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20 March 1985

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BURMA

THAI PAPER ON TERRITORIAL WATERS VIOLATIONS

BK150305 Bangkok BANGKOK POST in English 15 Feb 85 p 5

[Text] Fishermen violating Burmese waters could be jailed for a minimum of 10 years on national security charges.

A Fisheries Department source said yesterday that the usual penalty for fisherman caught violating Burmese waters was a year's jail and the skippers would also be fined.

In the future, penalties would be tougher because Burma would consider violators to have endangered national security by destroying natural resources.

From January 10 to the end of February, Burma will have freed 302 Thai fishermen jailed on illegal entry charges.

The source said authorities had encountered problems recovering the 1,300 baht transport expense fishermen had been given on their release and Public Welfare officials have been ordered to arrest the offenders.

There were still about 400 Thai fishermen detained in Burma at prisons in Rangoon, Mergui, and Moulmein.

Indian authorities are to release 11 Thais from the trawler "Duangta Sawan" who were detained for a year and it would cost about 70,000 baht to send them back, the source added.

The source said fishery officials were seeking trawler owner Vissanu Sophaphan to cover the expense.

There were 143 Thai fishermen held in Vietnam before new year's but the number has risen to about 300, he said.

CSO: 4200/570

BURMA

THAI PAPER ON CONTINUING BURMA-KAREN FIGHTING

K141008 Bangkok BANGKOK WORLD in English 14 Feb 85 p 3

[Text] Mae Sot, Tak -- Fighting between Karen rebels and Burmese government troops is still raging along the Thai-Burmese border, rebel sources said this morning.

At the Karens' Maw Po Kay Camp opposite Tha Song Yang District in Tak, the rebels are putting up stiff resistance against the Burmese onslaught, which began more than a year ago.

The Burmese forces fire about 20 mortar shells a day into the rebel strongholds, which is surrounded by bunkers and tunnels, the sources said.

CSO: 4200/570

BURMA

THAI PAPER REPORTS KARENS RECAPTURE BASE

BK170346 Bangkok BANGKOK POST in English 17 Feb 85 p 3

[Text] Mae Sot -- Ten Burmese soldiers were killed yesterday as Karen guerrillas recaptured their Ban Araytakan base opposite Ban Wang Kaeo in Mae Pra [as published] District, Karen sources reported.

The attack began on Friday afternoon and Burmese troops withdrew from the camp they overran in October yesterday morning, the sources said.

Ten dead Burmese troops were reportedly found in the camp and another 20 were believed to have been wounded. Karen casualty figures were not available.

Elsewhere, Burmese troops yesterday mounted a mortar attack on the Karen Tekenee camp opposite Ban Mae La of Tha Song Yang District. About 10 mortar shells fell on the camp destroying some buildings, the sources said.

CSO: 4200/570

INDONESIA

NARO EXPLAINS PPP'S ACCEPTANCE OF PANCASILA

Jakarta KOMPAS in Indonesian 31 Jan 85 p 12

[Text] Bandung, KOMPAS--Dr H. J. Naro, the general chairman of the Central Executive Council of the Development Unity Party (PPP), has declared that the PPP at present is no different from the previous PPP, although recently there have been certain political developments in our country. Therefore, he urged all members of the PPP not to be confused by various statements issued by certain people who have never followed the line and pursued the goals of the PPP's political struggle.

Speaking at the opening of the First Provincial Conference of the PPP in West Java on 30 January at the Hotel Savoy Homan in Bandung, Naro repeated once again his determination to build the party. In his view the conference which is being held is clear proof of why he is increasingly optimistic, because he is convinced of the correctness of the direction followed in party activity.

On the basis of the conviction which he feels, he emphasized that the PPP would be the only channel for the Islamic community to realize its aspirations. In expressing his hopes, he said: "This is only proper." He pictured his steadfastness as an attitude of frankness, because he doesn't want to see the Indonesian Islamic community channel its aspirations along unconstitutional paths. He warned: "The dark history of the Islamic community in the past must not be repeated."

Single Founding Principle

In another part of his speech the general chairman of the Central Executive Council of the PPP sought to clarify the attitude of the party which he leads in accepting the Pancasila [Five Principles of the Nation] as its single founding principle. He declared that this attitude was not a pretense. On the other hand, as the Pancasila has been accepted out of a full sense of awareness and conviction, he urged the Islamic community to give the Pancasila definite shape in daily practice and in cultural life.

He said, to loud applause, "There is no ideological conflict within the PPP." Therefore, he has been astonished to learn that there are people who regard the acceptance of the Pancasila as its single founding principle by the PPP as a

tactic. He said: "Take care of yourself first, before you take care of other people."

According to the general chairman of the Central Executive Council of the PPP, the acceptance of the Pancasila does not mean that the party has abandoned religion. Because the Pancasila is not a religion, and the Pancasila will not replace religion.

Attended by 48 representatives from 24 Branch Executive Councils throughout West Java, the conference, which adopted the theme of "Consolidation of the Organization to Support National Development," will continue until 1 February. Aboeng Kusman, the deputy governor of the province, formally opened the First Provincial Conference of the PPP in West Java.

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CSO: 4213/158

INDONESIA

PDI SECRETARY GENERAL CRITICIZES EAST JAVA PDI BRANCH

Jakarta MERDEKA in Indonesian 31 Jan 85 pp 1, 12

[Text] Surabaya, 30 January--The conflict within the East Java provincial branch of the Indonesian Democracy Party (PDI), and particularly in Surabaya, which recently had calmed down, heated up again after 2 days of celebration of the anniversary of the establishment of the PDI in the city of Surabaya, on 28-29 January. Sunawar Sukawati, a leader in the Central Executive Council of the PDI, and his supporters again accused Marsoesi and his supporters of undisciplined action, a MERDEKA representative reported.

Before those attending the week's program for orientation and training of party cadres of the PDI in the city of Surabaya on 28 January, Jusuf Merukh, the deputy secretary general of the Central Executive Council of the PDI, said that the Central Executive Council of the PDI considered that the leadership of the Provincial Executive Council of the PDI in East Java, under Marsoesi, was doing an inadequate job of supporting the work program and the decisions of the Central Executive Council as the single executive authority and agent of the party congress.

He said firmly: "The work of the Provincial Executive Council of the PDI in the province must be coordinated with the task of the Central Executive Council and not the reverse. It should not ridicule, scorn, and sabotage the decisions of the Central Executive Council."

According to Jusuf Merukh, out of all the Provincial Executive Councils of the PDI throughout Indonesia, only the East Java branch of the PDI is undermining the authority of the Central Executive Council.

He said: "They should be ashamed, because in the other provinces there are no problems. But in East Java things are strange and special."

He declared that if the East Java PDI is dissatisfied with the Central Executive Council, this should be resolved by a party congress, and not by trying to overturn the party leadership during the period between congresses.

Regarding the question of recalling Mardjuki Bratawardani and Imam Suroso, members of the Surabaya Municipal Council for the PDI, Jusuf Merukh said that this

matter was still in process, because time is required to complete the necessary action.

He said that the process of recalling members of the provincial assembly was not a reprisal action but was exclusively a matter of their duty assignments.

He said: "With particular regard to the two members of the Surabaya Municipal Council, the action to recalling the two men was taken because they had engaged in undisciplined action."

Rules of the Game

Meanwhile, Sunawar Sukawati, the general chairman of the Central Executive Council of the PDI, on the occasion of the 12th anniversary of the founding of the PDI, which was celebrated on 29 January at the Maranata Building, declared that the desire to overturn the leadership of the Central Executive Council of the PDI because the provincial council did not agree with it should be handled in accordance with the rules of the game: that is, through a party congress.

He warned that action should not be taken outside of the rules of the game, because if this is continuously done, it can be categorized as subversive activity.

Sunawar asked that leaders and members of the PDI at all levels support the government program and show respect for existing laws, including existing party regulations.

The visit of the Central Executive Council of the PDI to East Java, includes a trip to Surabaya, Malang, and Jember, in connection with the 12th anniversary of the establishment of the PDI.

In addition to Sunawar Sukawati and Jusuf Merukh, the delegation of the Central Executive Council of the PDI also includes A. Wenas, the chairman; Sabam Sirait, the secretary general; and Supangat, the chairman of the Central Executive Council.

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CSO: 4213/158

INDONESIA

MUSLIM ACADEMICS VIEW 'PESANTREN' EDUCATION

Jakarta KOMPAS in Indonesian 30 Jan 85 pp 1, 12

[Text] Pabelan, KOMPAS—Nurcholid Madjid, a Ph D and one of Indonesia's young thinkers, considers that the "pesantren" [Muslim village schools] as an educational institution is a reflection of Islamic intellectual satisfaction with itself at the present time. This state of self-satisfaction has been evident for the past 200-300 years.

Nucholis said, at the symposium on "Pesantren Education in the Perspective of Scientific and Community Development," "People may not agree on the time during which this state of self-satisfaction has been evident. However, this fact must be admitted." The meeting was held from 26-28 January 1985 at the pesantren in Pabelan, Central Java, and was attended by about 70 Islamic thinkers from various schools of thought.

On the same occasion Prof Dr Maftukhah Yusuf expressed the opinion that, "if I am asked to evaluate the state of education at the present time, I would say very firmly that the level of Islamic education at present is still very low, far from satisfactory." He said this applied not only to the education obtained at Islamic institutions but also at universities, public schools, and in the family, as well as at pesantrens.

Meanwhile, Prof Dr Fuad Hasan, who did not attend the seminar at Pabelan but sent his views to the meeting, considers it necessary for Islamic education to stimulate the students to face the challenges of the times. He said: "In my view the meaning of science iscomprehensive in character. Islamic education must also be comprehensive and provide rational, esthetic, and ethical education."

Self-Satisfaction

Nurcholis pointed out that Islamic intellectual self-satisfaction is reflected in the concept of science which up to now has been in use in a number of Islamic educational institutions: that is, the concept of science which is standard in the scriptures. He said: "Therefore, what is considered science is the existing kind of science. Those who are considered scientists are those who know what has been in use."

This situation has developed in the pesantren system of teaching, which is the system of learning by rote. As a result, the students going through the system have the attitude of consumers of science as knowledge. In economic terms Nurcholis used the term, "Just to consume science" [in English in text].

On this basis, he said, we should not be surprised to see that people who have gone through Islamic education are generally not productive. In this connection the concept of learning modern science by rote is not particularly important. The important thing is creativity, that is, the capacity to develop and relate further the knowledge which a student has. He said: "Scientists are people who are capable of developing existing knowledge further."

On the basis of this view, Nurcholis asked: "How can the pesantrens change their scientific orientation, without feeling they are held back by certain limits? On the other hand, how can they be imbued with a spirit of desiring to break through existing limits?"

Is There Any Hope?

Nurcholis Madjid asked whether there is any hope of change. He then said: "In my view, there is hope." This has been proved by the practice of groups associated with pesantrens of establishing universities, although they have not yet set up faculties for the pursuit of general knowledge but rather faculties limited to Islamic education, Islamic law, religious practices, and Islamic culture, as has happened at the IAIN [State Islamic Religious Institute]. Nurcholis summarized all of this by saying that "the pesantrens have shown signs of changing their concept of knowledge."

On the basis of the above developments, he hoped that this concept is not limited to the universities but will also be applied to the pesantren educational system as a whole. Nurcholis thinks that the development of modern Islamic universities can begin in the pesantrens.

Nurcholis said: "Perhaps this process may be considered a difficult one. However, it certainly can be done. Furthermore, an example of this may be found in the emergence of Abdurrahman Wahid as a Muslim leader. We hope that the Nahdatul Ulama [Muslim Scholars] wants to do something important for the pesantrens in the future."

Prof Dr Maftukhah Yusuf also hopes for something from the work of Abdurrahman Wahid, the new general chairman of the NU. He declared: "Under the leadership of Abdurrahman Wahid, I hope that the pesantrens develop more quickly. At least, let them return to their potential and function, so that later on they can develop in accordance with the needs of the times." This hope is based on the fact that the fundamental power of the NU, the largest Islamic organization, is the pesantren.

Dr Maftukhah Yusuf thinks that the renewal of the Islamic educational system is a necessity. The pesantrens, as the institutions with the greatest potential, should set their priorities on the process of renewal referred to above.

"The Muslim ulama [scholars] and intellectuals should join in preparing, considering, and developing a complete Islamic educational system in the pesantrens." By developing a "complete system" is meant complete development among the students, from knowing one aspect of Islamic teaching and then thinking about two kinds of knowledge, developing certain theories relevant to life, testing them out, analyzing them, checking the results, and then developing work productivity and the results of one's own work.

Change of Orientation

In that connection Prof Dr Fuad Hasan urged that there be a change of orientation regarding the concept of "science," which is now directly connected to religious doctrines. The foundations for such a concept must be set down in elementary school. He said: "If we apply this understanding in a narrow way to pesantren education, the concept of "student" must also undergo a change."

As an Islamic educational institution, the pesantren must open its doors to science. This doesn't mean that the pesantren needs to develop the general sciences by itself in a special way and "duplicate" the range and scope of the existing sciences, for example by establishing its own medical faculty. It would be enough to introduce those portions of Islamic teaching which help to develop the awareness of the students. Focussing the students' interest on science is essential.

Fuad Hasan said: "Indeed, there is nothing wrong if the development of science at present still places too much emphasis on the religious sector. However, the door to the development of other sciences must also remain open. He added: "The problem is, how far should the pesantren open its door to the introduction of the general sciences?"

Fuad Hasan admitted that this is a time when the search for knowledge within Islam is still too theological in character. At times this causes a Muslim to be alienated from Muslim scientists. However, with the emergence of scientific and technological progress, Islamic education must be open to non-theological science.

The principal question raised by Prof Fuad Hasan is how can a pesantren survive in an urban context, in the context of the community of a large city?

He replied: "Perhaps this is a major challenge. The universities are only to be found in the large cities. This is a characteristic of a large city, and cannot last long in the villages. On the other hand, the pesantrens are in the villages. They are specific signs of a village or small city. It is a major challenge as to whether a pesantren can last long and become part of the community of a large city."

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CSO: 4213/158

INDONESIA

INDUSTRIAL DEVELOPMENT IN 1984 'NOT AS BAD AS THOUGHT'

Jakarta HARIAN UMUM AB in Indonesian 28 Jan 85 p 3

[Text] Jakarta, HARIAN UMUM AB--Engr Sotion Ardjanggi, the director general of miscellaneous industry, said on 26 January that industrial development in 1984 had not been as bad as people thought. Based on the results of monitoring by the Directorate General of Miscellaneous Industry, downstream industry in general experienced satisfactory development.

He said: "As an indication of this the industries now developing, including industries working in the field of processing raw materials, still have good market prospects both in Indonesia and abroad. These industries include plants turning out cooking oil, latex, crumb rubber, plywood, wood products, decorated plywood, wood chips, particle board, and so forth."

Speaking at a consultations program sponsored by the Industry Compartment of KADIN [Indonesian Chamber of Commerce and Industry], which was held at the Department of Industry, Sotion Ardjanggi also spoke of the development of industry supporting the agricultural sector, the school supply industry, companies turning out products with export potential such as textiles, and industries supporting community health, such as the detergent, toothpaste, and rubber shoe sectors.

Declining Industries

On the day-long program was an internal dialogue between officials of the Department of Industry and businessmen, with the director general of miscellaneous industry presiding.

He admitted that, compared to 1983, there had been declines in 1984 in the production of several industrial sectors, including cigarettes, motorcycles, black and white television, and refrigerators, which were caused by the satisfaction of demand in Indonesia and the lack of opportunities for foreign sales. In addition to those industries, others experiencing a decline in production included those producing goods facing competition from abroad, such as children's toys, pianos, organs, etc. Meanwhile, the animal food industry also experienced a decline in production because there was also a downturn in the export market.

INDONESIA

SUGAR MILL LOSSES EXPLAINED

Jakarta KOMPAS in Indonesian 4 Jan 85 pp 1, 12

[Text] Jakarta, KOMPAS--Several persons contacted by KOMPAS in sugar PNP's/PTP's [national estate enterprises/estate companies] confirmed that the large losses the firms have suffered were the result of bank interest on sugar mill rehabilitation. They revealed that rehabilitation planning and implementation apparently did not consistently take existing conditions into consideration, whether internal mill conditions or those related to raising sugar under the TRI (smallholder sugar intensification) system.

As an example, they cited the case of PTP XIV, which reportedly lost 20.121 billion rupiahs. Bank interest alone exceeded 12.24 billion rupiahs.

Losses suffered by four sugar PTP's were first disclosed by Junior Minister Hasjrul Harahap himself in a working meeting with the budget commission of the DPR [parliament] on Tuesday, 11 December 1984. He said that PTP IX lost 10.893 billion rupiahs; PTP XIV, 20.121 billion rupiahs; PTP XV-XVI, 6.362 billion rupiahs; and PTP XX, 5.886 billion rupiahs.

The director of PTP XV-XVI, Central Java, said that losses there involved depreciation of capital goods.

According to other information gathered by KOMPAS, however, those losses were also the result of inefficient management of the sugar mill, as evidenced in excessively long milling seasons and low cane yield.

The low yield was caused by cane intensification that did not proceed as hoped.

Complexity

Sugar mill management, from land preparation to cultivation, cutting and processing, is indeed more complex than it was before TRI was put into effect by INPRES [Presidential Instruction] 9/1975. Under the earlier land lease system, only three parties were involved: the mill, the farmer (land owner), and regional government/agrarian authority. With the adoption of the TRI system, however, more than 15 parties are involved, including the KUD [village unit cooperative], farmers association, etc.

According to a PTP official in East Java, the situation is made even more difficult because coordination between the offices and authorities involved is still unreliable and because most of the people involved do not know enough about dealing with sugar cane and sugar mills. "In fact, political considerations are frequently more dominant than mill management," he declared. For example, when trying to meet land area targets, the suitability of land for sugar cane is secondary. The important thing is reach the target.

He explained that the SIPRAB [system for establishing balanced yield] used for setting yields and sugar crystal targets during a mill's processing season is also an obstacle to improving productivity. Under SIPRAB, a farmer with high production is at a disadvantage, and the crystal/milling targets prevent the mills from stressing increased production per hectare. "The mills are intent on meeting milling season crystal targets and do not care that land productivity continues to drop," the source further said.

Milling Season

Several other KOMPAS sources said that a milling season of more than 120 days is applicable only to PG's [sugar mills] that use land with high moisture content. Examples are the PG's in the Kediri, Jatiroto and Semboro (Jember) areas.

On the other hand, it would be hard to depend on such seasons at PG's in Madiun, Solo, Central Java, and Cirebon. "The yield in those areas drops after October because the land has little moisture content," said a PTP official in Central Java.

This was confirmed by J. Vermeer, retired chief of the planting section at PNP XX/Sugar of East Java. "A milling season longer than 120 days is certain to result in reduced yield, and that will clearly cause losses to the farmers," he told KOMPAS.

Extension of the milling season was called for in Instructions of the Minister of Agriculture No 941/MENTAN/XI/1980, dated 8 November 1980, which directed that after rehabilitation sugar mills must expand operational capabilities to meet a minimum milling season target of 180 days per year.

6942

CSO: 4213/140

INDONESIA

LOG EXPORT BAN DISCUSSED

Postponement Requested

Jakarta KOMPAS in Indonesian 5 Jan 85 pp 1, 12

[Text] Jakarta, KOMPAS--The 1 January 1985 deadline on the export of logs is distressing HPH [forest exploitation rights] operators, particularly those who do not yet own wood processing plants. The operators have asked that the government not apply the ban to all areas in Indonesia but that exception be made for certain regions.

The complaints of operators were expressed to KOMPAS on Thursday [3 January] by Sukamdani Sahid Gitosardjono, general chairman of KADIN [Indonesian Chamber of Commerce and Industry]. Several HPH operators from such areas as Irian Jaya, Maluku and Kalimantan had voiced their complaints to KADIN before the deadline passed.

"In various points, I agree with their complaints," said Sukamdani, who is also general chairman of MPI (Indonesian Forestry Society). He hoped, therefore, that areas still very dependent on the export of logs would be afforded an extension of the deadline.

"I would leave the duration of the extension up to the government," added Sukamdani. He then cited several regions that are still heavily dependent on revenues from log exports: Sumatra, Kalimantan, Maluku and Irian Jaya. Of these, he hoped that Irian Jaya would be the first to receive special attention. Since, for all practical purposes Irian Jaya does not yet possess a wood processing industry, that region would have no meaningful revenue if the export of logs were banned altogether.

"Many Irian Jaya natives have complained directly to me and have asked me to relate the fact that they have not yet been able to gather capital to establish a wood industry there," he stated. The general chairman of KADIN expressed sympathy for them and said he is trying to help. Moreover, since border problems have recently occurred in Irian Jaya, Eastern Indonesia should be given an exemption in order to keep the problems from becoming more acute.

As far as other regions are concerned, in principle they should comply with government regulations to stop the export of logs as of 1 January 1985.

Nevertheless, if there is genuine proof that an area will experience great difficulty because of the log export ban, the government may give a little leeway.

The 1 January ban on log exports is a result of new forestry policies that seek an increase in added value through the processing of forest products. These new policies were outlined in a limited cabinet meeting on EKUIN [economy, finance and industry] matters on 1 April 1981. Implementation was ordered in a joint directive by four DIRJEN's [directors general], effective 1 May 1981.

Under the new policies, log exports were to be reduced incrementally, beginning in 1981. In their place, timber was to be processed domestically, and exports were to consist of wood products, especially plywood.

Based on the joint directive, which was issued by the DIRGEN for forestry, the DIRGEN for miscellaneous industry, the DIRGEN for domestic trade, and the DIRGEN for foreign trade, log exports in 1981 were limited to 6 million cubic meters. Exports were then reduced by 1.5 million cubic meters in each succeeding year until 1985, when no log exports are to be made at all.

Under these policies, log export allocations are made only to HPH operators who are now building, and have in operation, a comprehensive wood industry, which means plywood. Owners of sawmill operations and those who have no industry are not permitted to export logs at all.

Sluggish Situation

Sukamdani said the wood industry is now in a truly difficult situation. On the one hand, log exports have been banned as of this year, but their replacement, plywood, has not found its expected markets. Although Indonesia is the world's largest plywood producer, we have not yet been able to control the market. "With the log export ban, operators are truly having problems. There is no income from logs, plywood exports are not moving smoothly, and they cannot pay their investment debts," said the general chairman of the MPI.

Plywood industries now in operation total 89 units, with a production capacity of 5 million cubic meters. Exports in 1984 were expected to reach 2.7 million cubic meters, and the rest was expected to meet domestic demand.

If plants now under construction are included, plywood industry units will total 124, with a production capacity of 6.5 million cubic meters. If plywood factories in the planning stage are included, there will be 191 units with a capacity of 9.5 million cubic meters per year. "When all those factories are in production, where will they sell their output?" asked Sukamdani.

