcos is thinking of a big bang for him.

Not too many are ready for Gen. Ver's reinstatement. It would not be easy to forecast, or control, the reaction. Within the military, the nation and the international community, initial changes in the military organization, no matter how limited, have created certain expectations. It would defy the most normal laws of human behavior to turn back the momentum of those expectations.

In the U.S. for instance, the State Department is reportedly set to present this month a formal request to the Congress to increase the military component of the Economic Support Fund to the Philippines, "with full expectations that the incipient alternative reforms in the military be permitted to develop, grow, strengthen, and take root..., etc." The change in the AFP top command is considered a vital part of those reforms.

Will Mr. Marcos, who needs the money, risk losing increased U.S. military assistance by reverting to the status quo ante, the AFP top command? Or is the need to keep Gen. Ver bigger than the need for increased U.S. military assistance?

CSO: 4200/594

PHILIPPINES

COLUMNIST ON DISSENSION WITHIN RULING PARTY RANKS

HK051433 Manila BULLETIN TODAY in English 5 Mar 85 p 6

[Column by Jesus Bigornia: "Threats To Bolt KBL Becoming 'Dime a Dozen'"]

[Excerpt] Threats to bolt the ruling Kilusang Bagong Lipunan (KBL) are "dime a dozen" these days. Perceived for what they really are--attempts to enhance the political fortunes of the threat-hurlers--a cynical party leadership has so far ignored every announcement of impending secession to the opposition with the equivalent of "So what?"--except threats aired within the sacrosanct premises of the Batasang Pambansa by the fiery-tempered political bosses of Lanao del Sur.

For when Sultan Mohammad Ali Dimaporo, Lanao del Sur governor, says in disgust he cannot remain in a party that cannot make its decisions stick, the KBL leadership sits up and takes notice. Neither the party nor the administration can afford to lose the services of the most efficient vote-producing machine known. Nothing less than the intervention of Malacanang has become absolutely necessary.

The trouble is backers of his cousin, Member of Parliament Omar Dianalan--whose bid for the post already promised to the Lanao governor's younger brother, MP Macacuna Dimaporo, had triggered near rumbles in the Batasan--may not accept settlements reached in secrecy in the presidential palace. No parties to such compacts nothing could stop them from throwing their support (guns and fortunes) behind a challenge for the governorship declared by a former Moro National Liberation Front (MNLF) rebel commander, Jamil Lucman. Sibling of the "Royal" House of Lucman, once paramount rulers of the Maranaw tribe of Central Mindanao, Lucman is related by blood to the still politically powerful Alonto family of Laao. He enjoys furthermore the added appeal of youth. With the added support of the Dianalans, Lucman could, political dopesters say, give the incumbent governor a real contest in next year's election.

Made of an entirely different stuff is the alleged threatened "revolt" of KBL leaders in Laguna. Ostensibly triggered by the central committee's footdragging on the appointment of MP Luis Yulo as chairman of Laguna's party chapter, the so-called discontent may be laid squarely at Malacanang's door for "coddling" Gov. Felicisimo San Luis, party colleagues [words

indistinct] political renegade." The First Lady, Mrs. Imelda R. Marcos, may have exacerbated the Yulo-San Luis feud by citing the governor's leadership during rites held recently at Pila.

Strategists of the KBL are not about ready, however, to give San Luis the heave-ho and anoint Vice-Gov. Rodolfo Tingzon as the party's candidate for governor. A ranking party big-wig says the decision will be made by the KBL provincial chapter in a regular convention. Selection of delegates to such a meeting is normally the function of the party's provincial committee which is usually dominated by the chairman. For this reason, the Yulo faction has long agitated for the replacement of San Luis as chairman.

CSO: 4200/594

PHILIPPINES

MALAYA REPORTAGE ON CHRISTIAN-MUSLIM RELATIONS

Militarization, Land Grabbing Reports

Quezon City ANG PAHAYAGANG MALAYA Sunday Supplement in English 3 Feb 85 pp 3-6

[Article by Pet G. Cleto: "The Muslim-Christian Conflict: A Hoax?"]

[Text]

"Democracy, one realizes, is a relative term, like the word Christian, which the generals so frequently invoke to describe their regimes. Along with science, they are the necessary, if merely verbal, symbols of Western civilization."

— Penny Lernoux, Cry of the People

Christianity was the wedge used by our first colonizers to divide our people and impose imperial rule. It was a wedge driven in at swordpoint, because the Spaniards found, in 1521, Islam all over Mindanao and Muslim sultanates in Luzon — just when, after centuries, they had driven off the Moors from Spain!

Although a certain Captain Esteban de Figueroa burned mosques, arrested Muslim priests, stopped Muslim missionaries from coming into the country from Borneo, and though he captured Jolo, the capital of Sulu, Sultan Pangiran of Sulu repudiated the treaty he signed with Figueroa and furthermore, declared "jihad" against Spain. This was to be the pattern of Muslim-Christian relations in the Philippines for four centuries. Meanwhile, the poor converted Filipino, though educated in Christian catechism, was kept ignorant about the true essence of the "Muslim-Christian War":

that Spain feared for its hegemony over Philip's latest acquisition.

The Americans attempted at success where the Spaniards failed, but even their technology could not convince the Muslims. Fiercely defending their own national identity, the Muslims were not intimidated by American fireworks, even by a gun specifically invented for felling "hucamentados", now known as the American Colt 45. The Moro Wars raged on in the South while Filipinos who had forgotten their Muslim heritage were taught to fear and despise their ancient brothers through the moro-moro, the zarzuela and history books.

The Filipino took over his American's Asian "Indian", unable to discern, beneath the delusion, his countryman. So it was that when people were told to go south in the 1920's, they brought along with them this wall between them and the Muslims. The Muslims, for their part, were determined to keep their cultural identity, but as many recall, they had initially welcomed the settlers and lived alongside them despite cultural differences.

In 1981, the late Benigno Aquino, Jr., speaking at the King Abdulaziz University Science Auditorium in Jeddah, announced his proposal "that the government return to the

original Tripoli Agreement." Under this agreement signed in 1977, the Muslims had given up their quest for independence, provided they were given autonomy in 13 provinces of Mindanao. However, after the ceasefire, Aquino said, "our President did not implement it (the agreement) to the letter." What happened was that 3 provinces were removed, and the 10 provinces were split into 2 regions: Region 9 and 12. Aquino suggested renewed negotiations, since the "unilateral implementation" of the agreement had "naturally" caused the Muslims to say "that is a violation of the Tripoli Agreement." He also declared his belief that "all Christian troops in Mindanao should be withdrawn from that area," and the Muslims should then police themselves. He said that he would also propose that the Muslims set up "their own shariah courts, their own schools, their own madrasahs... their own civil code."

Dating back to 1974, up to 1981, the statistics are (according to Aquino): over a hundred thousand Filipino Muslims killed, over 250,000 fled to Sabah, and more than 1 million homeless. President Marcos is said to have said that 10-11 thousand Filipino soldiers have been killed in battles in Southern Philippines within the same period of time. Museum scholar Aijaz Ahmad, writing in the *Mindanao Pulse*, January, 1984, notes that during the ceasefire declared in January of 1977 (and "renounced by Marcos in October of that year"), "703 violations by the AFP were officially recorded."

Ahmad notes that the AFP "perpetrates enormous horrors, especially against the civilians, while the BMA (Bangsa Moro Army) is capable of impressive resistance and retaliation in widely dispersed areas" — and the general picture is that, from the strictly military point of view, "a situation of strategic stalemate has prevailed ever since (1978)." To bring our data up-to-date, TFDP's militarization

profile for Mindanao (January to June, 1984) lists as total number of cases for 15 areas: arrests — 643; torture — 165; missing — 44; salvage — 172; and massacre — 118. Evacuations, of course, continue to take place: for example, in Zamboanga del Sur alone, in May, 100 persons were evacuated; in September 400; in October, 800 (TFDP, Zamboanga del Sur) — and these statistics do not include Muslims, because Muslim communities are so far away from Zamboanga's urban centers and communications are not that easy.

There is a widespread tale today in Mindanao that Christianity has, once again, been used as a fatal wedge to divide Mindanao's population and steal their sovereignty over the lush lands of the South. That where the Spaniards and the Americans failed, the armed forces of the Philippine government has been seizing power and lands, stealthily — for crony-businessmen, it is said, and especially for multinational corporations. The Muslim-Christian Congress held last year categorically states in its manifesto that "the regime is deliberately intensifying the Muslim-Christian Conflict, an invented hoax to deepen the age-old prejudices between the two communities as means of enforcing the divide-and-rule policy." Though I have heard the tale from narrators of a few provinces (Zamboanga del Sur, the Cotabato provinces, and Misamis Oriental), these people have assured me that such grim reality covers the whole of ancient "land of promise", turning it, as one native wryly remarks, into a "land of compromise".

Zamboanga del Sur

A group of young men were waiting for 7:30 (departure time) inside a small vessel bound for Cotabato City. As we sat on cots, facing each other across a narrow aisle, we decided to kill time, in conversation, as most Filipinos do, whether Muslim or Christian.

They patiently explained to me that there were 7 Muslim tribes in Mindanao, and they could be grouped according to occupation. The fisherman-tribes are the Samals and Yakans of Basilan; some of the Kalebugans (Zamboanga del Norte) and Iranons (all over Mindanao); and the Maguindanaos of Cotabato. The tribes that have gone into business are the Maranaws of Lanao; and the Tausugs of Jolo. The Subanons are the mainly agricultural tribe (non-Muslim), but the Kalibugans and the Iranons also sometimes engage in agricultural activities. (TAP's Education Forum, however, lists the Sangils and Badjaos as 2 other muslims groups.)

Severe repression by the military in Mindanao has been going on since 1972, they told me, and that level of repression was maintained until 1979. First, the military blamed the trouble on either the Muslims or the Christians; next, they told the people they must evacuate; finally, they seized the lands, and the evacuees could no longer return to their homes. One of these lads had some luck: his family's house was merely looted, and when he returned by himself, he found Muslim fighters living in the house. The fighters trained this young Muslim boy, and later on, kept inviting him to join their army. Now a college student, the lad says he kept thinking of what the military did, and kept wanting to join them, but he also thought of his mother, who dreamed of her son becoming a professional and a respected man. It was well that he decided against joining them, he says, because he might not have learned the many valuable things he now knows. Such as political ideology.

What was additional bitterness for the Muslims was the fact that Christian evacuees could flee to the town centers or the cities, but they, like the Subanons, did not like the urban way of life. Indeed, the young men said, they considered urban residents their brothers and sisters, but they did not share delight in the same way of life.

The Maguindanaos, because they were to compose a large percentage of the MNLF, were not to suffer as much as the rest of the Muslims. MNLF surrenderers, they said, were not, however, Maguindanaos, but mostly Tausugs, like former MNLF Commander Saliwali (now with the Lupong Tagapayapa ng Pook), who surrendered after operations such as the Jolo massacre and the bombing of Zamboanga City. Other MNLF surrenderers come from the small percentage of Samals, Yakans, and Kalebugans.

The other Samals, Yakanis and Tausugs, who formerly inhabited and developed the coastline towns of Ipil, Kabasalan, (both fronting Sibuguey Bay) Olutanga and Mabuhay (jutting into the Moro Gulf) -- all Western towns of Zamboanga del Sur -- are becoming extinct, these young men claim, because of the evacuations.

The multinationals, they vehemently state, are definitely the central connection in this spiderweb. In Kabasalan and Ipil, they say, the Muslim leaders were at first approached by people who suggested that they go into banana planting -- they were still afraid of the Muslims at that point, the lads theorize. Later on, especially when MNLF surrenderers joined the military, the banana plantations were established. Look at Commander Ronnie (MNLF surrenderer), they said, he's now in Cotabato, a millionaire, with private banana plantations.

And let's not forget the government, they hurriedly added: look at how, contradictory to land reform, vast tracts of lands are controlled by the partners of foreign capitalists. There's Goodyear Tire and Rubber Co., with 3,000 hectares of rubber plantation. There's PNOC, which, by virtue of PD 334, operates around 6,000 hectares of mining coal in Diplahan, Malangas (a western town near Dumanguilas Bay) with a coal output of 370,000 metric tons in 1983. Around 76,000 hectares are, moreover, considered by PNOC as coal reserve areas. All that produce and the families

of workers and tenants could hardly eat adequate food thrice a day!

Earlier that day, at the People's Court at Pagadian, I had heard some residents of Lapuyan, Zamboanga del Sur, accuse MCR's (Moro-Christian Rebels) of being responsible for the strafing of houses in their town. Who were these rebels: were they half-breed? or were they a composite group of Muslims and Christians?

Dry smiles went all around. The leaders of these MCR's, they said, are from here, but they are trained in Manila, and are supported by the government. The Muslim members of this group are MNLF surrenderers, but they joined the group as individuals, not as groups. The group is just another terrorist group, like all the previous groups which are being sold as either quasi-religious or fanatical groups, but which are military-backed, with ICHDF camouflage. In 1972, they recount, the much-feared Ilagas came, which were really composed of military men and Ilocano and Ilonggo recruits. They were nicknamed later as the "land-grabbing association" because they first declared areas as "no man's lands", and then bulldozed the areas in preparation for factories and plantations for both Muslim and Christian capitalists. Up till 1979, they were the Number One terror of Zamboanga.

In 1982, their place was taken by the Airborne. By 1984, the Tadtads (or Sagrado Corazon Senior, more) had gained ascendancy as prime terrors, operating particularly in the North-Eastern and central part of Zamboanga del Sur, while second to them are the 4Ks (with whom Tadtads at times make twinbill operations) who operate in the hills of Dumingan and Midsalip. The Ilagas, now only placing 3rd but still claiming many lives, operate in the North-Eastern part, additional forces to the Tadtads.

As if they were not enough, the Muslim-Christian Rebels operate in the central and western

parts of the province. Add the now infamous Rock Christ group, which is active on the boundaries of Zamboanga del Sur and Misamis Occidental, plus the liquidation squads and secret marshalls (approximately 30 men) operating in Molave and (12 men) in Pagadian City -- and there you have the very stark contrast of the poverty of the peasants of Zamboanga and the well-funded government campaign against its supposed quarry: the NPAs. Helpless and innocent civilians, say these lads, are the easy victims in the military's reprisals and atrocities in their search for their archenemies.

Muslims against Christians? These lads shake their heads and add, oh, by the way, can you say who is the real Muslim and the real Christian nowadays? There's the Minister of Muslim Affairs Espaldon, who had himself baptized as a Muslim when he was still with the Southern Command in 1980 -- is he Christian or Muslim? There's Commander Ronnie, who is now Commander, they smile, of LTP, Region 12 -- what is he?

Cotabato City

While some consolation could be had from thinking of different organizations that are mending fences between Muslims and Christians and other Filipinos in this part of the world, such as MUSCRU (Muslims, Subanons and Christians for Reconciliation and Unity), Cotabato poses a unique problem. The former seat of Muslim power in the old days, the city was nearly ground to powder in the '70s when both the MNLF and the AFP made it of cruelty at the hands of the military, he said, so that sometimes, this double burden in the city would push them to the threshold of endurance, and they would fight back. He had watched the hegira of these Muslims to the city from 1972 to 1976, and it was no pleasant sight: refugees who had just lost their limbs, homes or loved ones.

He singles out 1972-1973 as the cruellest year. In Biniroan, for instance, there had been an encounter between the Muslim rebels and the government forces, and residents fled to neighboring barrios. Those who were caught inside their homes for fear of the crossfire put out white flags to identify themselves as innocent bystanders, when the firing was over. The reply they got was a napalm bomb, which left 30 dead in its wake. Those who were able to flee to freer municipalities developed skin diseases — one marked with blisters that were itchy — one week after. The effectivity of the "National Bomb", as my Muslim calls it, covered a large radius that swept even Cotabato City.

But it was bad enough a year before, in Kidapawan. There, residents suffered atrocities perpetrated by their main battlegrounds. Today, it is the seat of the Southern Command, but the Cotabato provinces are full of Muslim communities.

My Cotabato Muslim was another college student, and he confirmed an earlier note that Muslims from the rural areas or the hinterlands did not savor the idea of living in the cities and towns. Those who were driven to Cotabato City, he said, didn't know what to do, mainly because it was a painful thing, even as an idea, for them to be workers, because as fishermen and peasants who depended only on nature for their living, working for others in factories and other places was a form of slavery. They were also burdened by the painful memories of the so-called Ilagas, who were actually plainclothesmen — and Christian. The long-faced Muslim flashes an ironic smile as he says that "these Ilonggo tribesmen" were organized by political leaders he calls "The Magnificent Seven" (3 ex-governors and 4 ex-mayors) — and he names a Cajelo and a Doruelo, who were respectively, a Provincial Commander and an ICHDF Brigadier General of the Regional Unified Command 12, who up to now, he says, maintain private armies although

they are supposed to be holding government posts. The Ilagas are still existent, he assures me, but they exist in another way. Many of his fellow-Muslims, though, have realized that the supposed Muslim-Christian war is only a program of the government's "divide-and-rule" policy, who have developed a hatred for Western civilization, particularly, the Christian.

Indeed, how could they love their non-Muslim brothers who do not spare even the sanctity of the mosque? In Manili, Carmen, the military riddled a mosque with grenades and bullets, because, it was later reported, Muslim rebels were having a meeting inside. The massacre took 70 lives — 70 who were probably in prayer.

Even more horrendous was what happened to the people of Tran, Sultan Kudarat who were evacuated. The Marines hostages them. The pretty women were brought to their warships and were forced to give them pleasure for three days. As for the men, they were "investigated" — three men were selected every day for the firing squad. They could have all died had not Muslim leaders asked for help from the national government, which ordered the release of the survivors.

What was the story behind the bukogs (cadavers with skulls) dug up in Libak in 1983? An estimated 50-100 were in the mosque, which had been burned. Grieving Muslims gave those bukogs a Muslim burial, with more than just questions in their hearts.

"Live-ins" have been happening in the Cotabato provinces long before they were spread over the rest of Mindanao, this Muslim offers as a sort of curiosity. The term covers the hamlets and the type of relationship between the military and the Muslims of hamlets. He proposes that we call the rural Cotabatos one big "live-in"; after all, he points out, every barrio that has Muslims has a battalion. There are elements of the 35th, 38th, IB, 2nd Brigade, 1/3 Brigade, PAF Battalion, the Light Armor Battalion scattered all over these provinces. Greater in number are elements of the MIG, PAFID

(Intelligence Division), UTO (Philippine Navy), ARTO (PC), M-2, the confidential agency of the Regional Autonomous Government (which allegedly uses rebel-returnee for salvaging), the CANU (who confiscate things other than marijuana, because they are said to be the very pushers),

in the CIS (which is the most widespread and are licensed to kill).

He says that the last agency is a composite of plainclothesmen, of various groups which have a signal by which it could be known by other military elements which particular group is responsible for an assassination; the location of the bullet wound. In the case of lawyer Zorro Aguilar, he says, the wound was on the right; which CIS from which battalion of the 4 battalions of Dipolog is now being credited for the deed, he wonders.

A Muslim for the "live-in" in Dalikan, Maguindanao was told to go to the town center, where he was ordered to build a house. Then, at the military detachment, he was made to bring in food for the soldiers. When he finally went home, he was shot because he was a "rebel."

In all the hamlets he knows--in Talayan and Maganuy especially--my Muslim friend swear that the military never had it so good: their life in these places are "civilian-assisted". The residents give them food, the dig fox-holes, build their fences, "lend" them young women--everyday they do something for them, under orders.

One minor problem for "live-in" residents: ICHDF passes. If a Muslim doesn't have an ICHDF pass he must "surrender and cooperate"--which means something like giving any of the aforementioned services. The duration of validity of one pass is not indicated.

In Cotabato itself, the Muslims are still in a kind of hamlet. Apart from having to learn a whole new way of life, as workers or vendors, they constantly live in fear of the military. Sometimes, a longish cut of hair or a suspicious cast of face would provoke a soldier's ire, and another Muslim is proclaimed a "rebel". And there's curfew hour, in Muslim communities; established ruling 1972, it is now a secret decree that by 10 p.m., anyone out on the streets is arrested for "questioning"--many times never to be found alive again.

The economics of living in the city is a load in itself. A Muslim who has sold all his gold ornaments, or who has lost them, borrows capital for his small business from Muslim businessmen or from Chinese. He pays an interest of 10% monthly, and can only borrow on certain days, and only a maximum of P1,000.

And then there is the hard reality that a Muslim in a Christian community must live according to two sets of laws; the Philippine Government's set, and the Muslim one, which is according to the Koran. Included in the latter is the obligation to pay jakat, which is 10% of one's earnings. The Philippine government's courts of justice, this Cotabato Muslim says, run against the

grain of the shariah courts, which are, again, Koran-based. They are forced, he says, to live another way of life alongside their own, which is total and holistic, because it recognizes no separation between Church and State.

There are only two alternatives apart from suffering this new life in the cities, he continues. It's either the bukid (to join the MNLF) or a criminal's life. One goes to the bukid, he says, not because one is anti-Christian, but because one realizes the Christian and the Muslim have one enemy. He views the MNLF factions in the same way: there is no problem about them, or about the leaders, because they are united both in Allah and in a struggle against one enemy.

The so-called MNLF "returnees", came from somewhere else, he says. They were from private armies, and having tasted wealth, crave for more. Mock-wars are staged, "amnesty" is given, and they are wealthier for it. These Muslims who have made a business out of it initiated this game, but the government has allowed it to go on, and has supported this business, because it is usable as propaganda, that the Muslims are having a "change of heart", etc. So smirks the Muslim. Indeed, he accepts that there were some real returnees, whose surrenders were negotiated between PC commander and MNLF leader, and were exchanged for money, arms, etc., as approved by Manila headquarters. These people have turned into ICHDFs--who, however, can hope to attain only 2nd lieutenantship as highest rank, anywhere in the armed forces.

Though he tells me that there is much hope concerning the unity between Muslims and Christians in Cotabato because of three alliances that continue to weld them together, he points out that their struggle is not bound to get any easier. The Nationalist Alliance and CORD have been joined by the recently established Muslim-Christian Movement for Justice, Freedom and Democracy, but the Muslim-Christian conflict has been newly escalated.

The recent escalation is indicated by many occurrences. In Lanao, he informs me, two fact-finding missions have been conducted recently because of napalm-bombings that allegedly occurred from June to August of last year. He is also very certain that Alex Orcullo's death falls squarely on Capitan Inggo, a military man who is a Muslim rebel-returnee, Climaco's death is also being blamed on Muslims. At the same time, all this while, other Christian communities are being harassed by "rebels", and Muslim communities are being harassed by alleged NPAs whom authorities strangely emphasize as Christians when they are hammered in the rest of the country for being "godless".

Recalling a speech delivered by Dr. Imamullah Khan, Secretary-General of the World Muslim Congress, at the MCMJFD's 1st National Congress, he quoted: "A Moro must simultaneously be a Moro and a Filipino; his being a Moro must not be an obstacle to the achievement of unity and peace among Filipinos."

Proudly, he told me of one important resolution of that Congress: to concentrate on education concerning the Muslim-Christian conflict, because the conflict has grown such deep-roots, thanks to its "perpetration by the present regime to make us all believe that it is a religious war."

Cagayan de Oro

The falls were nowhere in sight as the plane passed over Maria Cristina. Just the green--of military uniforms at the airport, in the passenger jeepneys plying the route from Marawi to Iligan, at the Pillsbury strike area, around the hoof-and-mouth disease rug at the boundary of Misamis Oriental. But I was thinking of the Tadtads who, they say, have fallen upon the countryside, sowing terror. Upon what is called by some Cagayanos as Adaza country, and called by Adaza himself a place "where ideas move mountains". Where once, the drought bred large worms which residents swore could even eat up the dams, and which died only when the floods came--but then, the fishermen, even in the lack of fish, didn't want to eat them! (They were called "army worms".)

An ethnic minority called Iliganons live in some parts of this province. Some elements of their original culture would seem derivative of Muslim culture: datus who are also court judges, and polygamous customs. The faith is however, centered on the "magbabaya" or anito-like gods. Although, therefore, we cannot define the Iliganons as purely Muslim or just Non-Christian, we can take their situation as an indication that militarization is not strictly because of the Muslims, or rebels, and thus their oppression would water down the rationale that claims there is a critical Muslim-Christian war raging all over Mindanao. At the very least, it would only serve to illustrate how actually the "war for the hearts and minds" of the people of Mindanao is being waged by the military.

Mambuaya is a small barangay of Cagayan de Oro, and has a large percentage of Iliganon natives. The place was strafed on December 10, 1984.

At 2 p.m., December 9, a Sunday, a logging truck stopped on a flat tire in front of Gliceria Quinompot's house. There was a PC soldier, in plainclothes, on the truck. Some natives came forward to help repair the tire; a little later, 2 armed men came out from nowhere and approached the PC soldier. They took his .45, tied his hands together, and scurried him away. They came back with the soldier, who was unharmed, asked the people in Quinompot's house to untie his hands--and left. Gliceria and one of her sons did so. Fearing for their lives, they slept in her sister's house in Jampason, Initao. When they returned the following day, they found that their house had been ransacked. The PC soldier, still in civvies, came back the following day with another soldier in tow. They carried armalites. Without warning, they strafed Quinompot's house. Four people were wounded. That same day, the house of Gliceria's sister, Virgencita Lamon's house was also strafed.

Mambuaya residents went to Cagayan de Oro to dialog with the military. They demanded: 1. that those responsible for the strafing be presented; 2. the disarming of the local informers of the ICHDF, because they had been told that those responsible were only informers; 3. that military abuses be stopped; 4. that P10,000 be paid to victims of the strafing; and 5. that punishment be meted out to people responsible for the strafing. The only promise the military gave them was that the military would not make further abuses if the civilians don't ambush them.

Misamis Oriental Provincial Commander Lastimoso later said over the radio that those responsible for the strafing had already been arrested in Marawi, Lieutenant Ismael, the PC soldier who was on the logging truck, was however seen by some Mambuaya residents that same day breezily riding a jeepney in Cagayan de Oro's port area.

The Mambuaya residents say that military operations are prevalent all over Misamis Oriental. They know, for instance, that Hingoog, Medina and Magsaysay, which are towns opposite Agusan del Norte, have been militarized. From these towns, the military has required conscriptions from every family, or else.... The Tadtads, nicknamed by Cagayanos as The Bolo Battalion, they say, are the most active in these areas.