He envisioned many bank loans that cannot be paid as a result of future plywood marketing difficulties. If that should occur, investments of more than \$2 billion will have been in vain, he added.

All of this, said the MPI general chairman, is because of the world economic recession. It is not the fault of the government but of conditions that produced these developments. Moreover, operators were compelled to set up plywood industries.

Postponement Request Criticized

Jakarta KOMPAS in Indonesian 6 Jan 85 pp 1, 9

[Text] Jakarta, KOMPAS--The government should refuse the request of HPH operators for a postponement of the ban on exporting logs, which went into effect on 1 January, since the policy being implemented is very strategic and there is nothing that clearly commends such a request.

Drs Soedardji, chairman of the Development Union Faction in the DPR [parliament], made this assertion when contacted by KOMPAS in Jakarta on Saturday [5 January]. He was responding to complaints by HPH operators about the deadline for log exports. The operators had asked the government that the ban not be applied to all regions of Indonesia but that exceptions be made for certain areas.

Soedardji said that the government policy to limit log exports between 1981 and 1984 had provided adequate opportunity to prepare for the total ban on 1 January of this year. They should have used the opportunity to build their own wood processing industries. There is no justification for postponing the deadline only because they do not have their own industries or because some areas are still heavily dependent on log exports.

With respect to the request for postponement for regions still dependent on log exports, such as Sumatra, Kalimantan, Maluku and Irian Jaya, Soedardji said that timber from those areas can be absorbed domestically in spite of the fact that prices overseas are twice those at home.

Strategic

Since Indonesia began limiting log exports in 1981, many plywood industries in Singapore, Taiwan, Korea and Japan have folded. Therefore, said Soedardji, the result of the government's policy to ban timber exports will be to expedite the bankruptcy of all plywood industries in those countries, which will be certain to cause them to invest their capital in Indonesia.

Besides making jobs for Indonesians, such investment will afford opportunities to businesses without wood processing operations to set up joint enterprises with the foreign investors. Beyond that, the government's policy to ban log exports will be seen as a strategic step that will make Indonesia the world's largest exporter of plywood.

Soedardji admitted that some domestic operators will take losses but said that there will be great advantage nationally and that the ban is a step toward a better national economic life. "There were many screams when timber export

limitations began, but after its implementation there turned out to be much profit," he added.

Consequently, a delay in the export ban would not be in accord with the national objective to become the largest plywood exporter. "To still permit timber exports while aspiring to be a plywood exporter would be a controversial and unprofitable policy," he stated.

Bringing Progress to Irian Jaya

With regard to the special request that Irian Jaya be granted a delay in the export ban because it is still unable to set up wood processing industries and in order to avoid worsening recent problems there, Soedardji proposed that foreign investors be given incentives to establish joint ventures with Irian Jaya natives. Such ventures would expedite development in Irian Jaya and bring progress to societies in that region.

It is therefore inappropriate to delay the export ban for HPH operators in Irian Jaya, as requested by the KADIN general chairman, Sukamdani Sahid Gitosardjono, who is also general chairman of MPI.

Excessive Production

When asked about the possibility of overproduction of plywood as a result of expanding the plywood industry, whether supported by foreign capital or not, Soedardji said that it is not necessary to imagine things that cause such worries. "We are not alone in economic life, are we? We don't know what will happen in years to come," he declared.

It is quite possible that the world economy will improve in the years to come, bringing increased demand for plywood. "If such a moment should arrive without our being prepared, we would be at fault, wouldn't we? So don't imagine nonsense," asserted Soedardji.

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CSO: 4213/140

INDONESIA

UREA FERTILIZER EXPORTS PLANNED

Jakarta SUARA KARYA in Indonesian 9 Jan 85 pp 1, 11

[Text] Jakarta, SUARA KARYA--Beginning in April 1985, Indonesia plans to export about 400,000 tons of urea fertilizer to non-ASEAN [Association of South East Asian Nations] markets, Minister of Industry Engr Hartarto told SUARA KARYA at his office in Jakarta on Tuesday [8 January]. He added that the exports are made possible by the initiation of commercial production by PT [limited company] Iskandar Muda Fertilizer (PIM) in Aceh.

The minister did not say what the price will be or how much foreign exchange is expected to be earned from the fertilizer exports. He said merely that the exports would not consist only of output from PT PIM but would come from several other urea fertilizer plants in the country as well.

According to information obtained from the Department of Industry, exports of 662,000 tons of urea fertilizer, valued at \$114.6 million, are projected for 1985. Exports in 1984 were estimated to be 227,683 tons, with a value of about \$30.8 million. Exports realized in 1983 totaled 316,225 tons, valued at \$38.139 million. Shipments were made to the ASEAN region, Hong Kong and Japan.

Indonesia must also import urea fertilizer, depending upon levels of domestic production and demand. Minister Hartarto did not specify the volumes or cost of imports during recent years.

"With PT PIM now officially going into production, we will save about \$108 million," he said.

The minister stated that because of the operation of new fertilizer plants and the expansion of several existing plants, Indonesia will not import urea fertilizer in 1986. "In 1987, Indonesia may have to resume imports, but by 1988 it is almost certain that we will no longer be importing but will be exporting instead. If in fact there should be imports, they will be small," said Hartarto.

To Be Opened by the President

The PIM plant began production on 31 December 1984, Hartarto said. For the time being, production will be 570,000 tons of urea fertilizer per year. Plans call for enlargement of the plant to PIM II, III and IV, until its capacity reaches 2.2 million tons per year.

The successful operation of the PIM fertilizer plant, which is slated for official opening by the president in April 1985, marks a new era for the fertilizer industry construction sector.

"One hundred percent of the construction, which would previously have been handled by foreign contractors, was done by PT Rekayasa Indonesia and Indonesian specialists," he added.

He admitted that the services of foreign contractors were used for its design. Design activity on future fertilizer plants, however, will have the participation of Indonesians. It is hoped they will gradually be able to handle design themselves.

Construction was completed 39 days ahead of schedule, he said.

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CSO: 4213/140

INDONESIA

CONSTRUCTION OF DAMS, RESERVOIRS TO CONTINUE

Jakarta KOMPAS in Indonesian 8 Jan 85 p 2

[Text] Jakarta, KOMPAS--The construction of multipurpose dams at Wadaslintang, Kedung Ombo, Jatigede and Wonoredjo is to continue. Work on these dams will be given priority in fiscal 1985-86 because of the people's need for them. Engr Mardjono, chief of the Planning Bureau of the Department of Public Works, stated this in Jakarta on Monday [7 January].

In his 1985-86 RAPBN [draft national budget] speech, President Soeharto included the statement that the government would proceed with the building of the four large reservoirs in Java. Construction of the Wadaslintang dam will continue, and work will begin at Kedung Ombo, which is in the same province. Preparation will begin this year for construction of the Jatigede reservoir in West Java, and work will begin on the Wonoredjo dam in East Java.

Attention is being given to the construction of these large reservoirs, which will cost hundreds of billions of rupiahs. Although the development budget has increased, for the first time it is smaller than the routine budget, which is higher primarily because of higher wages for government employees.

A KOMPAS source, who asked that his name not be used, said that there is no need to oppose the building of these reservoirs, in spite of the fact that all of them are in Java. He pointed out that since water sources outside of Java are good there is no need for reservoirs in those areas. Furthermore, unlike Java, farm land outside of Java is still not extensive and does not require that water be retained for use in the dry season. Water is more needed in Java for agriculture, electricity and drinking water.

He added that the great demand for electricity in Java cannot continue to be satisfied through the use of petroleum fuels, which must be conserved. These multipurpose dams will serve as significant alternate sources of electricity.

Wadaslintang and Kedung Ombo

Wadaslintang is on the Bedegolan River, the border between the Wonosobo and Kebumen Regencies. The dam was begun in 1983 and can now regularly supply water to 10,800 hectares throughout the year. Construction has reached the primary reservoir stage. The tunnel spillway was completed last year. No

less than 16 MW [megawatts] of electricity can be generated by the two units of the Wadaslintang PLTA [hydroelectric plant].

The Wadaslintang reservoir, with its main and secondary canals, is expected to cost 185 billion rupiahs and will be completed by the end of 1986. Some of the funds are provided by the Asian Development Bank [ADB].

Its irrigation network and PLTA are expected to provide more work and income for farmers. Whereas in the past there was only one rice harvest per year, in the future there will be two harvests, and nonrice crops can be planted between the rice harvests. It is also expected that production can be raised from 3 tons of milled rice per hectare to 5 tons.

The purpose of the Kedung Ombo reservoir is to irrigate farm land in the lower courses of the Serang and Juana Rivers. Besides providing irrigation for 55,000 hectares of land, an additional 7,300 hectares of land can be brought under cultivation.

Completion of the tunnel spillway, which marks the beginning of the main dam construction, is expected in February 1985. The main dam and its irrigation network is planned for completion in 1989. The 2 billion rupiah cost of the tunnel spillway is entirely from APBN [national budget] funds.

The Kedung Ombo reservoir, which will cost 150 billion rupiahs overall, has been approved for IGGI [Intergovernmental Group on Indonesia] aid. Previously, the Kedung Ombo dam, which will also generate 22 MW of electricity, was one of the projects subjected to development scheduling. The Kedung Ombo tunnel spillway is being handled by national contractor PT [limited company] Abi Praya through a national tender.

The Kedung Ombo reservoir will be able to satisfy the pressing need for control of regular flooding in that highly populated area. The reservoir will cover 5,910 hectares and inundate 22 villages. At least 5,391 families whose land will be covered by the reservoir will be resettled through transmigration.

Jatigede and Wonoredjo

There is great eagerness for construction of the Jatigede reservoir, which has been postponed several times, since it will irrigate 106,000 hectares of farmland and generate 250 MW of electricity. The reservoir will also provide drinking water for 750,000 residents of West Java and will reduce the occurrence of Cimanuk flooding from once in 25 years to once in 100 years.

Based on 1982 estimates, the Jatigede reservoir will cost about 600 billion rupiahs. In addition to receiving APBN funds, the reservoir, located in the Sumedang Regency, has also received approval for a World Bank loan.

The Wonoredjo dam on the Brantas River is one of a series of dams on that river. Its reservoir will supply irrigation for 8,000 hectares and will

provide drinking water at 8 cubic meters per second. Its PLTM ("microhydro-electric" plant) will generate 2.5 megawatts of electricity.

The reservoir, which is expected to be completed in 1988, will cost more than 82.2 billion rupiahs and has been approved for an ADB loan.

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CSO: 4213/140

INDONESIA

BRIEFS

FOREIGN POLICY VIEWS SIMILAR--Indonesian contacts with the People's Republic of China in the sense of multilateral working relations in the United Nations continue to be good. A similarity of views on a variety of international questions has emerged, including the questions of Kampuchea, the North-South dialogue, decolonialization and the Namibia question, and other issues. Ambassador Ali Alatas, Indonesian permanent representative to the United Nations, made this statement on 28 January after reporting to President Soeharto at the Bina Graha offices. At the United Nations China once requested permission from Indonesia to permit its civil aircraft to cross Indonesian air space on their direct flights to Australia. Ali Alatas said: "We resolved this matter by permitting Chinese civil aircraft to cross Indonesian air space." Answering questions, Ali Alatas said he brought no special message regarding the question of relations between Indonesia and China. Before returning to Indonesia Ali Alatas received a message from the chief of the Permanent Delegation of the PRC [People's Republic of China] at the United Nations, stating that he welcomed the efforts made in Jakarta and Beijing to consider direct trade relations between the two countries. [Text] [Jakarta PELITA in Indonesian 29 Jan 85 p 1] 5170

CSO: 4213/158

MALAYSIA

VOMD CASTIGATES GOVERNMENT ECONOMIC POLICY

BK150753 (Clandestine) Voice of Malayan Democracy 1215 GMT 11 Feb 85

[Article by the Information Department of the Malay Nationalist Revolutionary Party of Malaya: "The Economic and Financial Future of the Mahathir-Musa Regime Is Increasingly in Doubt" -- dated 1 November 1984]

[Text] The Malay Nationalist Revolutionary Party of Malaya [MNRPM] deems it necessary to expose our country's economic and financial condition, which has become very alarming since the Mahathir-Musa regime came to power. It has deteriorated at an unparalleled pace, leading our country to the brink of bankruptcy, because the Mahathir-Musa regime represents the bureaucratic and comprador capitalists who control the economy and politics of our country. Poverty continues to grip the people in our country. The New Economic Policy [NEP] has failed to eradicate it. Moreover, corruption and financial crises are more rampant with each passing day. All this has shown that the country's economic and financial future is increasingly doubtful. The NEP has only succeeded in expanding and enriching the bureaucratic and comprador capitalists while failing to achieve its goal of eradicating poverty. It is a parasite that is impoverishing the working masses throughout the country.

Small rubber planters produce about 62 percent of the country's total rubber output and 20 percent of all the world's total natural rubber. However, they are totally exploited. Under the current economic recession, the Mahathir-Musa regime has even decided to increase tax assessments from 9 cents per kilogram, or 4.5 cents per pound, to 14 cents per kilogram, or 6.5 cents per pound. Their income is lower than the wages of workers on big estates. Land plans managed by bureaucratic corporations cannot increase the peasants' incomes. Conversely, those taking part in these land plans are up to their necks in debt. These settlers have no ownership rights over land they settle. Up to mid-1983, the Federal Land Development Authority had opened up 626,899 hectares of land with some 80,000 settler families. The Federal Land Consolidation and Rehabilitation Authority controls over 565,000 hectares of land, while the Rubber Industry Smallholders' Development Authority has turned large plots of land belonging to small planters into small estates. Their owners are given shares according to the amount of land they held. Some of them work on the estates. Most of them are forced to move to the cities to earn their livings working in factories for very low wages.

The Mahathir-Musa regime's collective land plan is aimed at subtly seizing land belonging to the peasants. The owners are given shares in accordance with the amount of land they held. Their shares, very small and apparently meaningless, can be sold. Later, these plots of land are taken over by the bureaucratic, and comprador capitalists. The peasants, now landless, are forced to become cheap reserve workers. The number of those looking for jobs in the cities is increasing from year to year, going up by 40 percent in the cities and by 12 percent in rural areas from 1970 to 1980. Other rural workers, such as estate workers and miners, are also exploited by the bureaucratic and comprador capitalists and by foreign capitalists.

The NEP, which is aimed at eradicating poverty, has failed, succeeding only in attracting imperialist capital and expanding the bureaucratic and comprador capitalists. Instead of disappearing, poverty is becoming increasingly worse. The rate of poverty among rice-growing peasants increased from 52.7 percent in 1980 to 54 percent in 1983. Poverty among small rubber planters also increased from 41.3 percent in 1980 to 61.1 percent in 1983. The small rubber planters are the poorest group. The rate of poverty among estate workers increased from 35.1 percent in 1980 to 54.6 percent in 1983, while the rate of poverty among miners increased from 33 percent in 1980 to 41 percent in 1983.

Using the NEP as its effective means, the Mahathir-Musa regime has invited foreign capital on a large scale, particularly Japanese imperialist capital. The Mahathir-Musa regime has even proclaimed the motto of the Look East Policy to assist the Japanese imperialists in exploiting the working masses of our country. This policy accords priority and privileges to investors from the land of the rising sun. Japanese investors are concentrating their investments on textiles, electrical and electronics industries, the automobile industry, and so on. As many as 295,025 people work in manufacturing. A total of 115,142 people or 38.9 percent of the total number of people employed in this sector work in Japanese firms. There are three factors that create losses for our country. The imperialist investors wanted to pour investments into our country hurriedly for this reason, especially the imperialists Japanese investors. First, because of the Look East Policy, the Japanese have been given special priority, which has never been afforded them in any other Southeast Asian country. Another factor is that there are basic facilities for foreign investors as well as a very encouraging investment climate with cheap labor, a free trade zone, and so on. When the shah of Iran's regime fell, the Japanese Government suffered losses. To make up for that, Japan is finding that our country is the most suitable and likely for reaping huge investment gains. Occupied with the imperialist industrial investments, especially those of the Japanese, it was not in line with the NEP's aim to eradicate poverty. They have established numerous industries in developing cities and countries, while they are reluctant to do so in backward regions. They are only interested in reaping huge gains from projects that provide basic facilities to them. As a result, the impoverished rural residents have made an exodus to towns and squatted there, thus changing the urban-rural situation. The limping development has hampered the country's economy. Workers in the bureaucratic and comprador capitalist industries have received wages below current living expenses. These unscrupulous industrialists have made the workers labor around the clock just to achieve their production targets. The workers' energy has been squeezed out of them while they had to work shift schedules in addition to overtime to meet a high production level in a short period.

The Japanese transfer of technology, greatly lauded by the Mahathir-Musa regime, is only stage show. Japan has never transferred any of its technology -- only machinery, equipment, and skill. This, too, has been paid for at a high price. The Mahathir-Musa regime extended its hand for internal as well as external loans only for the purpose of fattening the bureaucratic and comprador capitalists. The Mahathir-Musa regime's debts, incurred in the name of the federal government, rose to 50.4 billion ringgit by the end of 1983 and will rise to 60 million by the end of 1984. With the huge 1985 national budget, the country's debt will again increase because its debts are already so huge that the IMF has started to lose faith in the regime. As a result, the IMF wants the regime to devalue the ringgit; if it does not so do, then there will be no new loans.

The financial and economic situation cannot be assured of recovery within this short duration. Experts say that the recovery period cannot be assured. The special adviser on the economy for the prime minister, Raja Mohar bin Raja Badiozzaman, was forced to affirm this fact. He said that the hope for an immediate economic recovery within 1 or 2 years is very slim. The Mahathir-Musa regime tried to sweep the carpet the country's serious economic and financial situation under the carpet. The Mahathir-Musa regime's attitude of robbing Peter to pay Paul has been strongly criticized by the honest economic and financial experts of our country. They have said that the regime's foreign debts have reached an acute stage at which its ability to repay is jeopardized. However, this criticism has been challenged by Finance Minister Daim Zainuddin, a tycoon worth 600 million ringgit. He is also a comprador for the Japanese and the South Korean imperialist investors. He not only controls numerous industries but also holds no less than 30 percent of the stock in Malayan Banking, rated the third largest in the country. Defending the Mahathir-Musa regime, Daim Zainuddin said the government will not devalue the currency, giving the excuse that the ringgit is still strong. He added that there is no cause for the government to take such a step even though there are rumours that the IMF wants the regime to (?stabilize) the ringgit. This was due to the regime's numerous recent loans, and following this the Swiss currency market issued the Mahathir-Musa regime a warning requesting the regime to review the value of the ringgit because it had been found that the regime was facing a balance of payments deficit.

According to the country's financial experts, the huge deficit is very dangerous. The current balance of payments situation is experiencing a continuous deficit, as much as 523 million ringgit in 1983. After the Mahathir-Musa regime came to power, the 1981 deficit rocketed to 5,406 million ringgit, expanding to 7,298 million ringgit in 1982. This occurred mainly because the government was forced to make payments with interest on loans which it had squandered on the bureaucratic and comprador capitalists. Where have the country's loans worth billions of ringgit gone? According to Auditor-General Ahmad Nordin Zakaria, of the 50.4 billion ringgit in loans, a total of 20 billion went to the bureaucratic and comprador capitalists to establish out of budget agencies. This does not account for another 7 billion, which was to be given later.

As a result, the financial accounts of these agencies was not passed on to the people. It is currently found that no less than 800 million ringgit of the country's funds have been misused by the irresponsible bureaucratic and comprador

capitalists. Besides this, corruption has been rampant continuously. The Mahathir-Musa regime cooperated with the biggest corruptors, and it went all out to defend them. Take, for example, the Bumiputera Malaysia Finance (BMF) scandal, involving the huge sum of 240 million ringgit. The Mahathir-Musa regime rejected an investigation into the scandal by a royal commission of inquiry. On the other hand, it ordered the formation of a board of inquiry responsible only to the Bank Bumiputera, which is an out of budget agency and is not responsible to the lower house of Parliament. Why did the Mahathir-Musa regime reject the formation of a royal commission of inquiry?

The opinion of an opposition member of Parliament in connection with the BMF scandal was published by local newspapers. He said that the government's attitude towards the BMF scandal and also Bank Bumiputera were signs of the government's efforts to cover up the unparalleled swindle and lies. According to the former Bank Bumiputera chairman, Kamarul Ariffin, Mahathir's brother-in-law, Ismail Ali, should be held responsible for the BMF scandal because he is the chairman of Permodalan Nasional Berhad [National Investment Limited or PNB], which controls more than 80 percent of the Bank Bumiputera stock. In addition, Bank Bumiputera and the other agencies that are out of the national budget are directly under the control of the Prime Minister's Department. Whatever it is, the scandal has been heard of everywhere. Moreover, many people expressed the opinion that the sale of the tin stockpile suffered a loss estimated at not less than 2,000 million ringgit between 1981 and 1984. People are never tired of saying that loss was the result of the Mahathir-Musa regime's tin stockpile transaction, which was carried out by the Bank Bumiputera and the PNB.

The dissatisfaction over the handling of the BMF scandal and the Bank Bumiputera issue by the Mahathir-Musa regime is greatly widening among the people. On 9 September 1984, a meeting was held by 10 public organizations, including the Environmental Conservation Society, the Selangor Women Graduates' society, the socialist Democratic Party, the Democratic Action Party, the Pan Malaysian Islamic Party, the Malaysian Trade Union Congress, the Malaysian People's Socialist Party, the National Institute of Administration, and the Federation of Malaysia Consumers Association. The meeting was advocated by Aliran [a reform movement]. They strongly urged the Mahathir-Musa regime to set up a royal commission of inquiry immediately to investigate every form of corruption. They demanded that criminals be brought to justice.

In efforts to achieve victory, the MNRPM urges all patriotic and democratic groups to step up their struggle against any form of corruption. Only by rising to struggle and defend the people's righteous claims can the wicked Mahathir-Musa regime be crushed. People everywhere are satiated with the regime's innumerable promises. They now want the Mahathir-Musa regime's much-lauded cries for clean, efficient, and trustworthy policy to be realized. They also demand that every bureaucratic and comprador capitalist and out of the national budget agency be the responsibility of the people through the House of Representatives.

Patriotic and democratic groups, come, let us all unite and develop to the best of our ability!

MALAYSIA

SUITS AGAINST MCA DROPPED; 'CRISIS' ENDED

BK211431 Kuala Lumpur NEW STRAITS TIMES in English 20 Feb 85 p 2

[Text] Kuala Lumpur, Tuesday [19 February] -- Deputy Information Minister Datuk Chan Siang Sun and four others today filed notices in the High Court to discontinue their suits against the MCA [Malaysian Chinese Association].

The plaintiffs in the other suits are Datuk Kok Wee Kiat, Mr Choo Choong Hee, Mr Wong Chwee Lai alias Wong Chew and Dr Lim Soon Teck alias Lim Ann Koon.

Datuk Chan's notices was filed about 3 p.m. The others had filed four hours earlier.

The filing of the notices means that actions against the party are legally deemed to have stopped.

It is also in line with the agreement entered into by the two rival factions in the MCA on January 30.

The two factions -- one led by acting party president Datuk Neo Yee Pan, the other by Mr Tan Koon Swan, a former vice-president who was one of 14 expelled leaders -- brought the 10-month-old party crisis to an end with the agreement.

One of the conditions of that agreement was that both factions withdraw their suits pending finalisation of the full membership list of the party.

Datuk Chan, who is also party vice-president, had sued the MCA on behalf of 1,499 delegates who requisitioned an extraordinary general meeting (EGM) on May 6 last year.

He had sought a declaration that the EGM, which reinstated certain party leaders expelled on March 19 last year, was valid.

Datuk Chan had also asked that the party implement the five resolutions passed at the meeting.

Alternatively, he had sought a declaration that the acquisition submitted by him on March 20 last year to the party, requiring it to convene an EGM, was valid.

He had also asked for a mandatory injunction compelling the party to call on EGM pursuant to the requisition within 30 days of a court order, and for costs and other relief.

The MCA was sued in the name of its Secretary-General, Tan Sri Chong Hon Nyan.

Hearing of the suit was adjourned to March 11.

The suits filed by Datuk Kok and the three others were related to the expulsion of individuals and the suspension of party branches.

They had sought declarations that the expulsions and suspensions were null and void and *ultra vires* [previous two words in italics] the party constitution.

No dates were fixed for the hearing of these suits.

CSO: 4200/568

MALAYSIA

RITHAUDDEEN ON SECURITY OF TERRITORIAL WATERS

BK201201 Kuala Lumpur International Service in English 0600 GMT 20 Feb 85

[Text] There is no evidence to show that Vietnamese soldiers are posing as fishermen to encroach into international waters, including Malaysian territorial waters, to commit crime. The minister of foreign affairs, Tengku Ahmad Rithauddeen, says that his ministry is keeping a close watch on such possibilities to ensure the security of Malaysian territorial waters. He was speaking to newsmen after attending prayers in conjunction with the occupation of Wisma Umno Baru [New United Malays National Organization building] in Paris Puteh. Tengku Ahmad Rithauddeen also said that problems faced by the people of Kampuchea which is occupied by Vietnamese forces could not be solved through war. He stressed that a political settlement should be sought.

CSO: 4200/568

MALAYSIA

BRIEFS

AMBASSADOR TO MEXICO--The Malaysian ambassador to the United States and Mexico, Datuk Lew Sip Hon, has presented his credentials to Mexican President Miguel de la Madrid in Mexico City. Datuk Lew conveyed good wishes from his majesty the king, Premier Datuk Sri Dr Mahathir Mohamed, and the people of Malaysia to the president and the Mexican people during a 10-minute ceremony. [Summary] [Kuala Lumpur International Service in English 0600 GMT 12 Feb 85 BK]

HIGH COMMISSIONER TO AUSTRALIA--The Malaysian High Commissioner to Australia, Tan Sri Zakaria Ali, presented his letter of commission to Australian Governor General Sir Ninian Stephen. He said that Malaysia supports Australia's efforts to reduce protectionism that hampers free trade. He further disclosed that Malaysia looks forward to the early establishment and functioning of the Australia-Malaysia Joint Committee on Trade. [Summary] [Kuala Lumpur International Service in English 0800 GMT 12 Feb 85 BK]

TURKISH AMBASSADOR PRESENTS CREDENTIALS--His majesty the king, when receiving the credentials of the new Turkish ambassador to Malaysia, Mr (Agkhun Khan Kishiman), at a ceremony at the National Palace on 12 February, said that Malaysia believes that the strengthening of relations with Turkey will contribute to greater solidarity among Muslim nations and will strengthen the role of the Organization of the Islamic Conference in achieving its aims. [Summary] [Kuala Lumpur Domestic Service in Malay 1230 GMT 12 Feb 85 BK]

CSO 4213/162

20 March 1985

PHILIPPINES

'PEOPLE'S COURT' FINDS MARCOS REGIME GUILTY

Dipolog City THE MINDANAO OBSERVER in English 24 Dec 84 p 6

[Text] PAGADIAN CITY (NNB)—A 10-man "People's Court," set up by about 8,000 protesters here has found the Marcos regime—and its military arm—guilty of atrocities: "arson, rape, illegal arrest, arbitrary detention, torture, hamletting, and destruction of crop and property."

The "mock trial" of the Marcos regime, held in observance of the International Human Rights Day last Dec. 15, reportedly sought to popularize the protest movement in the pursuit of human rights in the countryside.

People's Court organizers said "the people have the right to try abusive governments violating the Universal Declaration of Human Rights adopted by several countries worldwide in Algiers, Algeria on July 4, 1976."

The U.S. Government, likewise, was also indicted principally for its "militarization of the Philippines"

and "economic exploitation" by multi-nationals.

A democratic coalition government, which will eventually replace the Marcos regime, "will render punishment," the People's Court said.

Charles Pangilinan, chairman of the 10-man jury, read the verdict amidst the angry voices and desperation of the crowd.

Testimonies given by students, farmers, professionals, and guests reportedly "put up a strong case" against the Marcos regime.

In his press statement, Pangilinan said the People's Court is an alternative to the "incompetent judicial system" of the country.

As a gesture of its militant protest, the rally admonished the people "to support the struggle for freedom, justice, and democracy."

Anna Aguilar, sister of slain Free Legal Assistance Group (FLAG) lawyer Zorra Aguilar, testified in the trial. She narrated before the People's Court the tragic deaths of *Mindanao*

Observer editor-publisher Jacobo Amatong and her lawyer-brother in the hands of alleged military assassins last Sept. 23.

Some of the victims exposed abuses allegedly committed by constabulary and army soldiers and members of the police and paramilitary forces, including certain fanatical religious groups reportedly with military backing.

CSO: 4200/558

PHILIPPINES

MINDANAO OPPOSITION WEEKLY REPORTS TRIBAL 'BLOOD COMPACT'

Dipolog City THE MINDANAO OBSERVER in English 24 Dec 84 p 5

[Article by Ed Maranan]

[Text] Article Two of the Universal Declaration of Human Rights states, in part:

"Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth and other status..."

An assertion of general moral principles concerning mainly individual human rights, the Declaration has nothing explicit on specific or special groups of people such as the national minorities who, in modern times, have become among the most marginalized, persecuted and neglected groups, particularly in underdeveloped societies.

Their separate existence, as "ethnolinguistic groups," to use an anthropological euphemism in vogue, makes sharper the social contradictions in a Philippine type of society where the majority is below the poverty line and the economic elite has qualitatively greater rights "to life, liberty and security of person."

In Third World countries such as the Philippines, indigenous communities with a long history of culture and civilization behind them have been reduced into "ethnic pockets" (not unlike American Indian "reservations") in mostly mountainous areas or the hinterlands, where the survivors of tribal society may possess the remnants of their ancient material culture, sometimes with their oral tradition in literature and mythology intact, barely touched by the dubious blessings of twentieth century technology. At the same time, they are subject to the legal system, the bureaucratic apparatus, the market mechanisms, and the police of the "mainstream society."

This duality has had more ill effects than good. The tribal Filipinos' numbers have dwindled, their territories have shrunk, and they have been transformed into mere sources of cheap labor, cultural curiosities or tourist attractions, regarded as hindrances to modernization and development.

The last decade has witnessed an uphill battle by the Filipino national minorities for their collective human rights to life, ancestral lands and cultural integrity, the encroachments of indiscriminate, destructive technology through government infrastructure projects, as well as landgrabbing operations by well-connected local capitalists and giant transnational corporations.

At a press conference inaugurating the Sandugo (blood compact) festival, representatives of the country's national minorities from the three major Philippine regions--Luzon, Visayas and Mindanao--recounted their people's experiences and appealed to Filipino and foreign journalists to help them expose their plight.

The Lumad from Mindanao talked about the "salvaging" (summary execution), massacres and torture inflicted on tribal villagers by military units, the paramilitary Civilian Home Defense Forces, and fanatical cult groups used as "assets" or mercenaries by the government armed forces. They also complained about incursions of PANAMIN (Presidential Assistance to National Minorities), a "developmental" agency that has long been suspected of supporting the counterinsurgency program and prospecting for mineral deposits, especially under its former head.

The spokesman of the Mangyans of Mindoro island complained about the incursions of lowlanders who pushed them out of the coastal areas initially, then into the interior, and finally up the mountain slopes. The coming of the "White Man," he said, referring to tourists, has driven up the prices of commodities beyond their reach.

The Igorots who inhabit the great Cordillera mountain system of Northern Luzon were bitter about the incredible sense of priority shown by the national government. More than eighty families of the Ibaloi group, recalled the spokesman, were bought out of Taloy, a village in Benguet province, to give way to the now world-famous "stoneface" bust of President Marcos and an 18-hole golf course. He also decried the fact that Igorots are now deemed "squatters on their own land."

The brave words spoken during the press conference were reminiscent of those of the Cordilleras' legendary Macliing Dulag, a Kalinga chieftain murdered by Army troopers several years ago. He had led the resistance to the government's Chico River Dam Project which would have submerged whole communities, burial grounds, and part of the rice terraces.

At the symposium held at the UP, Macliing Dulag's words came to life again. He is one of the most quoted Filipino heroes of the present generation. Reacting to government enticements to sell out, he once said:

"Such arrogance to speak of owning the land when we instead are owned by it. How can you own that which will outlive you? Only the race owns the land, because the race lives forever.. To work the land is an obligation, not merely a right. In tilling the land, we possess it... Land is sacred, and is beloved. From its womb springs our Kalinga life."

Through unyielding struggle, the national minorities in the Philippines share with all their lofty concepts of human rights.

PHILIPPINES

IMPACT OF OFFICIALLY SANCTIONED REBEL RETURNEES REPORTED IN DAVAO

Dipolog City THE MINDANAO OBSERVER in English 24 Dec 84 p 4

[Article by Jack Walsh]

[Text]

DAVAO CITY (PNF)—Glo, a worker's wife, gave birth to twin sons on Nov. 18. She and her husband Vic live in the Mandug area of Buhangin, this city, some 800 kilometers (500 miles) way down south.

Six hours later, the worried parents bundled up their new born twins and their two other boys, took whatever of their possessions they were able to handcarry and joined some 10,000 others in evacuating the area.

The cause of their fears was a renegade rebel leader named "Commander Inggo," formerly with the Bangsa Moro Army (BMA), who is said to be working for the Philippine military. "Commander Inggo" was reported to have masterminded the assassination of militant Mindanao journalist Alex Orcullo last Oct. 19.

"We were really concerned for the babies and didn't know where to turn. We decided to stay near the parish," said Vic in reflecting on the activities of the weekend which saw them move to a different shelter each night.

On Sunday evening, they moved inside the auditorium

next to the San Pedro cathedral. On Monday, they moved into what is locally called the "island," a strip of raised lawn fronting the legislative chamber of the city government across the street from the cathedral.

Despite strong efforts of government and military officials, the evacuees have refused to vacate their "island." They are demanding that law enforcement forces arrest the rebel returnee leader who has threatened their lives because of their strong support for slain Barangay (village) Captain Alex Orcullo.

The evacuees also want the withdrawal of all government forces from the area. It has been a long-time contention of the Mandug residents that when military units are present in or around their neighborhood, there is an escalation of killings and other incidents. These crimes are rarely solved.

According to most of those who have evacuated the area, the situation became serious last August 1984 when so-called "rebel returnees" once belonging to the BMA entered the Mandug area. They claimed to have been "converted from their

rebel ways" and were working with the national government to "rid the area of Communist rebels."

On Aug. 3, a group estimated at 200 armed men in military uniform occupied barangay Carmen and introduced themselves as BMA rebels and declared that the surrounding area was under their jurisdiction as per a prior arrangement with the military.

On Aug. 8, some of these armed men took six families and introduced them to "Commander Inggo," who also calls himself "Abubakar Karsolo." He told the people that "the enemy" was the NPA (New People's Army), the armed component of the Communist Party of the Philippines. He also insisted that he and his men were hunting for Alex Orcullo and "other enemies."

The BMA returnees group continued to roam the area. Commander Inggo began to play a more prominent role in the events which terrorized the Mandug residents. He questioned farmers on past encounters between Muslim and the Armed Forces in the neighboring area of Tigatto. He also

said that his group was called PLO or People's Liberation Organization.

Regional Unified Commander Brig. Jaime Echaverria has admitted that his command does include some rebel returnees.

MANILA (PNF)—In the wake of reports a few days ago that the Philippine Air Force had resumed its bombing of civilian targets—this time in the province of Aurora in eastern Lu-

“but they are not supposed to commit abuses . . . if they want to help in the anti-insurgency campaign, why not?” Despite his denial, however, it is widely believed among the evacuees and their supporters that the so-called PLO under Commander Inggo is a covert paramilitary group armed by Col. Valderama (commander of the Davao City Metropolitan Command) and paid from funds supplied by Gen. Echaverria, who has admitted, “no one else can appoint paramilitary groups except me, because it involves government funds.”

In the past two weeks since about 30,000 people joined in Alex Orcullo's funeral, three Lapanday workers have been killed. The PLO has conducted more house raids and searches, and blatantly distributes mimeographed statements of Commander Inggo to the people.

On Nov. 5, the mass exodus started from the area into the city.

Davao City Archbishop Antonio L. Mabutas has written to AFP Acting Chief of Staff Lt. Gen. Fidel Ramos to protest these events. He enumerated the killings in the Mandug area from Oct. 19 to Nov. 5.

He told Ramos that “so far, the military units in Mandug did not take any positive action in response to the brutal killings for the simple reason, they themselves admitted, they are fearful for their own security.”

The Archbishop noted that “if the forces of law and order aid and abet criminals, or themselves act in violation of the law and constitution of the Philippines, how can peace, order and credibility ever be restored?”

CSO: 4200/558

PHILIPPINES

PUBLIC DESPAIR REPORTED OVER CONTINUING OPPOSITION DISUNITY

Makati MR. & MS. in English 18-24 Jan 85 pp 11-14

[Article by Belinda Olivares-Cunanan]

[Text] A young assemblyman from

 Davao, MP Douglas Cagas (PDP-LABAN) confessed rather downheartedly to this writer at the UNIDO caucus last Monday at the Philbanking office on Pasay Road, Makati, that the people of his province are very demoralized about the continued disunity of the Opposition.

All over the country, Opposition sympathizers are reacting very emotionally to the fact that the various political parties and Opposition leaders cannot seem to get their act together at a time when prospects of an emergency presidential election looms large in the political horizon.

Last Monday, the Liberal Party (Kalaw wing) Secretary-General, ex-Sen. John H. Osmena of Cebu, was quoted in the papers as having written a letter to UNIDO President Salvador H. Laurel, that the Liberal Party would bolt from the umbrella group of UNIDO if two conditions were not righted. One is what the LP perceives to be the "imbalance" in the representation of parties in the UNIDO-initiated 21-member National Unification Committee (NUC). The second is what it

termed the continued "subversion" of the LP's integrity by UNIDO by its act of inviting LP provincial leaders as delegates to the Feb. 9 convention without consulting higher LP leaders.

Osmena's protestations were apparently based on two resolutions issued by the LP Executive Committee on Thursday, Jan. 10, in Pasay City. One resolution advised LP members "to hold in abeyance attendance in the . . . NUC convention, pending consultation with Sen. Salonga and a policy decision to be communicated before Feb. 1". What that decision would be was not stated. The second resolution gave LP President Eva Kalaw authority to pursue negotiations with the Nacionalista Party and the PDP-LABAN for the formation of a "grand coalition". At the convention, LP provincial leaders had complained allegedly about their people being pirated by UNIDO leaders.

Denying any intention to usurp LP grounds, UNIDO Camarines Sur MP Luis Villafuerte asserted that all that UNIDO had done was to send out survey forms to all Opposition

leaders in the provinces, in the hope that "core Opposition leaders" could be promptly identified in accordance with an NUC document signed by 17 out of 21 leaders last August. In fact, pointed out UNIDO deputy Secretary-General Lito Banayo in a press statement last Tuesday, the secretariat had only recently come out with a draft proposal for the manner of delegate accreditation, which Kalaw herself had seen.

Turbulent Month

The storm kicked up by the LP was only the latest in a turbulent month for the Opposition, which saw both the Kalaw and Laurel groups bolting the Convenor

Group. The Convenor Group, in turn, received tremendous flak particularly from the Batasan Opposition, for its fast-track method of selecting a president in an emergency, which was criticized as highly authoritarian and undemocratic. In another development, UNIDO Council of Leaders chairman Ambrosio Padilla was said to have walked out of an UNIDO year-end meeting because he was not advised about the group's decision to bolt the Convenor Group. Padilla is himself one of 11 original nominees of the Convenors.

As if to quell the creeping despair among Opposition sympathizers, former Speaker and now Minority Floorleader Jose B. Laurel, Jr. took the opportunity to paint the discordant notes in the Opposition at present as mere signs that "we are all rational beings, and that we cannot be expected to think alike." Rather than throw in the towel in the unification effort, Pepito Laurel

told the UNIDO caucus that he was happy that such events "are opening our minds and our eyes to what has to be done". Above all, Laurel said he treasured the "freedom to disagree among ourselves" which, he said, could only be possible in a democratic arrangement among the political parties.

The diplomatic tone and statesmanlike stance of the elder Laurel at the caucus was cue for UNIDO party leaders like Villafuerte to soft-pedal their treatment of the Osmena blast, in the interest of continuing effort to arrive at unity. After all, LP Assemblyman Lito Atienza told the caucus, it was merely a desire of his party "to call attention to a more equitable treatment by UNIDO of other political parties". Other LP stalwarts regard it as a problem of "restructuring of relationships", for, they claim, "LPs have been treated as second class citizens within UNIDO".

To seasoned politicians, the LP's airing of grievances, real or imagined, may be interpreted merely as muscle-flexing by the party still facing threats of disunity of its two factions; or at best a jockeying for political positions, such as all the parties are now doing. But it also reveals the underlying basic structural weakness and vulnerability of UNIDO as a political umbrella grouping. Moreover, it reveals the growing-up pains of all political parties, such as the mutual distrust among politicians despite the endless backslapping and the cosmetic praises for one other for public consumption.

Above all, it shows the unviability of tenuous political alliances that are held together merely by convenience and expediency, rather

than by definitive ideological underpinnings. Political parties, with few exceptions, still have to evolve the political platforms on which their edifice can withstand the test of time.

UNIDO Threatened

As things are, it is the very life and existence of UNIDO as a political group that is now being threatened by the LP critical stance; and the thinking is that were it not the LP, it would be another group that would rebel, for the basic weaknesses of the alliance remain. In an interview published Monday in a leading morning daily, LP Secretary-General Osmena was quoted as advocating the dismantling of UNIDO as it has ceased to be the umbrella organization originally envisioned in August, 1980, when it was founded mainly by anti-Marcos Nacionalistas and Liberals. Rather, Osmena claimed, UNIDO has become "an instrument of the NP Laurel wing only".

The lack of equal status among the parties within UNIDO, which has favored the NP Laurel wing to the detriment of the other parties, has been a running complaint of the Liberal Party since August last year, claims Osmena; but these complaints have merely been waved aside every time, he says. It was precisely because of this reason that Kalaw and Osmena refused to sign the NUC document last August; only Neptali Gonzales and Raul Gonzales signed for the Liberals.

Intended as an Opposition coalition of some seven political groups, UNIDO was jointly chaired by former Speaker Jose Laurel Jr. and LP President Gerardo Roxas in 1980. With the death of Sen.

Roxas in mid-1982, the coalition shifted from dual chairmanship to a unitarian leadership under former Senator and later assemblyman Salvador H. Laurel. From then on the Laurel group has wielded the true power in the umbrella even as genuine efforts were exerted to broaden the base of leadership.

In fairness to Doy Laurel, says UNIDO partyman Villafuerte, as UNIDO president he had invited Eva Kalaw to be chairman of the party and Nene Pimentel as vice-chairman. LP President Kalaw is today UNIDO executive vice-

president while Nene, as chairman of PDP-LABAN, has officially declined membership in the UNIDO council of leaders on grounds of ideological differences.

Thus, while today it claims to have 12 Opposition parties under its umbrella, the backbone of the UNIDO grouping is the NP-Laurel faction. Last election, it fielded candidates of its own, or entered into coalition with other parties. It is the composition of the 59 Opposition assemblymen who won last May that is at the heart of the "imbalance" issue being bruited about by the LP.

Of the 59 Opposition assemblymen in the Batasan today, 13 are Nacionalistas, 13 Liberals, 12 PDP-LABAN, two each from Panaghiusa and the Concerned Citizens' Aggrupation, and one each from the National Union of Liberation (NUL), and the Mindanao Alliance. The rest, some 15 of them, are what has come to be known as "unaffiliated UNIDO" — mainly MPs who had not been formally aligned with the Opposition until the May elections, when they ran under the UNIDO banner.

Among them are Cecilia Palma, Orly Mercado, Alberto Romulo, Luis Villafuerte and Rolando Andaya. Add the 15 to the NPs' 13 and there is a major grouping of 28 for UNIDO.

Osmena charged that the 21-member National Unification Committee (NUC) which was set up last August by a mixture of assemblymen from different parties (Marcelo Fernan of Panaghiusa, Neptali Gonzales of LP, Villafuerte of UNIDO and Peping Cojuangco of PDP-LABAN) as a major instrument of Opposition unification, has emerged highly unbalanced in composition. The imbalance, Osmena asserts, has favored UNIDO. NUC composition is as follows: four seats each for the three major parties; four seats for the unaffiliated UNIDO, and one each for the regional parties such as Mindanao Alliance, Panaghiusa, Timek Ti Umili and others.

Bloc within a Bloc?

The thinking of the LP, however, is that the four unaffiliated UNIDO in the NUC would naturally throw their weight with the NP-Laurel wing to create a bloc within a bloc, to the detriment of other groupings, such as the LP.

UNIDO's Lito Banayo, replying to Osmena, pointed out that given the proportion of MPs according to party grouping in the Batasan, "what is so imbalanced about the NUC composition?" The implication is that the NUC membership should merely reflect the Batasan composition. Moreover, argues MP Villafuerte, the composition of the Batasan is

reflected in actual group dynamics: during the election of the minority floorleader last June, out of 45 votes cast, 25 went to UNIDO's Laurel, and only 11 to LP's Kalaw and 9 to PDP-LABAN's Nene Pimentel.

Moreover, says Banayo, it would really be quite unfair to say that people of proven integrity such as MP Cecilia Munoz Palma and ex-Sen. Francisco Rodrigo, who are two of the four "unaffiliated UNIDO" in the NUC, would allow themselves to be used by the Laurel camp.