The TFDP of Mindanao observes that in order for military operations to take place in the barangays, the mayors, or other town officials, must be supportive. It is said that it is such officials themselves (who are often seen with a certain Gen. de Guzman) who ask for such military operations. The budget for such operations is rather large: P 80,000-P 84,000--an amount which is deducted from the salaries of lower officials. Where does this money go, they ask.

A Militarization profile prepared by the TFDP Mindanao shows that from January to June, 1984, there have been, in Misamis Oriental, 24 arrests, 19 torture cases, 12 missing persons, 11 salvage victims, and 7 massacres. From July to November, 1984, the profile shows: 27 arrests, 24 detentions, 4 missing persons, 5 torture cases, 34 salvage victims, 2 massacres (resulting in 8 deaths), 3 strafing cases, (resulting in 3 deaths and 7 wounded persons), 5 looting incidents, 5 raids, 1 rape victim, 1 evacuation (affecting 300 families), 16 arson cases, and 5 military operations.

Clearly an escalation has taken place. Noteworthy is the fact that the evacuation case happened in November. This took place in Sitio Lantad, Barangay Kibanaan, Balingasag. On November 9, 8 houses were burned looting was done, and 2 civilians were salvaged. Military authorities said that the Claveria detachment (2nd Ranger Battalion) had been attacked, and two soldiers died, and they claimed that the NPAs responsible for this had fled to Lantad. The two salvaged Lantad residents were NPAs, the military said.

Also affected by reprisal concerning the Claveria raided by "NPAs" were three barangays of Claveria, which were mortared. One resident was salvaged.

There was a proliferation of ethnic tribes in the southern barangays of Misamis Oriental, say TFDP officials of Cagayan de Oro. Some of the Dumagats have been conscripted into the Tadtad group (and into the private armies of local officials), they note.

Why, indeed, are these "Christian" group of Tadtads active in a place that doesn't have "Muslim rebels"?

Or are they primarily there to wait for Muslim and NPA rebels filtering in from the nearby provinces? But a TFDP account questions the allegations of

military authorities concerning the salvaging of two Lanao del Norte residents who were arrested in Mambuaya, Cagayan de Oro City, in mid-February, Leonardo Briones Tagapan and Arcelos Babion, from two sitios of Kapatagan, Lanao del Norte, were allegedly killed in an encounter between government troopers and 20 dissidents in Barangay Tagpangi, Cagayan de Oro, as per a March 8 article in the Southern Philippines Daily Tribune. Five witnesses said in the newspaper's March 11 issue, that on March 5, PC troopers arrived near Barangay Tangpangi at 4:30 a.m., and at 4:48, started firing at houses. The firing is said to have lasted 30 minutes. The witnesses did not know of any "encounter" in their barangay.

And what of the people of Lanao del Norte? The TFDP of Cagayan de Oro presents a fact-finding mission report concerning certain events in that province. Muslim participants in the July mission claim in the report that more or less 1,000 Muslim families evacuated from their respective barrios. They have not since returned to their barrios. They also report about "Kurakot", which is the Muslim term for stealing farm products--they say it is rampant in the vacated Muslim barrios, and some Christian civilians and uniformed men or ICHDF have been seen doing this. Thirteen (13) barrios, all in all, were vacated by Muslims.

The land-grabbing angle to the Lanao del Norte situation should be an eye-opener: three Christian landgrabbers say the report, now own 182 hectares all in all in Barrio Daligdigan, Salvador. The former owners of these lands, Muslims, are now mere tenants, and are under overseers who are "Christian CHDF men."

What brought about the evacuation? Could it have been the Muslim-Christian war? In a province that is predominantly Muslims, why was it the Muslims who fled? What kind of Christians could terrorize them out of their own lands? If they were MNLF, why didn't they just fight back or return with more troops?

There are just too many military and paramilitary elements in Misamis Oriental for far too few Muslims. In Cagayan de Oro City alone, there are two major camps: Camp Alagar (PC) and Camp Evangelista (PA). The length and breadth of the province is saturated by the 26th IB, the 57th PC Battalion, the 2nd Ranger Battalion, the Tadtads and the CHDFs, if TFDP data are to be trusted.

And there are just too many non-Muslims--farmers--who have suffered, still not counting those who have not been documented by the TFDP, from military torture. There have been too many cigarette burns, handhandling, psychological tortures, etcetera--going around in the ancestral lands which are also our roots.

Meanwhile, from the broad highway one can see the bay where oil tankers dance, along which bloom the concrete structures of multinational corporations (a total of 5 in Misamis Oriental: Filipinas Kao, Inc., Steniel Manufacturing Corporation, R. J. Reynolds, Aluminum, Filipro Inc., Anakan), and where the striking workers from such wood-based factories as T. H. Valderrama & Sons would have liked to fish, instead of having to fight armed troops that hurl their wives and children heedlessly into the air, just because the strike line has to be broken.

Shouldn't we examine exactly what the role of these multinationals and nationals are in Mindanao, instead of zeroing down on a cultural and religious "conflict" between natives who have been bred differently? Says scholar Ahmad:

"The political consequences of the domination of the southern Philippines by both multinational capital and the north filipino elite have been far-reaching. The position of the corporations at the top is remote from the everyday Muslim consciousness. The proletariat they exploit directly is non-Muslim, and most of the lands they occupy were taken from the northfilipino small settlers after the Muslims had been evicted. Muslim resistance is therefore rarely directed against the multinationals. On the other hand, most of the impoverished northfilipino settlers, caught between corporate exploitation and Muslim hostility, find it safer to unite with their more powerful oppressors to safeguard their marginal privileges against the Muslims. The multinationals are therefore able to function with impunity in the midst of a full-scale war."

It is really Christianity that has taken us deep into a war with ancestral brothers? Shouldn't Christianity instead enable us to look beyond for more accurate explanations? Knowing very well that

"Those who take meat from the table
Teach contentment.

Those for whom the taxes are destined
Demand sacrifice.

Those who eat their fill speak to the hungry
Of wonderful times to come.

Those who lead the country into the abyss
Call ruling too difficult
For ordinary men."

Bertolt Brecht

Militant Muslim Princess Interviewed

Quezon City ANG PAHAYAGANG MALAYA SUNDAY Supplement in English 3 Feb 85 pp 7, 8

[Interview by Pet G. Cleto with Princess Tarhata Alonto Lucman, former Governor of Lanao del Sur and widow of late MNLF Leader Haroud al-Rashid Lucman: "On the Tripoli Pact, Martial Law and FM"]

[Text] A window of five months hailed the marchers as they trooped into the plaza of Cotabato City: "Allahu Akbar!" (God is almighty). It was December 16, Human Rights Day for concerned citizens of Cotabato, and though a number of men in civvies walked the plaza just as they walked all over the city, strutting and flaunting their long-arms, a small group--a little over 200--bravely stood their grounds and saw through the city's third and most controversial rally since Aug. 21.

It proved to be the city's most daring mass action since the 1972 declaration of martial law, with rallying cries against militarization and the dismantling of the U.S.-Marcos dictatorship, breaking the decade of silence in what used to be a premier fortress of Muslim resistance against foreign invaders. The courage of the handful of marchers for human rights was all the more limned by the fact that Cotabato City houses the Central Command headquarters of the Mindanao PC, has some 7 brigades/battallions, and above all this, is said to be saturated by paramilitary troops. The area is also one of two regions where the privilege of the writ of habeas corpus has been waived.

"Allahu Akbar!" the widow intoned on and on. She was breaking her own silences: the silence of mourning for the late Haroun Al-Rashid Lucman, Sultan of Bayang, Lanao del Sur, and "Martyr for the cause of Islam," her deceased husband; and her political silence. Princess Tarhata Alonto Lucman, who had in 1974 resigned the governorship of Lanao del Sur and a year later had gone into exile with her husband in Saudi Arabia, sitting in the sala of her niece's house in Cotabato City, casually regarded me with her doe-eyes and, in-between flipping newspapers and re-arranging her headscarf, adroitly shed off the last shard of her silence like a bomb.

Q: You mentioned in your speech this afternoon that while you were in Saudi Arabia, you negotiated for aid from Muslim countries, but under the understanding that no strings would be attached. Eight years of exile is a long time. Were you updated on the situation to assure that the aid would be correctly geared towards the actual problems?

A: Yes, we were made aware of what was happening here. Many different groups would come or would send us messages, and we always had a good picture of the situation. Right now, everybody feels that we're in a bad fix.

Q: What kind of fix?

A: We know, of course, that these KBI's include some opportunists. But there are people even on that side who feel that we're in a bad fix. I know of a military officer who would like to quit, because his heart is not in what he is doing, and he only will serve provided there are no big "encounters." What is important is for the military to know this--that they are being used. I ask every individual who has relatives in the military to make them understand this. They are used, and they are treated like chicken, with low pay and poor food, and have to live away from their family. I sympathize with their families.

Q: You also said that you were not "MNLF." You would know who the leaders are, though, wouldn't you? Like Commander Narrah. And also the politics.

A: Narrah is the highest-ranking commander now. He was my former guard. But the fighting troops are now united in one, and don't recognize outside leadership. They are now concentrating on the homeland. Narrah, for instance, does not recognize any outside authority; he is independent-minded. But he is for autonomy, because autonomy is the only way so that Muslims can help in the

uplift of our conditions. Corruption in the government is especially a problem, and with autonomy, this can be solved among the Muslims.

Narrah was one of my best policemen. My best policemen went to the hills. They saw how in Lanao, I was fair and just, and yet I was taken out.

Q: Taken out: I thought you resigned. (Panorama had mentioned in September that she had been "unjustly blamed for the death of her own adopted son, Major Ortega.")

A: It all happened during the peace talks in Zamboanga, with Chairman Pangandaman and General Lao and some surrenderers. There were actually no "rebels" yet. You know, we didn't realize then that the Ilagas were purposely making trouble between the Muslims and the Christians--they paved the way so that Martial Law could be legalized. Such is the secrecy of Ferdinand Marcos. Meanwhile, the Muslims tried to protect themselves.

The "Blackshirts" was an organization of young people who wanted to protect the barrios against the Ilagas--they had no intention of fighting the government. We thought the Ilagas were just individuals out to grab land; later we learned that they were organized by the government. These boys called themselves "Blackshirts" in joking imitation of blackshirted military elements which do the "dirty work," but they became serious and asked for foreign help they wanted to go to Malaysia for training...with no strings attached. Someone must have reported this to Marcos so that it came out in the papers that "Lucman has organized fighters against the government." Of course Lucman negotiated for the training because the people needed defense against the Ilagas, but the "blackshirts" were not targetting the government! Marcos propagated this idea of Blackshirts-versus-government because he had plans of proclaiming martial law. The M.V. Karagatan case was also part of this plan of Marcos.

Well, so they were conferring autonomy in Zamboanga. But they also called another one in Cebu. I was voted chairman of the Cebu conference. Since I was the only governor who was a lady, Rono said, they wanted to hear how I was going to prevent autonomy because Marcos did not want "a break between Muslims and Christians," and allegedly this break would be the result of autonomy!

Q: Did they think you would be against autonomy?

A: Impossible! I told them that we Muslims want to help the government, and we can do this through autonomy. Peace and order, corruption--these were rampant; they still are. With autonomy, criminality will be erased. In our codes, if a man kills, he is beheaded; if he steals, his hand is cut. When you hold public office, you cannot steal; if you do, you can no longer participate in government after your imprisonment. I told Rono, I cannot make such a resolution, because I have not consulted with the people; that I am sorry, I represent the people and I am not in office to oppress them. But I will help by asking for a referendum, while you postpone resolving the question of

autonomy. Rono said it had to be resolved immediately, that was what Marcos wanted, and that Marcos would make me the most powerful governor in the country if I make the resolution. I refused; and so Rono said I should therefore resign my governorship. It was a blessing in disguise: they removed me without cause.

Q: Was this the start of your realization that the Muslim-Christian conflict was a concoction?

A: Not right away. When we were in Saudi Arabia, I was thinking that the disturbances would not continue. I didn't think yet that this was a plan. But when we went on...

And then the government started saying that it could not grant us autonomy because we were not united! Secretary-General Dr. Nasief of the Muslim World Congress was doing everything to unite the three groups, but how do you reconcile them? Some of them are funded by FM! We found out that the people who are trying to negotiate are not really for us. The President and my husband talked in New York, and Marcos said that if Lucman could get just one of the Pundato or Salamat factions, he would grant autonomy. We got Pundato to agree (Dimas Pundato, of the original Bangsa Moro army), and we were going to sign an agreement in our Karachi conference (1983), but he (Marcos) sent some of his men to disrupt the unity, convincing them that they must not participate, or agree to this communiqué.

Q: What exactly is meant by autonomy?

A: It does not mean we're seceding: we're part of this country. Every part of this land is spotted with Muslim blood, from Sulaiman in Luzon, Lapu-lapu in Visayas, and the Muslims of Mindanao. Today corruption is so prevalent, and the only solution for us is autonomy.

In Islam, what you can work out is yours, so there will be no problem about squatting on other people's property. As for elections, you cannot get a single vote unless it is given to you. Cheating (in elections) is equivalent to trespassing the dignity, honor, and choice of people. Our courts, the shariah, don't have many procedures: there are witnesses--four is all that's needed to decide the case--and no one lies because lying is like murdering a person, and so the liar must be punished.

We have our own way of life and of running a government.

Q: How do you see our nation's immediate future?

A: Under Marcos and company? Those people don't have hearts. Even if the man give it up, the wife will not--she has tasted the sweatness. If she's changing her mind about having the power herself, she's probably grooming the daughter. But Imee, with what she inherits from her parents--she'll never be a good one.

Q: But there are laws of succession.

A: Let us see what the last succession law will be like. Where the (changing of) succession laws will end, that one that will be followed.

Q: And the military?

A: Many are loyal to Ver. I hope that they realize now that Ver is too ambitious. If he becomes head of state, the country will be in a topsy-turvy situation.

Q: Do you think it possible that the U.S. may intervene directly?

A: Russia will intervene if the U.S. intervenes. If one could ask them not to interfere... These two nations are fighting over us! We can take care of ourselves. We Filipinos must unite for one cause.

America intervenes in a secret manner. Americans are cowards: they would rather stay at the back where they are not seen. They are making us their scapegoats. America says: we don't give arms, like Russia does. But (whether or not that is true, the U.S. only helps you slide into poverty! I'm not a communist. But this is the truth of how these two countries help others.

Q: Are you against communists?

A: I don't really know the Russian or the Chinese way of life, but communists are very humble and very helpful. Only, it seems that when you're communist, your nation is limited; there are limitations concerning property, housing, expenditures. In Islam, there are no such limits. Islam is democracy. The only prohibitions are stealing, being a traitor, immorality, etc. But I also have American friends. Although their government will help you become its slave.

Q: What is the state of militarization in Mindanao today?

A: Well, the Ilagas are again organizing. I hear they are trying to train new members, but it is said they were selected from the Ilocos region and from Muntinlupa. I hope that is not true. They are being organized in Wao, (Lanao del Sur) and parts of Lanao del Norte.

Q: Are Ilaga operations connected to landgrabbing, as has been claimed by many Muslims and Christians alike?

A: That is precisely why we're asking for autonomy. After the Ilaga operations, the areas are then developed into government settlements. Now the government owns these settlements, but we know that the titles belong to an uncle of FM and Imelda. They are using settlements to get all these lands which are really sultanate areas. In Islam, the sultan distributes land among the people. There are no papers. We rely on hereditary law. (Moreover,) only those lands that are not occupied can be distributed by the sultan, and he distributes it to the landless. Islam has very clear laws: that you cannot own property if there are still landless people around you, except property which you have bought.

Q: Is there a further tie-up with the multinationals?

A: That's another trouble again. We know that the rich lands from the north to the south of Davao have been titled in the names of FM's mother, his sisters and Cojuangco. What for, but for the benefit of the multinationals? Like the rest of Mindanao. The military is here to protect their claims to these lands. By the way, there is a report that 1,700 men are being trained by Israelis in Palawan--under the financing of a wealthy businessman close to Marcos.

Q: What do you think of the Mindanao Alliance and the Muslim Christian Alliance?

A: I don't think they're against autonomy. We open our hearts to our brothers and sisters; we know that those who settled here were people sent by Sulaiman or descendants of those who intermarried with people here and then went back to Luzon. Before the Ilagas came, settlers and Muslims lived very closely together; we all thought: we are one. When Marcos became very ambitious, he organized the Ilagas at the expense of the lives of people in Mindanao. Those who have understood this have been reconciled. Now they (Marcos and military) are trying to build fire again.

Q: How will those oppressed today benefit from autonomy?

A: We will mete out justice to traitors: that is in Islam. You know, we have also been oppressed by fellow-Muslims--those who are in Marcos and who worked with the military. If we don't have autonomy, these people will again create the same problems.

Q: And how will you use your foreign aid?

A: The aid given by Muslim countries is for development, education, religion--everything except for war. To aid warring countries is not in Islam. The aid can even pay off \$28 billion of our debts--the Philippine government can invest it, and get the interest. Saudi Arabia had agreed to give Aquino money, if he would support the Muslims. He had promised to, and that is why we were very sad over his assassination.

Q: By the way, would you support Cory's candidacy?

A: I never heard her discuss political strategy. It would be a difficult task for her, to be in politics.

Q: But perhaps people can change quickly. What about Marcos?

A: When martial law was proclaimed, I was not against it because it was supposedly for reforms. I was the first to talk to Marcos, and I was very sincere in giving my support as an individual, not as a party member, to these reforms. But when I realized what the Ilagas really were, I was totally disappointed. Less than a year after martial law was proclaimed, the military started its abuses. We also started filing cases against corrupt officials. Do you know that Lanao never experienced abuses when I was governor? I went straight to the military, and talked even to the soldiers, and I said that

I would never allow abuses in Lanao. So it was that it was only in Lanao that nothing terrible happened. Perhaps I was removed because of that.

Q: When did militarization--or state terrorism, as critics say--start in Lanao?

A: Right after I left. Ay naku, I don't respect governors who allow such things to happen. Why, I emphasized to the military that despite martial law, civil authority is still above the military, so please place respect for governors. Respect me as governor. Well in less than a year of my resignation, Dimaporo came in with General Lao. Dimaporo neglected his people, and allowed military operations--and the military robbed, killed and looted; be it money, gold, malongs or decorations.

Q: Would civilian rule also take place when you have autonomy?

A: We have the reality; we have the Korean, which was made by God. No one can alter the Koran. Our shariah or court is given to people who have studied it thoroughly. Besides, there can be no mistake in the interpretation because the people bring to court the facts, and they, the people under Islamic law, will be afraid to lie. No kuskos-balungos, because everybody knows the law thoroughly, anyway.

No, no militarization. In Islam, we don't want war.

Report on Sabotage Incidents at Agusan Rubber Plantation

Quezon City ANG PAHAYAGANG MALAYA SUNDAY Supplement in English 3 Feb 85 pp 9, 10

[Article by Ibarra C. Mateo: "A Community Fights Back: Trouble at NDC-Guthrie"]

[Text] That particular night was almost pitch-black. Only the streaks of moonlight escaping through thick clouds lit the place. Eeriness shrouded a corporate farm snuggled near the foot of the Diwata mountains of San Francisco, Agusan del Sur. Then, there was rustling of feet and the sound of bolos being unsheathed. Numbering a few hundreds, the assembled men became a single line of warriors ready to attack their enemy. The men hacked at the palm trees with their bolos, cutting and downing as much as they could, till sheer fatigue sapped their bodies.

The clandestine destruction of palm trees, termed in the area as Operation Tadtad, was the local population's way of getting even, with the National Development Corporation-Guthrie Plantations Incorporated (NDC-GPI). The NDC is a government institution chairmanned by Roberto Ongpin, Minister of Trade and Industry, which is supposed to entice foreign-lending institutions to invest in the Philippines' agricultural export business; the Guthrie Corporation is the world's largest producer of rubber and palm oil.

In Malaysia, it has 74,000 hectares planted to palm oil alone. As of 1981, the Guthrie Corporation was composed of 71 subsidiary and associated companies scattered around the globe. Guthrie Corporation is divided into Guthrie Holdings and Kumpulan Guthrie, Guthrie Holdings is London-based and controls the non-plantation aspect of the corporation while the Kumpulan Guthrie, which controls the GPI in Agusan del Sur, has its headquarters in Kuala Lumpur and calls the shots in all Guthrie estates and plantations in Malaysia and the rest of the world.

It was reported that in the most recent cutting, done on Sept. 26, 1983 when Alf Dubs and Colin Moynihan, members of British Parliament, arrived in Butuan City, an estimated 52 hectares or a total of 6,600 palm trees were cut down that particular night. The NDC-GPI has kept quiet about the incident. But according to agencies monitoring closely the developments in the plantation, the NDC-GPI has incurred an approximate loss of P19 million since the cost of one palm tree is pegged at P3,000.

The September 26 attack was not the first--it was the "fourth operation." The aggrieved folks of Agusan made their first assault in February 1982 when 200 palm trees were levelled to the ground. In October of the same year, the figure went up to 900 and skyrocketed to 2,800 (22 hectares) in July 1983.

To the displaced Agusan citizens, the incursion of NDC-GPI to their lands fueled the fight to regain what used to be theirs: the land--their vital link to life.

The NDC-GPI blitzkrieg against the Agusan townspeople started quietly. The farmers, who would be affected most, never knew about the war declaration until the day the bulldozers razed their farms. A peasant organization called the groundbreaking of the NDC-GPI project as one of the "government's biggest economic crimes of the decade."

The plot was hatched in October 1979 when NDC's capital ballooned from P450 million to a staggering amount of P10 billion, or almost a 20-fold leap, via Presidential Decree No. 1648. Among others, the PD No. 1648 enabled the NDC to enter into various joint venture projects more fully and it also authorized the NDC to have "full and absolute" ownership of vast tracts of lands all over the country under the label "NDC Reservations." The decree virtually lifted the constitutional bloc against NDC and its foreign business partners who were not allowed to own more than 1,024 hectares of lands reserved for corporations.

A revamp of the NDC board followed with Ongpin becoming the chairman, Prime Minister Cesar Virata, Energy Minister Gerardo Velasco, and some presidential cronies as directors. The changing of the guards is seen by some quarters as an insurance that NDC was moving towards a landlord-comprador direction.

PD No. 1648 was followed by others adding body to the provisions on land ownership. In January 1980, Presidential Proclamation No. 1939 reserved for NDC's exclusive use 28,700 hectares in the municipalities of Rosario, San Francisco, and Prosperidad, all in Agusan del Sur, Presidential Decree No.

2041 issued in December 1980 added 11,850 to NDC domain in the province, bringing NDC's land acquisition in Agusan del Sur to a total of 40,550 hectares.

While the Guthrie executives were busy preparing for the joint venture, one thing was not reflected on their drawing boards. The lands that NDC offered were already inhabited and some were even titled.

After the proclaimed lands were surveyed by the District Land Officer of Prosperidad, it was confirmed that the lots found within NDC reservations were titled or being claimed by settlers. A substantial portion of the forest zone, according to a study of a peasant institute, within the proclaimed areas were more or less productive agriculturally, therefore, already subject to classification and delimitation by the Ministry of Natural Resources. In one municipality, the study noted, its entire 8,550 hectares had been classified as alienable and disposable lands. The settlers and Manobos living in the area had applied repeatedly for titles to the lands.

The District Land Officer also said that the farmers and settlers in the area were covered technically by the regime's land reform program, even as a strict landlord-tenant relationship did not exist in the area. Instead, the government was acting as the landlord to which settlers and farmers paid their rent in the form of taxes.

To absolve his administration of the ensuing problems, President Marcos passed PD No. 1766 rendering all other land programs obsolete. Issued in January 1981, the decree sought to stifle and muzzle all complaints against the land proclamations. With a stroke of his pen, President Marcos, declared null and void all land titles held by the people, except those held by his cronies and foreign business partners, the study continued.

For the people of Agusan del Sur, President Marcos signed away vast tracts of cultivated land, crushing the hopes of several hundreds of farmer-settlers of ever owning the land they had made productive in years and rendered homeless and landless the thousands of Manobo farmers who, with their ancestors, had thrived on the land for ages, the peasant organization said.

In exchange for their lands, the people of Agusan del Sur were promised "development"--roads, electricity, and employment--once foreign investors begin establishing their plantations.

The first to grab the red herring bait was the British-owned and London-based Guthrie Overseas Holdings, Ltd. (GHOL). Negotiations culminated in the signing of joint-venture agreement in February 1980, exactly one month after NDC got its first land allocation. With a budget of P400 million, the agreement called for the establishment of a 24,000-hectare integrated palm oil plantation in the country with a provision that 100 per cent of its oil and kernel production would be shipped out of the Philippines and geared toward the international market.

With NDC holding only three positions in the corporation, the venture was given the imprimatur by the Securities and Exchange Commission in April 1980. The NDC side is headed by Antonio Carpio, former president of the National Power Corporation and now general manager of NDC. He is also the chairman of the board of the joint venture. The British panel is headed by Bernard Lewis who is the executive director of Guthrie Corp., mother company of GOHL and director of Ropel Guthrie of Malaysia, a subsidiary of Guthrie Corp.

The NDC 60-per-cent-equity comes in the form of land while Guthrie provides the working capital, technical expertise, and manages the plantation. It is ironic that in such an arrangement, NDC holds more shares.

By managing the plantation, Guthrie controls the day-to-day operation of the company and the director of operation has a free hand in directing and managing actively the business and operations of the corporations. Guthrie also maintains powerful influence on all corporate policies and plans by holding an effective veto power on all board decisions through its board representatives' imperative presence in any quorum meeting of the board.

Apart from all of these privileges, Guthrie has found the local market an added dumping ground for its palm seedlings. And using cheap labor force, it also receives payment for technical and management services rendered by it to NGPI.

The government's part comes in the form of a slice in the export earnings which is equivalent to 1.5 per cent of the gross output for the use of the land. The lion's share of the government is the foreign exchange actually invested by Guthrie in the country. In July and August 1982, when NGPI increased its capital stock from P30 million in 1980 to 200 million, Guthrie brought into the country 297,413.13 British pounds representing part of its share in the increase.

When the Commonwealth Development Corporation, a British government statutory body that invests funds and provides loans for projects in Third World countries, approved in January 1983 a loan of the NGPI amounting to 6.4 million British pounds, the money was piped in the financial system of the government.

The CDC loan was followed by the US\$11 million loan from International Finance Corporation, a lending arm of the World Bank. With the enormous amount of foreign exchange pumped into the economy, the impending financial crash of the Marcos administration is held back, at least for the time being.

The flurry of activities started in 1980 when 440 families (about 3,000 people) were uprooted from their farms in Barrios Cabantao, Mate, and Maligaya, all in Rosario to give way to the company's housing and office facilities and seedling nursery.