The LPs maintain that the NUC composition should reflect the total picture of the Opposition, not just the strength of one group. To correct this "imbalance" Osmena stresses that the PDP-LABAN should be given five more seats and the LPs four more in the NUC to make an even eight each for the three major parties.

It is evident that UNIDO's inter-party difficulties stem from its ambivalent status as a political umbrella for some political parties, but also a political party for others, such as the Unaffiliated UNIDO. "If it is a political party then LP has no business being there," says John Osmena. It is ironic that the KBL is very much in the same predicament as the UNIDO; within the KBL too, are elements of the old NP and LP, and political observers predict that once Marcos is gone, the ruling party would split into many factions.

Apparently, party leaders have recognized this weakness for some time. Way back in April 1983, LP partyman and later MP Gemiliano Lopez of Manila had suggested that UNIDO position itself as a political party and not just a coalition; most party stalwarts were for the idea, but

since, at that time, five months before Ninoy came home only to be shot, the Opposition was still very weak from long years of near decimation, the idea was not acted upon. Moreover, leaders like Eva Kalaw felt that for sentimental reasons the political identities of the old LPs and NPs in the provinces should be retained.

Today the problem has come to a head and remedies must be sought by party strategists if UNIDO is to survive. MP Villafuerte, for instance, is prepared to recommend the conversion of the umbrella group into a political party and "that the NP Laurel wing instead be abolished". Once it is a fullpledged political party, Villafuerte maintains that it may attract smaller political groups such as Timek Ti Umili and whatever elements are left of NUL.

Grand Coalition

Villafuerte maintains that Eva Kalaw's idea of a grand coalition is impractical, as under this scheme only major political parties will dialogue, leaving out the smaller parties. At the UNIDO caucus last Monday, the fiery Homobono Adaza pointedly asked, "Why do we have so many grand coalitions?" To him it was yet another indication that all the Opposition has at the moment is a "paper unity

which could be torn into fragments anytime."

Osmena was roundly criticized by UNIDO leaders for "fulminating his grievances to the public even before the UNIDO received a copy of his letter", and for not checking out his facts. Osmena disputes this claim, citing that his letter to Laurel was sent to Doy's

office at 4:50 p.m. Friday, and a copy to Villafuerte that same afternoon. Osmena also claimed he asked to see Villafuerte about

the contents of his letter that same afternoon and waited till late evening. Failing to see him, Osmena said he released the letter's contents to the press Saturday noon before enplaning for Cebu to meet Cory Aquino and the Ninoy memorabilia. Laurel leaders saw the letter, however, only on Monday morning, simultaneous with the press stories.

Clearly the issue of Opposition unity has become highly emotional both for the politicians and for the political sympathizers, and that cool heads must intervene. At press time LP's Eva Kalaw was poised to seek a dialogue with Minority Floorleader Laurel and PDP-LABAN stalwart Peping Cojuangco, Cory's brother, in an effort to force a more equitable restructuring of UNIDO if the Opposition is to survive. Kalaw is also poised to tour the entire country to beef up LP strength. Many are wondering if this is Kalaw's opening salvo in the presidential race.

Speaking before the Manila Rotary Club last Tuesday, Kalaw stressed that "political maneuverings which you may find distasteful is a healthy sign that the Opposition is very much alive." She then sought to assure the people "that bonds of comradeship, forged through almost 13 years of unwavering Opposition, are too strong to be broken by the apparent urgencies of the moment".

On the other hand, Doy Laurel's elder brother, Minority Floorleader Pepito, stressed in his colorful Batangueno lingo during the

UNIDO caucus last Monday the need for unity and unselfishness on the Opposition's part, if it is to wrest power from those who have oppressed the people for so long.

One can only hope that the politicians could substantiate their words with corresponding action.

CSO: 4200/558

PHILIPPINES

MR & MS WEEKLY DETAILS BENEDICTO 1973 MEDIA COUP

Makati MR. & MS. in English 11-17, 18-24 Jan 85

[11-17 Jan 85 pp 9-15: First of Two Parts]

[Article by Augusto Almeda Lopez: "How Benedicto & Partners Took Over ABS-CBN"]

[Text] Editor's Note: This puts on record the background of the events that led to the take-over by Roberto Benedicto and KBS, co-jointly with the National Media Production Center, of ABS-CBN's radio and television stations, commencing June 8, 1973. More than just recovering its broadcast stations or the payment of rentals and damages, ABS-CBN is greatly concerned with "righting a wrong".

For convenience, ABS-CBN is referred to as ABS. Kanlaon Broadcasting System (KBS) is the umbrella corporation of Benedicto's group of broadcasting companies, while Radio Philippines Network (RPN) is the operating

company of TV Channel 9; Bana-haw Broadcasting Corporation (BBC), of TV Channel 2; and Inter-Island Broadcasting Corporation (IBC), of TV Channel 13. Again for convenience, we shall treat these companies as one using KBS as their common title. The author was the general manager of ABS-CBN before martial law.

JUST before midnight of Friday, Sept. 22, 1972, METROCOM troops under the command of Capt. (now Col.) Rolando Abadilla swooped down on the ABS Broadcast Center on Bohol Avenue, Quezon City. At that time, several television programs were being taped and there was a big group of TV personalities in the

studios. At first, they thought that the soldiers, in full battle gear and with long firearms, were part of some other TV production. The soldiers had a difficult time convincing the TV talents and cameramen that martial law had truly been imposed by President Marcos and that under Letter of Instructions (LOI) No. 1 the Military was required to close down all radio and television stations in the country. So it was that everyone was sent out of the Broadcast Center, which the Military then proceeded to close and seal. Guards were posted all around the premises and no one was allowed to enter the compound. It was the beginning of a long military occupation. The troops billeted themselves in what is known as the Provincial Managers Quarters.

Similar scenes took place in ABS' other provincial radio and television stations throughout the country. In 1972, ABS was the Philippines' premier and largest broadcast network. It operated on a nationwide scale: seven television and 21 radio stations. Except only for the NHK studios in Tokyo, the ABS Broadcast Center in Quezon City was the biggest and most modern television production center in Asia. ABS had approximately 1,200 regular employees and about 800 radio and TV talents on its payroll, and another group of 300 contract employees.

As for LOI No. 1, the Military closed down all radio and television stations in the country except only KBS stations. The latter network was the only one allowed to operate and thus for a long period of time KBS completely monopolized the airwaves and, for that matter, broadcasting revenues.

When it seemed that KBS would not be granted a permit to reopen, the Company on Oct. 31, 1972, terminated the services of all its employees, giving each employee retirement benefits equivalent to one month's pay for every year of service. These totalled P9,800,000.00. (Up to this date, there are some 280 employees who have not been fully paid their benefits. Total unpaid benefits amount to P1,109,345.00 as of September 1984.)

ABS OFFERED TO GOVERNMENT

Early in November, 1972, Eugenio Lopez, Jr., wrote Secretary Juan Ponce Enrile a letter offering to sell ABS to the government. Secretary Enrile forwarded the letter to President Marcos, who

directed Cesar Zalamea, then president of Phil-Am Life Insurance, to undertake an appraisal of ABS' assets and liabilities, and to recommend a purchase plan.

In February 1973, Zalamea submitted his recommendation to President Marcos, to wit: payment of P60,000,000 to the owners and assumption by the government of all the Company's liabilities except only the P9,800,000 to be paid the employees, which would be for the account of the owners and taken out of the purchase price. It would seem that Marcos did not accept this recommendation and thus the project fell through. Zalamea's recommended purchase price was very close to the audited ABS Financial Statement of December 31, 1972, the highlights of which were:

Assets	P119,813,000.00
Liabilities	69,780,000.00

Stockholders	
Equity	P50,033,000.00

KOKOY ROMUALDEZ'S COOPERATIVE PLAN

It was then that Kokoy Romualdez came into the picture. He proposed the reopening of ABS under a cooperative plan, to be made up of ABS employees, radio and television personalities, employees of advertising agencies, newspaper reporters and others whose work was related to media. Cesar Zalamea and Antonio Ayala represented Kokoy Romualdez in this undertaking. The first thing they did was to ask First National City Bank (FNCB) to do a physical inventory and re-appraisal of ABS studios and broadcasting equipment. This was

completed on May 4, 1973, by Mr. John Leitch, a former vice-president for engineering of Columbia Broadcasting System (CBS). This reappraisal report, known as the Blue book, also pinpointed the location of each piece of equipment. Thereafter, the parties agreed on a purchase program which was basically the same as originally recommended by Zalamea in February. As the parties appeared to have an agreement, ABS prepared itself to reopen on May 15, 1973.

However, when Zalamea presented the overall plan to President Marcos, the latter directed the following amendments to be made: (a) instead of a cooperative, the purchasing entity would be a private foundation; and (b) instead of the 14% and 12% interest charges to be paid the bank and the owners, respectively, for the unpaid balance of their purchase price it would be lowered to 12% and 10%. Since these changes would take some time to finalize, the reopening date was moved to May 31, 1973.

More than the request for lower interest rates, what disturbed the bankers was the very vague manner in which the private foundation was described by Ayala and Zalamea. The most that they would say was that: the foundation would be controlled by a board of trustees, the members of which were to be appointed by a person who could not be formally identified. (In private they intimated that this person was Kokoy R.) But the banks insisted on formally being told who would control this foundation — in effect, who were they dealing with. And as the representatives refused to formally

reveal his name, there was a standstill in the negotiations. The target date for the reopening of ABS was moved back a second time, to June 15, 1973.

FIRE AT KBS

This was the state of affairs when on the night of June 6, 1973, the KBS studios on Roxas Boulevard were completely destroyed by fire. Channel 9 had to go off the air.

On that date, Messrs. Alfredo Montelibano, who was then the chairman of the board of ABS, and Roberto Benedicto, the owner of KBS, were both in Bacolod. When Benedicto was informed that KBS had been burned to the ground, he asked Montelibano for the use of the ABS Broadcast Center. Benedicto mentioned that probably he would need three to four months to rebuild his KBS studios. As for the rental, they agreed to meet on this point as soon as Benedicto returned from Japan, as the latter alleged he was leaving the next day. (At that time Benedicto was the Philippine Ambassador to Japan.) What was most important was that KBS be allowed to operate immediately from the ABS studios. Montelibano gave his consent.

In the morning of June 8, 1973, Montelibano called for a meeting of ABS executives in his offices at the Meralco building. He narrated the dialogue and the agreements he had with Benedicto and urged us to conform to Benedicto's request. ABS' management group explained the ongoing negotiations with the Kokoy group and the fact that 1,200 ABS employees would be displaced if KBS were to take over the ABS studios. It was suggested that KBS use instead the

facilities of either Channel 5 or Channel 11.

Montelibano pointed out to the others that he had already committed himself to Benedicto and that the only way out was the decision be overruled by Oscar M. Lopez.

(He became the ranking corporate Lopez official because his father was in the U.S., while his brother Geny was in the custody of the military.) He further stated that it was useless to resist this take-over as Malacanang could just issue a sequestration order. As for the terms of this take-over,

Montelibano gave us his personal assurance and guarantee that it would be fair and reasonable. He added that the KBS people were scheduled to come and sign the Lease Agreement that morning.

Thus it was that the Broadcast Center was turned over to KBS. This was done by way of a letter of agreement signed by Montelibano and Jose Montalvo, president of RPN, at noon of June 8, 1973. The letter-lease agreement is a three-page document whereby ABS agreed to give RPN the possession and use of the Broadcast Center on Bohol Avenue, Quezon City, and the TV and radio equipment therein, by way of lease, "for such reasonable time as may be normally necessary for the rehabilitation of RPN's facilities".

As for the rental, the letter-agreement states: "RPN shall pay ABS-CBN monthly a rental as is reasonable compensation for the use of the leased facilities. The amount of such rental shall be determined after discussion with Ambassador Benedicto" (Paragraph 2).

KBS TAKES POSSESSION OF BROADCAST CENTER

Later in the afternoon of June 8, 1973, Buddy Tan, then manager of KBS, with a carload of executives and two truckloads of security guards arrived at the Broadcast Center. The METROCOM troops had by then instructions to cede possession of the premises to KBS. They thus took physical custody of the Broadcast Center. Our people were called in to give them a tour of the offices.

June 9, 1973, is known to us at ABS as Looters Day. Starting at 8:30 a.m., KBS employees swooped down on the Broadcast Center. They staked their claim and fought each other for choice office spaces and furniture. They grabbed everything that their arms could carry, typewriters and even ash trays. They never had it so good. Literally, fist fights took place among them. As later described to us, it was as if a horde of hungry looters had descended on the place. It was a sample of things to come.

Where the letter-agreement stated that KBS could have the use of the Broadcast Center and the TV and radio equipment found therein, the same paragraph expressly and clearly excluded the use of ABS' TV channels and radio frequencies. Utilizing these channels and radio frequencies would in effect be operating these stations.

Not surprisingly, KBS followed and adhered to the terms of the above working procedure during the first month. Thereafter they started to adopt a more aggressive posture.

TV CHANNELS 2 AND 4; MANILA RADIO STATIONS

In July 1973, or approximately a month after the letter-agreement,

ASSETS TAKEN OVER BY KBS

The following were the assets taken over by KBS:

1. Land and improvements	P9,851,000.
2. Buildings and improvements	18,757,000.
3. Airconditioning systems	4,824,000.
4. Radio, TV and auxiliary equipment	56,840,000.
5. Office furniture and fixtures	3,099,000.
6. Motor vehicles	1,222,000.
7. Computer machine	2,247,000.
	P96,840,000.
8. Minus accumulated depreciation and amortization	- 31,415,000.
Total buildings and equipment	P65,425,000.
9. Plus materials, spare parts and supplies, at cost	+ 2,363,000.
10. Television films not yet telecast	4,120,000.
Total assets taken over by KBS	P71,908,000.

KBS started to operate TV Channels 2 and 4. Channel 2 under the call letters of Banahaw Broadcasting Corporation (BBC), and Channel 4 under those of the Maharlika Broadcasting System (MBS). An arrangement was made whereby NMPC operated Channel 4 during the day, while KBS operated it at night. All our objections and protestations were answered by the standard reply: 'Orders from above.' Thus, KBS was operating TV Channels 2, 4 and 9.

Also in July 1973, KBS began to operate ABS' Manila Radio Stations, using the same frequencies and changing only the call letters. Again all our protests were ignored.

PROVINCIAL TV AND RADIO STATIONS

While the letter-agreement of June 8 only referred to the

Broadcast Center in Quezon City, starting August 1973, KBS began to occupy and operate our provincial television and radio stations without even bothering to notify us. As these stations were under military control, it was the military that ceded possession of these stations of KBS. Eventually all 13 provincial radio stations and five provincial TV stations were taken over by KBS. Only the Iloilo radio station, which is located right adjacent to Mr. Fernando Lopez's residence in Jaro, was spared.

It should be pointed out that the assets quoted below were appraised as the sound value on May 4, 1973, by FNCB and the Leitch group. At that time, the dollar was still at P6.775, whereas it is now P19.90. Also the land values were at pre-martial law prices. Example: Bohol land values were at P110/sq. meter;

Mandaluyong at P55/sq. meter; and Meycauayan P15/sq. meter. They definitely are much higher now.

requested that the determination of the rentals to be paid by KBS be deferred until his return. Within the month, the

BANK LOAN OF ABS

On the date, June 8, 1973, when KBS took over possession of the Broadcast Center, ABS had the following bank loan balances (principal only):

1. FNCB	P19,316,000.
2. PCIB	9,223,000.
3. BANCOR	5,053,000.
4. Fidelity Bank Philadelphia	3,554,000.
5. Rizal Commercial Bank	3,182,000.
6. Crocker Bank, Ca	2,538,000.
7. General Bank	2,065,000.
8. People's Bank	1,334,000.
9. Philippine Bank of Communications	868,000.
10. Philippine Bank of Commerce	422,000.
11. Philtrust	420,000.
12. Security Bank	20,000.
13. Bank overdrafts and others	174,000.
	P48,169,000.

The above figures exclude interest charges, which were at varying rates. Other company liabilities, such as retirement benefits of employees, accounts payable and equipment loan of approximately P8,332,000, have also remained unpaid. The source of these figures is the ABS-CBN Financial Statement of December 31, 1973.

FNCB has a chattel mortgage on all the broadcast equipment in the Broadcast Center, while PCIB has a mortgage on all our real estate properties. The others are unsecured creditors.

MEETING WITH BENEDICTO

As explained to us by Alfredo Montelibano, Ambassador Benedicto was about to leave for Japan when KBS burned down on June 8, 1973, and so the latter

newspapers reported that Benedicto had returned and so, eagerly, Oscar Lopez tried to meet with Benedicto. Practically everyday attempts were made to reach Benedicto not only to determine the rental but also to protest the many irregular, if not illegal, activities of KBS personnel. After more than four months of trying, Oscar Lopez finally got to meet with Benedicto on October 31, 1973, in the latter's suite at Hyatt Hotel. At that meeting Benedicto told Oscar Lopez that KBS wanted to buy ABS but could only afford to pay between P60 to P70 million. Oscar Lopez told him that this was unacceptable, since the total liabilities of ABS already amounted close to P70 million. Under the Benedicto proposal, the ABS stockholders would receive

nothing in return whatsoever.

As a counter-proposal, Oscar Lopez told Benedicto that in the spirit of settling the ABS question once and for all, the Lopez family could probably be persuaded to accept a cash figure, net of all obligations of P36 million, although the real net worth of ABS at that time was P50 million.

Benedicto did not commit himself but said that he would refer this to the "man on top", i.e., President Marcos. Oscar Lopez and Benedicto agreed to meet again at his Hyatt Hotel suite the following day, Nov. 1, but Benedicto never showed up at the hotel that day. He finally called Oscar Lopez on Friday, Nov. 2, to say that negotiations would have to be suspended temporarily because the government was contemplating seizure proceedings against ABS, based on charges of unpaid taxes on importation of TV equipment in 1967-69. Before closing the phone, Benedicto added that he would keep in touch with Oscar Lopez on new developments. But that was the last time Oscar Lopez ever heard from him.

Subsequent attempts to reestablish contact with Benedicto came to naught. Telephone calls were not answered or returned. Letters were not even acknowledged. His business associates and subordinates refused and/or were ordered not to accept messages from us to be relayed to him.

In brief, it was made very obvious that Benedicto did not want to meet with ABS for the purpose of fixing the rental. Aside from our own efforts, several of the creditors tried to intervene in our behalf with the end in view of getting their loans paid. Some went directly to Marcos, others to

Benedicto and Enrile, and others to then Press Secretary Kit Tatad. Among them were the foreign film-suppliers; Placido Mapa of PCIB; Sixto Roxas of BANCOR; and FNCB executives and lawyers. All of them were unsuccessful.

DIALOGUE BETWEEN SEN. TANADA AND SEN. FERNANDEZ

When all friendly and extra-legal attempts to meet with Benedicto a second time failed, Sen. Lorenzo Tanada, for and in our behalf, in May 1976 addressed Benedicto a demand letter to vacate the Broadcast Center and to pay the back rentals for the use of ABS' stations and facilities.

Sen. Estanislao Fernandez, who was taken in as counsel for Benedicto, asked for a meeting. The first meeting was at Club Filipino in June 1976. As Senator Senators Tanada and Fernandez were colleagues of long standing in the past, the meeting was cordial and open. Fernandez told Tanada that some weeks back he was called to Malacanang to meet with Marcos on some other political matter. It was then that Marcos asked Fernandez to represent Benedicto in the ABS case. Fernandez told us that Marcos' first priority was to pay out the employees' retirement benefits.

The parties then started to evolve a formula for reaching a reasonable rate of rental for the use of ABS stations and facilities, to wit:

a) For real estate properties, there was a temporary agreement to use the traditional and accepted rate of 1% a month based on the sound value of the land and improvements involved;

b) For the broadcasting equipment, since none of the parties had any experience in this sort of lease contract, the parties agreed to make inquiries from commercial leasing companies as to the accepted rate of rental for electrical and/or similar equipment; and

c) For motor vehicles of which ABS had several and which KBS was utilizing, it was agreed to refer the matter to knowledgeable people in the car leasing business.

The second meeting took place on July 7, 1976, again at Club Filipino, and this time Sen. Fernandez brought along Atty. Mike Gonzalez, a close associate of Benedicto and an officer of KBS.

Prior to said second meeting, we made inquiries from two leasing companies and were told that the actual monthly rental charge for electrical equipment was 3.59% of acquisition cost. (A usual feature of an equipment lease contract is that the lessee would have the option to buy the equipment involved after two years at the price of 50 to 60 per cent of the item's acquisition cost.) Under this formula KBS would have to pay ABS approximately P1,972,000 a month just for the Broadcast Center, excluding the use of the provincial stations. At that rate KBS already owed ABS P70,000,000 for the 37 months it had used the Broadcast Center, June 8, 1973, to July 7, 1976.

Apparently, Sen. Fernandez and his client company also made inquiries on rental rates for electrical equipment because, at the outset of this second meeting, they immediately rejected the lease

concept and suggested that we (ABS) submit a purchase plan to include price and terms of payment.

Off the record, Fernandez said that while he had not been authorized to make an offer, he would do so if we were amenable to accepting P500,000 a month as rental for all ABS assets. We pointed out to Fernandez that P500,000 a month would not

even be sufficient to pay the interest on our outstanding bank loans. What about the principal? How would ABS be able to liquidate its loans? If that was the figure he had in mind, we said we would prefer to discuss an outright sale.

We told Messrs. Fernandez and Gonzales of the valuation made by John Leitch in May of 1973, which valuation was accepted by the creditor banks, Kokoy R. and the owners. We mentioned that the highlights of this valuation had already been conveyed by Montelibano to Benedicto soon after the take-over on June 8, 1973. We briefed them on the terms of payment submitted by Zalamea on the cooperative and private foundation basis which could be used by KBS for its purchase plan and which would in all probability be accepted by the creditor banks. We also mentioned that a copy of the Leitch Report, The Blue Book, had already been furnished KBS people (Buddy Tan). Then we gave Messrs. Fernandez and Gonzalez:

a) The list of ABS employees with unpaid retirement benefits; and

b) Copies of our 1972, 1973, and 1974 and 1975 Financial Statements.

Fernandez asked for time to enable their accounting people and auditors to go over our financial statements and The Blue Book. He promised to call up Sen. Tanada to agree on the date, time and place for the third meeting.

We never got to meet Sen. Fernandez again, as he kept on deferring the third meeting on the ground that their accounting people had not completed their studies and recommendations. Subsequently, Sen. Fernandez became ill and his office could not give us a date when he would be reporting to office. And then later, Sen. Fernandez passed away.

Unbelievable, but that one meeting between Oscar Lopez and Benedicto in October 1973 and those two meetings between Messrs. Tanada and Fernandez were the only instances KBS agreed to sit down and discuss with ABS representatives the financial aspects of their take-over of ABS stations. And those three meetings produced no agreement whatsoever. Thus, from June 8, 1973, up to the present, or for more than eleven years now, and notwithstanding that they have grossed more than a Billion Pesos in revenues and earned very handsome profits while operating ABS stations, neither Benedicto nor KBS nor NMPC has paid ABS a single centavo as rent or compensation.