Initially, the settlers were cajoled to surrender their lands and all claims in exchange for free housing, medical facilities, employment, etc. But when the farmers resisted, Guthrie had its way via bulldozing the lands. Fierce protest and publicity were aired in Manila and London by the Catholic Institute for International Relations, Anti-Slavery Society, Amnesty International, and

the British Council of Churches which prompted Guthrie to compensate the farmers. But by the time Guthrie acceded to compensating the farmers, their lands had been cleared thoroughly such that proofs of their claims, were hard to present.

A divisive design was promoted by Guthrie when it lured other farmers to exchange their lands for the right to recruit two plantation workers each, from whose salaries they would get a P20 commission per laborer per payday. Not only did Guthrie rid itself of further obligations to the farmers, it also passes on to the plantation workers the burden of compensating the dislocated farmers from their wages.

The notorious "Lost Command" of Col. Carlos Lademora was on hand to provide support so that the first-ever palm oil plantation in the Philippines could see reality in spite of the mounting protest and opposition.

Since 1980, "Charlie's Angels," the other name for the Lost Command, were reported to have been linked to the killing of some 300 farmers and Manobos in Agusan del Sur alone, the abuse of women folk, the San Pedro Cathedral bombing in Davao City, and the massacre of Samar villagers.

Now that in their farms stands the palm plantation, farmers have no choice but to join the work force of the company. Statistics revealed that the 2,000 plantation workers of Guthrie only receive P15 per day, though relatively high compared to other wages given by other companies, it is still low when the company's capacity to pay is taken into account. It really hurts them when they recall how self-sufficient farmers they were, but now that they are plantation workers, they have to buy everything from stores managed by enterprising individuals who price their goods exorbitantly.

Working conditions are deplorable. There are no safety devices to protect themselves from the harmful effects of pesticides and other chemicals in the plantation.

The people of Agusan del Sur are victims of the plantation agriculture strategy which they believe is imposed on them by the government who work with foreign business partners who are only after the viability of their business venture and the subsequent unhampered flow of profit.

But the people of Agusan do not take this situation sitting down. They are plantation workers by day and fighters by night.

Once more, it is dusk. Nobody knows when the night stalkers will strike back. But for sure, they will.

CSO: 4200/591

PHILIPPINES

MINDANAO COLUMNIST ON LEGALIZATION OF COMMUNIST PARTY

HK051228 Davao City THE MINDANAO DAILY MIRROR in English 16 Feb 85 pp 7, 8

["By-line" column by Casin Arkoncel: "On the Legalization of the Communist Party"]

[Text] One of the "delicate" issues that politicians take a gamble in advocating is the legalization of the Communist Party in the Philippines. The opposition supports the idea while the rightists in the government vehemently oppose it.

Unlike the question on whether divorce or abortion should be allowed in the country, communism entails political overtures. The argument that the ideology is godless and diametrically opposed to democracy has been countered with the Philippines' foreign policy of maintaining friendly relations with communist countries, notably Russia and China. In the late forties and early fifties the country had been beset with the communist threat and the mere mention of Russia or China was subversive, so to speak. However, in recent years the Philippines had entered into diplomatic relations with many communist states as a departure from of [as published] a U.S.-dictated foreign policy of isolating the country from Red countries.

In fact, Republic Act 1700, otherwise known as the Anti-Subversion Law, has been amended and no longer categorically bans communism as a prohibited organization. It is merely restated in the amending decree as a foreign enemy country. In the 1930s, our laws banned the Communist Party of Evangelists which advocated for the overthrow of the government through violent means, and it was only this particular organization that the law prohibited.

Verily, opposition elements support the legalization of the Communist Party to win the votes of communists in the underground. There is a doubt however, as to whether opposition leaders would join the Communist Party. A few may, but what is probably feared is that the masses would jump into the bandwagon. Communism thrives best in poor countries and empty stomachs would go into anything that will perhaps change their lives.

Strangely, the Catholic Church is silent on the issue. This could be attributed to its anti-government stance in that anything which opposes the

Marcos regime would be all right. Generally, Catholics would support divorce or even abortion, but it is not expected that God fearing people would sign up with a God-less ideology.

The Communist Party, if ever legalized in the Philippines will not become an instant political power. The opposition bigwigs are mostly oligarchs themselves and don't fit into a communist society. The government ought not be scared that once communism is legalized in the Philippines, it would deliver the country outright to Russia or China. Communism in other parts of the world no longer find it fashionable to be a mere satellite of a Red power.

On the contrary, legalizing communism will identify who are communists and majority of our people are not ready for that. The identification of communists can make the job easier for the government should the party turn out to be an enemy of the republic. But it will take time before the CPP [Communist Party of the Philippines] can emerge as a power politically. An administration in power can be an ally of the communists in the same manner that the opposition may have the commies on its side.

As for the changes that communism will bring about only time can tell. A possible takeover in the future should not be dismissed even if the Catholic hierarchy should fight it out. The attraction the communist ideology promises are material compared to the spiritual rewards of religion. At a time like this the poor are most susceptible for anything that they believe can alleviate their economic suffering. Four hundred years of Catholicism had done them little or none. [Words indistinct] Marx is the answer.

CSO: 4200/593

PHILIPPINES

BIGORNIA CRITICIZES KBL'S CHDF EXPANSION PLANS

Manila BULLETIN TODAY in English 3 Feb 85 p 6

[Commentary by Jesus Bigornia: "KBL Creating a Frankenstein Monster?"]

[Text]

A Frankenstein monster in every Philippine barangay? A horrendous, if possible, prospect. For that is exactly what desperate Kilusang Bagong Lipunan (KBL) men in the Batasang Pambansa are planning to sic on the nation. They are proposing the creation — and arming — of close to half a million monsters wearing the uniform of the Civilian Home Defense Force (CHDF) and bearing arms from army arsenals. Authors can do it, too. In the law-making body they have the numbers to conjure into life this dangerous creature.



On the surface, the plan appears harmless, even commendable. Officially-recognized vigilantes, armed with and trained by the Philippine Constabulary, it is claimed, will assist government forces to put down escalating communist and secessionist rebellions. No one in his right senses can argue against the purpose. Except that the record of existing CHDF units has been universally unsavory. A reputation for rape, extortion, robbery, even murder, cries out for abandonment of the plan.

At the municipal level, the CHDF unit at Rizal, Zamboanga del Norte, may be cited for a starter. Unsolved murders, rapes and extortions, all laid at the doorsteps of the group have so frightened the more respectable citizens of Rizal to flee the town for their lives. Meantime, rapine and murder stalk the town. Similarly, a trigger-happy CHDF unit at Hamtic under the protection of a national official has gained such notoriety for extortion and killings, the whole province of Antique becomes paralyzed with fear on receipt of reports of imminent arrival. Imported from the cesspools of crime in the cities, many of these men have criminal records longer than their arms.

By some kind of legerdemain, authors of the plan have convinced themselves that once the organization is created, manna will rain from heaven to feed, clothe, house and arm around 400,000 CHDF units. When barangay funds which cannot even provide for allowances of barangay officers run out, it is only normal for individual CHDF members to forage for his needs. What he cannot beg or borrow, he will steal. Owners resisting are due for beatings, if not bullets in the head. For, give an ignoramus

a gun and he will go far -- abusing power.

* * *
It is the Philippine experience (even in the cities) that the ignorant unemployed, the local toughies, the criminally delinquent types are the ones attracted to CHDF service. To such men, a gun gives status -- and power. A gun is the Aladdin lamp producing a modicum of affluence and notoriety that is mistaken for fame. At the rate of ten men per barangay, government would have committed itself to supplying millions of paramilitary personnel for an indefinite period of time. In crises like the one now holding the nation in its grip, the Filipino needs an army of undisciplined, ruthless gangsters (CHDFs) like he needs a hole in the head.

* * *
Some critics call the plan crazy and the authors stupid. The plan, however, is not so crazy. But the authors are, indeed, stupid -- stupid like foxes. Having wrapped themselves up in the sheep's skin of a real and credible threat of a communist takeover, politicians in

fear of political extinction at the polls either this or next year, would now form private armies with which to terrorize and coerce their constituencies and remain in shaky seats of power. In the process, they may have created a veritable monster that can turn against them in the crunches.

* * *
It is conspiracies against the people that deserve the undivided attention of and denunciation by the opposition in the Batasan. Opposition-leaning bankers are finding to their disenchantment that the Batasan minority is frittering time and energies to pointless investigations. They cite a resolution calling for a probe into the so-called missing gold bullions worth \$722 million. Such a claim is considered in banking circles as ridiculous. Such an allegation, it is counter-claimed, is out of proportion. Not all the gold mined in this country since the 1930's could have amounted to that much. It held that what the country needs right now are credible lawmakers, not incredible legislation.

PHILIPPINES

MALAYA REPORT ON HAMLETTING IN QUEZON PROVINCE

Quezon City ANG PAHAYAGANG MALAYA in English 1 Feb 85 p 2

[Article by Joel C. Paredes]

[Text] The 94 peasant families who were forced to flee their homes when the military allegedly "hamletted" Barangay Villa Espina, a remote barrio in Lopez Quezon in November last year are reportedly determined to march their way back to their abandoned village late this week.

The affected families are expected to be assisted by church and human rights groups which sent a fact-finding mission to document alleged military atrocities in the hamletted barangay starting yesterday.

If plans push through, the affected families, together with support groups, will return to Villa Espina today.

In a related development, the militant Brotherhood of Nationalistic, Involved and Free Attorneys to Combat Justice and Oppression (Bonifacio) asked concerned Members of Parliament to look deeper into the claims of the Villa Espina residents, notwithstanding a denial issued Jan. 3 by the military.

In a letter to MP Hernando Perez (Opposition, Batangas) Bonifacio's Frank Chavez said denials on abuses issued by the military are "nothing new" and should not be taken at face value.

Reports gathered by the Task Force Detainees of the Philippines-Luzon showed that the hamletted barangay has been deserted since the military launched a massive "counter-insurgency operation" in the village, some 17 kilometers away from the town proper, last Nov. 29.

The military operation was reportedly triggered by the New People's Army (NPA) attack at the detachment of the 42nd infantry battalion of the Philippine Army in nearby Guinyangan town on Nov. 24. A lawman was killed, while several firearms and several rounds of ammunition were seized.

The lawmen claimed that the rebels were seen fleeing toward Villa Espina, where they kept the seized arms.

However, the residents later told a Malaya team which visited the area they did not coddle the rebels, although they admitted these were usually seen in the area.

Instead, the residents complained that the soldiers were more harsh in dealing with the civilians. Some 100 women, young and old, were reportedly herded into the house of a certain Editha Imperial near the river, and were forced to sit on the floor.

The men were also herded into the house of Onofre Datario, who was later arrested together with 21 others. The military detained 10 peasants at the Sto. Domingo army detachment and released six of them Jan. 21.

Four remain under military custody after charges of robbery, homicide and frustrated murder on six counts were filed against them. They were transferred from the Guinyangan jail to the Quezon provincial jail last Jan. 22.

Among the concerned groups which pledged to help the Villa Espina residents when they return to their homes today are the Archdiocese of Gumaca, TFDP-Luzon. Concerned Citizens for Justice and Peace-Southern Tagalog. The Ecumenical Movement for Justice and Peace, Friends of the Oppressed People of Quezon, Otradev, Philippine Association of Social Workers, National Secretariat for Social Action, National Council of Churches in the Philippines, Protestant Lawyers' League, and Gabriela.

Before the march to Villa Espina, the victims of an alleged massacre in Guinyangan three years ago will lead a people's mass in the town to commemorate the incident. Several peasants were reportedly killed when military troops sprayed them with bullets when they staged a march in that town to denounce alleged "militarization" of their villages.

CSO: 4200/591

PHILIPPINES

WORLD BANK TO LOAN \$250 MILLION IN FY 1985

HK280336 Manila BUSINESS DAY in English 27 Feb 85 p 2

[Article by Noel D. De Luna]

[Text] Loans the World Bank will extend to the Philippines during the current fiscal year which will end in June 1985 will only amount to some \$250 million, Pastor Santos, a spokesman of the multilateral funding institution, disclosed yesterday.

Recently, the Ministry of Transport and Communications was granted a \$4 million loan.

Last February, the Bank announced that it extended a \$189 million loan for five education projects in the country. These are: \$100 million for the Program for Decentralized Education (PRODED); \$38 million for a fisheries training project; \$25 million for a textbook production project; \$25 million for an agricultural education program; and \$1.15 million for an education, radio and technical assistance project.

Fund releases from this loan are expected to continue until June. Furthermore, the second tranche worth \$75 million from the original World Bank \$150 million agricultural input loan is expected to be released before the fiscal year ends.

The total disbursements then that appear positive before the current fiscal year ends would come to just around \$250 million. BUSINESS DAY sources feel that with only four months to go before the period ends, there will not be any new World Bank loans forthcoming.

The \$250 million commitment by the World Bank for fiscal year 1985 is a reversal from a previous commitment made before the Paris Club where a senior bank official said the Bank will commit an average of \$500 to \$550 million annually for the next five years to the Philippines to support the country's economic recovery program.

The Bank then said that the new loans would support policy reforms to be undertaken by the Philippines in public finance, restructuring of the financial system, trade policy, manufacturing, energy and agriculture.

BUSINESS DAY sources explained that the reversal in the World Bank stance could be traced to a February board meeting between the Bank and the International Monetary Fund (IMF) where both financial institutions discussed the need for closer coordination between the Bank and the IMF to avoid inconsistent and even contradictory recommendations regarding borrowing countries.

Both financial institutions have been periodically evaluating the country's economic performance ever since the Philippines asked for a moratorium on its debt payments, followed by a restructuring of its debt service obligations. This was followed later on by the government's request for additional and fresh loan infusions.

Although the granting of some loans currently being negotiated between the Philippines and the World Bank, such as the \$100 million agricultural loan for relending operations, would depend largely on the government's compliance with its structural adjustment program as committed to the lending institutions. BUSINESS DAY sources noted that some irritants have already arisen.

The major irritant is the Bank's policy of using domestic market rates for funds relent to end-borrowers, like farmers for instance. Government officials maintain that by using high local interest rates instead of the low international rates, farmers would not be able to repay the loans.

The Bank, on the other hand believes that local market forces, instead of government intervention via subsidies, would make productive enterprises competitive.

Santos said: "In general, when a borrower applies for a loan, (the loan) is supposed to go to a productive project. The borrower then can repay that loan out of the proceeds of that project."

Santos also disclosed that the country has availed itself of some \$500 million worth of quick disbursing funds under the World Bank's special action program last year.

The special action program, in World Bank jargon, "involves financial measures and policy advise to help those countries that were demonstrating a willingness to cope with that adverse environment through policies aimed at improving export competitiveness, mobilizing additional domestic resources, and adjusting overall expenditures to diminished foreign and domestic resources in a manner least damaging to their future prospects of growth."

The major elements of this new program include:

--An expansion in lending for high-priority operations that supported structural adjustment, policy changes, production for export, fuller use of existing capacity, and the maintenance of crucial infrastructure;

--Accelerated disbursements under existing and new commitments to ensure timely implementation of high-priority projects; and
--Expanded advisory services on the design and implementation of appropriate policies.

The World Bank has so far lent \$4.3 billion to the Philippines for 96 projects.

CSO: 4200/496

PHILIPPINES

POWER CORPORATION SCORES WORLD BANK CREDIT CONDITIONS

HK041501 Manila PHILIPPINES DAILY EXPRESS in English 4 Mar 85 pp 2, 10

[Article by Arleen Chipongian]

[Text] State-owned National Power Corp. (Napocor) assailed the World Bank [WB] for its strict credit conditions and tendency to "dip its fingers into every detail of the funded projects."

Federico Puno, Napocor senior vice president for finance, said that government agencies prefer obtaining credit lines from commercial sources because in addition to low interest rates they offer, these institutions do not require high percentage rate of return on investments (ROI).

The WB imposes an eight percent ROI.

Puno told the DAILY EXPRESS Napocor has not availed itself of any credit facility from the WB since 1977.

He added that foreign lenders have become wary extending loans to the country as a result of the October 1983 moratorium, but government agencies are confident that once the restructuring negotiations are completed, they can always get foreign commercial loans and export credits.

Puno said \$91 million of previously approved loans from commercial institution were withdrawn last October, but \$67 million will be given back this year because of the restructuring negotiations.

The last loan the power company obtained in 1977 worth about \$58 million was not part of the \$91 million loan, he said.

Since 1977, Napocor has not approached WB for a new loan.

Earlier, the WB said in a study that it would not grant a \$91 million loan earlier approved for Napocor even after the ongoing debt restructuring talks because capability has been seriously hampered; its capacity to get foreign commercial loans has been seriously impaired.

But, Puno said the WB study was apparently based on old data, although it was released last January.

Puno also refuted the WB claim that investment contributions from "internal cash generation" of Napocor will only be 22 percent, or below the target of 28 percent.

He said the government limits Napocor's rates so that earnings would be enough to make 22 percent investments contribution.

He added the low investments from Napocor's revenues, was also a condition of the Asian Development Bank. In fact, he added, the ADB wanted only a 20 percent investment capital.

Puno also said the delay in the rehabilitation of oil-fired power plants was beyond the control of the power firm.

He explained that \$100 million which was supposed to be extended by the Japanese Export Import Bank (Japan Eximbank) did not materialize as a result of the moratorium.

"It so happened that the targetted rehabilitation of the Malaya and Sucat oil-fired power plants were scheduled late 1983, and the moratorium was declared October 1983," he said.

CSO: 4200/594

PHILIPPINES

CONTINUING REPORTAGE ON WORLD BANK MANILA VISIT

Official on Economic Recovery

hk281555 Manila BULLETIN TODAY in English 28 Feb 85 pp 25, 23

[Article by Loreto Cabanes]

[Text] A high-ranking official of the World Bank (WB) declared last night the current economic situation in the Philippines was "difficult" but "under control" and that the international institution was ready to continue lending its financial support to the country.

Speaking before the Harvard Club of the Philippines, Attila Karaosmanoglu, vice president of the World Bank for East Asia and Pacific Region, said that "no marked recovery" was in sight for the Philippines which is still caught up in a severe financial trouble.

But he pointed out that the response made by the government to the crisis had brought the situation under control. He cited the agenda for policy reforms prepared by the government which are intended to reduce the public sector deficit and normalize the external payments situation.

The World Bank official also noted that the financial plan for the country is now in place and that the stabilization and recovery program is now underway.

Karaosmanoglu, however, emphasized that "continuing the implementation" of the program "in a timely manner" remains formidable and a challenge to the government, considering the sacrifices which have been and will be required of the Filipino people.

"The situation is difficult and to carry out a recovery program is not easy," he stressed. But the "cost to society of postponing the adjustment effort can even be higher," he added.

He stressed that the prospects for long-term development can only be improved "through sustained commitment to structural adjustment and policy reforms."

The World Bank has lent the Philippines to date developments loans totalling \$4.3 billion. For the next five years, the bank reportedly plans to continue its lending to the country at the rate of \$500 million to \$550 million a year.

Karaosmanoglu pointed out that the most urgent reforms which the government must carry out pertained to agricultural incentives, export promotion, financial and public corporate sectors.

While financial discipline and stabilization are considered "vital and absolute prerequisites, only a resumption of economic growth and development will provide the real and lasting solutions to the problems of poverty, unemployment and debt of the Philippines, the World Bank executive said.

In committing, the support of the World Bank to the country's development program, he stated that the emphasis would be on policy reforms, institutional development and productive investments. Specifically, this pertained to agriculture, energy, transport, industry and social sectors.

At a time when the country will be implementing the stabilization and adjustment program for the economy, Karaosmanoglu warned, the international environment remains "uncertain."

Problems which only now have been contained may erupt once again if the economies of the OECD countries should falter over the next years.

Commodity prices are expected to recover slowly and are unlikely to reach the peaks attained in the late 1970's in the next 10 years.

\$500 Million Loan in 1984

HK270850 Quezon City MAHARLIKA BROADCASTING SYSTEM in English 27 Feb 85

[Text] The World Bank extended last year some \$500 million in loans to the Philippines. World Bank Public Affairs Director Pastor Sison said the amount was part of the bank's (\$4.3) billion loan to help finance the country's socio-economic development programs. Sison is one of the World Bank's two ranking Filipino officials. He is in Manila as part of the group of visiting World Bank officials led by Attila Karaosmanoglu, vice president for East Asia and the Pacific region.

CSO: 4200/496

PHILIPPINES

OPLA WARNS SECURITY FORCES ON IMPAIRING TRADE UNIONS

Manila BULLETIN TODAY in English 3 Feb 85 p 4

[Text]

Labor and Employment Minister Blas F. Ople has warned government security forces against impairing the activities of legitimate trade unions.

Ople gave the warning in a speech during the closing session of a tripartite conference on labor relations sponsored by the Brotherhood of Asian Trade Unions in Bangkok last Friday.

He said there are groups which engage in acts to destabilize society

and not to win economic benefits or added political rights for workers.

These groups, he said, are sometimes joined by religious elements and seek to promote or hasten the development of a revolutionary situation.

Under a particular situation, he said, trade unionists surrender the initiative and moral legitimacy to extremists both out of fear and resignation.

"The graver danger

arises where this kind of climate immobilizes the free and democratic trade union movement because the security threat has raised the costs of trade union organizing even to a prohibitive level because of personal hazards involved," Ople said.

He stressed that labor relations, while perceived to be an obstacle to development, can actually lead to higher levels of productivity.

Such productivity, Ople said, is the workers' main guarantee for higher living standards and more stable employment conditions.

The minister said, trade unions should take a long-term view of workers' interests and move forward on the basis of increased productivity.

This outlook, Ople said, seemed to have helped propel the development of other nations in Asia.

PHILIPPINES

CENTRAL BANK GOVERNOR DISCUSSES POLICIES

HK280939 Manila BUSINESS DAY in English 27 Feb 85 18th Anniversary Special Report Supplement p 3

[Text] Before leaving a few weeks ago for the United States to finalize the documentation for the new loans and trade facility the country's bank-creditors will be extending, Central Bank [CB] governor, Jose B. Fernandez, Jr. was asked by BUSINESS DAY to give his views on some key points that would affect developments in the next 10 months. His responses were, as a CB governor, expectedly guarded. What could be gleaned, however, is the Central Bank is now planning a slightly looser monetary and foreign exchange payments policy than had been expected.

BUSINESS DAY: Considering that recently you said the 5.5 percent decline last year suggests the desirability of loosening up on imports, are you planning a higher level of imports that originally was targetted in order to achieve some increase in GNP this year?

FERNANDEZ: The official targets as reflected in the Economic Memorandum actually provide for no increase in real GNP and for a small decline in imports in 1985. However, the government is still hopeful that a minimal increase in real GNP can be achieved this year without having to revise the projection for aggregate imports. The increase in real GNP which we hope can be achieved in 1985 can be reconciled with an overall decrease in imports because the latter is primarily due to a large increase in oil imports. Other imports, particularly of raw materials, are still projected to increase, thus enabling us to maintain and perhaps even achieve some real increase in GNP.

BUSINESS DAY: Are the targets for growth of money supply in 1985 (11 percent for reserve money; 13 percent for total liquidity) fixed or will the coming IMF negotiations result in tighter or looser targets?

FERNANDEZ: The targets are merely indicative. They have not been firmed up and can well be the subject of a renegotiation with the IMF.

BUSINESS DAY: Can you comment on our report that the Central Bank's "Economic Memorandum" assumed a peso exchange rate in the P23:\$1 to P24:\$1 range because the ratios of fiscal and current account deficits to GNP give peso and dollar values of the GNP?

FERNANDEZ: While the Economic Memorandum implicitly assumes a foreign exchange rate for 1985 higher than what is now prevailing, this was merely reflective of the original pre-floating exercise that was done in preparation of the economic adjustment program agreed upon with the IMF. Any such rate that might have been used in the Memorandum or which will be adopted in any revised program is largely for planning purposes.

BUSINESS DAY: According to the Paris Club agreement, 50 percent of obligations falling due before January 1 1985 will have to be paid this year on a staggered basis. Also, when the accords with banks, the new money and trade facilities are inked, we will have to be punctual in payments and eliminate the present policy of 75-day delays on interest payments. How much are these payments and will they be big enough to constitute a big push on the peso's exchange rate?

FERNANDEZ: The interest payments that will have to be made when the new money facility is in place will be covered by the first drawdown from the new money facility. We do not expect therefore that there will be any pressure on the exchange rate that will result from the lump-sum payment of interest arrears. Moreover, the amounts falling due under the Paris Club agreement which are now known will be budgeted to avoid any substantial pressure on the rate.

BUSINESS DAY: Bankers are saying that the \$3 billion trade facility or the new loans of \$925 million will not result in any significant improvement in the availability of foreign exchange this year--the trade facility merely formalizes what has been happening since the moratorium started while the \$925 million will be used mostly for interest payments. Can you comment on this?

FERNANDEZ: As now projected, the first drawdown under the new money facility (amounting to \$300 million) will be used mostly to keep interest payments current. Obviously, succeeding drawdowns under the new money facility will no longer be used for such payments as interest will have been kept current after the first drawdown. The financing package arranged with our creditors is intended to ease up our cash position. In fact if everything comes through as planned, we will have a big balance of payments surplus of \$3.4 billion in 1985. With regard the trade facility, in view of the need of some banks to "top out" their commitments due to some reductions in outstandings as of October 17 1983, there should be some net availabilities to the economy. But the most important impact under the formalization of the trade facility would be the improvement of the terms under which international trade is financed for the business community.

BUSINESS DAY: The summer season is coming. Since Prime Minister Cesar Virata has explained that the bulge in government borrowings from the Central Bank in 1984 was due to increased infrastructure spending during the summer season, do you expect a similar "bulge" soon? What will the Central Bank be doing about this?

FERNANDEZ: As the first quarter is a dry season, government will most likely be engaging in some amount of infrastructure spending during this period but not by as much as in previous years because of constraints imposed under our economic adjustment program. Provision for such a "bulge" in government spending has been made in our monetary and reserve money budget and the Central Bank will take appropriate measures to counteract any expansionary pressures that may arise from such government spending.

CSO: 4200/496

PHILIPPINES

DAILY VIEWS PROSPECTS FOR BUSINESS SECTOR

HK281339 Manila BUSINESS DAY in English 27 Feb 85 18th anniversary special report supplement p 9

[Article by Julie C. Del Castillo]

[Text] It is already redundant to say that business conditions will continue to be difficult for the rest of the year. It also needs no more rubbing in that despite the optimism of government technocrats in their pronouncements, the overall economic scenario has become and will continue to be less and less lucrative for industries to operate beyond more than just survival levels.