(To be continued next week)

Editor's note: The following letter dated Dec. 17 is a reply to the letter dated Dec. 19 of Oscar Lopez, ABS-CBN president. Lopez' letter demands financial settlement for the take-over of ABS-CBN radio and TV stations, and failing that demands that those who took over "vacate Broadcast Center on Bohol Ave. and all our 22 provincial radio and TV stations by Jan. 19, 1985" or eight days from today. Lopez ends with a warning: "We reserve the right to take, at the appropriate time, such actions or measures as may be called for to recover the damages we have suffered as a result of your actions."

The letter (at right) dated July 12, 1978 was enclosed in the KBS letter sent to Lopez.

December 27, 1984

ABS-CBN Broadcasting Corp.
5th Floor Chronicle Bldg.
Meralco Avenue, Pasig

Attn: Mr. Oscar M. Lopez
President

Gentlemen:

Regarding your letter of December 19, 1984, please be informed that our position regarding the use of your properties has been repeatedly made known to your lawyers as early as June 28, 1976 in answer to several demands made by them in your behalf in the past, i.e. in view of the sequestration of your properties by the Government, you will have to take up your demands with the Government. Copy of one of the letters of our lawyers to your lawyers is hereto attached.

Accordingly, we cannot for the present comment on the various remarks you have made on the value and our use of the property which we were required to turn over to the GTV-4 and NMPC-Military Teams, including the Meycauayan radio tower antenna, starting with the Broadcast Plaza complex on October 7, 1977 followed by the delivery of the provincial stations.

Very truly yours,

RPN-KBS

By:

EXEQUIEL B. GARCIA
Comptroller

Incl:

Letter of the late
Atty. Estanislao Fernandez
to the Tanada Law Offices
dated July 12, 1978

July 12, 1978

TANADA, SANCHEZ, TANADA
& TANADA
6th Floor, Consolidated
Mines Building
Makati, Metro Manila

Gentlemen:

This is in answer to your letter of June 29, 1978 addressed to our client Radio Philippines Network, Inc.

We recall that we had previously discussed your client's claim, and our client's position, as stated in our letter to you of June 28, 1976, remains the same, which is: principally, after our client was informed that the Government sequestered the ABS-CBS properties and facilities, and the issuance of warrants of seizure and detention by the Collector of Customs, our client then had to deal with the Government, and we believe that your client in turn should also deal with the Government. Our client's act in dealing with the Government was not a matter of preference but upon specific instruction of the Secretary of National Defense.

As regards the other matters stated in your letter we reserve comment for the present in view of our above-stated position.

Very truly yours,

SAN JUAN, AFRICA, GONZALES
& SAN AGUSTIN

-- and --

ESTANISLAO A. FERNANDEZ

By:

ESTANISLAO A. FERNANDEZ

[Article by Augusto Almeda Lopez: "How Benedicto & Partners Took Over ABS-CBN Without Paying a Single Centavo"]

[Text]

Editor's Note: This puts on record the background of the events that led to the take-over by Roberto Benedicto and KBS, co-jointly with the National Media Production Center, of ABS-CBN's radio and television stations, commencing June 8, 1973. More than just recovering its broadcast stations or the payment of rentals and damages, ABS-CBN is greatly concerned with "righting a wrong".

For convenience, ABS-CBN is referred to as ABS. Kanlaon Broadcasting System (KBS) is the umbrella corporation of Benedicto's group of broadcasting companies, while Radio Philippines Network (RPN) is the operating company of TV Channel 9; Bana-haw Broadcasting Corporation (BBC), of TV Channel 2; and Inter-Island Broadcasting Corporation (IBC), of TV Channel 13. Again for convenience, we shall treat these companies as one using KBS as their common title. The author was the general manager of ABS-CBN before martial law.

IT might be asked, if ABS had been so wronged why did it not seek justice from the courts? We deliberately did not pursue this course of action because, first, we doubted very much whether any judge could have resisted pressure from the Almighty, especially during the period from June 1973 to Aug. 21, 1983. Second, the other party would have welcomed a court suit as they could have easily delayed

it for years and years. And, third, by initiating a court action we would have impliedly accepted the jurisdiction and integrity of the courts under the Marcos regime and thus would be estopped from questioning an adverse ruling against us in the future.

KANLAON BROADCASTING SYSTEM (KBS)

Soon after the elections of 1965, Roberto Benedicto started to buy a string of provincial radio stations under the trade name of Kanlaon Broadcasting System (KBS). Rumors in the trade and in political circles were that the major partner in this venture was Ferdinand E. Marcos himself. However, even Feny Hechanova and the Liberal Party could not produce proof to substantiate these talks. In Metro Manila KBS operated TV Channel 9.

In the regular surveys of radio stations before martial law, KBS never rated. If at all, KBS stations were included in the classification "and others". As for television, its Channel 9 alternated with Channel 13 for the last place. As a result, KBS was continuously losing money and, hence, had no occasion or opportunity to improve its facilities or its programming.

When martial law was imposed, only Channel 9 and the KBS radio stations were allowed to operate. Their golden opportunity had thus come. They had the complete monopoly of broadcasting and, of

course, of broadcasting revenues. Other radio and TV stations that were subsequently allowed to reopen made it a very firm policy not to compete or outdo KBS stations lest they be scratched from the game.

The only constraint to KBS' growth and improved operations during the early months of martial law was the limited facilities of its studios on Roxas Boulevard, Pasay City. The fire then at their studios on June 6, 1973, was in a big way a blessing for KBS. Indeed, there were very strong rumors that the fire was not accidental. Two days after the fire, they had possession of a Broadcast Center with facilities and capabilities eight to ten times what they originally had. With the Center went the most popular TV film serials then exclusively owned by ABS. During all the time that ABS stations were closed, our equipment was regularly maintained and test-fired preparatory to its opening under the cooperative plan. So all KBS had to do was to switch on the transmitters and it was in business.

As earlier mentioned, KBS never had it so good. Literally, it had everything and much more. From one TV channel it now had three — Channels 2, 4 and 9. For operational purposes, it had four million pesos worth of foreign television films and video tape materials, plus the necessary spare parts in the stockrooms — all for free. Overnight, it had five provincial TV stations at its disposal and use. As for radio, added to its own network were the seven Manila and 13 provincial stations.

Per the statements of its own employees, KBS generated revenues of P50,000,000 just from

television for the six months that it was at the Broadcast Center, June 8 to Dec. 3, 1973. In 1974, its television revenues were reported to be P103,000,000. By this time, Channels 7 and 13 were already operating and giving them better competition. (Subsequently, KBS also acquired Channel 13 from the Sorianos.) We have no report on its radio income, but on the basis of our past experience it should range from 60% to 80% of television revenues. Thus it would be safe to estimate its total broadcast revenues for 1974 at P170,000,000. During the more than six years (June 3, 1973, to Dec. 31, 1979) that KBS occupied, used and operated ABS' assets, it must have grossed more than a billion pesos in revenues. Whether it reported this or not is a different issue.

With these figures at hand, would it be amiss to allocate a

figure of P2,000,000 a month, or P24,000,000 a year, for rentals? Is it possible that Benedicto and his partner really wanted everything for themselves — playing a deaf ear to the claims and complaints of legitimate creditors? If this had not actually happened, it would have been hard to believe even as a radio drama.

BASIS FOR HOLDING ON TO BROADCAST CENTER

There were three (3) alleged basis for KBS' possession and use of the Broadcast Center and of the other ABS stations. Note that they are inconsistent with one another. First was an alleged Sequestration Order. On the day martial law was proclaimed, the military entered the premises of all ABS stations and ordered their closure.

They cited Letter of Instructions No. 1 ordering the closure of all broadcast stations in the country as the basis for their actions. However, after some time, while other stations were allowed to reopen, those of ABS and of the Manila Times remained closed and under military control. At that time, rumors circulated that Marcos had issued LOI No. 1-A ordering the sequestration of all ABS and Manila Times stations. While we got to see copies of LOI No. 1, much as we tried, we never saw the alleged LOI No. 1-A.

Sequestration is defined both by lay and legal dictionaries as confiscation. Under the 1935 Constitution and the different laws in force on Sept. 21, 1972, there was no such thing as sequestration or confiscation of property. The state could acquire properties by expropriation but only after paying just compensation. Of course, under a dictatorship the rule of law ends and the whims of men prevail, and so everything and anything can happen.

In this jurisdiction and in countries that recognize International Law, the only instances where sequestration is considered valid are: 1) When enemy alien property is sequestered by the visitors as trophies of war — such as when the U.S. army took over Japanese and German-owned properties in the Philippines at the end of World War II. 2) When the government or the military takes over property in pursuit of a national or a military need. In either case, the owner of the property sequestered must be duly compensated at the earliest possible time. Example: When the army took over civilian buses to carry the troops in their withdrawal to Bataan in 1941. But these buses

were fully paid for right after the war.

In the KBS take-over of ABS, the Philippines was not at war with any foreign country. Nor could it be said that ABS was an enemy alien. Nor could the take over be considered to have been for a public need, unless, of course, filling up the pockets of Benedicto and of KBS forms part of the National Economic Program.

It may be pertinent to note here that some government and military officials have been rather loose and careless in their use of the term "sequestration". We have in our files copies of letters under the signatures of high ranking officials wherein they use the term "sequestered ABS-CBN broadcasting facilities". They may not be aware of it but there is a U.S. Federal rule that mandates all American financial institutions to secure insurance coverage against "sovereign risk" for loans they extend to corporations or persons whose governments have been known to have sequestered private property. If it is really true that Marcos issued LOI No. 1-A ordering the sequestration of ABS stations, that one act alone would require all U.S. banks and financial institutions to obtain insurance coverage against the risk of a similar sequestration. That rule cannot be waived or set aside. Assume then that out of our 25-billion-dollar foreign debt, 10 billion dollars was granted by U.S. banks, and assume that the premium for sovereign risk is only 1%. That means that Philippine debtors and our Central Bank would have to pay an extra 100 million dollars every year in the form of additional bank charges. People may thus be well advised to stop toying with the term "sequestration". It could be very

expensive and disastrous to Philippine economic recovery.

Moreover, in his book **In Search of Alternatives: The Third World in an Age of Crisis**, p. 148, Marcos categorically stated that the basis for RPN's and the NMPC's takeover of ABS stations is the letter-agreement of June 8, 1973, and the Customs Case. He never mentioned sequestration. This should therefore end any further discussion on sequestration.

Second basis for KBS' possession and use of ABS stations was the letter-agreement of June 8, 1973. To begin with, the letter-agreement was secured by Benedicto through the immoral use of the coercive powers of a dictatorial regime. This was a very clear case of arm twisting to favor his own and his companies' business interest. At that time, the Broadcast Center was guarded by a platoon of Metrocom soldiers, and Benedicto himself moved around escorted by jeeps of heavily armed men. With that military presence, the threat of the use of force was real and immediate.

Assuming, however, that the consent to the letter-agreement is interpreted as having been given freely by ABS, Benedicto's subsequent act of refusing to meet with ABS to agree on the monthly rental, as required by paragraph 2 of the letter-agreement, clearly invalidated said agreement. One need not be a lawyer to understand that in a lease contract rental has to be paid.

Benedicto and his partner, being lawyers, apparently realized that the sequestration theory, while effective as a bluff, could not legally hold water. They thus resorted to the ploy of asking ABS to sign a letter-agreement. But for a valid lease arrangement to exist, rent would have to be paid, and it would seem that paying was

anathema to them. Not wanting to pay a single centavo for ABS, they had to resort to another subterfuge, and hence we come to the third alleged basis for KBS' occupation and use of ABS stations, the so called:

CUSTOMS CASE

For a better understanding and appreciation of this case, perhaps an explanation of the background of this legal issue would help. As the TV set count in the country grew by leaps and bounds in 1965, and as the viewing public began to clamor for more locally produced programs, ABS studied the possibility of putting up a much bigger and more modern production center.

One of our problems at that time was that, while television income was relatively low, imported television equipment was expensive. Compounding that problem were the very high customs and tariff duties imposed on television equipment. They ranged from 25% to 100% of the landed costs, depending on the item involved.

The only way then to make the construction feasible was to ask Congress to amend the Customs Code and to exempt broadcasting companies from paying said customs duties. We officially brought this problem up to Congress, but in the end Congressman Jose Aldeguer advised us that, while we had strong and valid points in our favor, it was politically unwise for Congress to enact law favorable to television stations, inasmuch as the Lopezes, who had just shared victory in the 1965 elections, were too closely identified with the industry. So it was that we suspended our plans to put up a new broadcast center.

Fortunately, our attention was called to the provisions of RA 2036, amended by RA 4054, granting RCPI a franchise to operate radio and television stations. Upon payment of 1½ percentum of its gross receipts,

RCPI was granted exemption from the payment of all taxes, including, customs duties, for the importation of its broadcast equipment.

While ABS' franchises (RA 511 and RA 512) to operate radio and television stations do not expressly exempt it from the payment of customs duties, they do contain a clause which provide that in case another company is given a franchise to operate radio and television stations under terms and conditions more favorable than those granted ABS, then those more favorable terms and conditions shall be deemed automatically incorporated in the franchises of ABS. In law, this is known as the *ipso facto* doctrine.

Since RCPI, a grantee to operate radio and television stations, has been granted exemption from the payment of customs duties for its imported equipment, we sought from the pertinent government offices an opinion regarding the extension of the same privileges to us under the *ipso facto* clause in our franchises. On Aug. 19, 1966, the Commissioner of Internal Revenue ruled that ABS was entitled to the same tax exemption enjoyed by RCPI. On Aug. 29, 1966, the Acting Secretary of Finance confirmed the ruling of the Commissioner of Internal Revenue.

With these rulings in hand, we started the construction of our Broadcast Center and the importation of broadcast equipment. As the voluminous record in this

case will show, whenever ABS brought in broadcast equipment from abroad it always secured from the Department of Finance a certificate of exemption identifying each piece of equipment in its application. In turn, the Department of Finance since 1967 consistently granted out requests for exemption. The approvals were, on different occasions, signed by Finance Secretaries Eduardo Romualdez and Cesar Virata, and Undersecretaries Juan Ponce Enrile and Roman Cruz.

To our surprise, a few weeks

after KBS took over the Broadcast Center, we started to hear rumors that the Bureau of Customs would be ordered to go after us. True enough, soon thereafter, ABS was called to appear in a hearing held at Camp Crame and presided over by the military, to listen to the new position adopted by the Bureau of Customs — that ABS' exemption should only be limited to the importation of its radio equipment. The bureau ruled that the prior exemption granted ABS on its television equipment by the Department of Finance were a mistake and that ABS therefore owes the government customs duties on the equipment.

Based on the above new position, on Sept. 8, 1973, or some three months after KBS had taken over the Broadcast Center, the Bureau of Customs issued a Warrant of Seizure and Dstraint against some television equipment of ABS. We contested this warrant, and an administrative hearing was conducted by the Bureau of Customs.

Under normal times, ABS could not have possibly lost this case. On the other hand, under the Marcos regime — and especially so because his company was involved — it

would have been impossible for ABS to have won.

The fine imposed against ABS is twice the assessed customs duties. The figures do not tally, but they are the figures we picked up directly from the decisions:

While we were not surprised at having lost the case, what stumped us was the viciousness of the fine imposed. It only showed how Malacanang dominates administrative hearing bodies and how lapping puppies are just too eager to please the master. Without their realizing it, ultimately it is Benedicto and his partner who will bear this additional cost, as these customs duties and penalties will just have to be added to the cost of the television equipment Benedicto, KBS and NMPC took from ABS. So instead of P71,908,000, the cost of ABS assets taken over by them must now be valued by

Bureau of Customs in this case, namely:

a) Assuming that there was a tax deficiency against our television equipment, the seizure and detention order should have been limited to said equipment and not against the real estate properties of ABS, nor against its other assets, such as its television films and radio equipment.

b) Assuming that the Warrant of Seizure and Detention was and is valid, why did the Bureau of Customs allow KBS to possess, utilize and operate our broadcast equipment? Certainly, the continued use and operation of the delicate and sensitive broadcast equipment by KBS could only bring about the faster rate of depreciation of its value. The accepted and normal procedure

On Oct. 16, 1979, the Bureau of Customs rendered its decision adverse to ABS as follows:				
Port	Customs Duties	Fines	BIR Tax	Grand Total
1. Manila	P 8,824,461	P17,648,922	P2,521,217	P28,954,000
2. Iloilo	581,148	1,162,296	69,511	1,192,955
3. Batangas	48,175	96,364	15,638	160,164
4. Davao	294,742	598,484	95,519	988,745
5. Cebu	569,254	1,138,508	171,046	1,878,808
6. San Fernando	248,959	497,918	59,494	806,371
TOTAL	<u>P10,566,739</u>	<u>P21,142,492</u>	<u>P2,932,425</u>	<u>P34,701,043</u>

P106,609,043.

ABS has appealed this case to the Court of Tax Appeals where the case is now pending. Hearings are still being held in this appellate court. This memo will not touch on the merits of this appeal but merely point out the many great and serious irregularities committed by the Dept. of Finance and the

was for the bureau to warehouse the equipment or just hold it in place. Several times we brought this irregularity to the attention of the bureau, but our protests were just ignored.

It is very clear that the issuance of the Warrant of Seizure and Detention and the filing of the tax

case against ABS was just a ploy to give some semblance of legality to the continued possession and use, of ABS stations by KBS. The scenario here is that the Bureau of Customs supposedly leaded out these assets to KBS, but they would be hard put to get people to accept this fiction because, first, nobody has ever seen this contract. Second, if there was such a contract, why were the creditors, especially FNCB, which has a chattel mortgage on the equipment in the Broadcast Center, not consulted or even notified? The Customs people have no working knowledge of the broadcast industry. How could they have intelligently negotiated the rental to be paid by KBS?

The reasonable rentals here should have been not less than 20 million pesos a year. Can KBS show receipts that it paid said rentals to the Bureau of Customs for the years 1973 to 1979? In turn, did the bureau regularly report this income, and did it remit the funds of the treasury?

The back rentals and compensation for damages in this case have reached such huge amounts that possibly all of KBS' assets, including its new Broadcast City, would not be sufficient to pay off their debt to ABS. It would indeed be poetic justice if the Broadcast City were to be handed over to ABS for after all it was built through the use of ABS stations. But if that would still be insufficient then we would have no alternative but to proceed against such persons, partners, and corporate officials of KBS, RPN and NMPC, in their private capacities, for having participated in these illegal acts. Fortunately, these are very moneyed people.

NATIONAL MEDIA PRODUCTION CENTER

We are informed that on Jan. 1, 1980, KBS handed over the possession of the Broadcast Center and of the other provincial radio and television stations to the government agency — National Media Production Center. We were not a party to this arrangement and we do not know the legal basis on which this was made.

What we do know of the NMPC is that in January 1978 it wanted to buy the stations and equipment of ABS. In fact, on Jan. 25, 1978, a conference was held between Rodolfo Reyes, then general manager of NMPC, and ABS officials. RR informed the group that the government had plans of incorporating a government broadcast company to precisely purchase ABS assets. RR gave Sen. Tanada what he called "The draft of the Presidential Decree creating, said corporation." In a letter of AAL dated Jan. 26, 1978, Sen. Tanada said:

"It consists of 16 pages, single space. We do not have to read the entire draft to see that the offer is serious. However, I am sending a copy thereof so that you may see that the idea of sequestration has been abandoned.

"If all goes well, even the customs case and the accounts with FNCB will be settled. RR told us that they have talked to FNCB people who have said that the loans could be restructured to facilitate payments. They have even hinted that they would help in the financing of the project.

"The target date is any day before the end of March (1978)."

CONDITIONS OF STATIONS AND EQUIPMENT

On Aug. 13, 1984, we visited our radio transmitting areas in Meycauayan and in Mandaluyong. Unbelievable, but all that remain are the transmitter buildings, bare of any equipment.

In Meycauayan, where we had two huge 50-kilowatt transmitters weighing at least a ton each, not a bolt or a screw remains. Would you believe that our 300-foot radio tower is gone? Two families now utilize the building as their residences.

In Mandaluyong, where we had four radio transmitters and sundry other equipment, everything but everything is gone. The building is being utilized as the residence of a bachelor.

At the Broadcast Center, AAL, was informed that when NMPC took over on Jan. 1, 1980, the only equipment left was the transmitter for Channel 4. Where could Benédicto have transferred our broadcast equipment? And what did he do with our new computer machines?

Over the 25 years that ABS operated broadcast stations, we had accumulated in our library the musical records and radio dramas of our artists of yore. Many of these works are by now irreplaceable. Indeed, our library was one of our most valued treasures. It was, therefore, with great pain to be told that our library is now gone. All these losses we have to bear in silence.

POLITICAL VIEWS

We feel it is necessary to comment on the charges of Malacanang that ABS deliberately

undermined the Marcos administration during the pre-martial law years. Very vehemently we deny these charges. Unlike the

Manila Chronicle where the owners sometimes expressed their political views in the editorial page, the Lopezes never utilized ABS stations to ventilate their personal or political views. While ABS sold air time and political spots to the Nacionalistas, the Liberals and candidates of other political persuasions, ABS did so on a purely commercial basis, treating all of them equally. As this denial may be taken as self-serving, we would welcome any investigation to clarify this point. There are many ex-ABS personnel now employed in different media outlets, government offices, including the Batasan, and business organizations who can be called to testify on this issue. Without fear of contradiction, they will confirm that ABS stations always operated on a professional and non-political basis.

WINDS OF CHANGE

During the martial law years, the Marcos regime had successfully decimated and rendered ineffective the traditional institutions looked upon by the citizenry for the redress of their grievances. It was for this reason that the owners and employees of ABS, much as they felt aggrieved by the arbitrary actions of Benédicto, KBS and NMPC, and the officials thereof, believed it futile and completely useless to resort to these institutions.

Recent events, however, have caused the awakening and revival, the assertiveness and readiness of the press, of the legislature, of

business and banking chambers,
and of civic organizations to expose
injustices — to "right a wrong".