But perhaps it needs to be emphasized now that given the present poor business and economic conditions, industry will necessarily have to find ways to improve productivity levels not only in its factors of production but also in all facets of its operation.

For the manufacturing and export sectors, businessmen in general agree that the high cost of inputs and money (if at all available), high inflation rates, low productivity, and the contraction of both the domestic and export markets for local products will continue to drag industry down with the economy not only in the next ten months but also in the years immediately ahead.

Many in the business sector believe that a possible way for the economy to get out of the present crisis is for it to adopt soon an agro-industrial development strategy.

The development of agro-industries as an economic policy basically takes into consideration the fact that the Philippines is essentially an agricultural economy.

But businessmen say that it does not have to remain forever merely as such because based on the present state of local agriculture, the non-urban areas are still lagging far behind in development and consequently in income levels.

As envisioned by the private sector, an agro-industrial development strategy for the Philippines would allow local industry to maximize the resource potentials and the latent skills in the rural areas, and in so doing spread out the benefits of equitable income distribution to the regions nationwide.

Likewise, agro-industrial development is expected to create more local inputs for the manufacturing sector, increase the local value [as published]-added of manufactures for both the domestic and export markets, ease the import-dependence of most industries, and correct the present problem of scarcity in raw materials and partially, the difficulty of obtaining foreign exchange to finance trade-related imports.

Still others in the private sector believe that the infusion of more foreign capital into the economy will help spur local industry to lead it to recovery. This is because only foreign investments can now be expected to provide the needed capital to operate local firms. However, with the host of problems (mainly pertaining to government regulations and policies) local businessmen believe that the country will fail to attract many foreign investors this year.

Thus, in the absence of an agro-industrial strategy and the seeming hopelessness of foreign funding for local projects, the private sector sees the next ten months to hold no bright prospects for business.

The government has conveniently sidled [as published] the issue of politics and blamed entirely external factors, particularly the oil shocks and the recession in the Philippine's major trading partners as major influences that have brought about the present economic crisis.

But some sectors, both in and out of the business community, point to politics as having singly caused the country's present problems--its huge external debt (which the Philippine Chamber of Commerce and Industry [PCCI] has estimated at an aggregate of \$37 billion, as against government estimates of \$25.8 billion, or about the size of the country's gross national product in current peso terms), the balance of payments situation, and balance of trade difficulties during the past many years.

Many believe that while the oil shocks and the worldwide recession have indeed had their adverse effects on the local economy, these factors could not have entirely been the direct causes of the Philippines crisis.

The point of contention largely hinges on the observation of some that while the Philippines suffered a negative 5.6 percent growth rate in 1984, other countries in the Asian region which were subjected to similar harsh conditions as were the Philippines last year, managed to post impressive growths in their gross national products: Japan, Taiwan, Singapore, Hong Kong, South Korea and Thailand.

On the other hand, while it is true that politics might have indeed contributed much to the depression, still others in the business community

believe that with or without the political and social issues, and the so-called external factors, the lack of productivity of local resource inputs in many sectors (whether government or private) is largely responsible for the country's present problems.

And unless the Philippines immediately takes the necessary steps to address the problem of low productivity in all areas of endeavor, the country cannot hope to extricate itself from its economic woes.

"The huge (external) debt we have incurred may be attributed to many unproductive ventures in the mining, hotel, agriculture and industrial sectors. Even in agriculture, low productivity is very evident in rice and sugar production," Ceferino L. Folloosco, president of Alpha Machinery and Engineering Corporation said.

Folloosco said that the Philippines was far more advanced some 20 years back compared to what are now considered the newly industrialized countries, such as Taiwan, Hong Kong, Singapore and South Korea, which all had very limited resources.

But the Philippines now trails behind all of these countries despite its abundant natural resources because it had neglected productivity in its economic programs to increase output in all sectors.

"It would seem that unless the productivity of our agriculture, industries, services, government and all our people are enhanced, we should be contented to be classified as a developing country. Unless both government and the private sector conscientiously support a real productivity drive, even the poor countries of South Asia will catch up with our productivity performance," he stressed.

In the manufacturing and export sectors, the need to maximize output with the minimum of inputs becomes all the more urgent in the face of high costs for local firms.

For manufacturing firms--whether their products are for the domestic or export market--the need is particularly crucial because of the manufacturing sector's heavy dependence on imported inputs, like basic raw materials, capital equipment and technology.

Even the country's traditional export industries are lacking much in the area of productivity, and are therefore prone to faltering in cases of very wide fluctuations in world prices. This is mainly because the country's traditional export products are generally in their raw form and require very little processing.

Likewise, nontraditional exports suffer heavily with changes in world prices, and lose their competitiveness in the world market mainly because the high cost of their imported components can hardly be offset in most cases by the finished products' very little value-added.

"It is a well-known fact that our current economic crisis is due not only to social and political factors but also to the lack of productivity of our inputs in both government and private sectors and which permeates each and every activity of our country, especially of ventures that resulted in our massive external debt of \$26 billion. It cannot be denied that some of these unproductive projects are technology-oriented. Our huge trade gap shows that many of our products are uncompetitive, both domestically and internationally, (which is) a measure of productivity," Follosco said.

While a lot of local companies have, since the latter part of 1983, succumbed to the pressures of high interest rates, inflation and low demand for manufactured products, businessmen in general do not foresee an influx of new investments (both foreign and domestic) to replace old ones that have already collapsed.

This sentiment is aptly voiced by the foreign investments committee of the PCCI's National Recovery Group [NRG] which found out in a study of the present investment climate that it is "impossible" for the Philippines to attract foreign and domestic investments because the country "falls short of conforming to commonly accepted rules" and the "expected international standards of conduct."

The NRG committee gives the following specific reasons: unstable government rules and policies that directly affect businesses; the complexity of existing investment rules; government competition with the private sector in many areas of business activity; and the lack of consistency and fairness in the application of all laws and regulations.

"Foreign investment, which should include Filipino dollar holdings overseas, is essential if the country is to be competitive in world markets and if it is to relieve its enormous \$26 billion debt and regain some degree of national independence," the NRG committee said.

The restructuring of the country's foreign debts and its getting new loans will not by themselves solve its current account problems. However, massive capital infusion, which the NRG estimates at over \$1 billion annually, should spur industry and therefore, the economy, and enable the Philippines to extricate itself from the structure imposed by the International Monetary Fund and other lending institutions.

"Equity infusion is essential in very large amounts--(or) over \$1 billion annually. During 1984 to date, foreign investment in new and expanding businesses has been so small it is inconsequential. The little foreign investment that has dribbled in has been to support existing corporations in their efforts to survive this critical period," it explained.

The NRG committee said that more than any other period in Philippine economic history, foreign investment is "critically necessary" now. However, the Philippines must undertake fundamental changes in its policies, because while the government has an avowed policy encouraging foreign investments, it "sometimes acts to discourage it."

"Any sovereign nation can, of course, dictate the terms under which foreign investment may operate within its borders. It is always free to nominate and implement its own national goals and desires. But a country in severe debt is realistically subject to the constraints of the policies and programs of its external creditors. Ironically, foreign policy equity investment is much more subject to control than are foreign loans," the NRG committee said.

The committee also noted that investment rules and many other government regulations are so complex, confusing and voluminous that they discourage new business ventures.

This situation is aggravated by the fact that there are too many government agencies involved in processing approvals of new project proposals. This becomes unproductive and only leads to conflicting opinions, delays, excessive government red tape, instability and "disincent" investor patience.

The government's involvement in many areas of business activity also deters the entry of foreign investments because of the competition and unfair advantage that government-owned or controlled corporations pose to private investors.

The committee said that instead of competing with private business, government should adopt a supportive role by providing services--particularly in improved communications facilities, infrastructure and transportation facilities, energy and water supply which are all at present inadequate and poorly maintained--to enhance the competitiveness of local firms as well as spread out the benefits of industries to all regions of the country.

PCCI president Felix K. Maramba Jr. says: "Economic development, ideally, should be strongly founded on a stable, harmonious and effective relationship between a strong and good government which continuously aims for the common good and an active and resourceful private sector which would be willing to take the initiative to attain and pursue the country's economic goals and objectives of growth, equity and human development. This concept, however, is often tempered by the dictates of circumstances as a nation grows."

Maramba noted that in the Philippines the conflict between the government and the private sector over many "cloudy areas" has been stifling the growth of the economy.

For instance, the exclusive monopoly of some government or quasi-government agencies on the importation of raw materials or the marketing of finished products is preventing the private sector from competing under the same sets of conditions.

"This is true particularly in agriculture, mining, manufacturing, trading, transportation, banking, housing, and a host of other industries. Government has become like the proverbial busybody with his hand in every

pie. To add insult to injury, tax exemptions have been granted to government-owned and operated companies, creating an unfair and undue advantage over private industry," he said.

Maramba said the government can be supportive of private business particularly in areas where "there is heavy social content" and which require huge capital outlays which make them unattractive to private investors.

It would be impossible for industry to exist and regional development to be achieved in the absence of government support services, the NRG foreign investments committee said.

At the same time, it noted that government has miserably failed to improve infrastructure because it has spent so much for government-owned and controlled corporations, thus reducing the funds which could have been available for basic infrastructure projects. Worse, a lot of these government firms have been incurring huge losses over the years.

"Without communications, both local and international businesses cannot succeed in today's highly competitive world environment. This network also needs to be cost-competitive. (Likewise,) development of regional areas (as desired by government) cannot proceed without the ability to bring the goods to market cheaply and quickly. In Manila, time lost in traffic jams, delayed port clearances, etc., costs industry many millions of pesos annually," the committee said.

On the other hand, Maramba said that the dismantling of all government monopolies now would be untimely because of the present economic condition.

Thus, while the government has already started to disengage itself in some industries and sell some of its corporate holdings, hardly are there any takers from the private business sector.

The government should instead sit with the private sector to study and review on a continuing basis the various forms of existing government involvement in business and determine whether each one is still warranted or may be phased out.

Another area of complaint (and which serves as a disincentive to private investments) among businessmen is the lack of consistency and fairness in the application of all government laws and regulations.

Some cited as an example that in the local courts, litigation is frequently long drawn-out and that justice is often not meted out impartially. On the other hand, in government, approving authorities decide more often on a "case-to-case" basis than from a consistent set of rules equally applied to all.

A good example of the latter is the Food and Drug Administration's refusal in the past two years to issue operating licenses to new Filipino drug

distributors, if they are to sell local medicine brands. However, the FDA would grant licenses to new distributors provided they would sell only the products of foreign pharmaceutical companies.

Added to these problems are others which the private sector foresees will forestall better times for industry and the economy unless immediately corrected.

Businessmen have identified these problems during the last 10th Philippines Business Conference as the following: 1) An overly restrictive monetary policy which could lead to increased bankruptcies among local firms; the weakening of even strong firms; low capacity utilization that would result in higher costs, lower employment and production, and dampened investments; and government competition with private banks; 2) the need for a fiscal policy that will allow more tangible cuts in government outlays; indefinitely postpone infrastructure programs; review the burden and regressiveness of taxation; privatize business; and review the tariff structure; and 3) the lack of an export promotions program that will provide more incentives and favorable financing terms for exporters; correct the present scarcity of raw materials; change restrictive rules that serve as export disincentives; minimize government intervention in markets; and remedy the lack of market information.

For as long as there are government restrictions, particularly with respect to monetary and fiscal policies, businessmen do not expect the rest of 1985 to hold better prospects for business and trade, including exports.

The expectation of private business is in marked contrast to the government's optimism for the declared "year of exports", and the government's expectations of a trade surplus at the end of 1985.

Many businessmen believe that a major reason for the \$370 million rise in Philippine exports last year, despite poor domestic economic conditions, was the improvement in world market prices of some export products, such as electronic components, coconut oil and wood products.

Otherwise, they say the country would have been far from increasing export earnings in 1984 principally because all industries were at a low point of merely trying to survive.

Likewise, domestic trade suffered a backlash because hyperinflation (which peaked at 63.8 percent in October) had eroded the purchasing power of an unemployment-battered consumer base.

With the approval by the IMF of a standby credit facility for the Philippines, and the agreement of foreign commercial banks to restructure the country's debts and resume trade financing, exporters hope for a relief in interest rates.

Likewise, agriculture can expect a downward trend in interest rates on agricultural loans (although the interest rates are expected to be lower

by only a few percentage points from commercial rates) with the channeling of domestic resources and some foreign credit into this sector. However, the optimistic outlook hinges on the government's ability to fully carry out its economic program and satisfactorily comply with the conditions set by the IMF for further loan releases.

The agreement with foreign banks provides for a \$3-billion trade facility. For some other industries, particularly those that are domestic-oriented, the arrangements with the IMF and foreign banks are not expected to relieve the pressure on credit availability, businessmen say.

Many in the private sector agree that the future of the country's trade as well as its economic recovery will depend heavily on its ability to develop soon the agricultural sector, particularly for exports.

Compared to industrial projects, agricultural projects generally have shorter gestation periods and therefore can give yields (or foreign exchange in the case of exports) faster.

The Philippines has the best chances of steering away--in at least three years--from its worst depression by exporting "new commodities" soonest, a requirement which only agribusiness and perhaps aquaculture, can best satisfy at present, so states former agriculture minister Arturo R. Tanco.

The IMF has imposed trade targets for the Philippines in support of the economic recovery program drawn up for the medium term. It set a target of \$5.4 billion in exports for 1984 and P[Philippine pesos]5.8 billion for 1985.

At a monthly average export income of \$445 million from January to November last year, the Philippines could not be far from achieving that target for last year.

For 1985, Prime Minister Cesar Virata said the goal is a trade surplus. He said this may be achieved not through any dramatic increase in exports but through a continued drop in imports. This would mean then that business will continue to suffer the same difficulties it had last year in import financing. While exports may grow, domestic trade is likely to be at its lowest point because there is very little incentive--and dim prospects--to work on the local market.

Capital is expected to remain for a long time the scarcest resource despite the approval by the IMF of the standby credit facility and the anticipated release of fresh funds from the Philippines' foreign creditors.

Many in the private sector say that a major factor that will determine whether or not domestic-oriented firms will get new funds in 1985 will be market demand, particularly for manufactured products. They say an improvement is unlikely because of the government's announcement that it will restrain wages as one of the measures it will adopt this year to contain inflation.

Businessmen argue that with such a wage policy, consumers will continue to have little purchasing power to amply support a market for local products. Thus, domestic trade will continue to be in the doldrums for the rest of the year as it had been in 1984.

The curtailment of credits for the national government and the public sector is one of the commitments made by the government to the IMF in its request for a standby credit facility.

Domestic-oriented industries in fact expect a sales drop of an estimated 15 percent to 20 percent in 1985, and businessmen say the profitability of many firms will continue to erode because of the fall in consumers' purchasing power. On the other hand, while the government's projections for increased exports this year are attainable, the targets may seem to be unrealistic because of the continuing difficulty in raw material sourcing, high interest rates, tight credit, and again, the government's restrictive policies.

The National Economic and Development Authority projects that total Philippine exports will average some \$6.4 billion annually up to 1987, or a growth of an average 9.2 percent between 1983 and 1987. Moreover, as pointed out during the last Philippines Business Conference, unforeseen developments in the economies of the Philippines' major trading partners may result in the decline in the countries' export earnings.

Faced with an adverse economic condition, the private sector believes that increased productivity in all areas of production, including time and capital, could well be the basic response of industry to the difficult climate. Increasing productivity means involving not only firms in the various industries but also each and every individual both in government and the private sector, the people in general, the country's available resources, etc.

This could also very well mean not only involving all factors of production but also harnessing the skills and potentials which have remained latent in the rural areas. For industry, increased productivity becomes significant particularly because of the scarcity of raw materials, the high cost of obtaining funds to finance their raw material requirements, and the import dependence of local firms, whether for export or the domestic market.

CSO: 4200/496

PHILIPPINES

BUSINESS DAY ON INSURGENCY, IMAGE OF MILITARY

HK281021 Manila BUSINESS DAY in English 27 Feb 85 18th anniversary special report supplement p 22

[Article by Gerry N. Zaragoza]

[Text] Never has the military been so beleaguered. While it is fighting a growing insurgency posed by the Communist Party of the Philippines and its military arm, the New People's Army, it is also faced with problems of low morale and an image tarnished by recent events.

Defense and military officials are well aware of the problems. In a speech by Defense Minister Juan Ponce Enrile early this year he said: "During the past year, we in the defense ministry have been kept on our toes, so to speak, by a serious upsurge of subversive and terroristic activities perpetrated by the communist party of the Philippines and its military, the New People's Army--which constitute the most formidable threat to national security today, and will continue to do so in the near future."

For his part, Lt Gen Fidel V. Ramos, at his assumption of the post of armed forces' acting chief of staff last October, described the people's low regard for the men in uniform, thus: "In some sectors and a few communities, the AFP is mistakenly perceived to be not the protector of the people but their oppressor."

Such concerns have prompted calls for reforms by the government and the military leadership themselves to improve the operational capability of the men in uniform to fight insurgency and at the same time reverse the trend of the public's negative perception of the military. There are signs that the government and the military leadership are initiating such reforms, and they are expected to be more perceptible for the rest of the year.

Among the measures taken to improve the image of the military are dismissal, suspension, and prosecutions of erring officers and men, and retraining of men on, among other things, the need to respect human rights.

On the insurgency campaign, the government hopes to involve civilians more. One measure being shaped up now is the transfer of the operational control of police and paramilitary forces to local officials in the belief that the anti-insurgency campaign would be more effective.

The success of the anti-insurgency campaign and the improvement of the military's image will depend on how much reforms will be made and whether the leaders who are initiating changes will get full government backing as well as the cooperation of the people who are going to implement it in the field.

From a band of a few hundred operating in Central Luzon in 1969, the NPA has grown to about 12,000 regulars, whose activities are concentrated in eastern Visayas, which is the Samar-Leyte area, and in northern and southern Mindanao. Other regions now affected by the insurgency are the Cagayan Valley area, southern Tagalog, particularly Guezon Province, the Bicol region, western Visayas, eastern Visayas and southern Mindanao. A staff report to the U.S. Senate's Foreign Relations Committee says that the NPA is operating in 62 of 73 provinces in the country.

Estimates of the NPA strength vary from Enrile's conservative figure of 8,000 to 9,000 regulars to the military intelligence's 11,000 to 12,000. The staff report for the U.S. Senate's Foreign Relations Committee places it at 12,500, but the NPA itself claims 20,000 to 25,000 regulars.

The NPA has been perceived to have made big gains following the lifting of martial law in January 1981. Last year alone, Enrile placed the NPA's growth at 23 percent. He also estimated that deaths related to NPA activities reached almost a thousand soldiers and about an equal number of civilians, including about a hundred local government officials, mostly mayors and barangay captains in isolated rural communities.

While the NPA dissidents claim that they are in the advance strategic defensive stage, Enrile said the military has been able to contain the rapid spread of insurgency.

At a press conference last August at the National Press Club, Enrile said that if the growth of the insurgency is not reversed, in three to five years, its guerrillas would reach their aim of attaining a military and political stalemate with the government, which would mean the dissidents and the government would then have a balance of forces.

If only to emphasize the capability of the NPA, defense and military officials note that their soldiers in the field have encountered platoon-, company-, and even battalion-sized armed NPA units.

Felipe Miranda, political science professor at the University of the Philippines said that in some areas where the NPA dissidents are operating, they have capabilities to run so-called invisible governments. However, defense officials deny claims that parts of the republic are under the control of the dissidents.

Nevertheless, Miranda assessed the condition as having "deteriorated to such an extent that it now warrants the attention of everyone. Filipinos and foreigners alike." Miranda said in the entire Southeast Asian region, excluding areas directly controlled by communist governments, it is only

in the Philippines where the communist dissident movement has managed to gain ground.

The growth of the NPA has been traced to many factors. Among them are the dislocations brought about by the economic crisis, the dissatisfaction with the government, military abuses, human rights violations, and the slow pace of the administration of justice for the grievances of the people. Complaints on abuses range from intimidation, harassment and illegal arrest of government critics, to torture, salvaging and hamletting.

The Task Force Detainees of the Philippines (TFDP) reported that for the first half of last year, 798 political arrests were made and 53 persons were also recorded as having disappeared during the same period.

The government, however, maintains that it has no policy condoning military abuses and even challenged critics to come forward and bring proof so the government can act on them.

One of the measures, which the government will vigorously implement this year is the integrated security plan, which calls for the involvement of the civilian population in the counterinsurgency campaign. Designed to be implemented in the country's 1,500 cities and towns, the plan calls for the transfer of operational control of police units and Civilian Home Defense Forces (CHDF)--the paramilitary units composed of armed civilians in the different barangays of the country--to the operational control of the local officials.

Ramos, who developed the plan, envisions it as a way of protecting population centers, public utilities and vital installations from dissident attacks.

The plan would pool the resources of the government and the civilian sectors to build a more effective campaign against insurgency. Previously, the anti-insurgency campaign was the exclusive province of the military.

On the image of the military, Miranda says that many people, including young and retired senior military officers, have expressed dissatisfaction about the credibility of the military.

Although there had been a perceived waning of the credibility of the military as a result of reported military abuses, the adverse image sank to a low point when 25 military officers and men, including armed forces' chief of staff Gen Fabian C. Ver were indicted and then charged for alleged conspiracy and coverup in the assassination of former Sen. Benigno S. Aquino Jr.

Miranda noted that although there is a strong tendency for military officials and government officials to point to the extent of military abuses as limited and performed only by a small percentage of men in uniform, they have some amount of documentation made by fairly independent agencies about the abuses.

The campaign against military abuses, which both Enrile and Ramos promised to be unrelenting, is meant to involve two aspects: One, the positive,

which consists of retraining of soldiers, and the other, the punitive, which calls for the punishment of erring men in uniform.

The need to understand the reasons behind abuses has prompted the government to direct an in-depth study of military abuses. Ramos formed two committees last December to conduct separate studies--one for the military and another for the police.

A month earlier he had formed an AFP Special Action Committee to promptly act on complaints of alleged human rights violations, military abuses and misbehaviors. The major services and regional commands were also ordered to create similar committees.

In the first 20 days, the committee acted on 79 cases brought to its attention through letters, telegrams and news reports. Of the 79 cases, 24 were alleged human rights violations, 32 military abuses and misbehaviors, and 23 were reaction to adverse news reports.

Of the alleged human rights violations referred to it, one of three were found to be unfounded, but the remaining third [as published] of the complaints were acted upon promptly and those found guilty were punished, according to an armed forces' report.

Defense and military authorities hope to continue dealing with the insurgency problem along three main policy directions: First is to maintain dialogue with all disgruntled sectors to defuse tensions that might arise from time to time. Second is to consider the threat of dissidents as mainly a political, rather than a military threat. Along these lines the authorities hope to continue their program of enlightening the people about the size of the dissident movement and involving them more in the anti-insurgency campaign. The last one consists of a no-compromise policy of meeting force with force for armed groups out to destabilize the government and its institutions.

To improve the morale of soldiers, the military leadership hopes to change the leadership structure in the armed forces so that capable officers will be placed at the helm to lead the men in uniform.

For the next ten months, Miranda says if the government is successful in at least checking further erosion of military credibility, this will be significant because it would be unrealistic to reverse in a short period a trend that has taken place for a number of years.

He said it could take two years, up to the end of 1986, for the trend to be reversed, adding that the 1986 local elections would be a crucial test whether the military would allow itself to be used to serve the interests of particular politicians or a political party.

By the end of 1986, Miranda estimates that the reforms initiated by Ramos, including the retraining program and territorial security at the local level, will have come to fruition if successfully implemented.

This year, the government hopes to inject more troops in the field to bring the military aspect of the insurgency threat to a more manageable level.

The military will likely shift its priorities to the acquisition of light armored vehicles, support equipment and vehicles, communications systems and individual weapons.

Such equipment and material will likely be paid from the \$85 million in military aid the U.S. Government is proposing to grant to the Philippines for this year, which is more than three times the \$25 million in military aid the Philippines received from the United States last year.

Although talk has circulated that U.S. military advisers might be sent to the field to help fight the dissidents, this has been denied by the government, which said that its troops can fight the insurgents without the need of military advisers in the field.

Enrile pointed out that government troops have been fighting insurgency for almost four decades now, and with that experience, there is no need for U.S. military advisers in the field.

The government, however, acknowledges that there are a few military advisers in the country under the Joint U.S. Military Advisory Group (JUSMAG) which trains Filipinos in the operation, care and maintenance of military equipment acquired from the United States.

The question is whether we need the Magsaysay of the early 1950's, who has been credited with shaping up a disciplined military which crushed the insurgency in Central Luzon in the early 1950's.

Miranda doubts whether the ranks of dissidents will be decimated by the end of the year. He said that the best the military could do is to check the further deterioration of security conditions for the rest of the year. Meantime, the military could build its resources.

Carolina Hernandez, professor and chairman of the University of the Philippines political science department, said that Ramos could be another Magsaysay who could instill discipline among the ranks. She said that she had talks with some junior officers in the military, who told her that if they are given a good leader, the military would be better organized.

Hernandez also said that the restoration of the credibility of the military will depend largely on the soldiers. "No matter what you do in the higher levels, the interactions taking place at the lower levels is the more critical," she said.

CSO: 4200/496

PHILIPPINES

FOREIGN FUNDS SOUGHT FOR AILING INDUSTRIES

HK041503 Manila BUSINESS DAY in English 4 Mar 85 p 2

[Text] President Marcos yesterday said the government is negotiating with some foreign governments which extend official development assistance (ODA) to the Philippines to give financial support for the rehabilitation of some distressed private- and government-owned industries and companies.

Marcos also said the World Bank is studying the grant of a financial package to the same distressed industries and companies.

The President said the government "is now taking steps to make these distressed industries and firms viable with the help of government and sources of ODAs."

He also said the "World Bank is presently studying ways and means for the inclusion of these industries and firms in the financial assistance package for the government's structural adjustment being supported by the Bank."

Structural adjustments are comprehensive programs designed to make industries viable and competitive both in the local and international markets. Official development assistance, on the other hand, is granted by donor countries to assist the economies of Third World countries. Japan is one of the country's biggest sources of ODAs.

The President said many of the local industries and firms are heavily indebted to government financial institutions and have been dislocated by the tight credit situation brought about by the current economic crisis.

In fact, a number of ailing companies have already been foreclosed or placed under receivership of government banks such as the Philippine National Bank, the Development Bank of the Philippines and the Government Service Insurance System.

Some of these big companies are the Construction and Development Corporation of the Philippines (which the government now manages under the new corporate name of Philippine National Construction Corp.), Marinduque Mining and Industrial Corp., and Cellophil Corp. (a pioneering pulp and paper mill in Abra), and Batong Buhay Mining.

Marcos explained that before the onset of the energy crisis and the world recession, these industries were considered "viable."

The problem was exacerbated by the tightening of credit in the financial centers of the world which hampered the country's access to trade and commercial credit, Marcos said.

CSO: 4200/594

PHILIPPINES

MARCOS SAYS VIRUS CAUSED HEALTH PROBLEMS

HK271529 Manila BUSINESS DAY in English 27 Feb 85 p 22

[Text] President Marcos, facing the foreign press for the first time since November last year, yesterday said he was "sick with the worst virus you have ever heard of."

"I also suffered asthma so badly that I had to go into an oxygen tent for I was hardly breathing," said Marcos.

"I had problems from microscopic shrapnel chips from wounds gotten during World War I."

But Marcos vehemently denied that he had undergone any surgery. According to him, his doctors said "there was no need for surgical intervention for any surgical intervention was a risk."

"I was not treated surgically, but I was hit by a virus of a worst kind that you ever heard of," the President repeated.

The virus, the President said, was probably picked up during his inspection trip in the typhoon-damaged Bicol region last year. He told newsmen that he has now recovered. He said he was now "back in harness, continuously and persistently running the government."

"Watch me, I am back to normal. I am eating and sleeping well. I feel well with my vital statistics, blood pressure and pulse rate, all normal," he said.

He also said "I am back to just about bantam." He said that he has recovered about six out of the 10 pounds that he lost during his recent illness.

Marcos was reported to have been sick since November 14 of last year when he was seldom seen in public which started the cloud of doubt about his health. Speculations that he was terminally sick or worse, even dead, became a national pasttime.

CSO: 4200/496

PHILIPPINES

INTEREST TAXES WAIVED ON NEW DOLLAR LOANS

Manila BULLETIN TODAY in English 3 Feb 85 p 21

[Text]

Interest, fees and other payments made by the Central Bank of the Philippines on the new foreign loans, the restructured debt and other foreign obligations incurred in connection with the economic recovery program shall be exempt from any and all Philippine taxes.

This was provided under Presidential Decree No. 1961, otherwise known as "Philippine Economic Recovery Program Financing Law of 1985."

The decree was signed last Jan. 11 to pave the way for the signing of the various agreements covering the foreign loan and debt restructuring package negotiated with the country's foreign creditors.

Previous to this decree, interest payments on foreign loans are subject to tax.

The decree also provided that agreements, certificates and other documents that may be issued by the CB pursuant to the financing arrangements shall be exempt from stamp, excise, and other similar taxes.

At the same time, it said that any amount necessary in order to enable the government to pay the principal, interest and other charges on the loans, credits, deposits and other obligations that may be incurred under the decree, and not otherwise covered by specific appropriation, is hereby appropriated out of any funds in the national treasury from time to time.

On the establishment of the CB subsidiary which will undertake the foreign exchange cover program for foreign obligations included

in the debt rescheduling, the decree empowered such subsidiary to obtain foreign borrowings.

The receipts, expenditures, profits, income, contracts, deeds, documents and transactions related to the foreign exchange cover program shall be exempt from all national, provincial, municipal and city taxes, fees, charges and assess-

ments in force or hereafter established.

Any agreements that may be contracted substantially in accordance with the term sheets relating to the new money facility, the restructuring principles, and the revolving short-term trade facility, including such changes and modifications as may be authorized by the Minister of Finance upon recommendation of the monetary

board, are "hereby expressly approved and authorized by this decree."

Any additional agreements that may be contracted pursuant to the decree shall be in accordance with the terms and conditions as may be approved by the President, upon recommendation of the Monetary Board.

The decree waived the debt service ceiling of 20 percent of foreign exchange receipts of the immediately preceding year required under Republic Act No. 4860, as amended.

PHILIPPINES

AUSTRALIAN TRADE CREDIT SEEN AS 'FIASCO'

Sydney THE SYDNEY MORNING HERALD in English 21 Jan 85 p 15

[Text]

The controversial Australian Government-backed \$A50 million revolving trade credit to the Philippines has so far proved something of a fiasco, says a senior banker.

The facility was set up to help Philippine importers to purchase Australian goods.

But only \$28 million has been utilised since the facility effectively became available eight months ago.

However, the assassination last year of opposition figure Mr Benigno Aquino, which touched off riots and near economic chaos in a country already labouring under a hefty foreign debt, would not have helped in utilisation of the revolving fund.

Westpac is providing the finance for the trade credit, which over its two-year life could theoretically support \$200 million of Australian exports to the Philippines.

Australia's main exports to the Philippines are iron ore, malt and dairy products.

Preliminary trade figures for 1983-84 show the value of exports to the Philippines as \$153 million.

Westpac's chief representative in Manila, Mr John Lewis, said recently that the trade credits facility was "a little bit of a fiasco."

After the Australian Government agreed to the facility the Philippines central bank scrapped forward cover for importers.

This exposed Philippines companies to huge foreign exchange risks for a while.

While through third parties forward cover subsequently became available, it was "messy," said Mr Lewis, stressing that the problems with the revolving line of trade credit were not of the making of either the Australian Government or Westpac.

He said that when the \$50 million was first made available, importers in the Philippines claimed that the demand for the credit facility would exceed the \$200 million available over two years.

CSO: 4200/619-E

PHILIPPINES

VIRATA SAYS IMF TARGETS MET

Manila BULLETIN TODAY in English 1 Feb 85 p 15

[Text]

The Philippines met all but one minor target last year in an economic stabilization plan agreed with the International Monetary Fund, Prime Minister Cesar Virata said.

He was speaking after briefing 13 Western donor countries on the Philippines' financial aid needs this year.

Large foreign currency remittances from overseas workers in December pushed reserve money, a sub-component of money supply, above target.

But every other economic indicator, including overall money supply, ended the year in line with the IMF-backed plan, Virata, who is also finance minister, said.

Inflation fell to 40 percent a year this month from 50 percent in December and 64 percent in October. "We hope that by the end of 1985 it will be less than 15 percent," he told reporters.

Latest figures indicated the current account balance of payments deficit was cut to about \$1.1 billion in 1984 from \$2.5 billion in 1983, Virata said.

Philippine government plans call for the deficit to be shaved to one billion dollars this year and between \$500 and \$600 million in 1986.

Recently negotiated reschedulings of commercial bank and offi-

cial debts should produce a "relatively large surplus" of more than \$3 billion on the overall balance of payments this year although this would slip back to around half a billion next year, he added.

Total debt outstanding should rise to around \$26.5 billion by the end of this year from its present \$25 billion.

The government expects to sign a recently negotiated agreement for \$925 million of fresh commercial bank funding in mid-February, and a \$3 billion trade finance facility at about the same time, Virata said.

A first \$300 million tranche of the commercial bank loan would be drawn in March, after an IMF review of the economy, and used to pay off interest arrears on previous borrowings, he said.

Commenting on his two days of talks here, Virata said he received indications from the donor countries that they were planning to disburse about \$1.1 billion in financial aid for the Philippines this year. This was broadly in line with the country's needs although no formal pledges were made.

More talks would be held before the end of this year to monitor the government's economic progress, a communique said.

PHILIPPINES

WRITER HITS CPP COVENANT ON AFP REORGANIZATION

Manila PHILLIPPINES DAILY EXPRESS in English 1 Feb 85 p 5

[Commentary by Muhammad Abdul Hassan: "A Covenant With CPP-NPA?"]

[Text]

AMONG the published conditions asked by CPP-NPA chairman Jose Ma. Sison - that is, before his communist party signs a covenant with other opposition parties against Marcos - is a commitment that the government the signatories may form after Marcos must "reorient and reorganize the Armed Forces of the Philippines."

If there is anything that can send shivers up the spine of every officer in the officer corps of the Armed Forces of the Philippines, this will.

Perhaps, by insisting on this commitment, the CPP NPA simply wanted its role in shaping post-Marcos military policies recognized; and to confirm the direction of its propaganda campaign against military abuses and other forms of military harassment among civilians. This is a formidable issue against the KBL administration, as a matter of fact, and right down the alley of the CPP-NPA.

Has anybody ever bothered to find out what the reactions of people may have been after every NPA ambush on military personnel, or after each raid on a military installation in their area? Findings might actually be unsettling (for the KBL), particularly in places where military elements have become notorious for their depredations.

To be sure, the CPP-NPA proposal to "reorient and reorganize the AFP" would be welcome news to the victims - who, together with their kin and friends, must have been cheered and encouraged everytime they heard reports of NPA raids and ambushes. Among people seeking personal or social retributions, economic restitutions, political revenge or even plain relief from boredom, the raids and ambushes would be stirring fresh hopes for redemption; and naturally, consolidating all these sentiments behind the CPP-NPA campaign. Judging from the increased frequency of these NPA sorties around the country, they may have already consolidated quite a following behind them.

And if the NPA tempo goes on uninterrupted, they may be able, come election time, to acquire a visible capability around the country that may not be ignored. The CPP-NPA, in other words, may yet succeed in convincing the non-communist parties to sign a covenant that would include the commitment to reorient and reorganize the AFP along lines suggested by the communists.

In which case, there is likely to be trouble. Big trouble.

The officer corps of the Armed Forces of the Philippines are not likely to love the idea, much less welcome the execution, to reorient and reorganize the AFP under the direction of a government that is receiving communist advice. They certainly will reject this humiliating proposal and if compelled by high authority to comply, they might just be forced to react in the way their military counterparts in Central and South America had reacted in the face of similar challenges. Carry out a coup.

The officer corps of the Armed Forces of the Philippines has a 35-year record of unconventional off-and-on combat engagements and exasperating psy-war confrontations with the communists, that has made its anti-communist posture all but a professional credo. To ask them now to submit to a communist-influenced reorientation and reorganization program would be courting trouble.

The officer corps of the AFP is still among the most democratic conscious, nationalist-oriented officer corps in the world. It takes pride in a military tradition that is the envy of many other armies in the world. The indiscretions, abuses and anomalies that have happened in its ranks are not intractable. In fact, the new leadership in the AFP is determined to clean its ranks.

Any non-communist government formed in the post-Marcos era will find the same officer corps loyal and worth maintaining and sustaining. The same officer corps will yet swear defend the Republic and its Constitution in the post-Marcos era.

Any non-communist government may even tamper with its military policies, its strategies, its organizational concepts and its ideas about the role of the AFP in our development as a nation.

All that tampering would still be acceptable. Except if it comes from the CPP-NPA. Opposition parties must really think twice before signing a covenant with the CPP-NPA.

CSO: 4200/619-E

PHILIPPINES

INDONESIAN EVANGELIST DISCUSSES CHRISTIANITY VS COMMUNISM

Manila BULLETIN TODAY in English 3 Feb 85 p 4

[Article by Jun Velasco, Correspondent: "Evangelist Talks on Reds"]

[Text]



Rev. Stephen Tong, Chinese Christian evangelist who is "turning the world upside down" with his evangelistic meetings around the world, does not believe the communists are inherently atheists.

TONG He told this writer in a two-hour interview at his residence in Dasmarinas Village that in every man's heart is a deep need for God.

Here in the Philippines to conduct revival meetings attended by thousands of people in Cebu, General Santos City, Cebu City, Dumaguete City, and in Silliman U; and he held a big meeting last night at the University of Life, Reverend Tong said: "I don't believe that man can completely divorce himself from God."

He recalled that shortly before Mao Tse Tung died, he told an American journalist: "I am going to see God." Nikita Krushchev, asked if he was an atheist, also quipped: "God knows I am an atheist."

Reverend Tong's preaching in Indonesia, his native country, has helped in the socio-economic revival of that country.

He said the Christian faith is a powerful force; it can be used to save a failing economy.

The evangelist said the Philippine situation is not hopeless. He said no

other country is exempted from moral corruption, including the United States. He said the Philippine situation can be saved if only "the nominal Christians become honest with themselves and love Christ honestly."

"Christianity is based on the eternal plan of God, so I don't think it ever can be licked by communism," he said.

He said it has been demonstrated in the past that Christianity is the force to reckon with, not communism. "For all its 30-year aggressive campaign, communism has not gained any headway. Christianity even at the first century of its founding, turned the world upside down."

He said there is a need to revive the influence of the church. True revival, he said, should be able to mobilize man to know his responsibility to glorify God and make kindness available to all mankind.

He disputed claims that communism is growing at a faster rate than the Christian faith. He said: "It is not the case that when the material and economic power of a certain country is taken over by the communists, that country instantaneously turns communist."

He said there are today about 30 million Catholics and Protestants in China.

PHILIPPINES

EXTERNAL PAYMENTS ARREARS AT \$2.4 BILLION AT END OF 1984

HK051441 Manila BUSINESS DAY in English 5 Mar 85 p 2

[Text] The country's external payments arrears, or the foreign exchange obligations it has failed to settle, stood at approximately \$2.4 billion as of end-1984, BUSINESS DAY sources in government said.

If the moratorium on foreign exchange payments had not been called in late 1983, the country's balance of payments deficit last year, with the settling of those arrears, would have amounted to \$2.1 billion, or roughly the same level as that in 1983.

The settling of those arrears is the most critical factor that would affect the peso's exchange rate in the next few months. One of the conditions imposed by the International Monetary Fund (IMF) is the reduction of the country's arrears to \$760 million by end-March. This would mean that the country would have to settle about \$1.6-billion arrears by that time, which would drastically increase the demand for dollars to levels sufficient to erode the peso's international value. However, the government may yet reduce the amount of arrears it has to settle if it succeeds in convincing the IMF to revise the end-March target on the settlement of arrears.

The \$2.4 billion in arrears actually constitute both the foreign exchange obligations covered by the moratorium--principal payments on fixed-term debts to banks falling due--as well as those officially not covered by the moratorium requests which account for the bulk of the country's arrears. These include such obligations as short-term debts which the country has asked banks to roll over, delayed interest payments and remittances required by foreign companies.

Central Bank [CB], in its balance of payments report, however, defines the country's arrears conservatively as those which are not covered by such documentation as the banks' official rollover of short-term debts and CB schemes, such as foreign companies' purchase of dollar-denominated CB certificates of indebtedness, which in effect postpone the settlement of foreign exchange obligations.

For instance, for end June 1984, the CB's definition in its balance of payments report put the arrears at only \$429 million. The actual arrears,

defined as all forms of unpaid foreign exchange obligations falling due, amounted to \$1.6 billion.

A breakdown of the type of arrears as of end-1984 was not available. A CB publication, however, provided the details for the arrears as of June 30, 1984. Arrears on payments of principal by the CB and banks amounted to \$804 million. Total arrears (including interest payments) of private corporations as well as the national government and its entities amounted to \$1.34 billion. Service payments, for such remittances as revenues of shipping and airline companies, included in the \$1.34-billion figure amounted to \$94 million.

CSO: 4200/594

PHILLIPPINES

KBL REPORTS HEADWAY AGAINST BICKERING

Manila BULLETIN TODAY in English 2 Feb 85 p 1, 5

[Article by C. Valmorja Jr, "KBL Tackles Problems, Central body takes up intramurals]

[Text] The ruling Kilusang Bagong Lipunan (KBL) reported yesterday that it was gaining headway in reconciling warring factions in some provinces, where its chances of winning in the 1986 local elections had been seriously threatened by intramurals.

Among the provinces where local KBL leaders were said to be fighting among themselves are Pangasinan, Laguna, Sorsogon, Mindoro Occidental, Mindoro Oriental, the Davao provinces, Misamis Oriental, Surigao del Norte, and Batangas.

Deputy Prime Minister Jose A. Rono, Batasan majority floor leader and KBL secretary general, said the KBL central committee has taken steps to revitalize the local party machine in these "problem" areas would be patched up long before the start of the campaign period for the 1986 elections.

Rondo said the national leadership had met with the mayors in these problem areas to help reconcile differences and settle the issues.

So far, he added, the problems have been solved in the provinces of Misamis Oriental and Surigao del Norte, except Surigao City which still needs further study.

He said the party does not expect too much trouble in unifying local leaders in the two Mindoro provinces, Batangas, and Sorsogon, as well as other critical areas.

However, Rono said the KBL central committee will have the final say on the result of the conciliation talks.

In Pangasinan where Gov Aguedo Agbayani is at odds with Agrarian Reform Minister Conrado Estrella, the party's regional chairman, Rono said President Marcos will personally handle the case.

Despite Rofio's assurance, local KBL leaders in Sorsogon have signified their intention to elevate the matter to the central committee. They claimed that Gov Raul Lee violated party rules when he campaigned for "no" votes during the plebiscite for the constitutional amendments held last year.

The Sorsogon leaders said Lee concentrated his campaign in the town, particularly in barangays where Agriculture Minister Salvador Escudero III lived. They said the "no" votes won overwhelmingly in the voting center where Escudero voted, thus embarrassing him.

CSO: 4200/619-E

PHILIPPINES

REPORTAGE ON U.S. BASES WORKERS' COMPLAINTS

Assail Labor Policies

HK051005 Quezon City ANG PAHAYAGANG MALAYA in English 1 Mar 85 pp 1, 8

[Article by Ben Evardone and Godo Pineda]

[Text] The United States government was assailed by labor leaders here yesterday for its alleged "discriminatory" policies and abuses against Filipino workers inside its military bases.

Testifying at a public hearing conducted by the Batasan sub-committee on general affairs, treaties and military affairs, labor leaders said the U.S. Military Bases Agreement and the bases labor agreement do not guarantee the full sovereignty of the country inside the bases and do not give Filipino workers equal pay for identical work done by Americans.

Labor leaders led by Roberto Flores, president of the Federation of Filipino Civilian Employees Association in the U.S. Bases (FFCEA), asked the sub-committee to pass a law that will guarantee the right of the Filipino workers here, numbering about 34,000, to strike and enjoy equal treatment with American workers.

The labor leaders said an American supervisor receives 15.6 dollars per hour while a Filipino receives only 21.17 pesos; an American cashier 4.5 dollars and Filipino in the same position 9.92 pesos per hour; an American clerk 4.66 dollars and a Filipino clerk 9.99 pesos per hour; and an American security guard 4.66 dollars and his Filipino counterpart 7.77 pesos per hour.

The present exchange rate is 18.80 pesos to the dollar.

Contractual workers, of whom there are about 12,000 including social entertainers, were the most discriminated against because they are covered neither by Philippine nor U.S. labor laws, said Manuel Torres, union vice president.

"What is sovereignty if Philippine laws are not applicable inside the bases?" they asked.

They said the flying of Philippine flags and the presence of a Filipino deputy commander in the bases do not constitute an exercise of sovereignty.

One of the highlights of the hearing was the testimony of Orlando Tampolino, a supervisor in the ship repair facility (SRF), detailing instances of abuse by American superiors and U.S. Marine guards against Filipino workers.

Tampolino, a member of the San Narciso, Zambales municipal council, denounced a certain George, an SRF executive, for his "indiscriminate" suspension of and threats of dismissal against Filipino supervisors "for the flimsiest of reasons."

Paper Airs Complaints

HK040159 Manila TIMES JOURNAL in English 2 Mar 85 p 4

[Editorial: "Filipino Base Workers Have Legitimate Gripes"]

[Text] An interesting picture came out of the visit to the U.S. naval base at Subic, Zambales, by members of the Batasan's sub-committee on defense and military installations.

For one, the legislators learned that Filipino employees and laborers are still second-class citizens in their own country and that what is paid in dollars to American civilian nationals working in the base is not so for Filipino workers.

The second eye-opener was the complaint by leaders of workers' organizations in the base that the unions had been sold down the river by some of their own countrymen as shown in the latest base labor agreement.

MPs Antonio Diaz (KBL--Zambales) and Oscar Santos (Unido-Quezon) had come to the US naval base to look into reported large-scale discrimination and unfair labor practices. They found these but also ran into an obstacle course set up not necessarily by the American base commanders but more often by some of their own countrymen.

Yes, American nationals assigned to posts similar to those occupied by Filipinos earn a great deal more than their Filipino counterparts, and in dollars too. The equal-pay-for-equal-work concept does not hold true in the base.

But Diaz and seven members of the Batasan also learned that when it suited the Americans in the base, Philippine sovereignty and Philippine laws were enforced. But again, when it suited the Americans, Philippine laws could be discarded in favor of the U.S. foreign service act.

The bottleneck was the "interphasing of sovereignty," as one labor leader aptly put it.

For example, through some hard-nosed dealing, American base negotiators successfully changed a vital provision in the Base Labor Agreement to remove coverage by the Federal Employees Compensation Act (FECA) of Filipino workers of which there are some 21,000 "direct hire" employees under the Federation of Filipino Civilian Employees Association. Instead of being assured of \$8,000 in lump sum in the event of death in the line of duty or of other immediate benefits like hospitalization and ambulance attention under the US law, the new base agreement now gives workers only P33,700 with no further attention by the base hospital command. He would have to go to the Philippine Employees Compensation Commission for his benefit.

The Filipino labor leaders blamed this on some of their own countrymen who, they claimed, sold them down the river. They told the committee that some of their own countrymen belong to the government and to labor unions.

On the other hand, American supervising personnel earn \$15.06 per hour while counterpart Filipinos earn P21.77 an hour, American cashiers earn \$4.50 an hour as against Filipinos who earn P9.92 per hour, American secretaries earn \$4.82 an hour as against P9.92 for Filipinos, among other things. But when a Filipino becomes an American citizen, he automatically receives his pay in dollars.

The American base command claims this is required under the Foreign Service Act covering US bases in foreign countries.

Where then lies Philippine sovereignty?

Labor leaders said Philippine sovereignty over US facilities was just a word. Only the Filipino flag flies over the base but Filipinos are still discriminated against. Cases of Filipino employees being suspended for days at a time for displeasing their American superiors were cited. Other Filipinos were searched for no reason at all, it was reported, and even outside the bases, US units of the Office of Special Services (OSI) would be accompanied by Philippine military units and the local police to conduct searches in homes of Filipinos without proper search warrants.

There are in Subic Filipino social entertainers, not covered by US and Philippine laws. Likewise, decisions reached by local officials on acts of US naval personnel against Filipinos can be reversed by the American command with the administration of justice coming directly from Hawaii.

It was explained by Filipino labor leaders that any move toward improving further labor relations and benefits in the bases would depend largely on amending further the Military Base Agreement.

The eyes of the Batasan were opened but just how they can impose total Philippine sovereignty on US facilities is another matter. This may have to await the next revision of the RP-US Military Bases Agreement.

CSO: 4200/593

PHILIPPINES

MNLF KIDNAPPING, OTHER VIOLENCE REPORTED

Manila BULLETIN TODAY in English 3 Feb 85 p 8

[Text]

PAGADIAN CITY
— Armed men riding in a pumpboat reportedly kidnaped last Tuesday a Zamboanga del Sur businessman in Tungawan town, and demanded a ransom of P200,000 for his release, the military said.

Meanwhile, a councilman of Midsalip town and two of his neighbors were reportedly killed last Wednesday by armed men believed to be rebels.

Lt. Col. Jesus Guerzon, PC-INP provincial commander, said the businessman, Joaquin Chiong, 73, of Ipil town was visiting his log pond in barangay Ticbanuag, Tungawan, when he was taken by men the military suspects to be members of the Moro National Liberation Front.

Lt. Octavio Evangelista, police station commander, said the armed men

were led by a certain Kumander Mendoza. They forced Chiong to ride the pumpboat and fled to barangay Alabatan, after sending a ransom note to Chiong's family.

Guerzon has instructed Evangelista to contact and negotiate with the kidnapers for Chiong's release.

The victims in the Midsalip case were identified as councilman Floro Lazola, 31, of barangay Kapalaran, Samuel Bogoc, 27, and Jaime Songcalang, 23.

They were reportedly picked up by armed men from their respective houses, tied to a post near Lazola's house and then killed.

The killing was reportedly witnessed by several village residents. The three are allegedly active in the anti-dissident movement in the area. (Tony Pe. Rimando)

PHILIPPINES

REPORTAGE ON AQUINO-GALMAN MURDER TRIAL PROCEEDINGS

Judge: Ver Reinstatement 'Very Big If'

HK040446 Hong Kong AFP in English 0422 GMT 4 Mar 85

[Text] Manila, March 4 (AFP)--The chief judge in the Benigno Aquino murder trial here today said President Ferdinand Marcos' recent statement about the possible acquittal of General Fabian Ver was a "very, very, very big if."

Judge Manuel Pamaran made the remark in court after the family of Rolando Galman--the man whom Gen. Ver and his 25 co-accused in the case claimed had shot the opposition leader--refused to testify in protest over the Marcos statement.

Mr. Marcos had told a press conference on Tuesday, after being asked if he would reinstate Gen. Ver if he was acquitted, that senior armed forces officials had agreed that Gen. Ver would return as chief of staff if he was cleared.

Mr. Galman's mother Saturnina, sister Marylin, son Reynaldo and stepdaughter Roberta today refused for the third time to heed subpoenas, risking a citation for contempt of court.

Mr. Pamaran gave their counsel Lupino Lazaro until later today to convince the Galmans to at least show up in court, adding that it was up to the prosecution to say whether they would take the witness stand.

Mr. Lazaro said the Galmans, who earlier refused to appear unless 23 accused soldiers were held in the national penitentiary instead of being placed in their superiors' custody, were emotionally affected by the president's statement.

In a related development, the Malaya newspaper quoted Saturnina Galman as saying that she was holding Mr. Marcos responsible for the death of her son and Mr. Aquino, and that because of this she would never appear at the trial.

Mr. Pamaran, apparently irked at the Galmans' refusal to appear, told Mr. Lazaro to explain to them that "whatever the president says, (the possible acquittal of Gen. Ver) was a very, very, very big if."

He indicated that he was not inclined to use the coercive powers of the three-judge court to compel them to testify.

Meanwhile, court sheriffs said they had been unable so far to locate five eyewitnesses whose earlier testimonies had helped lead the probe board to its conclusion that the assassination stemmed from a military plot and that Mr. Galman was the scapegoat.

The testimonies of the witnesses--four security guards and an aircraft loader on duty at Manila Airport when Mr. Aquino was killed there on August 21, 1983--would be struck off the court's records unless they appeared for cross examination, legal experts say.

The court has asked the National Bureau of Investigation to help find the five as well as two former Philippine Airlines employees whose testimonies also indicated that a soldier, not Mr. Galman, shot Mr. Aquino.