Some people believe that the
"winds of change" have come at
last. Maybe they are right, and
while our task can only be long
and arduous, perhaps now is the
time to start the redress of our
grievances. **MM**

CSO: 4200/558

THAILAND

BRIEFS

BORDER ATMOSPHERICS--When a Vietnamese officer talked briefly with a Thai sergeant on the border the other day, after the Vietnamese took a break from the 36-hour of fierce fighting with the resistance forces, Bangkokian felt relieved--it was better to exchange words than bullets. The officer at first was reluctant to get close to the Thai frontier but he was relaxed after several greetings and waving hands from throngs of Thai reporters and foreign correspondents who were waiting nervously at a barbed wire barrier to take a glimpse of him. If Bangkokian were the Vietnamese, I would have stayed away. Just look at hordes of reporters with their personal gears, some of them with zoom lens, which looks like bazookas--would definitely scare people away. But the 30-minute parley was carried out under a relaxed atmosphere with a few laughs. The reporters wanted to know his name, some wanted to know how they got there (by tanks or by foot or any other means), and how long they would stay at Ampil. When the Vietnamese returned to his bunker in front of Ampil base, he was seen briefing his friends about the conversation. But one question no reporter asked was: "Do you like Thailand?" [Text] [Bangkok THE NATION REVIEW in English 11 Jan 85 p 4]

ARMS UPGRADING--Thailand has been upgrading its inventory of military hardware and defence requirements in the past couple of years. The Army's plans to modernise its tank force and reinforce its strength has been approved by Military Supreme Commander, General Arthit Kamlang-Ek. Tenders for the supply of 100 medium tanks are expected to be called for by end of October. According to a Thai newspaper report the tanks are expected to cost about US \$1.7 million each and the total expenditure would be around US \$174 million. The purchase plans were described as one of the latest to acquire weapons for the Army. Payment would come from the Army budget and stretched over 10 to 15 years. The government would guarantee payment. [Text] [Kuala Lumpur ASIAN DEFENCE JOURNAL in English Nov 84 p 15]

KMT-BCP CONNECTION--The Thai government is seriously concerned about security in the northwest border areas with Burma. Recent reports indicated that leaders of the remnant Kuomintang (KMT) army had agreed to approach the Burmese Communist Party (BCP) to form an alliance. It was also reported that the KMT had agreed to supply food and ammunition to the BCP units in return for BCP assistance to drive out the Shan United Army from previously held KMT territory. The KMT is now seeking to eliminate its SUA rival. Ten KMT soldiers were killed in a July battle with the SUA. The Shans extended their territory as a result of the battle. The government is worried about renewed fighting between rival groups

in the border area, which is part of what is known as the Golden Triangle. The Thai army has been unable to control these groups, as they are dispersed and operate from across the Burmese border. Efforts have been made by the authorities to disarm and resettle the KMT remnants in Thailand with some success. It is hoped to involve these ex-soldiers in the national development schemes. [Text] [Kuala Lumpur ASIAN DEFENCE JOURNAL in English Nov 84 p 15]

CONTRACT FOR STING RAY--The Royal Thai Navy has signed a contract with Marconi Underwater Systems Limited (MUSL) for the supply of the advanced lightweight anti-submarine torpedo Sting Ray. The contract was won in the face of strong international competition and represents the first export sale of Sting Ray to the Far East. The Royal Thai Navy is currently involved in a modernisation programme which involves ships, submarines, aircraft and weapons. Sting Ray has been purchased for use by the Royal Thai Navy Corvettes and Maritime Patrol Aircraft because of the weapon's outstanding performance in shallow water. This effectiveness is a function of Sting Ray's on-board computer, its quick reaction control system and its multi-mode sonar. Sting Ray is acknowledged to be the most advanced lightweight torpedo in production. Its on-board digital computer enables the weapon to make tactical decisions during an engagement and gives it the intelligence to consistently reject target released countermeasures. Sting Ray is fully compatible with a wide variety of air and ship platforms. Sting Ray entered Royal Navy and Royal Air Force service a year ago on time and within budget. It represents a significant advance over all previous weapons and is seen as providing the vital element in a powerful anti-submarine force. [Text] [Kuala Lumpur ASIAN DEFENCE JOURNAL in English Nov 84 pp 15, 16]

TANK PURCHASE--The Thai army plans to make a purchase of some 100 light tanks, costing some 4-5,000 million baht, in order to modernize and expand its current tank forces. A special committee has been set up under Army Chief of Staff General Banchop Bunnak, to draw-up required specifications for the new purchase. According to other Thai sources, General Athit has already given his vote of approval to the plan, and nearly 90 percent of the vehicle specifications have already been agreed upon. [Text] [Kuala Lumpur ASIAN DEFENCE JOURNAL in English Nov 84]

CSO: 4200/497

INTERNATIONAL RELATIONS, TRADE AND AID

VNA ON U.S. ACTIVITIES IN CENTRAL AMERICA

OW190747 Hanoi VNA in English 0709 GMT 19 Feb 85

["A Perilous Step of the U.S. in Central America--VNA commentary"--VNA headline]

[Text] Hanoi, VNA, 19 Feb--The recent feverish military activities of the U.S. and its allied countries in Central America and the Caribbean have further strained the situation in that part of the world.

World opinion is particularly concerned about the increasingly explosive situation in the region around Nicaragua which is posing a grave danger to the independence of this country.

The military exercise codenamed "Big Pine Tree 3" which is under way close to Nicaragua with the participation of 10,500 American and Honduran troops armed with modern weapons including m-60 tanks following two such exercises in late 1984 are manifestly aimed at preparing for a direct U.S. armed intervention in Nicaragua as has been denounced by the Nicaraguan foreign ministry in its note to the U.S. State Department recently.

The emergence and constant growth of an independent Nicaragua as well as the ever stronger development of the patriotic movement in El Salvador and other countries in the Caribbean have become a source of great concern for Washington. One of the Reagan administration's primary concerns is to throttle the young Sandinista state, to destroy the image of revolutionary Cuba in an attempt to prevent the influence of the revolution in these two countries from spreading to all of Central America.

The American press itself has revealed the Pentagon's scheme of deploying fighting units of the United States to areas close to the Nicaraguan border, ready to jump in when the time comes. On the Honduran soil, U.S. troops have also engaged in daily combat training. The U.S. administration has drawn many countries in Central America into its gamble. Honduras, Puerto Rico, Guatemala and Costa Rica are becoming jump-off places for Washington's expansion and aggression in Central America.

On the other hand, the Central Intelligence Agency is actively training Nicaraguan reactionaries, supplying them with weapons and money before smuggling them back into the country to sabotage the construction of the people in that country.

The recent White Book of the United States which shamelessly slanders the Soviet Union and Cuba is actually aimed at covering Washington's policy of intervention. The NEW YORK TIMES pointed out that this document is intended to persuade congress of the need to continue military aid to pro-U.S. regimes and reactionary forces at the Nicaraguan border.

But the time the U.S. imperialists could dictate their will to the people in the region has definitively revolved. The Nicaraguan revolution has become ever more stable in all fields especially since the general election in late 1984. The Nicaraguan people, standing firm and alert, are ready to smash all adventurous acts of the U.S. imperialists. A direct military intervention in Nicaragua will make Washington pay dearly in all respects, military, political and diplomatic.

CSO: 4200/565

INTERNATIONAL RELATIONS, TRADE AND AID

SPK SAYS ASEAN ALIGNING WITH PRC POLICY

OW211532 Hanoi VNA in English 1447 GMT 21 Feb 85

["SPK Criticizes ASEAN's Stance"--VNA headline]

[Text] Hanoi, VNA, 21 Feb--In a commentary on 20 Feb, SPK noted that the appeal of the foreign ministers of the ASEAN countries for military aid from the international community to the Polpotists and their associates marks a further step in the alignment of ASEAN with China's policy.

The commentary said: "Small wonder that China was the first to respond to the ASEAN appeal now that its henchmen, the Polpotists, are in a bad fix, both on the battleground and in the international arena.

"So the ASEAN is pouring oil to the fire, to the detriment on the growing trend for dialogue in this region. Its attitude is diametrically opposed to the three Indochinese countries' good will, which was firmly reiterated by the 10th meeting of the foreign ministers in Ho Chi Minh City has the support of broad segments of the world public.

The commentary stressed that to attack the Polpotists and their associates in the legitimate right of the People's Republic of Kampuchea, an independent and sovereign state, while to shelter and collaborate with the criminals guilty of the death of three million persons is tantamount to encouraging genocide. "It is only hypocrisy to try to settle the Kampuchean question without eliminating Pol Pot, because that would mean supporting Beijing's policy of using its lackeys to destabilize the situation in Indochina and Southeast Asia as a whole. The elimination of the Polpotists, therefore, is a demand of both the heart and reason," the commentary pointed out.

The Kampuchean people are determined to march ahead with full confidence in the victory of their sacred cause, the commentary concluded.

CSO: 4200/565

INTERNATIONAL RELATIONS, TRADE AND AID

LE DUAN GREETED BY COSTA RICAN PARTY HEAD

OW152056 Hanoi VNA in English 1545 GMT 15 Feb 85

[Text] Hanoi, VNA, 15 Feb--Humberto Vergas Carbonel, general secretary of the People's Vanguard Party of Costa Rica has extended his greetings to Le Duan, general-secretary of the Communist Party of Vietnam Central Committee, on the 55th anniversary of the CPV.

General Secretary Humberto Vergas Carbonel said in his message:

"We, the Costa Rican Communists, deeply admire the heroic Communists and people of Vietnam, who have, with great battles, defeated the French colonialists and then the U.S. aggressors.

"The date on 2 September 1945, and the historical victory in spring 1975 are greatly significant landmarks in human history. These great exploits have constituted a source of encouragement and revolutionary lessons for all nations and have once again affirmed the universal value of the immortal ideologies of Marxism-Leninism which has been giftedly developed by Comrade Ho Chi Minh.

"The People's Vanguard Party of Costa Rica supports the socialist countries' firm policy against the war-mongering policy of the Reagan administration, and condemns the betrayal of the Chinese leaders who have colluded with the U.S. imperialists in opposing the progressive and revolutionary forces. We would like to express our fraternal solidarity with the Vietnamese people in the face of China's atrocious invasions."

CSO: 4200/565

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI MARKS SRV-CAMBODIAN FRIENDSHIP PACT

OW161547 Hanoi VNA in English 1455 GMT 16 Feb 85

[Text] Hanoi, VNA, 16 Feb--A get-together was arranged here today to mark the sixth anniversary of the Vietnam-Kampuchea peace, friendship and cooperation treaty (February 18).

Present on the occasion were members of the Executive Committee of the Vietnam-Kampuchea Friendship Association (V.K.F.A.) and representatives of the foreign ministry, the party Central Committee's international department and mass organizations.

Kampuchean Ambassador Sieng Saran also attended.

Phan Dinh Vinh, deputy head of the party international department and vice-president of the V.K.F.A., and Ambassador Sieng Saran, in their speeches said the treaty had contributed to promoting the special relations and all-round cooperation between the two countries and to defending the revolutionary gains of the two peoples. It is also a guarantee for the struggle of the three Indochinese fraternal peoples against the schemes and acts of sabotage and aggression by the Beijing expansionists and other reactionaries.

The participants warmly hailed the recent resounding exploits of the Kampuchean armed forces and Vietnamese army volunteers along the Kampuchean-Thai border.

CSO: 4200/565

INTERNATIONAL RELATIONS, TRADE AND AID

AFGHANISTAN CONGRATULATED ON ANNIVERSARY

Hanoi NHAN DAN in Vietnamese 31 Dec 84 pp 1, 4

[Editorial: "The Glorious Banner of the Afghanistan Revolution"]

[Text] The Afghanistan people are stepping into a great festival day marking the 20th anniversary of the founding of their glorious People's Democratic Party. Together with other communists, with the workers class and with progressive mankind, the Vietnamese communists, the Vietnamese workers class and the Vietnamese people send to the communists, the worker class and the people of brotherly Afghanistan their warmest congratulations.

The last 2 decades were a period full of obstacles and challenges but it was also an extremely heroic and very glorious period undergone by the People's Democratic Party of Afghanistan. Thirteen years after its birth, on 27 April 1978, the party led the people of Afghanistan in the overthrow of the reactionary and imperialist puppet Daud regime, thus establishing the Democratic Republic of Afghanistan. The victory of the April Revolution opened up a decisive turn in the history of Afghanistan, bringing that country into a new era of progress along a progressive and prosperous line. But right after that victory, the Afghan revolution again had to undergo another serious challenge because of the betrayal of a number of people who entertained reactionary schemes. On 27 December 1979, under the leadership of the People's Democratic Party led by Comrade Babrak Karmal and with the timely and effective assistance of the Soviet Union, the people of Afghanistan had crushed the reactionary group and established a Revolutionary Council and the new government. The document entitled "Fundamental Principles of the Democratic Republic of Afghanistan" (the provisional constitution) which was approved by the Revolutionary Council in April 1980 clearly stated: "The People's Democratic Party of Afghanistan, the vanguard of the workers class and of all the laborers of Afghanistan, is the leading force and the guide for society and the state."

No victory of the Afghanistan revolution can be separated from the leadership of the People's Democratic Party of Afghanistan. Right after the April Revolution, the young republican state had to confront the undeclared war caused by the U.S. imperialists in collusion with the Chinese expansionists and other regional reactionaries. The party had come up with timely and active measures to consolidate its unity, to increase its fighting character and the party's own leadership capabilities. Doing its very best in the struggle to consolidate the all-people's solidarity bloc, the party rallied more and more around

itself the mass movements in forming a vast front, thus creating unified power and gradually defeating the sabotage schemes and activities of the enemy, firmly protecting the achievements of the April Revolution. In the last 6 years, the government and people of Afghanistan have been able to build many large economic projects and invested large amounts of money to realize new projects. At the present time, nearly 270 industrial enterprises are operating efficiently. Land reform has also been instituted; hundreds of thousands of peasant families have been given land in distribution, over 50 state farms and over 200 agricultural cooperatives have been established and are operating well. The security and national defense undertaking has also seen many new successes. The reactionaries' dens have continuously been destroyed and wiped out.

The magnificent achievements of the people of Afghanistan in the building and protection of their fatherland have greatly frustrated the enemy. The United States, China and Pakistan are throwing in hundreds of millions of dollars worth of guns and weaponry to assist the reactionaries in Afghanistan in their sabotage action so as to prevent the young republic from progressing along the line that it has chosen. But the situation in Afghanistan is stabilizing day by day, the position and power of the Afghanistan revolution have become firmer and firmer, and the international prestige of the Democratic Republic of Afghanistan is being raised every day. Broad sections of public opinion are in agreement and support the constructive proposals of the Government of the Democratic Republic of Afghanistan meant to normalize relations with neighboring countries, to guarantee security and peace in the region. The victory of the Afghan revolution contributes greatly to the consolidation of peace, stability and cooperation in Southwestern Asia, in Asia and in the world.

The communists, workers' class and people of Vietnam are extremely happy to see the fighting solidarity and the multifaceted cooperation between Vietnam and Afghanistan, and between Afghanistan and the three countries of Indochina, ceaselessly consolidated and developed. Comrade Secretary General Babrak Karmal affirmed: "Afghanistan and Vietnam are two brotherly nations, we are close fighting comrades." In our own revolutionary undertaking, our people has always received the strong and continuous support of the party, the government and the people of the Democratic Republic of Afghanistan. Standing together on the forefront of struggle against the U.S. imperialists and against the Chinese expansionist hegemonists in order to protect our independence, our national sovereignty and territorial integrity, our two parties, governments and peoples pay extreme attention to increasing our fighting solidarity and friendly relations as well as our cooperation while at the same time increasing our solidarity with the Soviet Union and other socialist countries. That is an important factor guaranteeing the victory of the revolutionary undertaking in each country. The people of Vietnam and the people of Afghanistan being closely linked together and in cooperation with our great friend, the Soviet Union, and other brotherly countries in the socialist community, will surely defeat every scheme of the enemy, bringing our sacred undertaking toward new peaks. On the occasion of this glorious anniversary, the communists, the workers' class and the people of Vietnam sincerely wish to the communists, the workers' class and the people of Afghanistan that they victoriously implement the tasks set forth by the 13th Congress of the People's Democratic Party of Afghanistan. Let the friendship, the fighting solidarity and the cooperation between our two parties, states and peoples be strengthened and developed with every day.

INTERNATIONAL RELATIONS, TRADE AND AID

CUBA CONGRATULATED ON REVOLUTION ANNIVERSARY

Hanoi NHAN DAN in Vietnamese 31 Dec 84 pp 1, 4

[Editorial: "Congratulations to the Brotherly Cuban People"]

[Text] This coming 1 January 1985, socialist Cuba will step into its 26th spring full of life and promise. The image of the Cuban revolution with its great feats and its lessons resplendent of contemporaneity has always been a symbol of persistence and revolutionary optimism in the hearts of all lovers of freedom, justice and social progress. The victory of the Cuban revolution 26 years ago was a shining landmark in the history of the Cuban people as well as in the history of world revolution. It was the first time that a small nation like Cuba in Latin America, which lies right beside the imperialist gangleader, has stood up to crush a bastion of U.S. imperialism thought by many to be unshakable and wrest a resounding victory, which not only opened up a new era, the era of independence, freedom and socialism for the Cuban fatherland, but also contributed to encouraging vigorously the liberation struggle of the peoples of various countries in Latin America as well as all over our planet.

For over a quarter of a century, under the correct leadership of the Cuban Communist Party, headed by its revered President Fidel Castro, the heroic Cuban people have marched forward to chalk up many outstanding achievements in the building and defense of their fatherland. The Cuban revolution has to confront so many difficulties left by the former regime and those created by natural calamities, and especially the vicious and inimical policy of the Washington authorities toward this island of freedom. But, armed with its indomitable traditions and the spirit of revolution on the offensive, and receiving the effective assistance of the Soviet Union and of the socialist community, Cuba has by now gained enough strength to frustrate the enemy's encirclement and his schemes of sabotage in order to ceaselessly go forward. The prestige and influence of the Cuban revolution has now gone beyond the Latin American continent.

Socialist Cuba is now consolidated and stronger than at any other time. The government at various echelons has been strengthened in every way. The people's war has been readied and remains in ready formations to inflict punishment on the U.S. aggressors should they be foolish enough to come in. The Cuban people has wrested new and great achievements in industrious and creative

labor in 1984. Many state plan norms have been overfulfilled. During the period 1981-1983, whereas the Latin American economy as a whole was depressed by 3.3 percent the Cuban economy increased by 21 percent, leaving far behind the growth rate of all the developed capitalist countries put together. Thanks to the strict implementation of economic accountability, to the raising of labor productivity and to economies realized in the use of raw and construction materials, the total social product for 1984 increased by 9.8 percent (it was 5 percent in 1983), and the rate of economic growth came to more than 5 percent overpassing the plan norm. Sugarcane production came to over 8.2 million tons, overfulfilling the plan by 1 million tons, representing one of the three most productive sugarcane crops in history. The mechanization of the sugarcane industry and of rice production has been vigorously pushed forward. Many new projects having to do with electric power, mechanization, gas, textiles, atomic energy, etc. are being built.

The strong development of health and education is also making Cuba one of the world's progressive nations in these two areas. Every democratic right is guaranteed and the laboring people are becoming the masters of the land, and every aspect of life is being improved step by step. Everywhere in the land is an atmosphere of labor based on self-awareness, enthusiasm, faith, and optimism. In the international arena, the voice of righteousness of the Cuban Republic fighting for a new world order based on justice and progress has always received the broad sympathy and support of public opinion. Cuba has diplomatic and trade relations with over 100 countries, it participates in many international organizations, and is a highly prestigious member of the Movement of Non-Aligned Nations.

While striving to build socialism successfully at home, Cuba raises high the banner of pure proletarian internationalism elsewhere. Tens of thousands of the elite sons of Cuba have not minded the sacrifices and volunteered to go and fulfill their noble international duty towards other brotherly nations.

Today, Cuba is a solid outpost of socialism in the Western Hemisphere, which is contributing its appropriate share towards increasing the strength of the socialism system and which actively participates in the common struggle of the various nations for peace, for national independence, for democracy and for social progress.

The growing and strengthening process of the Cuban revolution in the last 26 years is only a process of weakening and continuous failure of U.S. imperialism right in their own "backyard." The political map of Latin America is changing every day. After Cuba, the Nicaraguan revolution exploded and was victorious in an area vital to the United States. The persistent struggle of the Salvadoran people for independence and freedom continues its progress. Many dictatorial regimes, henchmen of the United States, have taken turns collapsing in the face of the vigorously developing democratic movement in South America. The Grenada incident has clearly shown the weak position of the United States which has failed in its policy of using henchman powers to intervene and make wars. It has not been able to stop the rising anti-American waves in Latin America and it has not been able to stop the tendency to become solidary with Cuba in a common front fighting against the common enemy which is the United States for the fundamental and sacred national rights of the peoples in this area.

The Washington Government still goes after the crazy illusionary dream of wiping out the bright example of the Cuban revolution. They take advantage of every opportunity and do not stop before any foul trick to attack the Cuban revolution as well as the Latin American revolution. But the heroic Cuban people always carry out well their task to protect their beloved fatherland and their international duty. In the face of the threat of U.S. imperialism, the whole country regroups its ranks and raises high the dauntless courage of a nation whose revolutionary zeal is always burning bright. Comrade Fidel Castro has said: The Cuban people have no fear. Cuba does not want a war. The Cuban people only carries out resistance against foreign aggressors. And you imperialists must remember that no force will ever defeat this revolution.

As close fighting comrades, the Vietnamese people are extremely proud and happy about the magnificent and comprehensive victories of the brotherly Cuban people in the building of socialism and in the defense of their beloved fatherland. Our people always remember the deep feelings and precious support of the Cuban Party, state and people shown toward our revolutionary undertaking. The various generations of Vietnamese are forever grateful to Cuba's spirit expressed in the motto, "For Vietnam, we are ready to sacrifice even our own blood."

On the occasion of this glorious historic day and on the occasion of the new year, we send to our Cuban brothers, comrades in the same trenches, our very best wishes. We affirm once more our resolute and consistent support of the ever victorious revolutionary undertaking of heroic Cuba, and we express our firm conviction that in 1985 the Cuban people will wrest many new and even greater victories.

1751

CSO: 4209/174

INTERNATIONAL RELATIONS, TRADE AND AID

VAN THIEN DUNG GREETES SOKOLOV ON ARMY-NAVY DAY

OW211646 Hanoi VNA in English 1456 GMT 21 Feb 85

[Text] Hanoi, VNA, 21 Feb--General Van Tien Dung, minister of defence, has sent his warmest greetings to his Soviet counterpart, Marshal of the Soviet Union S.L. Sokolov, on the 67th Soviet Army and Navy Day (February 23).

The message says:

"Over the past 67 years, under the leadership of the Communist Party of the Soviet Union founded by V.I. Lenin, the Soviet Army and Navy together with the entire Soviet people have overcome all difficulties and trials and won glorious victories, firmly defending the Soviet motherland. Especially they have saved mankind from the fascist disaster during the Second World War, thus creating favourable conditions for the emergence of the socialist system and the development of the world revolutionary movement.

"Today, the ever stronger Soviet Army and Navy constitutes a sharp instrument of the proletarian dictatorship in the Soviet Union and an important factor to firmly guarantee the security of the Soviet land, friendly countries and of the whole progressive mankind.