In brief testimony today, two air traffic controllers affirmed their previous testimony that they did not witness the Aquino assassination while monitoring the arrival of the plane that brought Mr. Aquino home from voluntary exile.

Witness: Aquino Shot on Tarmac

HK050500 Manila Far East Broadcasting Company in English 2300 GMT 4 Mar 85

[Text] On the Aquino-Galman trial, a key witness, Ramon Balang, yesterday [4 March] disputed the conclusion of the Agrava Board that former Senator Benigno Aquino was shot on the service stairway. He told the Sandiganbayan that Aquino was already walking on the tarmac of the airport when the first shot was fired, felling Aquino. However he said he did not see who shot the former senator. Balang was the ground engineer of Philippine Airlines who was at the tarmac when the Aquino killing took place. He testified the whole afternoon and stuck to his testimony given to the Agrava Board that Galman could not have shot Aquino. Balang's statements to the court were mostly elicited by defense lawyers who subjected him to cross-examination.

Meanwhile Sandiganbayan Presiding Justice Manuel Pamaran ordered the Galman family to appear in court today even if they cannot testify. Pamaran issued the order to the Galman family lawyer, Lupino Lazaro, after the Galmans defied anew yesterday the court's subpoena to testify in the Aquino-Galman trial.

Security Guard Testifies

HK060450 Manila Far East Broadcasting Company in English 2300 GMT 5 Mar 85

[Text] One of the missing witnesses in the Aquino-Galman case showed up yesterday [5 March] at the Sandiganbayan and testified in support of the military claim that former Senator Benigno Aquino Jr was shot on the airport tarmac. The witness, security guard Wilson Ilasos, said he saw Aquino

already sprawled on the tarmac just 2 seconds after the first shot rang out. Ilasos testified last March before the Agrava Board which investigated the Aquino killing. He was cross-examined on that testimony by defense counsel Rodolfo Jimenez.

Earlier, the mother, sister, and son of Rolando Galman, the supposed assassin of former Senator Benigno Aquino, appeared before the Sandiganbayan yesterday but refused to testify. The court told their lawyer, Lupino Lazaro, to convince them to testify and reset the date for their testimonies next Tuesday. Earlier, Galman's mother, Saturnina, sister Marilyn, and son Reynaldo said they are willing to go to jail for contempt.

Verdict Possible by August

OW060547 Tokyo KYODO in English 0540 GMT 6 Mar 85

[Text] Manila, March 6, KYODO--Prosecution lawyers in the trial of Armed Forces Chief Gen. Fabian Ver and 25 men linked to the murder of opposition leader Benigno Aquino said Wednesday they expect to finish presenting evidence by April, indicating a verdict may be handed down before the second anniversary of Aquino's murder in August.

Defense lawyer Rodolfo Jimenez, who represents 22 of the accused, including airport security chief Brig. Gen. Luther Custodio, said over the weekend it would take the defense only three weeks to present counter-evidence.

"We might rest our case by April, depending on the availability of the witnesses," Manuel Herrera, head of the five-man prosecution panel told reporters.

A three-judge court that tries government officials who commit crimes while in office is hearing the case. The court's judgment on any case has to be made within three months after the case has been submitted for decision.

The prosecution has presented the testimony of 42 witnesses and dropped eight others from a list of 81 since the trial began March 1.

Most of the testimony was given before a civilian commission of inquiry into the 1983 Aquino assassination and admitted into court records as part of the prosecution's direct examination.

Several postponements due to non-appearance of so-called vital witnesses have delayed the proceedings.

Of eight key witnesses who were at Manila Airport when Aquino was shot, only two have testified, separately on Monday and Tuesday. The prosecution also decided to drop the testimony of an airline engineer, who retracted his testimony before the commission.

The commission's findings formed the basis of the indictment of the 26 men for the August 21, 1983, Aquino assassination. The commission said Aquino

was shot by one of the military escorts who brought him down from the plane on returning from self-exile in the United States.

Gen. Ver and the others are also facing trial for the murder of Rolando Galman, the man the military said was Aquino's assassin. The commission said Galman was a fall guy and was killed by airport soldiers to cover up the assassination.

Herrera told the court that one witness, an airline mechanic, has gone to the United States while the National Bureau of Investigation is still looking for another airline mechanic and three airport security guards.

Lawyer Jimenez said he is giving the prosecution one week to present the remaining key witnesses, otherwise he might ask the court to strike their testimony from the record.

Presiding Judge Manuel Pamaran said last week that the testimony of witnesses who testified before the inquiry commission may be stricken from court records if they do not appear for cross-examination by the defense.

Galmans Accuse President in Letter to Court

HK051438 Hong Kong AFP in English 0609 GMT 5 Mar 85

[Text] Manila, March 5 (AFP)--The family of Benigno Aquino's purported assassin today accused President Ferdinand Marcos in open court of ordering the opposition leader killed and continued to defy an order to testify at the murder trial.

The accusation was made in a formal statement filed by the mother, sister and son of Rolando Galman, an ex-convict named by the military as Mr Aquino's assassin and by state prosecutors as a scapegoat in a military plot to kill Mr Aquino.

The lawyer of Armed Forces Chief General Fabian Ver, who is among the 26 accused in the case, angrily demanded that the "garbage" be struck from court records and charged that the Galmans were spreading political propaganda.

Meanwhile, Wilson Llasos, a security guard who was near the spot at Manila Airport where Mr Aquino and Mr Galman were killed on August 21, 1983, testified that he saw Mr Aquino abandoned on the tarmac after a shot rang out.

He also said that a few seconds later, he heard more shots and saw Mr Galman fallen on the tarmac and still being shot in front of Mr Aquino's body.

In their disputed statement today, the Galmans said: "We believe that you, President Marcos, ordered Senator Benigno S. Aquino Jr. killed, and your crazed followers in turn killed my son Rolando to conceal the truth."

It was written in Filipino and signed by Mr Galman's mother Saturnina, sister Marylin and son Reynaldo, who for the fourth time refused to take the witness stand in protest against the proceedings.

"With what we say now, we know that you, Mr President, will use your ruthlessness. You have no conscience so you will order us killed or arrested, today, tomorrow, or the next day, or whenever you want to," they said.

"But your problems will not end here because many others like us whom you have oppressed will take revenge for the evil you have done," they added.

The Galmans told the court's three judges in turn not to lend their "glittering names" to the trial and to "return this case to President Marcos."

Gen. Ver's lawyer Antonio Coronel stood up at the close of today's hearing and called the court's attention to the Galmans' statement.

"It bristles with calumny, with odious insult, and assaults the dignity and integrity of this court," he said.

"This is a court of law and it should not be used in any manner as a vehicle either for political propaganda or for assaulting the dignity of the officers of the Philippine Republic, particularly the president," he added.

"I realize that this may be a ploy so that the court may use its coercive powers and punish the Galman family for making use of this court in the manner I have just indicated. I am not going to fall into that bait," he said.

"I am not going to ask this court to punish them because that will be playing precisely into the trap that I think they are laying," he added.

He asked the court to expunge the Galmans' statement from the record and to warn everybody that "this court should not be used as a vehicle for purposes other than the administration of justice."

Presiding Justice Manuel Pamaran, who earlier gave the Galmans another chance to take the stand today, calmly ended the proceedings by saying that the statement as well as the defense counsel's comments and motion were considered submitted for resolution.

The Galmans showed up at the courthouse today. In keeping with their refusal to take the witness stand, they just gave their statement to court officials.

Meanwhile, today's witness said he did not see Mr Aquino's shooting from the rear of the plane where he was performing his duties as a baggage escort, but after hearing a gunshot he turned toward a service stairway and saw Mr Aquino's body lying about two feet away from the last step.

"All I saw was a man in white lying face down on the tarmac," said Mr Llasos, who added that he ran to a nearby tug for cover, heard more shots, then saw Mr Galman's body in front of Mr Aquino, lying face up on the tarmac and being shot by three soldiers.

Under cross-examination by defense counsel Rodolfo Jimenez, however, Mr Llasos admitted that he was frightened by the first shot and was oblivious to the surroundings of Mr Aquino's body as he ran away for cover.

CSO: 4200/593

PHILIPPINES

MANILA DAILY REPORTS ZAMBOANGA 'MASSACRES'

Manila BULLETIN TODAY in English 1 Feb 85 pp 1, 10

[Text] **PAGADIAN CITY** — At least 16 persons, including four members of a family, were massacred by two groups of heavily armed men believed to be members of the New People's Army (NPA) Wednesday in Aurora

and Tukuran, Zamboanga del Sur.

Many more were seriously wounded in the two bloody incidents which happened almost simultaneously at 10 a.m., according to Lt. Col. Jesus Guerzon, PC-INP provincial commander.

Guerzon, in a report to PC regional commander, Col. Carlos Aguilar, identified 10 of 12 fatalities in the Aurora massacre as Genaro Mansueto, 20, Antonio Tahadlangit, 43, Guillermo de la Rama, 54, Gil Tiongson, 29, Tabios Llena, 27, Irana Tasuco, 35, Maria Bulongan, 23, Fedilino Mansueto, 54, Artemio Gumapay, 26, and Dodong Tahadlangit, 12.

The wounded in the Aurora massacre were taken to the Aurora General Hospital where many of them were given 50-50 chance to survive. They were not identified.

Guerzon said that about 50 rebels converged on the village of Sibunig, commandeered a passing cargo truck and a passenger jeep, and then proceeded to

barangay Lantungan which was having its market day.

They opened fire on the people in the market, killing 10 on the spot.

In the Tukuran incident, the rebels peppered with bullets the house of farmer Quirino Pepito Jr. in Barangay Buenasuerte, killing his wife Felisa, 31, mother Joaquina, 65, daughter Gemma, 14, and son Julito, 3.

Pepito himself was seriously wounded together with his father Quirino Sr., 68. (T.P. Rimando)

Five men believed to be members of the New People's Army (NPA) and two Army soldiers were killed in a five-minute battle last Saturday in Dampil, Lagonglong, Misamis Oriental, it was reported yesterday to Camp Aguinaldo.

The report sent by Maj. Gen. Josephus Q. Ramas, Army commanding general, to Lt. Gen.

Fidel V. Ramos, acting chief of staff of the Armed Forces, withheld the names of the two slain soldiers, pending notification of the next of kin.

Ramas' report said that elements of the Army's 30th Infantry Battalion in two six-by-six trucks were returning from a combat mis-

sion when they were ambushed by some 50 terrorists.

PHILIPPINES

STRIKERS FOUND DEAD, OTHERS INJURED, UNDER SURVEILLANCE

Quezon City ANG PANAYAGANG MALAYA in English 1 Feb 85 pp 1, 8

[Article by Desiree Carlos and Jun Lopez]

[Text] Bodies of three drivers earlier reported missing after being dispersed from the transport strike in Cubao last Jan. 28 were fished out of the Pasig river near Quiapo early yesterday morning. As this developed, a student arrested in the violent and bloody dispersal of the Cubao strike and now detained in Camp Panopio in Quezon City is reportedly suffering from physical injuries, showing signs of internal hemorrhage.

One of the dead drivers was identified as Benjamin Catibog. His remains lie in state at his home at 831 Norzagaray St, Quiapo, Police Are still investigating how he and the two still unidentified drivers met their fate.

The Nationalist Alliance for Justice, Freedom and Democracy (NAJFD) confirmed that Catibog was a supporter of the jeepney strike and participated in the Jan. 28 demonstration.

Eligio Vera Cruz, a University of the Philippines student, is reported to be vomiting, suffering from dizzy spells, excruciating pain and light fever.

Cruz was allegedly repeatedly truncheoned by the police during the dispersal of the strike picket last Monday. Lawyers who saw him yesterday asked the Medical Action Group to examine him and request the military to provide medical help. As of yesterday, he had not been x-rayed and the military at the camp allegedly only gave Cruz pain killers.

Meanwhile, film directors Lino Brocka and Behn Cervantes and 39 others arrested and held under a Preventive Detention Action for participating in the Jan. 28 strike, have been taken to Ipil Rehabilitation Center at Fort Bonifacio in Makati from the Quezon City jail.

The detainees were being charged for alleged violation of Presidential Decree 1834, or illegal assembly, a crime which is now non-bailable since it carries a penalty of death or life imprisonment.

Progressive groups plan to launch a series of protest actions starting next week to condemn police brutality and to press for the release of all arrested during the Jan. 28 forcible dispersal and the repeal of repressive decrees including the anti-subversion law (PD 1834).

Legal protests over the arrest and detention by PDA of Brocka, Cervantes and 19 others, mounted as groups that participated in the rally took steps to gain their release.

Mambabatas Pambansa Cecilia Munoz Palma, chairman of the Philippine Union for Human Rights, wrote President Marcos pressing for the immediate withdrawal of the PDA. She asked that the civil proceedings against the 39 detained be allowed to push through unhampered by the effects of the PDA.

Palma stressed that Marcos' immediate withdrawal of the PDA will be an affirmation of his sincerity in applying the Rule of Law.

The Convenor Group, in a statement furnished Malaya, lambasted the present administration saying that the PDA is "the ultimate weapon of repression. "To use it when the strike has been called off, against persons who admittedly had not been guilty of any acts of violence, is to admit the inability of the regime to govern by reason and without repression, the Convenor group said.

It is also a confession of the weakness of the government's case--if it has any--against those it has arrested; for if the government had confidence in its case, it would not need a PDA to detain Lino Brocka and the others," the Convenor group said.

On the other hand, the Concerned Artists of the Philippines which Brocka heads reiterated that the jeepney strike "raised just and legitimate demands that would benefit not only the transport strike but the entire population; among other things, it called for a genuine roll back of oil and gasoline prices by an average of P0.95 and not by a deceptive P0.22."

CAP also stressed that the rally was peacefull until the police started dispersing the demonstrators forcibly, with truncheons and tear gas.

Meanwhile, the members of the Alliance of Concerned Transport Organization (ACTO) reported that armed, surveillance teams are surrounding the homes of Bonifacio de Luna, ACTO chairman, and Pedro Bolinas, ACTO president, in an apparent "scare tactic harassment" of the strike leaders.

At the same time, the ACTO condemned the death of three drivers fished out of the Pasig as "salvaging."

CSO: 4200/591

PHILIPPINES

ENERGY MINISTER ON DECREASING ROLE OF NATIONAL OIL COMPANY

Quezon City ANG PAHAYAGANG MALAYA in English 2 Feb 85 p 3

[Article by Jake Macasaet in the "Business Views" column: "Velasco and RP's Privatization Plan"]

[Text] The Ministry of Energy is clearly in step with the times. Seeing a prolonged softness in the prices of crude oil in the spot market, Energy Minister Geronimo Velasco has publicly said, "I can see a decreasing role for the Philippine National Oil Co. in the area of supply." Velasco feels that "there is a less urgent need for PNOC to assume a large share in the importation of crudes and products as the private oil companies are now more able to bring in their own requirements." The major role that the PNOC will play in the next five to 10 years, according to Velasco, is that of "a diplomatic as well as supply link with the various oil exporting countries."

Velasco's recent public pronouncements also make it very clear that he does not believe in the prolonged presence of government in areas that can just as well be handled by the private sector. Otherwise, he would not have said that "there is (however) no reason why government will not consider selling off Petrophil to the private sector, given the right price and provided government is assured that it has sufficient regulatory power to protect the interests of public service."

But Velasco made it abundantly clear that "prices (of fuel products) will continue to be controlled by government and service stations supervised in much the same way that they are now."

As if to prove the sincerity of his statement and obviously realizing the magnitude of investments that it would take to buy Petrophil, Velasco said "it is possible to see the day within the medium-term when the government-owned refinery may be jointly owned with the private sector multinationals. (Caltex and Shell)."

Velasco is prepared to let go of the other PNOC-owned companies provided "sale (should) always be made at a reasonable market price and not on the basis of a "fire sale." This would have sounded like a typical bureaucratic statement said many times before if the PNOC had not been granted a loan by the Asian Development Bank precisely to finance a long-term strategy study towards

privatization. In other words, Velasco deprived himself of the opportunity to determine unilaterally the terms of the privatization effort. Instead, he is commissioning a study, whose recommendations Velasco would obviously be bound to follow.

Velasco said "we have set no limits on which areas or subsidiaries can in fact be turned over to the private sector." To his mind, the basic considerations are economic and national interest objectives which will also be presumably defined in the ADB-funded study.

The study, incidentally, suggests at least two things. First, it would fully and publicly disclose the actual financial status of the different PNOC-owned firms for the appreciation of prospective buyers in the private sector; and second, it would set a trend on how to dispose of government-held or -owned business operations. Very few--in fact, Velasco might be the first--heads of government-run or -owned firms will open themselves up to public scrutiny. But then, Velasco has always run the PNOC firms in the style of the private sector. Being so, he knows how valuable full disclosure is to the prospective investors.

We can only wish that the government had adopted Velasco's ideas about privatization in the case of sugar and coconut oil. We had to wait for pressures from the IMF and the World Bank for us to dismantle the sugar and coconut monopolies.

CSO: 4200/591

PHILIPPINES

PROGRAM TO HEAD OFF RICE SHORTAGE REPORTED

HK051342 Davao City PEOPLE'S DAILY FORUM in English 14 Feb 85 p 7

[Article by Depthnews]

[Text] A crash two day season rice planting program has been launched by the Agriculture Ministry to head off a threatened serious shortage in the national staple next year.

The impending shortage was telegraphed by the government decision to import some 150,000 metric tons of rice from China and Indonesia through the National Food Authority (NFA).

However, NFA has been careful to explain that the grain purchases are for buffer stock purposes only as it flatly denied there is a shortage in the cereal.

The decision to import came in the wake of announcements from organized farm groups that a fall-off in the next rice harvest should be expected because many farmers are unable to shoulder rising production cost due to the ongoing national economic crisis.

Called "Intensified Rice Production Program," the effort is being financed by the Agriculture Ministry with a P450 million special fund which will go to the purchase of seeds and necessary farm inputs like fertilizers, pesticides and herbicides.

The program has two main objectives: production of an additional 600,000 tons of wet rice or palay by end of June, 1985, and to procure and maintain a government buffer stock of 400,000 tons.

The first crop is to be planted on 155,000 hectares during this November and December while the second during February and March next year right after harvest of the initial crop, according to the ministry.

Twenty major rice producing provinces have been selected by the ministry to participate in the crash program. Their selection is due to their rice-lands being serviced by national, communal and pump irrigation systems.

The provinces represent all the agricultural regions of the country--Pangasinan, La Union, Ilocos Norte, Cagayan, Isabela, Nueva Vizcaya, Nueva Ecija, Pampanga, Bulacan, Mindoro Oriental and Occidental Cotabato, Davao del Norte, North Cotabato and Sultan Kudarat.

Expressing confidence that the target production will be achieved, the ministry said 80,700 hectares of the selected planting area are serviced by national irrigation systems, 56,700 hectares by communal networks, and 12,600 hectares by pump irrigation.

Strategies under the program were ticked off by the ministry as follows:

- Planting of two palay crops in areas serviced by efficient irrigation systems.
- Provision of adequate financing support through government and private sector agencies.
- Provision of full marketing assistance by the NFA through its grain procurement activities.
- Full agricultural service support to farmers specially in effective fertilizer usage, water management and pests and diseases control.

Three alternative financing schemes lace the production program. The ministry described them as "designed to production loans to farmers who would like to participate" in the program.

One scheme is worked by NFA by providing farmers qualified to participate in the program with material inputs. A revolving fund is furnished NFA by the ministry for the purpose aside from services of its farm technicians.

The second provides production loans to both farmers and grain processors through contract growing or forward selling agreements with NFA.

Rural banks implement the financing scheme using procedures under the Masagana 99 program, the ministry said.

Participating farmers are eligible to borrow not more than P3,000 per hectare under the financial schemes. The ministry said P1,675 of the amount is for the purchase of fertilizers, P775 for chemical inputs, P400 for seeds, and P150 for crop insurance premium. It is an imperative in efforts to prevent the country from reverting to rice importer status.

It also emphasized that the program is intended to bring back the "golden years" of rice production in the country which transformed the Philippines from a traditional importer of the cereal to a modest exporter.

The ministry said 1973-1983 were such "golden years" and credited the Masagana 99 program as the vehicle that brought about such an achievement.

However, the ministry acknowledged that the ongoing national economic crisis, whose intensity worsened starting last year, has put an end to the conditions which made the "golden years" possible.

Because of the economic crisis, the ministry said prices of farm inputs have doubled and even trebled, the nation's foreign exchange reserves are almost nil, there is tight credit and astronomical interest rates.

Such economic negatives exert a telling impact on rice production in the country and if such a situation continues, the possibility of the Philippines reverting to the status of "traditional rice importer may not be remote," the ministry said.

CSO: 4200/594

PHILIPPINES

PRC BANANA PURCHASING DEAL REPORTED

Manila BULLETIN TODAY in English 2 Feb 85 p 17

[Text]

The People's Republic of China has bought 10,000 metric tons of Cavendish bananas from the Philippines for the first time. The first shipment will be made in March.

The sale was negotiated by Philippine International Trading Corp. (PITC) with China National Cereals, Oils and Foodstuffs Import and Export Corp. (Ceroilfoods).

Jaime C. Gonzalez, PITC president, last month went to Beijing and invited a delegation to see the country's banana

plantations, including loading and port facilities.

In response, China sent a three-member delegation led by Mdme. Dong Su Rong, deputy director of Ceroilfood's fruits and vegetable department.

The Chinese delegation toured banana plantations in Davao, including Tagum, Philippine Packing, Stanfilco and Dahitri. These plantations will supply PITC the bananas to be exported to China with the "Philippines International" label.

The banana growers were excited to

have China as a new market. Until recently, the major banana markets were Japan, the Middle East and Australia. Last year, PITC was able to sell 7,000 metric tons of bananas to Korea for the first time since five years ago when a ban on the importation of bananas was imposed.

PITC maintains an overseas trading office in China. It hopes to sell phosphatic fertilizer, copper cathodes and other products listed in the trade protocol between the Philippines and China.

PHILIPPINES

BRIEFS

TOLENTINO ON RECALL POLICY--Foreign Affairs Minister Arturo M. Tolentino said yesterday his policy of recalling all "overstaying" ambassadors has been stymied by political "meddlers" and "padrions." "In principle, I would like to recall all ambassadors who have served more than eight years abroad, but I always encountered some difficulty in the implementation of this policy because of outside pressure or interference coming from the top and laterally," he said during a meeting with foreign ministry officials. At present, there are 18 "retirable" chiefs of mission, two of whom will be 71 this year. Tolentino said that an ambassador's relatives with "some political influence" intervene as soon as the ministry issues an order of recall. The ambassador himself suddenly pops up in Manila, not to report to the MFA but to seek out a "padrino" to plead his cause. He recalled that he once received a note from Malacanang requesting the extension of the term of an ambassador. "That is sometimes very difficult to deny, considering the request is only an extension and not an indefinite term," he said. [By Correspondent Olaf Giron] [Text] [Manila BULLETIN TODAY in English 28 Feb 85 p 8] HK281541

IMF STUDY--A group of officials from the International Monetary Fund is arriving in the country on Sunday. Heading the group is [name indistinct], deputy director for Asia of the IMF. The group will look at how the Philippines is carrying out the package of economic recovery measures. Results of the study are timely because the country will begin to draw, by the end of this month, the second portion of its \$680 million standby credit from the IMF. [Text] [Quezon City MAHARLIKA BROADCASTING SYSTEM in English 0400 GMT 1 Mar 85] HK010710

WEAPON AGAINST DEMONSTRATORS--The Armed Forces of the Philippines [AFP] has invented a new weapon for use against unruly street marchers or demonstrators. The special weapon however does not kill. It only causes itchiness and tears to the victims. The special weapon, called Lipay itching bullet, was invented recently by the AFP Research and Development Center. The Lipay bullet is to be used only during violent demonstrations. The Lipay comes from the family of wild fruit in the wilderness of Mindanao. [Text] [Quezon City Maharlika Broadcasting System in English 0800 GMT 5 Mar 85 HK]

PRC SCIENCE, TECHNICAL EXCHANGE--A 6-man mission from China will arrive in Manila tonight. The mission will negotiate with their Filipino counterparts for scientific and technical exchanges for the present year as well as next year. The group is headed by Vice Minister Dong Zhiyong of the Chinese Ministry of Forestry. Deputy Director of the National Economic and Development Authority Ramon Cardenas will head the Philippine panel. [Text] [Manila Far East Broadcasting Company in Tagalog 1100 GMT 5 Mar 85 HK]

VENUE FOR RALLIES WITHOUT PERMITS--A bill that has been approved by the Committee on Justice, headed by Justice Minister Manuel Garcia, will be approved by the Batasan this week. The bill will allow rallies to be held without permits only at Freedom Park. Rallies to be held at other venues will require permits; however, no authorized demonstrations will be allowed to deteriorate into violence. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 4 Mar 85 HK]

CSO: 4200/593

MILITARY AFFAIRS AND PUBLIC SECURITY

EDITORIAL URGES ERADICATION OF SUPERSTITIOUS PRACTICES

Hanoi HANOI MOI in Vietnamese 29 Dec 84 pp 1, 4

[Text] Recognizing that superstitious practices are a social ill left over by the old regime and cause many forms of damage to the people, our city has launched a quite early movement to invite the masses to fight them. However, in recent years, taking advantage of our country's post-war problems, many individuals who had voluntarily renounced their swindling trades returned to them to make a living. Scores of "living saints," "hell's generals," and mediums reappeared, cheated the people, sowed confusion, and affected adversely the people's health, family happiness, work, time and money.

While our people are confronted with a crucial need to use scientific progress to boost production and to build a new life and a new human being, they--the fortune tellers, physionomists and mediums--re-created an anti-scientific atmosphere of confusion among certain persons, spread feelings of instability, and disseminated false rumors to fish in troubled waters. Objectively, they gave a helping hand to the enemies' psychological warfare and indirectly thwarted the execution of a number of Party's and government policies. The soothsayers' and mediums' temples became miserable gathering points causing daily topsy-turvey events to occur and encouraging the development of other ills.

Certain unsteady and stupid individuals stepped into the snares of those swindlers-blasphemers. It is regrettable to note that even cadres, workers and employees sought their services and drew criticism and dissension from public opinion. The case of "comrade-medium Kieu Van" was a recent and eloquent example of what kind of harm superstitious practices can engender.

In past years, almost all localities have organized re-education courses for professional superstitious practitioners. However, because of lack of tight control, those tellers and mediums were able to continue their trades with new, more sophisticated and craftier tricks. The time has come that we cannot tolerate any longer those recalcitrants who refused re-education and willingly embarked on their old illegal practices. The draft of our State Criminal Code stipulated punishments for anybody charged with practicing superstition, and was welcome by the people. It is a testimony of our clear-cut attitude. We will not show any leniency vis-a-vis dishonest acts.