The Soviet Army and Navy together with the armies of other socialist countries are determined to foil all schemes and acts of U.S. imperialism and other international reactionary forces who are frantically stepping up the arms race, including the use of the outer space for military purposes, causing tension and placing the human race before the danger of a nuclear holocaust.

"The Soviet Army and Navy are a source of confidence and pride for the Vietnamese People's Army. We greatly rejoice at the constant development and consolidation of the friendship, militant solidarity and close cooperation between the peoples and armed forces of our two countries."

The message expresses sincere gratitude to the Soviet party, government, people and armed forces for their great, valuable and increasingly effective support to the Vietnamese people and army in the past struggle for national liberation as well as in the present construction and defence of socialist Vietnam.

CSO: 4200/565

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

PHILIPPINE ENVOY DEPARTS--Hanoi, VNA 15 Feb--The departing ambassador and extraordinary and plenipotentiary of the Republic of Philippines, Juan B. Cruz Jr. today paid a farewell visit to Nguyen Huu Tho, vice-president of the State Council and chairman of the National Assembly. Nguyen Huu Tho had a cordial conversation with his guest. Also present at the reception was Le Trang, deputy-chief of the office of the National Assembly and the State Council. [Text] [Hanoi VNA in English 1540 GMT 15 Feb 85 OW]

VIETNAM, LAOS SIGN PROTOCOL--Hanoi, VNA, 15 Feb--A protocol on transport and post cooperation between Vietnam and Laos was signed here today during a visit of a delegation of the Lao Ministry of Transport and Post led by Vice-Minister Bouasy Lovanxay. The Lao delegation was received by Dong Si Nguyen, alternate political bureau member of the Communist Party of Vietnam Central Committee, vice-chairman of the council of ministers and minister of communications and transport. It held talks with a delegation of the ministry of communications and transport headed by Vice-minister Nguyen Nam Hai and a delegation of the general post office headed by deputy director Truong Van Thoan. The two sides reviewed the cooperation in the relevant spheres between Vietnam and Laos in the past and highly appreciated the mutual and effective assistance between the two fraternal countries. [Text] [Hanoi VNA in English 1549 GMT 15 Feb 85 OW]

DENMARK TO CLOSE SRV EMBASSY--Hanoi, 19 Feb (AFP)--Denmark is preparing to close its embassy here as an economy measure, a diplomatic source said today. The Danish Embassy in Bangkok would then take over responsibility for the country's interests in Vietnam, the source said. Denmark opened its embassy here in 1980. [Text] [Hong Kong AFP in English 0340 GMT 19 Feb 85 HK]

SOVIET GROUP IN SRV--Hanoi, VNA, 20 Feb--A delegation of Soviet communications and transport experts led by F.I. Shuleshko, first vice-minister of railways, visited Vietnam from 31 January to 19 February. While here, the delegation had working sessions with a delegation of Vietnamese experts headed by Tran Van Lu, vice-minister of communications and transport. It visited a number of communications and transport establishments. It was cordially received by Dong Sy Nguyen, alternate member of the political bureau of the Communist Party of Vietnam Central Committee, vice-chairman of the council of ministers and minister of communications and transport. He sincerely thanked the Soviet party, government and concerned ministries for helping Vietnam expand its communications and transport network. [Text] [Hanoi VNA in English 0822 GMT 21 Feb 85 OW]

PDRY'S AL-'ATTAS CONGRATULATED--Hanoi, VNA, 21 Feb--Chairman of the Council of Ministers Pham Van Dong has extended his warmest congratulations to Haydar Abu Baker al-'Attas on his appointment as chairman of the Council of Ministers of the Yemen People's Democratic Republic. His congratulatory message says: "May the friendship and militant solidarity between our two peoples be constantly consolidated and developed. "I wish you good health and success in your noble mission". [Text] [Hanoi VNA in English 1502 GMT 21 Feb 85 OW]

U.S. AID TO THAILAND--According to Western sources, U.S. Secretary of State Shultz told the U.S. House Foreign Relations Committee that the Reagan administration is planning to increase its military aid to Thailand in the next fiscal year to modernize the Thai Armed Forces and to cope with what the Reagan administration refers to as the threat facing Thailand's security. To carry out this policy, the Reagan administration has sent Assistant Secretary of Defense Armitage to Bangkok for talks with high-ranking Thai officials on Thailand's current military needs. Armitage has also visited the Thai-Cambodian border to inspect the situation there and encourage the Thai military forces, which are providing assistance to the Khmer reactionaries. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 22 Feb 85 BK]

CSO: 4200/565

PARTY ACTIVITIES AND GOVERNMENT

MUNICIPAL PARTY SECRETARY SPEAKS ON CADRE WORK

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Dec 84 pp 1, 2

[Speech by Nguyen Van Linh, Secretary of the Municipal Party Committee, at a conference held to disseminate the Municipal Party Committee's resolution on the cadre work, 17 November 1984: "Strengthening the Cadre Work Is an Important, Urgent Mission"]

[Text] At this meeting you have reached agreement that the cadre work is a major concern, so the party committees, no matter how busy they are, must continually set aside time for it.

Resolution 08/NQTU of the Municipal Party Committee regarding the cadre work and Directive 44/CT-TW of the Secretariat regarding a number of urgent matters in the female cadre work have already been rather fully discussed by comrade Phan Minh Tanh during this conference.

Today I would like to bring up the following matters to which we should pay attention when implementing the resolutions on the cadre work:

The corps of party cadres should be correctly evaluated in order to have self-confidence and make progress. It must be realized that our party organization has never been as large and strong as it is today. It is both strong numerically (more than 53,000 party members) and strong in terms of quality. In the past, at times the party organization had only a few hundred members, but because we knew how to organize and motivate the masses, with those several hundred cadres and party members we were able to advance the movement. Today, with our more than 53,000 party members and more than 1 million mass organization members, if we know how to carry out the cadre work and motivate the masses our party organization will have truly great strength.

The cadres of our city are from four sources: local cadres, cadres who returned from the resistance war, cadres from the north, and cadres who matured after the liberation. The cadres from those sources are united and close and supplement one another, and there is cooperation between the old cadres and the new cadres, between the old cadres and the young cadres, between male cadres and female cadres, and between political and specialized cadres, which creates great strength.

All of those cadres, both the old ones and the new ones, have emerged from the movement. Therefore, during the past 10 years although our city has been in an extremely complicated situation we have made very good progress in many respects with regard to industrial and agricultural production distribution and circulation, order and security, the new way of life, etc. We have been able to do so because the quality of our cadres is essentially good. Many people firmly grasp the policies and lines of the party and remain close to the masses and the seething revolutionary movements of the masses, and thereby educate and cultivate the masses, while also endeavoring to steel themselves, manifest a spirit of daring to think and do, and advance by overcoming difficulties and hardships. Therefore, throughout the past 10 years, although the city has experienced many complications and difficulties left behind by the old regime or caused by the enemy's many-sided destruction and our deficiencies, we have continually endeavored to overcome them and has achieved accomplishments in many spheres. That was not due to a "miracle," but to the correct leadership of the Party and determination to struggle on the part of party members and the masses. That matter reflects the virtue and quality of our party members. Only on the bases of that correct evaluation can we be more confident and objectively analyze and find the reasons for failure to achieve certain tasks, in order to take steps to promptly overcome them, contribute to building the Party, the Youth Union and the mass organizations, and more strongly advance the mass movement.

The number of basic-level cadres and party members must be increased. Although we have more than 53,000 party members in all spheres, in fact there is a shortage, for in many places, especially the important positions, there are few or no party members. Many small industry-handicraft cooperatives and production cooperative teams have no party members. In some schools and hospitals party members are limited to the leadership committees, and in many instances there are no party members in the classes and departments. Many stores and tax units, which directly control goods and money and implement policies, still do not have party members. Especially in the tax sector, an important sector, many places have no party members and have not yet done a good job of carrying out political and professional education and cultivation, so there are still many instances of failure to work in accordance with the policies of the Party and state. In rural areas, many cooperatives and production collectives, and even a number of hamlets, have no party members.

The subwards, wards, villages, hamlets, cooperatives, schools, hospitals, construction sites, research and administrative-professional organs are places where social activities occur daily, both good and bad, and are places in which there are carried out the three revolutions -- the revolution in production relations, the scientific-technical revolution, and the ideological-cultural revolution -- are carried out and are places in which the collective mastership right of the laboring people is exercised in order to fulfill all missions of the party. Such places cannot lack cadres and party members with ability and revolutionary quality. Therefore, an urgent matter that has been posed for the basic units and sectors: reviewing their party members and sending party members to the basic level, especially in the important places. At the same time, in the course of the mass movement it is necessary to uncover positive, hard-core people on the spot, continue to cultivate them so that they

can quickly become party members, and multiply those ranks of cadres and party members so that they can be sufficiently strong to fulfill the requirements of the revolution.

A corps of succession cadres must be rapidly created.

Although there are many cadres and party members they are not yet sufficiently strong. Today the work is not as simple as it was before there was a government. Therefore, there must be a corps of cadres that is large in numbers, of good quality, and capable, especially the key cadres of each sector, unit, and locality. At present, most of our cadres experienced two resistance wars and many of the leadership cadres are advanced in age and of poor health. But we have not yet done a good job of planning and training succeeding cadres. The young cadres may be divided into two categories. The first is cadres who prior to the liberation participated in the anti-U.S. resistance war for about 15 or 20 years and were tested in struggle and prison. They are now about 40 years old. There must be a plan to urgently cultivate, educate, and improve the quality of such cadres so that the "young bamboo can replace the old bamboo." There are also a very large number of young cadres who have participated in the work since the liberation and now responsible for the important tasks in the subprecincts, villages, organs, and enterprises. Those young cadres include many workers and intellectuals with cultural levels which allow them to assimilate the new rapidly. It is necessary to carefully examine, care for, assist, and educate them on the communist path, and bring them into the Youth Union and the Party in order to create a second succeeding generation.

When I visit any sector or echelon, whether of the governmental administration, the Party, or the mass organizations, I hear complaints about cadres being transferred. Those comrades do not understand that each sector and echelon is responsible for continually cultivating and training cadres not only for their unit but for the other sectors and echelons, according to the requirements of the revolution. Of course, reassignments must be rational and all-out efforts must be made to avoid creating an upsetting situation. The heads of all party and governmental units at all levels, including the young comrades, must collectively select a few people for training and cultivation so that they can replace them in the future. Those people must be cultivated and trained in a persistent, planned manner in a period of 2 or 3 weeks. Only if that is done can there be people to replace and carry on the work of the head when he is transferred, is ill, retires, etc. On the occasion of a visit to the GDR I learned that that country has done so and has achieved good results. The party committee echelons and leadership collectives of the sections and sectors are responsible for doing a truly good job in that regard.

Be concerned with the quality of cadres and party members.

It is important to increase numbers, but it is even more important to continually improve the quality of cadres and party members.

The requirements of the revolutionary work have become increasingly great and demand that the quality of cadres and party members be continually improved.

Furthermore, the enemy every hour and every minute seek all ways to attack us in all spheres, especially with regard to economics. They seek ways to attack the ranks of our cadres and party members by means of many schemes. If we are not steadfast and do not continually study and improve ourselves, we not only will fail to recognize the enemy and that insidious scheme but will allow ourselves to be taken advantage of and bribed, which will lead us to make mistakes and even to decadence.

Lenin, the father of the world revolution, continually admonished that it was necessary to "study, study more, and study continuously." We must base ourselves on realization that society is continually evolving. Our cadres and party members cannot be self-satisfied, but must continually research, study, and train if they are to raise their level of political consciousness and improve their revolutionary quality and ability to work, so that they can be capable of meeting the political requirements, which are continually changing and demand increasing greater understanding. We must not only raise our theoretical level and thoroughly understand the lines and policies of the Party, but must also have expert professional knowledge. No matter what sector we work in, we must at least have professional knowledge of that sector. Even the cadres who have been active for many years and have spent many years in the Party must be concerned with continually studying and improving themselves, in order to both improve their knowledge and pass on knowledge to the succeeding generation.

The political quality of party members must be continually steeled and improved in the activities of the party chapters and party committees. The activities of the party chapters and committees must be schools for party members and cadres. We must overcome the situation of paying little attention to educating and reviewing party members and cadres with regards to quality, qualifications, and morality, and to understanding and implementing the stands and resolutions of the Party.

In addition to improving the quality of cadres and party members by means of self-study and the activities of party chapters and committees, we must pay all-out attention to setting up schools and classes to provide supplementation and training in many different forms, especially for party members who are engaged directly in production and the basic-level cadres. The curriculum must avoid general theory but must combine theory with reality so that when they have finished studying people can immediately apply their knowledge in their unit or locality with real effectiveness.

There must be appropriate measures and policies so that the cadres and party members may be content in their study and not worry about their families experiencing additional difficulties because of reduced income.

Another matter worthy of attention is the relationship between the Party and the masses. Each party member and cadre must be bound to the masses. In the past, if party members had not remained close to the masses they could not have given rise to the movement and could easily have been captured by the enemy. Today, after the Party has gained power, party members can easily become distant from the masses and become bureaucratic and commandistic toward the

masses. They are only concerned with their specialized work and party building and the mass organization work. Such comrades do not fulfill their mission, which is, as stated by the Party Statutes, "always maintaining close relations with the masses, bringing into play the collective mastership right of the masses, going all-out to serve the masses, and planning the interests of the Party and the people above their individual interests." On that basis it is necessary to educate and enlighten the masses and motivate and lead them in participating in the revolutionary action movements.

Thereafter it is necessary to bring into play the spirit of solidarity and collective working methods of the cadres and party committees, and to oppose internal factionalism.

Prompt attention must be paid to bringing out the good qualities of party members, while at the same time continually paying attention to preventing mistakes, with a spirit of "preventing disease is better than treating disease." It is necessary to promptly uncover internal deficiencies and negative aspects in order to rapidly prevent, overcome, and correct them while the deficiencies are still minor. They should not be regarded lightly or overlooked, so that the mistakes are not confronted or corrected until they become serious, which causes excessive harm to the party and the party members. The recent trial in Dong Nai taught us a lesson in that regard.

Every cadre and party member must tightly manage himself. He must continually take stock of himself and endeavor to steel himself. He must continually carry out internal self-criticism and criticism with a Bolshevik spirit. All cadres and party members must seriously review the things they have done right and the things they have done wrong, after which there is collective criticism and the masses are encouraged to criticize party members. They must not take advantage of criticism to attack one another and create internal division. They are absolutely forbidden to take revenge against people who criticize them. At congresses of workers and civil servants in enterprises and organs they must allow the cadres and workers to discuss production plans and the use of the three funds, and to criticize the director or head of the organ. That is also a positive way to bind the Party to the masses and enable it to always be pure and strong.

In the present situation, the cadres and party members cannot commit or cover up negative acts by making the excuse of difficult living conditions. Of course, the Party and state will seek all ways to resolve the cadres' difficulties. The policy toward basic-level, subward, and village cadres must be studied and appropriately resolved. But for their part the cadres and party members must have communist ideals and continually strive to overcome all difficulties and impediments in order to fulfill the missions of party members and contribute worthily to the enterprise of building a socialist regime. That was the dream of party members before we gained power. We were able to achieve what we have today only by great sacrifice. Today the building of socialism and communism has become a reality. That is a source of great happiness but is also a heavy responsibility for all communist party members. Therefore, anyone who imitate those who steal state or collective property or profit-seeking speculators, and harm the interests of the masses are people who

have lost their communist ideals. The party chapters and committees are responsible for continually heating up the communist ideals of each cadre and party member and for struggling unrelentlessly against degenerate elements.

With regard to retired cadres:

There is a large number of retired cadres in the city. In a number of party chapters as many as two-thirds of the party members are retired cadres. Many of them are experienced in party work, specialized professional work, and mass work. They are valuable Party capital who for reasons of age or health have retired. But with the sense of responsibility of party members and with their revolutionary ardor many of them want to continue to contribute to the common cause. We must take good care of the retired cadres. Furthermore, we must know how to use the accumulated experience of those comrades. Depending on their ability, they have contributed to the local work by helping cultivate the young cadres, speaking to youths and teenagers about traditions, relaying the stands and policies of the Party and state to the masses, enabling everyone to be aware of their responsibility in building the nation, building the city, etc. Those are tasks that are appropriate to the health of those comrades and also contribute considerably to the revolutionary movement locally and set a good example for the younger generation to emulate.

Now, on the occasion of the 10th anniversary of the city's liberation, the localities should invite the retired cadres to speak about traditions. That is very good.

Regarding female cadres:

We will discuss this topic in detail at a specialized conference in order to resolve a number of specific problems. Here I will only present a few opinions:

The role and position of women have been clearly manifested in their glorious contributions to the nation's revolutionary enterprise. During the resistance war they were extremely worthy of receiving the designation "heroic, unyielding, loyal, and responsible." Today they are continuing their tradition in contributing to the great undertaking of transforming, building, and defending the city, and have attained great accomplishments. The number of association members and cadres had continually grown.

However, considering the ratio of women in the ranks of party members and cadres, especially the leadership cadres, I think that it does not yet correspond to the capabilities of women. There are many reasons for that, for which the party committee and governmental echelons have a considerable responsibility. Some of the women themselves lack a persistent will to overcome difficulties and make progress.

In order to do a good job of carrying out the cadre policy, you must enable all cadres and party members to have correct viewpoints regarding the role and position of women, overcome feudal thoughts of regarding women lightly, not having confidence in women, and even narrowmindedness toward them. All-out

attention must be paid to education, cultivation, and training in order to bring the women into the ranks of the leadership cadres and management cadres in a stable manner, especially in places with many women and sectors and trades that are appropriate to women.

In order to help the women operate effectively, it is necessary to pay all-out attention to creating favorable conditions, including working facilities, salaries, health protection, the care and education of children (day-care centers, nursery schools, etc.), reducing their heavy family housekeeping burden, etc.

On the part of the women, they must avoid passivity and inferiority thoughts, but must continually steel themselves, endeavor to advance, unite, and help one another advance.

In brief, strengthening the cadre work is an important and urgent mission. The party committee echelons and leadership collectives of the sections and sectors, and the heads of all units, must pay special attention to the cadre work. Each party committee echelon, especially the standing committees, must examine, review, and evaluate the cadres and not leave those tasks to the organization department. But it is necessary to emphasize adding cadres with ability and good quality to the organizational apparatus to serve as good staffs for the party committee echelons. Every party department must have sufficient good cadres to do that work, and along with the organization department do a better job of carrying out the work of planning the training, cultivation, and management of cadres. Only by doing so in the next few years can we have large, strong ranks of succeeding cadres.

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PARTY ACTIVITIES AND GOVERNMENT

TEXT OF DEFENSE MINISTER'S ARMY DAY SPEECH

Hanoi NHAN DAN in Vietnamese 23 Dec 84 p 2

["Text" of speech by Senior General Van Tien Dung, Minister of National Defense, at a function on 22 December 1984 celebrating the 40th Anniversary of the Founding of the Vietnam People's Army: "Resolved To Protect the Fatherland and the People's Task of Socialist Construction"]

[Text] Respected Comrade General Secretary Le Duan,
Respected Comrade Chairman of the Council of State Truong Chinh,
Respected Comrade Chairman of the Council of Ministers Pham Van Dong,
Chairmen,
Guests,
Comrades and Friends:

Today, the Vietnamese people's armed forces are endlessly enthusiastic and proud to solemnly commemorate the 40th Anniversary of the founding of the Vietnam People's Army.

This year the traditional day of our armed forces comes at a time when the revolution in our country is surmounting many new difficulties and trials and is moving steadily forward. Implementing the resolution of the Fifth Party Congress, our people and army have won important victories in the task of socialist construction and defense of the socialist fatherland and in the performance of international responsibilities.

Born and raised in the revolutionary struggle of the working people under the leadership of our party, our army has become the most power army in our national history. United to form a unified bloc around the Central Committee of the party, with the respected General Secretary Le Duan at its head, in close touch with the people, continuing to realize the revolutionary nature of working class and their own glorious traditions, the armed forces of our people are making positive contributions toward the common victory of the revolution of the entire nation.

The 40-year history of struggle and development of the Vietnam People's Army was linked with the history of more than half a century of the Vietnamese people's fierce, difficult, and totally valiant struggle for national democracy and socialism, under the leadership of the Vietnam Communist Party, founded and

taught by Chairman Ho Chi Minh. The predecessor organizations of our army were the red self-defense units started during the Nghe Tinh Soviet Movement, the Bac Son guerrilla units, the Nam Ky guerrillas, the National Salvation Troops, the Vietnam Liberation Propaganda Forces, the Ba To Guerrillas, and the Vietnam Liberation Forces, along with other local guerrilla and self-defense units in uprisings of our people across the land in the Pre-Uprising Period and the August General Uprising Movement of 1945.

With the great victory of the August Revolution and the birth of the Democratic Republic of Vietnam, our army changed its name to the National Defense Forces, then the Vietnam People's Army.

Chairman Ho Chi Minh spoke for the party when he issued instructions to establish the liberation propaganda units. Thus 22 December 1944, the day these forces were founded, has been taken by the party and the state as the founding day of the Vietnam People's Army. Army Day, the traditional day of our armed forces, has since become a meeting day for all our people and all our military.

The Vietnam People's Army is an army of the people, by the people, and for the people, and will always be that kind of army. The strength of our army stems from the endless power of the Vietnamese working people governing the country under the leadership of our party and from the Vietnamese people's heroic tradition of resistance to foreign aggression formed through thousands of years of history, inherited by our party and elevated to a new level. That is the strength of the new socialism--people's democracy and socialism--gradually built in our country. It is also the strength of the united bloc of struggle and friendship among the three countries of Vietnam, Laos, and Kampuchea on the Indochina Peninsula and the strength of support and help from friendly socialist countries, especially from the Soviet people and army, and the strength of the three revolutionary currents in the new age.

It is due to the very possession of those strengths that the Vietnam People's Army, with the people, has defeated many large and powerful invaders with great economic and military capability--that is, the Japanese fascists, the French colonialists, the American imperialists, and the Chinese expansionists and hegemonists--fulfilling our sacred national task and at the same time fulfilling our lofty international duty toward the revolutions of the two fraternal countries of Laos and Kampuchea.

On this occasion, our army wishes to express its deep gratitude to the glorious Vietnam Communist Party and the revered Chairman Ho Chi Minh for toiling to establish, lead, and train the armed forces of our people. Profound gratitude to compatriots of ethnic groups across the land that suffered innumerable hardships and made great sacrifices to nourish and protect the army of my son and to fight the enemy with our troops, writing the most glorious of pages in the task of national liberation and defense of the fatherland. Only with brave people can there be a brave army. The brave army is the child of a brave people lead by our party.

We recall cadres and soldiers of many generations and compatriots throughout the land who bravely sacrificed themselves for the independence and freedom of the fatherland and for the international cause. We express deep sympathy for

the families of war heroes, the wounded, and the sick, and for the families of soliders who have made the supreme sacrifice in the case of building the army and strengthening national defense and for victory in the revolution and the revolutionary war of Vietnam.