The New Year and the 1st month of the lunar calendar are a golden opportunity for the swindlers-blasphemers to do their trades. The authorities and the groups of various levels cannot tolerate those criminal activities. The immediate requirement of the initial phase of the fight against superstitious practices started by the city's leadership committee towards a new lifestyle is to cause a clear-cut change in the people's concept, primarily those who are still superstitious, about the harm that can be done in order that they rid themselves of mystical idealistic thoughts and of the habit to participate in those practices. The party organization must educate members and assist people's groups, unions, youth groups, and women's groups in teaching their members the revolutionary philosophy of life and worldview, in enhancing their cultural and scientific background, in boosting production, in improving their lives, and in creating fundamental conditions to eliminate superstitious practices from their spiritual lives. Especially, cadres whose minds are still confused about this social ill must be dealt with appropriate disciplinary measures because their attitude is totally incompatible with the personality of a vanguard warrior.

In terms of monitoring the struggle, the authorities and people's groups of wards and villages will, in conjunction with cultural, police, commerce and financial forces, step up each phase and severely deal with professional superstitious practitioners. After thorough investigations, they will eliminate assembly points and soothsayers' and mediums' temples, prohibit production and sale of sacrificial articles, and evict from temples and pagodas those who take advantage of superstition for profit. In the meantime, they will set up reform courses for fortune tellers and mediums to open for them an honest way to make a living, and severely punish recalcitrants.

For the interests of the people and for the sake of socialist construction and the protection of the fatherland, we will resolutely bring this campaign of eradication of superstitious practices to new victories in order to contribute successfully to the building of a new lifestyle--a civilized, sane and scientific lifestyle in the capital.

9458

CSO: 4209/215

MILITARY AFFAIRS AND PUBLIC SECURITY

CRACKDOWN ON CORRUPTION, GANG ACTIVITIES REPORTED

Thieves Jailed

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Oct 84 p 4

/Article by H. B.: "Policy Subverters and Theives of Properties of Socialism Punished"/

/Text/ (SGGP) On 24 and 25 October 1984, the People's Court of the city has brought to trial Tran Duy Tan and Nguyen Duy Liem under charges of "straying away from economic and financial policies, regimes and procedures with intent, causing damages to the properties of socialism, and corruption." Also standing trial was Au Chan Hoang, charged with "Consumption of properties of socialism illegally usurped."

Tran Duy Tan was director and Nguyen Duy Liem, chief of the bureau of material supplies, of the River Lines Works Co No 2. Because of personal gain, from 1981 to mid-1982, Tan had several times directed the forging of papers, illegally authorized expenditures of company's properties to sell and set up a secret fund and squandered and stolen /public money/, causing great losses to the state's properties.

From 22 October 1981 to 24 January 1982, Tan illegally authorized the sale of 28 tons of iron bars of various sizes and many other material supplies, such as gasoline and oil and tires, receiving over 800,000 dong. Tan delivered to the company's treasury only 592,400 dong. From the remainder, Nguyen Duy Liem stole 40,000 dong, Tran Duy Tan stole 61,000 dong, and both squandered the rest, over 80,000 dong on expenses for a 1981 yearend party, and for a preliminary summary for the first 6 months of 1982. From 19 to 27 July 1982, Tran Duy Tan again signed orders to "yield" to certain agencies 120 bags of cement, 60 sheets of galvanized tin, and 2,500 bricks worth 30,946 dong at state prices and 81,500 dong at market prices. In reality, he had these material supplies hauled to Hoc Mon to build his house. Also in the same period, on grounds of "serving the transportation and construction of company projects," Tan again signed orders to allow expenditures of 1,200 liters of oil, 401.5 kg of iron bars of various sizes, 360 screws, 45 hinges, 25 kg of nails, 0.3 kg of zinc wires, 0.7 m³ of lumber, 5 m³ of rocks, 2 tin sheets, and 6 panels of 5-mm glass. After leaving the warehouses, on Tan's orders, these material supplies were transported to Hoc Mon to build a house for his family. (The 1,200 liters of oil were traded for 12,000 bricks). Tan, for

"repair of a collective house," had also signed a disbursement order for 0.5 m³ of type 1 lumber, six panels of 5-mm glass and other material supplies to have five glass cases, a double bed, and a soft built for him. In mid-1982, Tan made up stories pertaining to "the purchase of vehicles for the company" to sign disbursing orders for 5 tons of iron bars of various sizes, "yielded to agencies in the 1st District" 40 panels of 5-mm glass of special quality, and "traded for belts and saw blades" with 60 glass panels. In reality, these material supplies were transported to Ward 1, District 10 and sold to Au Chan Hoang for 140,000 dong. Tran Duy Tan also abused the authority of director to sign orders to disburse 198 sheets of plywood belonging to the Subdepartment of River Lines and stored at the River Lines Works Co No 2 because the former lacked of warehouses. He took 50 of those plywood sheets to build his house and sold the rest for nearly 40,000 dong.

After the defendants spoke their last words and defense counsel presented arguments in their favor, the People's Court of the city pronounced the following sentence: Tran Duy Tan, 16 years of prison; Nguyen Duy Liem, 4 years of prison; Au Chan Hoang, 18 months of prison. All defendants were ordered to make 343,000 dong worth of restitution to the state budget.

Armed Gang Arrested

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Oct 84 p 4

/Article by H. B.: "Armed Gang Arrested"/

/Text/ (SGGP) Owing to close coordination with the youth assault forces to protect the bases' security, the Criminal Group of the Fourth District's police has recently arrested a professional robbery gang consisting of four members led by Huynh Hoang Van while they met in a coffee shop on Ben Van Don St. The police also seized a hand gun and five cartridges. After the arrest, the Criminal Group of the Fourth District's police immediately recovered two motorcycles that had been stolen before by the same gang who did not have the time to cannibalize them. The victims were invited to recover their vehicles. Huynh Hoang Van and his accomplices confessed that every night, they went to deserted and dark streets and parks, took advantage of the carelessness of motorcycle owners, and robbed motorcycles at gunpoint. Their tactic was to walk while committing their crimes because they could be easily identified if a stolen motorcycle were used in the robbery. Huynh Hoang Van confessed that owing to the above tactic, in the space of a week, they had robbed five motorcycles in the First, Third, Fifth and Tan Binh Districts.

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CSO: 4209/197

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

COUNTERFEITERS ARRESTED--(SGGP) Recently, counterfeit goods makers have put in the market several types of counterfeit goods bearing foreign labels to deceive buyers, primarily those coming from provinces. A clue from the people led the Market Management Group of Phu Nhuan District to a search of the Nguyen Phuc Household at 272 Truong Tan Buu St which engaged in the production of bogus pullovers; 136 garments printed with 555 and Cap-tang cigarette labels were confiscated. In the 11th District, the Market Management Group uncovered the owner of the house at 582/7 Nguyen Chi Thanh, rented to Vuong Ai Le, to produce bicycle rims under the brandname Araya (Japan) without a manufacturing license. Evidence consisted of 388 rims, a pressing machine and a faked stamp for the trademark. The Fifth District's Market Management Group searched the Ly Viem Household at 200 Van Tuong St and prosecuted the occupants for making counterfeit perfumes bearing foreign brandnames. /Text/ /Ho Chi Minh City
SAIGON GIAI PHONG in Vietnamese 31 Oct 84 p 4/ 9458

CSO: 4209/197

INTERNATIONAL RELATIONS, TRADE AND AID

FEATURE ON THANH HOA'S LINKS WITH LAO PROVINCE

BK190111 Hanoi VNA in English 1536 GMT 18 Feb 85

[Text] Hanoi VNA 18 Feb--The Vietnamese province of Thanh Hoa and its Lao sister province of Houa Phan last year exported to each other commodities worth 2,145,000 dong (Vietnamese currency).

Thanh Hoa and Houa Phan, situated along the Vietnamese-Lao border, are linked together by a small river. The people in the two provinces have since long been living in unity and close fraternity, fighting side by side against the French colonialists then the U.S. imperialist aggressors.

In furtherance of the resolutions of the central committees of the Communist Party of Vietnam and the Lao People's Revolutionary Party, Thanh Hoa and Houa Phan in 1967 signed an economic and cultural agreement aimed at enhancing their special friendship comprehensive cooperation and mutual assistance.

In the 1967-1976 period, Thanh Hoa sent many economic and technical cadres to Houa Phan to help build 20 pilot villages in agricultural, industrial and handicraft production. Those cadres also helped build in Houa Phan several communications and transport, and irrigation projects, small hydroelectric power stations, farming machine repair workshops, rice husking mills and medium sized food processing workshops.

Since 1976, Thanh Hoa has helped Houa Phan build two medium-sized irrigation projects at Muong Phat in Samtai district and Muong Long in Siangkho district, and repair two other irrigation projects--Sapsan and Talang--supplying water for 300 hectares.

Thanh Hoa has helped Houa Phan survey and (?hone) the Loung Ngom citrus farm in Muong Lat district, a 400-head stockbreeding farm, and build two bridges on the national highway and an interdistrict road, several cultural projects and more than 9,000 square metres of housing space, including supply and marketing shops, the Houa Phan infirmary, the provincial party committee office, a 150-bed hospital in Siangkho district town and a high school, and in the survey, zoning and construction of the new district capital of Viangsai.

In trade cooperation, Thanh Hoa exports to Houa Phan farm products and foods such as dried fish, fish sauce, etc., and in return imported from Houa Phan medicinal herbs and materials to restore its traditional bronze-casting trade.

In cultural cooperation, in the 1976-1979 period, Thanh Hoa helped Houa Phan train 520 students at elementary and secondary courses of agronomy, carpentry and forgery [as received].

Since 1979, Thanh Hoa has trained for Houa Phan almost 270 middle-level students specializing in survey, water conservancy, photography, wood carving, etc.

In the sports field, visits of provincial delegations and teams of athletes, cadres and coaches have been exchanged for mutual understanding and study thus further promoting their solidarity.

Regular meetings between Thanh Hoa and Houa Phan Provinces have been held in a spirit of socialist internationalism and with the authorization of the two states to work out measures for coordination in national defence, in the maintenance of public security and in building the border line between the two provinces.

CSO: 4200/497

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN CONDEMNS AGGRESSION AGAINST NICARAGUA

OW020731 Hanoi VNA in English 0705 GMT 2 Mar 85

[Text] Hanoi VNA 2 Mar--"The Vietnamese people, together with progressive mankind, strongly condemn the aggressive policy pursued by the U.S. imperialists against Nicaragua, and demand that the Reagan administration stop its blockade and threat of aggression against Nicaragua," says NHAN DAN in a commentary today.

The paper says: "The Washington administration's hostile policy toward the Republic of Nicaragua and Reagan's threat to use force against the Sandinista revolution are straining the situation in Central America more and more, seriously threatening peace and security in the region, Nicaragua's national sovereignty in particular. President Truong Chinh's letter dated February 28, 1985 to President Daniel Ortega has expressed the Vietnamese party, government and people's deep concern about the above-said situation, and their solidarity with and full support for the just cause of the fraternal Nicaraguan people."

The paper goes on: "The on-going acute political and social conflicts in the Central America-Caribbean region are due to the colonialist and imperialist policy pursued by the United States. Today, Washington is fanning up these conflicts in service of its policy of expansionism and exploitation. The successful Sandinista revolution and the development of the revolutionary struggle in El Salvador are logical results of the arduous struggle between the forces of national independence on one side and imperialism on the other. The Nicaraguan people have conducted a very gallant fight over the past half-century, shedding so much blood and accepting innumerable other sacrifices before securing genuine independence and freedom. Today, they are putting all efforts in building a new, democratic, progressive and prosperous regime. This is a just cause conforming with the evolution of history."

"Over the past six years," the paper goes on, "the Nicaraguan Government and people have made valuable contributions to the common struggle of the Latin American people and peace-loving people across the world for cooperation and friendship among nations. The Nicaraguan Government has many times demonstrated its desire to normalize its relations with the United States and other countries in the region. It has made clear its stance of solving the disputes in the relations between countries by peaceful negotiations. On February 28, when the United States carried out its provocative military exercises and the

Reagan administration voiced its threat to overthrow the new government in Nicaragua, the Nicaraguan Government once again reiterated its ardent wish to have peace in Central America."

NHAN DAN pointed out that the well-meaning stance of the Nicaraguan Government has enjoyed support from wide segments of public opinion in Latin America. By contrast, the U.S. imperialists have overtly rejected a political solution. In an attempt to abolish Sandinista regime, they are scheming to launch a war against Nicaragua as they did against Grenada in October 1983.

"As brother and comrade-in-arms on the same frontline, we express our deep concern about the tense situation in Central America, and fully support the efforts of the Nicaraguan Government aimed at solving the Central American question by means of peaceful negotiations. At the same time, we firmly believe that the fraternal Nicaraguan people, with the solidarity and support of the world revolutionary and peace-loving forces, will overcome all difficulties and defeat all schemes and acts of the U.S. imperialists to firmly defend their country and take their revolutionary cause forward," the paper says in conclusion.

CSO: 4220/497

INTERNATIONAL RELATIONS, TRADE AND AID

TRUONG CHINH LETTER REAFFIRMS SUPPORT FOR ANGOLA

OW031634 Hanoi VNA in English 1445 GMT 3 Mar 85

[Text] Hanoi VNA 3 Mar--"We deeply understand and strongly support the principled stance and good-will attitude of the People's Republic of Angola aimed at achieving an overall solution for southwestern Africa and securing independence, sovereignty and territorial integrity for Angola and the independence of Namibia," said Truong Chinh, president of the State Council, in a letter to Angolan President Jose Eduardo dos Santos.

President Truong Chinh's letter, which was in reply to President dos Santos's January 20, 1985 letter, said: "Since winning independence, the heroic Angolan people have continued to hold high their revolutionary banner, overcome untold difficulties and sacrifices to build the country and, at the same time, conducted a persistent struggle against the undeclared war of the U.S. imperialists and the South Africa racists in order to defend national independence and sovereignty."

"At present," the letter went on, "the struggle of the Angolan people is facing new difficulties and trials. The U.S. imperialists and the racist regime in South Africa, in collusion with the other reactionary forces, are pushing ahead their policy on intervention, aggression and division in hopes to slacken the militant solidarity of the front-line countries and check the support of countries for the just struggle of the Namibian and South African peoples under the leadership of the SWAPO and the ANC. That situation requires that the revolutionary forces in southern Africa strengthen their solidarity, and heighten their vigilance against all schemes and manoeuvres of imperialism, racism and the other reactionary forces."

President Truong Chinh reaffirmed the Vietnamese Government and people's unswerving and resolute support for the just and patriotic struggle of the fraternal Angolan people.

CSO: 4200/497

INTERNATIONAL RELATIONS, TRADE AND AID

TRUONG CHINH REAFFIRMS SUPPORT FOR NICARAGUA

BK020035 Hanoi VNA in English 1625 GMT 1 Mar 85

[Text] Hanoi VNA 1 Mar--I assure you and the Nicaraguan people of Vietnam's militant solidarity with and its full support for your arduous but certainly victorious struggle, said President of the State Council Truong Chinh in his reply to the letter of Nicaraguan President Daniel Ortega.

President Truong Chinh said: The Vietnamese people, who have undergone a long struggle for independence and freedom, are following with warm sympathy the Nicaraguan people's just struggle, and sharing with the Nicaraguan people's deep concern about the present situation in Central America.

After condemning the Reagan administration for going all length to subjugate the heroic Nicaraguan people in the struggle for national independence and sovereignty and causing tension in Central America, President Truong Chinh goes on: The Vietnamese people highly value the great and good-will efforts of the fraternal Nicaraguan Government and people aimed at settling the situation in Central America through negotiations. The U.S. Government must respond seriously to Nicaragua's good will.

I am deeply convinced that under the correct leadership of the Sandinista National Liberation Front, the vanguard contingent of the Nicaraguan people, and the government of national reconstruction led by you, and strong with the solidarity and support of the revolutionary and peace-loving forces all over the world, the heroic Nicaraguan people will surely defeat all schemes and moves of U.S. imperialism, firmly defending their fatherland, thus continuing to bring their revolutionary cause constantly forward.

CSO: 4200/497

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI RECAPITULATES SELECTION OF OFF-SHORE WORKERS, STUDENTS

Hanoi HANOI MOI in Vietnamese 30 Nov 84 pp 1, 4

[Text] On 24 November, the city People's Committee has held a meeting to recapitulate 5 years of selection of off-shore students and workers (1980-1984).

In the past 5 years, the city has selected and sent abroad 9,938 persons, reaching 80.2 percent of the plan. They were chosen primarily from the construction, textiles, sewing, mechanical, electricity, services, candy production, ceramics, glass, leather shoes, and toys, sectors; 48 percent were skilled.

Generally speaking, although the number of off-shore workers was not large, the city was able to gather an outstanding group of technical workers capable of assimilating well the technological know-how of foreign countries to serve the fatherland upon return. Nevertheless, the selection of off-shore workers still has many shortcomings that need to be overcome.

In the near future, Hanoi will welcome back over 10,000 persons whose terms abroad expire. All sectors and levels must be prepared to greet them duly and to give them appropriate assignments.

Cooperative labor [exchange with foreign countries] may be continued. Therefore, we must carefully review purposes, norms and selection procedures in order to meet the requirements agreed upon between our country and foreign ones. We must make sure that norms are met and policies are strictly carried out. We must avoid any form of passivity in the selection.

9458
CSO: 4209/215

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

ARMY DAY GREETINGS TO GDR--Hanoi VNA 28 Feb--Defense Minister General Van Tien Dung has sent a message of greetings to his GDR counterpart, General Heinz Hoffmann, on the 29th Army Day of the GDR. The message reads: "We have followed with profound sympathy and admiration the achievements of the GDR Army during the past 29 years. Today, the GDR Army is holding firm its weapons to defend the GDR and together with the armies of other fraternal socialist countries is safeguarding peace and security in Europe and the rest of the world." The message expresses sincere gratitude towards the party, government, people and army of the GDR for their support and valuable assistance to the Vietnamese people and army in their past arduous revolution and struggle as well as in national construction and defence at present. [Text] [Hanoi VNA in English 1508 GMT 28 Feb 85]

VNA, CUBAN INFORMATION AGENCY AGREEMENT--Hanoi VNA 2 Mar--VIETNAM NEWS AGENCY (VNA) and CUBAN NATIONAL INFORMATION AGENCY (AIN) signed here today an agreement on professional cooperation. Under the agreement, the two sides will enhance their exchange of news reports, photos and documents and arrange meetings between VNA and AIN reporters and photographers with a view to better serving the propaganda of the national construction and defence in the two countries, especially Vietnam's major anniversaries this year, and strengthening the militant solidarity and close friendship between the two peoples. Signatories were Dao Tung, VNA general director, and Ms Carmen R. Alfonso, member of AIN leadership, who is leading an AIN delegation on a friendship visit here. The Cuban guests have met with leading officials of various ministries and economic branches. They visited many economic and cultural establishments in Hanoi, Ho Chi Minh City and Quang Nam-Danang Province. [Text] [Hanoi VNA in English 1511 GMT 2 Mar 85]

TRADE DELEGATION VISITS BULGARIA--Hanoi VNA 2 Mar--Andrei Loukanov, alternate member of the Political Bureau of the Bulgarian Communist Party Central Committee, and vice chairman of the Bulgarian Council of Ministers, has received in Sofia the visiting trade delegation of the Vietnamese Government led by Vice Minister of Foreign Trade Nguyen Manh Cam. Vice Chairman A. Loukanov exchanged views with Vice Minister Nguyen Manh Cam on the economic and trade cooperation between Vietnam and Bulgaria. Present on this occasion were Vietnamese Ambassador to Bulgaria Hoang Trong Vhu and Bulgarian Vice Minister of Foreign Trade M. Marinov. [Text] [Hanoi VNA in English 1513 GMT 2 Mar 85]

CHINESE DISTORTION OF HISTORY CRITICIZED--Hanoi VNA 2 Mar--A symposium on the Chinese expansionist historians' distortions of Vietnamese history was held recently in Hanoi by the Institute of History under the Vietnam Committee for Social Sciences. More than 20 reports and speeches were delivered by Vietnamese historians at this symposium, exposing the Chinese historians' motives in distorting Vietnam's history through their publications and broadcasting programs, as well as in their symposiums and seminars since 1978. Summing up the symposium's work, Prof Van Tao, director of the Institute of History, said: "Chinese expansionism and hegemonism has been using history as a means to sabotage Vietnam, deceive and poison the mind of the Chinese people and mislead world opinion. The struggle to defend historical truths at this symposium has been a significant work to expose the dark schemes of Chinese expansionism and hegemonism in history." [Text] [Hanoi VNA in English 0702 GMT 2 Mar 85]

DANISH CHARGE DEPARTS--Hanoi VNA 2 Mar--U. Nelweg Larsen, Danish charge d'affaires A.I. in Vietnam, left here yesterday at the expiry of his term of office in Vietnam. [Text] [Hanoi VNA in English 1508 GMT 2 Mar 85 OW]

SPECIAL ENVOY TO SURINAME--Hanoi VNA 3 Mar--Ambassador Hoang Bich Son, special envoy of Chairman of the Council of Ministers Pham Van Dong, recently paid a visit to the Republic of Suriname where he attended the 5th anniversary of the revolutionary day of Suriname. On February 24, the Vietnamese envoy was received by President Randat Misier. The following day, he called on Lieutenant Colonel Desi Bouterse, leader of the Suriname revolution, the prime minister and other leaders. In his meeting with the permanent secretary of the Suriname Ministry for Foreign Affairs G. Alvarez, the two sides exchanged views on bilateral relations and international issues of mutual concern. Hoang Bich Son left Suriname on February 28. [Text] [Hanoi VNA in English 1450 GMT 3 Mar 85]

CSO: 4200/497

PARTY ACTIVITIES AND GOVERNMENT

VNA ON VIETNAM'S ROLE IN FIGHT AGAINST FASCISM

OW011100 Hanoi VNA in English 0729 GMT 1 Mar 85

[Text] [No dateline as received] The Vietnamese Revolution in the Fight Against Fascism--Vietnam's Participation in the International Democratic Front Against Fascism Before World War II

The July 26, 1936 meeting of the party Central Committee is an event of historic significance of the Indochinese Communist Party. It pointed out that the French colonialists and the fascists were the enemies of the Indochinese revolution, and called on all political parties, organizations and strata of the people in the country to unite for democratic freedoms, better living conditions and peace.

The meeting pointed out that fascism was the concrete and direct enemy of the world people, including the Indochinese peoples, and that the reactionary colonialist force in Indochina was part of fascism in France opposed to the Indochinese democratic forces including the French democrats. Fearing that the democratic reforms in France would exert a positive influence on the struggles for democracy and welfare in Indochina, they tried to detach Indochina from France then under the popular government of Leon Blum and established the fascist rule right in colonial Indochina.

In light of this assessment, the party decided to form a broad front aimed at isolating the enemies to the greatest extent.

The 7th Congress of the Comintern pointed out that in face of the fascist danger, the choice for the communist parties and working people throughout the world was not capitalist democracy or proletarian dictatorship, but capitalist democracy or fascism.

The party Central Committee decided to found the Indochinese Democratic Front to fight for democratic reforms and achieve the elementary democratic rights.

Democracy in Vietnam contains elements of nationalism. The struggle for democratic freedoms is a specific expression of the struggle for national interests. The enemies of democracy being also the common enemies of the nation, the democratic forces were essentially those fighting for national independence. Some demands of the democratic forces coincided with the demands

of the nation such as freedom of press, freedom of association, release of all political prisoners.

One of the characteristics of the Vietnamese revolution was that all the forces against the reactionary colonialists and fascism allied with one another in a Democratic Front, including workers, peasants, the petty bourgeoisie, the national bourgeoisie and democratic personalities in the country, under the unified leadership of the Communist Party and in alliance with the French Socialist Party branch in northern and southern Indochina, and with Chinese and Indian residents who approved democracy.

In Tonkin (northern Vietnam), under the clearsighted leadership of the party regional committee, the democratic movement won a number of successes, such as the holding of a big mass rally on May Day in 1938, the publication of the electoral program to the people's chamber of Tonkin in 1938 in the paper DEMAIN (TOMORROW) and in the party paper TIN TUK (NEWS) and in other papers of the Democratic Front, the successful campaign for the front in the election. [sentence as received]

In face of the fascists' intensified preparations for war against the Soviet Union and other democratic forces in the world, expanding its war of aggression against China to south China and occupying a number of islands, posing a direct threat to Indochina, the party put up the slogan "Let's Defend Indochina" and launched a mass movement for its realization by the colonial authorities.

To safeguard the interests of French imperialism to Indochina in face of the danger of aggression by Japan, the colonial authorities in Indochina were also forced to advocate the defence of Indochina. But their intentions and objectives differed from ours.

Our party pointed out that to effectively defend Indochina, it was necessary to carry out democratic freedoms, improve the people's life and arm the people. By contrast, the colonial authorities' policy was to build more fortresses, and impress more young men into the army, abolish democratic freedoms. The party also rejected the colonial authorities' contention that democratic rights would be granted after the Japanese had entered Indochina.

In order to set up and broaden the Democratic Front against the reactionary colonialist and their henchmen in the country and the international fascists, first of all the Japanese fascists, the party also pointed to the need to fight against the Trotskyites. The Trotskyites in Indochina distorted the international situation, claiming that the fascist danger was invented by the Third International in order to oppose the Democratic Front. They urged the formation of a worker-peasant front. They did not demand democratic freedoms but establishment of proletarian dictatorship, which made our people lose vigilance and fall into the provocative scheme of the colonial reactionaries. The party pointed out that the Trotskyites in other countries had openly offered their service to fascism and their leaders had become effective agents of fascism and without unmasking the Trotskyites in Indochina it would be impossible to arouse the population to the fascist danger.

Many leading cadres and theoreticians of the party wrote several books about the fight against fascism, such as "The Fascist Danger," "The Danger of War and the Defence of Indochina," "Pan-Asian Doctrine--Japan's Aggressive Policy," "Trotskyites and Counterrevolution," "The Defence of Indochina," "The National Question in Indochina," etc. The newspapers of the party Central Committee and of the party regional committees deal regularly with the fight against fascism, the danger of war and the fight against Trotskyites.

The articles signed D.C. Lin or P. Lie (pseudonyms of President Ho Chi Minh) in the paper DAN CHUNG (THE PEOPLE), organ of the party Central Committee, or NOTRE VOIX (OUR VOICE), organ of the Party Committee in Tonkin, and his letters to the party Central Committee were instructions elucidating the tasks of the Vietnamese revolution in the period of the democratic movement against fascism.

In 1938, the deracinated intellectuals panegyrized [as received] Japan to clear the deck for the fascists' entry into Indochina. The papers of the party and front denounced in time their antinational contentions and unmasked them as agents of the Japanese fascists.

[OWO11102] When China was attacked by Japan, many Chinese crossed the border to take refuge in Vietnam. The party called upon the people to provide them every possible help. Money and medicaments were sent them through the Chinese consulate. The party also sent letters to the Chinese people encouraging their anti-Japanese struggle. When the colonial reactionaries in Indochina decided to close the northern border to prevent the Vietnamese people from assisting the Chinese resistance to the Japanese fascists and check the flow of Chinese refugees, the party voiced its strong protest and denounced them for lending a hand to the Japanese fascists.

From 1936, many Vietnamese residents in France took part in anti-fascist meetings and responded to fund-raising movements launched by the French popular front in support of the Spanish people's struggle against fascism. When the civil war broke out in Spain, the Comintern organized the International Brigade to help the Spanish people in their fight against fascism, two Vietnamese in France joined the brigade and, armed with Soviet weapons, they fought valiantly beside other internationalists against the Franco dictatorship.

Thus, under the correct and creative leadership of the party, the Vietnamese people, in coordination with the world democratic forces, joined in the fight against fascism, associating their international duty with the interests of the working class and people in the country in the fight against the colonial reactionaries and their henchmen for democratic freedoms, for the improvement of their living standard and for peace.

Combination of the Fight Against Fascism With the National Liberation Revolution During the Second World War

The fascists' unbridled acts of war provocation, the cowardice, capitulation and compromise of the ruling circles in the capitalist countries which were encouraged by the opportunists who had betrayed the interests of the working

class and people in many countries, led to the outbreak of the Second World War.

In Indochina, as from 1939 the colonial reactionaries had progressively increased their blatant counterattack against the democratic forces when the war spread to this region they brazenly resorted to war-time fascist policies to abolish all the rights and interests the Vietnamese people had gained through their struggle in the previous years.

In the face of that situation, the party Central Committee met in early November 1939 to reassess the situation in the world and in Indochina, and decided to effect changes in the strategy and tactics of the revolution. These consisted in replacing the Democratic Front, which was no longer suitable to the new situation, by the Indochinese National United Anti-imperialist Front, uniting all the Indochinese nations in the struggle against French imperialism, the fascist aggressors and their lackeys of all stripes aimed at regaining national liberation and independence for Vietnam, Laos and Kampuchea.

The conference anticipated that the Japanese fascists would soon enter Indochina, and the French imperialists would surrender. Under the fascist yoke, the Vietnamese people would have to suffer enormously. But, on the other hand, in the new situation, the Indochinese revolution would enjoy new favourable conditions. The war would exacerbate the contradictions inherent in a semifeudal and colonial society to extreme antagonisms which would demand an immediate solution. The main, and also the deepest contradiction was the contradiction between imperialism and Indochinese people, the conference pointed out.

In September 1940, a detachment of the Japanese Army in China crossed the border into Vietnam while another landed at the Do Son beach. After a few minor clashes with them, the French imperialists surrendered, handing Indochina over to the Japanese fascists, and joined hands with them to oppress and exploit the Vietnamese people.

The Indochinese people now had to directly cope with the French imperialists in collusion with the Japanese fascists. Antifascist actions simultaneously broke out in virtually every corner of the country, in the forms of political and armed struggle, peaceful and violent.

The November 1940 Plenum of the Central Committee of the Communist Party of Indochina decided to maintain and develop the Bac Son guerrilla group, which was formed in September 1940, turning it into the Vietnamese National Salvation Army placed under the command of the Party Committee for Tonkin.

In May 1941, the 8th Plenum of the Party Central Committee held under the chairmanship of Comrade Nguyen Ai Quoc [word indistinct] the line of the national liberation revolution, placing the national question in the context of the national struggle of each Indochinese country--Vietnam, Laos and Kampuchea. It decided to launch a struggle against both the French imperialists and Japanese fascists, to lead partial insurrections in the localities to pave the way for a general armed insurrection throughout the country to seize power.

On June 22, 1941 the Nazi fascists attacked the Soviet Union.

On December 7, 1941 the Japanese fascists attacked at Pearl Harbour a naval fleet of the United States, a member of the anti-fascist alliance, and officially declared war on Great Britain and the United States, starting the Pacific War.

On December 21, 1941 the party committee issued a communique entitled "The Pacific War and the Urgent Tasks of the Party" which was passed down to all regional organizations. The communique analyzed the causes of the Pacific war, pointing to the inevitable victory of the anti-fascist and democratic forces and laying down the tasks of the Indochinese nations.

On December 13, 1941 the Japanese fascists in Indochina forced the French imperialists to sign another treaty by which France would give Japan complete freedom of action, became a mere executor of Japan's orders and served the Japanese fascists' war. The Japanese fascists who had earlier forced the Vietnamese people to supply them with food, money and even manpower for their armed forces, now became even more arrogant in pushing that line.

[OW011104] Envisaging the possibility that the Chinese Army could join forces with Great Britain, the United States and Vietnam to fight against the Japanese fascists the party Central Committee decided that "if the Chinese Army enters Vietnam," Vietnam would ally with China on the principle of "equality and mutual assistance" while making it clear for the Chinese that by helping the Indochinese revolution they were working for their own salvation, and that they should come to fight against the Japanese fascists side by side with the Indochinese peoples, not to conquer Indochina. As for Great Britain and the United States, our alliance would be a conditional one since we shared with them the same interest in fighting the Japanese. If they supported the Indochinese revolution, we would concede some privileges to them. But if they helped the French restore their rule in Indochina, they would be resolutely opposed.

Besides the tactical dealings with the allied armies, the communique also pointed to the need to seize the right opportunity to stage partial insurrections in order to set up the revolutionary administration, then in its name, negotiate with the allied armies. The party, at the same time, exhorted the people to keep up their staunch fighting spirit, to be deeply imbued with the spirit of self-salvation, to discard all tendency to rely on other or to wait for another country to come and help liberate Vietnam. [sentence as received]

In France, besides the Anti-Nazi Resistance Forces led by the French Communist Party, other forces were also active, among them the De Gaulle faction. The party decided to set up a united front of all anti-fascist democratic forces in Indochina aimed at rallying foreigners behind the Indochinese people's anti-Japanese struggle, including the French of the De Gaulle faction, the Chinese, the Indians.... The efforts to ally with the De Gaulle faction was unsuccessful due to its tendency of taking advantage of the common struggle against Japan to restore France's colonial rule in Indochina.

With a view to broadening the Anti-Japanese Democratic Front the party decided to cooperate with the Chinese Kuomintang force in Hunan headed by Zhang Woukue in order to polarize the Vietnamese reactionary parties and groups which were operating under the umbrella of the Chinese Kuomintang against the Vietnamese revolution, such as the groups led by Vu Hong Khanh, Nghiem Ke To, Truong Con Boi, etc.

With regard to the United States, we contacted the U.S. Mission in Kunming (China) to seek its support for the anti-Japanese struggle in Indochina.

All the above-said activities were at the same time aimed at joining forces with the International Democratic Front against fascist aggression in the frontal assault on the stronghold of international fascism and supporting the Soviet Union in its fight against nazi fascism.

A prominent feature of the Vietnamese revolution in this period was the rallying of all anti-imperialist and anti-fascist forces in the Viet Minh Front (short for League for Vietnam's Independence), an unprecedentedly broad national front led by the Communist Party of Indochina. There was then in Vietnam no such force which fought both fascism and communism as was the case in China, Great Britain, France, Poland, Czechoslovakia at the time. This was due to the natural development of the Vietnamese revolution from its anti-fascist movement in the 1936-39 period of the Democratic Front sponsored, organized and led by the party.

The Vietnamese people's anti-fascist struggle took place in all fields, political, economic, military, cultural and diplomatic.

As the battle against Japanese fascism was fought at home many overseas Vietnamese joined their internationalist friends in taking up arms against fascism. In France, the Vietnamese members of the French Communist Party, together with Vietnamese labourers and soldiers, joined in various anti-fascist guerrilla groups. Many of them died as heroes alongside French communists and patriots. In China, many Vietnamese joined the Chinese "Eighth Route Army" and the anti-Japanese armed and paramilitary forces of the Chinese peoples. In the Soviet Union six Vietnamese took part in the fight to defend Moscow.

When the nazi-fascists attacked the Soviet Union, the party quickly made public its position, expressing firm confidence in the inevitable victory of the Soviet Union. The Vietnamese people closely followed each setback as well as each success of the great anti-fascist war of the Soviet Union and the world democratic forces. The revolutionary press in Vietnam gave a day-to-day account of the development of the Kurs campaign in the Soviet Union; of the landing of the British and U.S. Forces at Normandy which opened the second front; of the on-goings of the Tehran and Yalta conferences; of the Soviet Union's strategic counterattacks which resulted in the liberation of a series of countries in eastern and central Europe and in the final capture of the last stronghold of fascism in Berlin; of the Soviet Union's declaration of war on Japan and Japan's capitulation to allies, etc. Every piece of news about the victory of the Soviet Union and the world anti-fascist democratic forces was in return, a great encouragement for the Vietnamese people, urging

them to coordinate their attacks on the enemy and to take advantage of the situation to push the national liberation revolution to a higher level and prepare conditions for a general insurrection, such as building and developing the armed forces and establishing resistance bases.

Faced with the danger of collapse, the Japanese fascists were forced to stage a coup d'etat on March 9, 1945 to install in Vietnam a pro-Japanese puppet government. A meeting of the Standing Committee of the Central Committee of the CPI [Communist Party of Indochina] which was held during the night of the coup, issued an instruction entitled "The Japanese-French Shoot-out and Our Action" starting a revolutionary tide against Japan in preparation for the general insurrection.

[OW011106] Seizing the opportunity offered by Japan's defeat and unconditional capitulation to the allies, the party launched the general insurrection to overthrow the pro-Japan government, and establish the revolutionary power throughout the country, build an independent state under the leadership of the party, the first worker-peasant state in Southeast Asia.

In short, the Vietnamese people took part in the anti-fascist Democratic Front as early as 1936, and in the light of the resolutions of the 7th Congress of the Comintern, had adroitly adapted the forms and methods of the struggle to the concrete historical conditions of Vietnam, a French colony, directly confronted Japanese fascism, closely associated the struggle for democratic freedoms and welfare of the people with the International Democratic Front against fascism, and joined in the efforts to check the danger of war; when the world war broke out, they waged a revolutionary war to liberate the country from fascism, and seized the right opportunity created by the collapse of fascism to put an end to the colonial rule which had lasted for nearly a century, taking the Vietnamese nation and revolution to a turning point.

The most fundamental factor which decided the success of the Vietnamese people's struggle against fascism, and also a special feature of the Vietnamese revolution was the correct and creative line, policies and tactical measures of the Communist Party of Indochina which enabled it to unite and lead all the democratic and national forces to prevent a fascist war (1936-39), to fight against fascism during the war and to complete the national liberation revolution, build a people's democratic state progressing along the line of a proletarian revolution and in accordance with the law of development of history and society.

CSO: 4200/497

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

YOUTH THEATER GROUP--The Vietnam International Association of Theatre for Youngsters (Assitej) has been founded with Ha Nhan, director of the youth theatre, as its president. Among those present at its public appearance here yesterday evening was National Assembly Chairman Nguyen Huu Tho. The Vietnam Assitej officially adhered to the Assitej in 1984. Its past activities include performance for children and youngsters in many localities. The association plans to arrange a seminar entitled "School and Theatre" this year. [Text] [Hanoi VNA in English 1453 GMT 3 Mar 85]

FORESTRY FARM MANAGEMENT POLICY--Hanoi VNA 4 Mar--The Council of Ministers has just issued a stipulation on the policy of labour, wages and living conditions at state forestry farms. The stipulation allows state forestry farms to use local manpower and send labourers to build new economic zones, chiefly under long-term contracts so as to meet the needs of work according to adopted plans. The state forestry farms can extend the application of the product-based contractual quotas system to each group and individual worker and stimulate the forms of contractual quotas in order to heighten the sense of responsibility for the management and protection of forests. Each family of state forestry farm workers receives from 500 to 1,000 square metres of land (according to the conditions at each place) to build houses and tend gardens. The state forestry farms can sell wood, bamboo or other materials to their cadres and workers to build houses at their farm. [Text] [Hanoi VNA in English 0713 GMT 4 Mar 85]

CSO: 4200/497

ECONOMIC PLANNING, TRADE AND FINANCE

SYNCHRONIZED IMPROVEMENT OF ALL SECTORS IN ECONOMY URGED

Hanoi HANOI MOI in Vietnamese 28 Nov 84 p 3

[Article by Quan Ly: "From the Enterprise to the Construction Site: Uniform Change"]

[Text] Since the resolution of the Sixth Plenum of the VCP Central Committee, nearly 6 months have gone by. At many industrial factories and enterprises of the central and local levels as well as in many sectors, leadership and management have formulated concrete action plans to carry out the resolution. Substantial results have been achieved, new products have been manufactured and economic efficiency has been proven better than before. Several city and functional agencies such as the Planning Committee and the Department of Statistics have issued memoranda to provide guidance for their subordinate units in order to improve management techniques in accordance with the spirit of the resolution. Those actions contributed to the solving of some of the present-day production problems.

Nevertheless, certain sectors apparently have not made any visible change. They issued no directives to improve management and on the contrary, retained their old organizational structure in a conservative and sluggish manner.

I would like to cite a small example. Although Resolution 6 emphasized the importance of enterprises' financial and business autonomy, the withdrawal of cash at certain district banks for payment of salaries, awards, labor expenses and for purchasing of material supplies still ran into many difficulties and caused delay.

Another noteworthy instance was the case of an enterprise whose cash withdrawal for payment of salaries was deducted 10 percent across the board by the bank for a so-called voluntary saving fund. The enterprise did not really understand but dared not "complain too loudly" lest to be "penalized." But the incident obviously dealt a blow on their enthusiasm in production.

To carry out the Party's resolution well, a uniform change is needed from the highest management level to intermediary levels, base units and enterprises. This is the only way to create strength and to achieve great results.

9458
CSO: 4209/215

CONSUMER'S OPINION ON HOLIDAY LIQUOR

Hanoi HANOI MOI in Vietnamese 29 Dec 84 p 3

[Text] As in previous years, on the occasion of the lunar New Year, the commerce sector has made available over 1 million bottles of liquor for distribution to families and other needs. In terms of the liquor commodity, the present problem lies primarily in bottles. If there are not enough bottles, liquors have to be ladled out, their quality and quantity cannot be assured, and they may be easily mixed or diluted.

To overcome the bottle problems, many stores buy back empty bottles from customers, but there are still not enough bottles. Meanwhile, lots of empty bottles remain unretrieved in families.

What should be done to get enough bottles on the occasion of the New Year? Besides the re-purchasing of 0.65-liter bottles, the commerce sector will sell liquor to consumers with returned bottles. The buyer with bottles responding to correct specifications will be credited 13 dong for each. If this can be done well, a significant number of bottles will be bought.

In developed industrial countries, a wide variety of bottles is used but use of returnable bottles and recycling have become accepted, common practice. In our country, based on this activity during the holiday, we need to generalize the re-purchase of bottles in order to save money for society.

As we talk about holiday liquors, I would like to remind everyone of swindlers who buy empty bottles and fill them with counterfeit liquors. This is cheating the buyer and stealing from him to make dishonest profit. Moreover, this is detrimental to the consumers' health and must be deterred and sternly dealt with.

9458
CSO: 4209/215

AGRICULTURE

BRIEFS

MORE FAMILIES TO NEZ IN LAMDONG---Last November, Hanoi NEZ in Lam Dong Province has received 584 families including 2,146 persons who will build a new home there. As soon as they arrived, the new settlers immediately stabilized their living quarters and started production. At the Dan Phuong 3 cooperative, they transplanted 7 hectares of water rice and reached an output of 2.2 tons per hectare. Certain families harvested 3.7 tons per hectare. Each of the newly created Hoai Duc 2, Phuc Tho 2 and Dan Phuong 2 cooperatives reclaimed 20 to 25 hectares of land and their outputs were from 2 to 4 tons. Encouraged by the initial results, the newcomers continued to reclaim marshy wastelands to transplant winter-spring rice. The new cultivated area doubled that of the summer-fall crop. In past months, the VCP Committee and the NEZ Building Committee of Lam Dong Province, in cooperation with cooperatives, have formulated resettlement plans including land preparation, settlers' requirements, production plans, seeds, fertilizers and other items of prime necessity. The plans aimed at assisting new settlers to stabilize their lives and allowing them to devote their full energy in making their living. In 1984, Hanoi NEZ in Lam Dong received the largest number of settlers since its creation.

[Text] [Hanoi HANOI MOI in Vietnamese 13 Dec 84 p 3] 9458

CSO: 4209/215

HEALTH, EDUCATION AND WELFARE

BRIEFS

LETTER ON SOCIAL ILLS--A letter by Minh Vuong, Level 3 student in Thu Duc on social ills at Thu Duc's afternoon market notes that: "At the afternoon market (Thu Duc intersection), there still are many adults playing Chinese chess with bets. This is a disguised form of gambling that sets a bad example for all, even children. They make bets uninterruptedly, sometimes from morning to afternoon (chiefly at noontime and on Sundays). The bets range from 20 to 200 dong. At the same place, there are also a lottery writer and a seller of heroin. The lottery writer loafs around to accept wagers. /I do not know/ how much the stakes are, but certain persons must sell all their furniture to play. The lottery writer is also the provider of heroin for a number of clients. I am aware of a movement to eradicate social ills at many places in the city. But at my place, those ills are not resolutely dealt with. And those crooks who earn their lives illegally continue to live carefree. I hope our people in the sector and the local authorities will soon erase these ills and start a plan to build a healthier lifestyle." /Text/ /Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Nov 84 p 1/ 9458

CSO: 4209/197

21 March 1985

POPULATION, CUSTOM AND CULTURE

COLLECTIVE WEDDING OF FORMER PROSTITUTES DISCUSSED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 26 Oct 84 p 2

/Article by Le Phu Khai, permanent correspondent of the Voice of Vietnam in Tien Giang: "After the Biggest Wedding in Tien Giang"/

/Text/ In its Sunday edition of 27 March 1983, the daily NHAN DAN ran an article titled, "The Biggest Wedding in the Country." The opening paragraph of the article read: "The Tien Giang newspaper called it the biggest wedding of the province. We may say that it was the biggest of the country. We are talking about the most sumptuous wedding, and primarily of its profound meaning, of 21 couples at Tan Lap Farm in Tien Giang Province, on a day close to the Qui Hoi New Year. The marriage ceremony was sponsored by the chairman of the province, and in attendance were the chairman of the provincial propaganda and training committee and almost all the heads of sectors in the province. The families of all the brides and grooms were present. The whole farm came. Every groom was well dressed and every bride wore a bright colored long dress and held a bouquet of white flowers. Firecrackers burst in unbroken sound. It was a festival in the true sense of the word!"

The writer had the good luck to be present at that big and unique wedding. Two years have elapsed. Recently, I had the opportunity to return to Tan Lap and the following is the continuation of the story. The Tan Lap New Land Farm has built 21 small thatched houses (that are connected together as on a city street) for those 21 couples of workers. Each house was allotted over a cong /1,000 m²/ of land for cultivation. Many couples had children. I had the chance to witness little moments of happiness right in those small houses. It was a sunset time. A young mother carried her baby in her arms and waited for her husband. /He was late because/ after a day's work, he still /had the energy/ to invite a neighbor to empty a small pond to catch a few anabas and catfish. Their cheerful mood in dividing the catch warmed up the atmosphere and /seemed to alleviate/ the vastness and isolation of that alkaline and uncultivated land at dusk.

Tan Lap Farm was initially designed to reclaim wasteland from an area northwest of the province bordering Dong Thap Muoi. Along with several other farms in the area and after many years of hard work and of struggling with an alkaline and depleted soil, Tan Lap has found a method of planting pineapple successfully. In 1982, the farm's income was over 1 million dong and it paid 160,000

great interest to the state. The province had the initiative to bring a number of "mistaken" women /former prostitutes/ to work at the farm after they had completed a re-education course at the Women-For-Tomorrow School of the Department of War Invalids and Social Welfare. The women were prepared to become official workers of the farm. After the transfer and after enjoying all benefits as regular farm workers, many women have actually become useful workers; especially, many turned out to be champions in pineapple planting and care. And real happiness has come to them. The wedding reported above was the evidence of happiness built on that unclement land in the lives of those girls whose lots had known nothing but vicissitudes and misfortune.

More recently, on 6 October 1984, Tan Lap Farm again celebrated the arrival of 45 additional women from the Women-For-Tomorrow School. The deputy chairman of the province in charge of the agricultural block and many other leading cadres, who had come earlier, welcomed the women with the leadership of the farm.

Up to now, that was the eighth time that the farm welcomed "future brides." They totaled 365. AP BAC NEWS, the voice of the Tien Giang Party Organization, in its 12 October 1984 issue, reported: "After nearly 2 hours of sitting in the farm's 'tec' /untranslatable/, in the trip from My Phuoc Tay to Tan Lap and although it rained heavily, 45 women of the Women-For-Tomorrow School, neat in their dresses with creases still intact, with immaculate white hats and colorful slippers, sang cheerfully."

Almost 10 years after the liberation, that was the way the Tien Giang's party organization and people in particular, and our whole country's party organization and people in general solved the leftover social ills. This writing suddenly reminds me of a Western newsman who illustrated as follows the future of South Vietnam after the American withdrawal: "South Vietnam will collapse because of the departure of 500,000 tourists in uniforms!"

Exactly! The South Vietnam of the puppet Thieu-Ky regime would crumble because those who "served" the departed 500,000 tourists in uniforms were out of jobs. But the South Vietnam under the new regime...I wish I were able to invite my colleagues, the Western newsmen, for a visit to Tan Lap Farm today!

9458

CSO: 4209/197

CHRONOLOGY

CHRONOLOGY 16 OCT-15 NOV 84

Hanoi VIETNAM COURIER in English Dec 84 p 27

[Text] October

17. Vientiane: Holding of the first conference of the sub-commission for cooperation in communications and transport between Vietnam, Kampuchea and Laos.

19. A delegation of the Congolese Party of Labour, led by Jacques Nicolas Mvononze, Secretary of the Party Central Committee in charge of propaganda and agitation, pays a friendship visit to Vietnam.

--Hanoi: Signing of an agreement on goods exchange and payment for 1985 between Vietnam and Mongolia.

22. A delegation of the People's Chamber of the German Democratic Republic, led by Erich Muckenberger, Political Bureau member of the Central Committee of the Socialist Unity Party of Germany, and head of the Party Central Control Commission, pays an official visit to Vietnam.

--Holding in Hanoi of a seminar on "Vietnam and UNICEF" to promote cooperation between Vietnam and this international organization.

23. Warsaw: Holding of the 9th session of the Commission for Economic and Technological Cooperation between Vietnam and Poland.

24. On the occasion of United Nations Day (Oct. 24), Chairman of the SRV Council of Ministers Pham Van Dong receives representatives of various international organizations in Hanoi.

25. Hanoi: Chairman of the Council of Ministers Pham Van Dong receives French historian Charles Fourniau, General Secretary of the France-Vietnam Friendship Association.

27. A Vietnamese Party and Government delegation, headed by Nguyen Dinh Tu, member of the Communist Party of Vietnam Central Committee and Minister of Higher Education and Secondary Vocational Education, leaves for Algiers to attend the celebrations of Algeria's 30th National Day.

--Hanoi: Signing of a protocol on goods exchange and payment for 1985 between Vietnam and Laos.

--The Secretariat of the Communist Party of Vietnam issues a directive on pushing vigorously the drive for a new lifeway, the elimination of superstitions and social evils, and the elimination of reactionary cultural trash.

28-29. Havana: Opening of the 39th session of CMEA. A Vietnamese Government delegation, led by To Huu, Political Bureau member of the Communist Party of Vietnam and Vice-Chairman of the Council of Ministers, attends the session.

--Vietnamese Minister of Foreign Affairs Nguyen Co Thach pays an official friendship visit to the Soviet Union. On behalf of the SRV Council of State, he confers the Ho Chi Minh Order on A.A. Gromyko, member of the Political Bureau of the Central Committee of the CPSU, First Vice-Chairman of the Council of Ministers and Minister of Foreign Affairs of the USSR, on the occasion of his 75th birthday.

29. A spokesman for the SRV Ministry of Foreign Affairs issues a statement rejecting the erroneous UN resolution on the so-called "Kampuchea issue".

November

1. The SRV Council of Ministers decides that three days of mourning be observed throughout the country for the late Indian Prime Minister Mrs Indira Gandhi.

--High-ranking Vietnamese Party and State leaders pay their last tribute to the late Indian Prime Minister Mrs Indira Gandhi at the Indian Embassy in Hanoi.

2. A delegation of the SRV Council of State, headed by President Truong Chinh, leaves for New Delhi to attend the funeral of the late Indian Prime Minister Mrs Indira Gandhi.

3. A commemorative ceremony for the late Indian Prime Minister Mrs Indira Gandhi is held in Hanoi.

7. Hanoi: A grand meeting is held to celebrate the 67th anniversary of the Great Russian October Revolution.

9-10. Two successive days of heavy rains on Nghe Tinh province and northward up to the Red River delta cause great damage to rice and other crops, and property (560 mm. of precipitation in Hanoi). This is the heaviest rainfall at this period of the year for nearly 100 years.

10. Nguyen Duc Tam, Political Bureau member and Secretary of the Communist Party of Vietnam Central Committee, pays a friendship visit to the Soviet Union.

12. The USSR Supreme Soviet delegation, headed by V.I. Dolgikh, deputy to the USSR Supreme Soviet, alternate Political Bureau member and Secretary of the CPSU Central Committee, pays an official friendship visit to Vietnam.

13. Vietnamese Foreign Trade Minister Le Khac visits the Republic of India.

14. Chairman of the Council of Ministers Pham Van Dong receives Professor Marcel Autret, Honorary Director of the Nutrition Department of FAO.

--Berlin: The Dietz Publishing House under the Central Committee of the Socialist Unity Party of Germany makes a token presentation to Vietnam of the Vietnamese translation of the 6-volume Selected Works of Karl Marx and Frederick Engels.

CSO: 4200/580

- END -