We send our most solicitous greetings to comrades who, after fighting and going out on assignments with the army, have now changed employment or retired, continuing to develop the fine quality of revolutionary militia in the task of building and protecting the fatherland.

We would like to express sincere thanks to the party, the people, and the army of the Soviet Union and to the party, people, and army of every other fraternal socialist country that afforded the long struggle of our people soldiers and people great and valuable support and assistance full of international sentiment.

We express deep gratitude to the party, people, and army of the fraternal countries of Laos and Kampuchea who fought shoulder-to-shoulder with the Vietnamese people and Vietnam People's Army against the common enemy, joined closely with us in the spirit of bright and loyal unity and friendship.

We are particularly grateful to Kampuchean mothers and Lao mothers, who loved and cared for Vietnamese volunteers, like my own son.

We express warm appreciation to friends around the world who persisted, decade after decade, in aiding and supporting the cause of our people and army.

On this occasion, I fervently praise all the cadres and soldiers, main force units, local units, border defense units, self-defense militia, and national defense workers and personnel who have fought and are fighting courageously, have worked and are working industriously, and have been and are on active assignments in the service of the nation or for the international task, or are cooperating closely with people's public security forces to preserve political security and social order and safety. Cadres have constantly upheld revolutionary qualities, struggling to fulfill every task assigned by the party, the state, and the people, ceaselessly etching deep the resolute discipline of the Vietnam People's Army.

Dear Comrades and friends:

The deciding factor in every victory of the Vietnamese revolution and of the armed forces of the Vietnamese people is the leadership of our party. The party always grasped firmly the revolutionary and scientific nature of Marxism-Leninism, adapting it to concrete conditions in our country, and set forth the correct and enlightened revolutionary line. The party carried out ideological and organizational work widely, heightening the pitch of the tradition of resistance to foreign aggression and the sense of national sovereignty of all our people, joining national power with the power of the age and creating the greatest combined power possible to successfully wage people's war, defeat every invader, liberate the people, and secure enduring independence for the fatherland.

Our party has always held high the banner of national independence and socialism and determined the policy and strategy, methodology, and course of the Vietnam revolution appropriate to each stage of the conflict. The party set forth the correct, enlightened military course through each period and during people's wars for national liberation and defense of the fatherland, as well as during the time of building and strengthening national defense. The party successfully solved problems of the art of revolutionary leadership, the art of war direction, and military art, ceaselessly advancing the revolution and pushing the war forward to great victory.

That line and that art adhered to the ideology of offensive strategy and, joined closely with the correct political line of the vanguard party and the extraordinary will and ingenuity of the rich popular masses, created the invincible strength of the revolution and revolutionary war of Vietnam.

The goals and ideals of our party and our people are the goals, ideals, and combat objectives of our army. The army's cadres and soldiers displayed loyalty to the country and the people in their complete submission to the leadership of the party and resolutely struggle and sacrifice for those highest of revolutionary objectives.

The party successfully solved the problem of building the revolutionary army and building the people's armed forces, in the circumstances of a country that was a semifeudal colony with a backward agricultural economy and small-scale production, to rise up and seize national independence. After that it continued to wage fierce, violent, and long revolutionary wars against the aggression of great enemies with modern industries and professional armies, defending national independence and building the new regime.

Under the leadership of the Executive Committee of the VCP Central Committee, we have reviewed and are continuing to review the army's experiences in building and in combat over the past 40 years. The traditions of the Vietnam Army and the military art of Vietnam are being inherited, developed, and perfected in the task of defending the socialist fatherland against the new enemy.

Among our precious traditions is that of upholding the spirit of independence and the ideal of self-reliance in solving problems confronting the construction and combat tasks of our soldiers and people. At the same time, we consider it very important to study the rich experiences of fraternal socialist countries, especially those of the Soviet Army and Navy.

Our long experience shows clearly that, based on the unlimited strength of the masses, only with the centralized leadership of the party, from the central echelon down to localities and the basic level, closely coordinating and linking sectors and levels according to the formula of the party leading, the people governing, and the state managing can we create the greatest combined national defense power of all the people and of the people's war to defend the fatherland and successfully mount offensives in every circumstances.

Our long experience also shows that, in the present age, one of transition from capitalism to socialism on an international scale, the strength of the

revolution of each country is joined with the strength of the age. Therefore, in liberation warfare and in war to defend the fatherland and the task of national defense, every revolutionary people and every revolutionary army must attach importance to international unity and mutual support and assistance.

Dear comrades and friends:

The above lessons of history have intense current significance to the tasks of national construction and defense of the fatherland and to the accomplishment of the mission of the people's armed forces in the new situation.

Internationally, the situation is exceedingly tense and complicated because adventurous and belligerent forces in America insanely pursue the arms race, including the militarization of space, wanting to alter the strategic balance in their favor. America continues to deploy intermediate-range missiles in Western Europe, consolidate the NATO Block, and expand alliances with the Japanese militarists and the South Korean reactionaries. It is attempting to conspire with the Chinese expansionists, is promoting the formation of military alliances in Asia and the Pacific, and is launching counterattacks and creating hot spots in many regions--the Caribbean, the Mideast, and Southeast Asia. Their objective is to counter the Soviet Union and the socialist collective to the east and the west and to counter the three revolutionary currents and the forces of peace throughout the world.

The Vietnamese people, along with all the people in the world, resoundingly denounce the dangerous actions of the American imperialists and resolutely fight to stop the warmongering hand of the imperialists and the international reactionaries. We enthusiastically support the announcements of Comrade Konstantin Chernenko, general secretary of the Central Committee of the Soviet Communist Party and chairman of the Presidium of the Supreme Soviet of the Soviet Union, manifesting the basic and unified viewpoint, full of wisdom and a sense of responsibility, of the Soviet Union toward the destiny of mankind and peace on earth. We completely support other socialist countries in their refusal to allow warmongers to seize military superiority.

We resolutely denounce the American imperialists for invading and occupying Grenada, intervening in Nicaragua, El Salvador, and many countries around the world, and threatening the Republic of Cuba. We resolutely support the struggle for peace, national independence, democracy, and social progress of the people around the world.

Southeast Asia is one of the embroiled regions of the struggle between revolutionary and counterrevolutionary forces and between peace and war. Three countries of Southeast Asia are confronting the evil plots of the expansionist and hegemonist Chinese and the American imperialists.

But history has proven that no invader can annex the three countries on the Indochinese Peninsula. The revolutionary forces of the three countries have grown much greater today than they were before. History has turned a new page. The Vietnamese people, the Lao people, and the Kampuchean people have gotten control of their own countries and have joined together more closely than ever before, determined to firmly protect the independence and freedom they secured through the sweat and blood of many generations.

In recent years, China has not changed its strategy and policy toward Vietnam and the three countries of Indochina.

Our Vietnam remains in a situation of being at peace domestically while at the same time dealing with increasingly serious hostile acts of destruction and aggression by the Chinese expansionists and hegemonists in conspiracy with the American imperialists and the other reactionary powers. The revolution in our country must continue to effectively implement the two strategic tasks set forth by the Fifth Party Congress: successful socialist construction and building readiness to fight and firmly protect the socialist Vietnam fatherland.

Since last April, Beijing has crawled up a very dangerous military staircase in Vietnam. They have savagely shelled the six northern border provinces of our country and used a large force of main-force units to launch many invading attacks to seize a number of high points, waging a war of invasion in the border area coordinated with a war of destruction on many fronts throughout our country. The enemy's plan is to nibble off peices of our country and expand their territory, wearing down our forces so that we are forced to regularly deal with them, not concentrating our forces on nation-building, and at the same time creating favorable conditions for them to wage a large-scale war of aggression aimed at annexing our country. The plans and schemes of the Chinese reactionaries in Vietnam are closely coordinated with their acts of destruction, overthrow, and aggression and those of puppets in Kampuchea and Laos.

We affirm once more that Vietnam loves peace and needs peace to reconstruct the country after several decades of war. We always respect the friendship between the Vietnamese people and the Chinese people, always want to have normal neighborly relations with the People's Republic of China on the basis of the principle of peaceful coexistence and non-aggression against each other's independence, sovereignty, and territorial integrity, non-interference in each other's internal affairs, and not harming other countries. We subscribe to the principle of peaceful resolution of all conflicts and holding political dialogue among Southeast Asian and ASEAN countries, together building Southeast Asia into a peaceful and stable region.

The entire world knows what price we Vietnamese people have paid for independence and freedom. Our people are therefore resolved to pay whatever price is demanded to preserve them. The Fifth Party Congress pointed out clearly that, while setting up socialist construction as the primary task, we will not relinquish for a moment the task of strengthening national defense and protecting the fatherland.

We will resolutely strike back against any invasion, from wahtever direction it comes, determined to firmly safeguard the independence of the fatherland and protect our people's peaceful work of socialist construction.

We are resolved to punish every military escalation of the Chinese Army carried out in the context of the aggressive war on the border and to stop their plans to invade deep into our territory. We will resolutely crush the war of destruction they are waging on many fronts and are prepared to defeat them in a large-scale aggression and fulfill the international cause with the two fraternal countries of Laos and Kampuchea.

Our people's armed forces must fulfill the central mission of the entire country of national defense and people's war to protect the fatherland, and fulfill a mission in economic construction and nation-building.

To fight and prepare to fight well, all main-force units and local units should try to increase quality in every way. In addition to building strong regular forces, reserve forces must be built to insure that these forces are organized, administered, and trained well and are ready to supplement regular forces in every circumstance of war. Firmly depending on the combined power of socialism being built and strengthened on the national level as well as on local levels, our army must make a positive contribution in the work to build a strong national defense of all the people.

Our army must devote significant time and forces to productive labor and economic construction, contributing to improvements in life, manufacturing more possessions, and building the material and technical base of socialism. The strength of military organizations must be exploited in close cooperation with sectors and levels to insure production and build a productive, high-quality, and efficient economy.

Our cadres and soldiers should continue to develop the revolutionary nature of the working class and the glorious traditions of the valiant Vietnam People's Army. Ceaselessly develop the will to fight and uphold patriotism and the international spirit of socialism. Study and train regularly, raising political and military levels, cultural, scientific, and technical levels, and understanding of economics, and exchange combat skills, increase technical proficiency and practice conservation in building the army. Uphold the simple, wholesome life, with culture. Always uphold the glorious title, "Men of the units of Uncle Ho," worthy of the trust of the party, the state, and the people.

The Vietnam People's Army must be a great school that contributes to turning the youth of each generation into a new socialist man.

Dear comrades and friends:

Through 40 years of training and maturing in revolutionary war and, with the people, defeating each aggressor, the Vietnam People's Army has become stronger than ever. As affirmed by the General Secretary Le Duan, it is "an invincible people's army," "one of the basic factors insuring that our fatherland will always be strong and our people will always live in independence and freedom."

All the soldiers strive hard to strictly implement the teaching of our revered Chairman Ho Chi Minh: "Our army is to be loyal to the country and loyal to the people"; "loyal to the party, loyal to the people, ready to fight and sacrifice for the independence and freedom of the fatherland and for socialism. Complete every mission, overcome every hardship, and defeat every enemy."

Vietnam will always be a strong outpost of socialism in Southeast Asia. Our army will always be a valiant army of the valiant people of Vietnam.

PARTY ACTIVITIES AND GOVERNMENT

PARTY RELEASES RESOLUTION OF 7TH PLENUM ON DISTRICTS

Hanoi NHAN DAN in Vietnamese 24 Dec 84 p 1

[Article: "Resolution of the 7th Plenum of the VCP Central Executive Committee (Fifth Congress) on Building the District and Strengthening the District Level"]

[Text]

I

Implementing the resolutions of the Fourth and Fifth Party Congresses and the Third and Sixth Plenums of the Central Executive Committee and Instruction No 33 of the Political Bureau has gradually stepped up the effort to build the district and strengthen the district level. The districts have all made progress in renovating the management system, instituting product contracts, putting technical advances to use, and building the material and technical base. Many districts made significant accomplishments in the development of agriculture and small industry, building the agro-industrial structure, building the new countryside, raising the people's standard of living, and providing good security and national defense. The feeling of collective ownership has developed among the working people, and the capability for providing guidance has increased somewhat at district and installation levels. A number of districts were outstanding in each region, learning many good lessons. This has been for the common good of the economy as well as building the district. Experience has proven that the policy of building the district is right, the make-up and methodology of building the district are becoming increasingly clear as time goes on, and the leadership and operational organization of the central echelon, provinces, sectors, and, especially, districts are becoming more and more effective.

Nevertheless, the effort to build the district is generally not yet proceeding with regularity. There are still many districts that have not shown marked changes in production and living, have not fully developed the innovative, positive nature of the locality and the working people's sense of collective ownership, and are still strongly entrenched in the ideology of depending on upper echelons. There are a number of party committees on the local level and a number of sectors at the central echelon that still fail to grasp the crucial importance of the effort to build up the agro-industrial structure on the district scope and build the district to develop comprehensively and fuse with the basic level; they are not yet following the guidance of the Secretariat and the Council of Ministers closely, and they are slow to learn lessons and slow to resolve difficulties hindering districts and the basic level, especially in reference to concrete policies and building economic structure, production organization, management structure, and the organization and ranks of cadre.

II

Levels and sectors must understand more clearly the very crucial importance and strategic significance of the effort to build the district in the overall task of building socialism and protecting the socialist fatherland.

We must build the agro-industrial economic structure (or that of agriculture-forestry-industry, forestry-agriculture-industry, or agriculture-fishery, industry) on the district scale with a make-up suitable for each region; agriculture must be comprehensively developed, centralized, specialized in crops, and gradually advanced in the direction of socialist large-scale production. Current advantages in labor, land, occupations, and material and technical base must be exploited effectively, agriculture must be closely tied to industry, especially forestry and marine products processing industries, and production must be closely tied to distribution and circulation, insuring harmonious development for the district economy from the production phase to processing and distribution following district plans closely tied to the overall plans of the province and the country.

Production and business units on the basic level must be strengthened and expanded, and combined economic operations must be implemented between production and business units and between the public and collective economy and family economies, insuring that the state-operated economy maintains a guidance role. In places where socialist reforms have not yet been completed in agriculture, activities of the individual economy must be led and directed to follow the policy of the party and the laws of the state. Economic development must go hand in hand with good organization of the material and cultural life of the people, building the new man and the new countryside of socialism, and keeping national defense strong in each installation and on the district scale.

The management structure must insure that the district and the basic level truly run production and distribution and circulation, look after the daily life of the people, and see to combat readiness and combat operations. The necessary conditions must be established for districts and the basic level to develop the sense of self-reliance and an innovative and aggressive nature, insuring that the district is truly the administrative level comprehensively operating the economy and society and is likewise the level doing the planning and budgeting. Close coordination must be established between management by sector and territorial management on the district scale. District-building must go hand in hand with province-building and sector-building.

The spirit of collective ownership must be promoted among the working people, promoting lively emulation movements among installations in each district and between districts, advancing district-building nationwide.

From now to the year 1990, efforts are to be made to comprehensively build up 400 districts, especially key districts that have critical importance to the economy or national defense, aiming at the following requirements:

First is that labor, land, occupations, and the material and technical base are effectively used on the district scope, that agriculture, forestry, the fishing

industry, and handicrafts and small- and medium-scale industry are developed at a fast pace, and that the agro-industrial structure is developed rationally and appropriate to conditions in each area. On the basis of developing production, the people's needs for food and consumer goods and the needs for acquisition of food products for the state, for supply of raw materials to industry for processing, and for products for export are all to be met.

Second is that socialist production relations be strengthened and perfected in production and in distribution and circulation.

Third is that the material and cultural life of the people be gradually improved.

Fourth is that national defense is strong.

Fifth is that organizations of the party, government, and the masses be strengthened on the district level and on the basic level and that cadre ranks have quality and ability.

III

The following tasks must be accomplished to achieved the above objectives:

1. Continue to promote the establishment and supplementation of district planning work, along with production organization and decentralization and assignment of the basic level to the district. The overall plan, sector plans, and a significant portion of the installation plans of the districts must be completed during 1985. In the key districts of each province, the plans for all sectors and a portion of the basic-level plan must be completed in the second quarter of 1985. The State Planning Commission and the central Economic Zoning Commission, along with the central district-building committees and provinces and sectors, must provide concrete instructions to districts to take action to make good district and basic-level plans that follow the overall charts of the province.

Plan formulation and implementation must concentrate on comprehensively developing agriculture, promoting cultivation of rice and subsidiary food crops, developing industrial crops and animal husbandry, combining agricultural development with forestry and the fishing industry, insuring the various needs of daily life of the people in the district, and rapidly expanding food products, especially export farm products and processed farm products. According to conditions in each place, development of the industrial, handicrafts, and small industry production, and to produce consumer goods and goods in support of basic construction, communications and transport, and telecommunications. Emphasis must be on expanding jobs in agricultural cooperatives and families of cooperative members and on setting up specialized cooperatives and state-operated enterprises in the district. Close coordination must be established between production planning and distribution and circulation planning and between economic and social planning and plans to build district military fortifications and provide security and order in the district.

Production organization work must be stepped up in reference to crops, livestock, and jobs in cooperatives and in state farms and forestry sites and to gradual elevation to the district level, avoiding a situation in which cooperatives operate on their own in an individual manner.

Labor division must be promoted at each installation and on the district scale, labor organized and mobilized to support production and basic construction, and good arrangements made for arriving and departing workers.

In the effort to build the material and technical base and use technical advances, emphasis must be placed on arriving at good solutions to problems of water conservancy, draft power, seeds, disease and insect damage, veterinary medicine, materials supply, production of farm implements, repair of machinery, energy, processing and storage of agricultural, forestry, and marine products, and communications and transport. These emphasis must be combined with building district town, building socioeconomic clusters, and building the new countryside.

Efforts must be completed to allocate management and assign basic-level installations to the district level. Where it was not done in 1984 it must be completed within the first quarter of 1985, with emphasis on aspects remaining, like fish, salt, transport, allocation of land and forest, state farms, forestry sites, food corporations, trade corporations, and general materials corporations. Management allocation and assignment of basic-level installations must go hand in hand with determining rights and responsibilities and rationally resolving (conflicts of) interest between higher and lower echelons, and those efforts must produce practical results, not be prolonged nor shrugged off.

2. Promote completion of the cooperativization of agriculture, gradually strengthening and perfecting new production relations.

Basically complete the cooperativization of agriculture in Nam Bo in 1985, with the production collective as the principle form. Further develop the role of the district in relation to the cooperative and the production collective, particularly in places that are still weak. The strengthening and expansion of cooperatives and production collectives must be carried out along the lines of expanding collective production and business, increasing collective ownership, raising the income of the collective economy, and developing the family economy. The effort to strengthen and perfect the new contract system must be accomplished in conjunction with promoting and heightening the effectiveness of the cooperative management committee, the production unit, and the specialized labor unit in properly motivating the worker and developing the worker's sense of responsibility for and enjoyment in the final product.

State-operated agricultural, forestry, fishing industry, and industrial installations belonging to districts must be strengthened and developed, and cooperative and joint relations increased with state-operated installations belonging to provinces and the central echelon located within the district.

Consistent with the effort to strengthen and develop stations, outlets, and stores, district level business corporations must be organized and developed,

such as sundry materials supply corporations, deparmented trade corporations, food corporations, foreign trade corporations, and technical services corporations. Cooperation must be increased between service installations and production installations, and joint and combined organizations must gradually be formed according to the crops, livestock, occupations, and each step (in the production and distribution process) of the district.

3. Promote distribution and circulation, implementing improvements and control of the district market well. Do a good job of purchasing and maintain control of the majority of agricultural, forestry, and marine products and goods from handicrafts and small industry, strengthening and strongly developing socialist trade (including that operated by the state and that of marketing cooperatives), increasing exchange and contracting in plans and closely controlling the organized market. As for the "free" market, only direct exchange between producers and consumers is to remain.

Expand the network of banks and credit cooperatives to absorb a large portion of the money in circulation in society; improve the management of cash, fulfilling the need for expanding production and business of the district. Activities of marketing cooperatives and credit cooperatives must be tied to those of production cooperatives, implementing the authority of the district according to the decision of the state to decentralize management. External, extra-plan combined business operations must be organized well between production installations and the district trade organization, with proper division of profits between all parties.

Stepped up agricultural and industrial development and good organization of distribution and circulation will provide the basis for gradual improvement of daily life for the people of the district, satisfying critical needs for food, shelter, clothing, transportation, education, and health, increasing the construction of collective welfare installations, raising cultural and moral life, and building the new life and the new socialist man in the countryside.

4. On the basis of good planning and step-by-step implementation of planning, conduct plan formulation from the basic level up, truly upholding the basic level's right to take the initiative. In plan formulation, emphasis must be placed on the best use of current potential, expanding economic cooperation between installations in the district and between districts in the province and districts of other provinces, and putting cooperation and combined operation into contracts and planning of the district and province. The Ministry of Foreign Trade and the province must help the district develop import and export to increase technical materials. The practice of forcing plans down from above must be resolutely stopped. State agencies at the central echelon and province level must institute measures to insure that materials and funds balance with the number of products recorded as the mandatory standard according to the contract signed.

5. Expand the construction of military fortifications and building security within the district. Combine economics with national defense, build the offensive state of people's war, organize the production labor force to be

simultaneously the national defense forces, providing for on-the-spot combat and rear services, and providing for political security and social order. Perform well political and ideological instruction on national defense of all the people, build the self-defense militia forces, manage the reserves, and build the network of people's security politically and organizationally pure and strong.

For the immediate future, in combination with exploiting the spirit of self-reliance of localities, the strength of the entire nation must be concentrated on urgently building up the districts in the six border provinces of the north, especially in the 81 border districts and towns and nearby districts, to have sufficient strength in all aspects to defend the border, along with main-force units, in every contingency.

6. Build the district party organization strong; continue to perfect the state machinery and mass organizations, expanding cadre ranks and increasing the leadership of the Secretariat and the Council of Ministers.

To insure that district-building is done well, it is first necessary to increase the leadership of the district committee and positively build the district party organization strong, along with building the village party organization and all other types of party organizations on the basic level strong and pure. The management function of the people's committee and the role of the people's council at district and village levels and in mass organizations must be developed.

Key cadres of the district committee and basic level party committees and cells must be cadres of good quality, with leadership ability; weak cadres must be resolutely changed.

The people's committee machinery of the district must be well organized, aiming at compactness and quality. Offices and departments must be strengthened and developed, and problems resolved regarding relations between the district people's committee and production units. The ranks of key cadres are to be expanded in people's committees, offices, departments, and production and business installations. Training and development plans are to be set up and implemented for district and basic-level cadres with the aim of aggressively solving the problem of local-level cadres immediately. The Organization Department of the Central Committee will coordinate with sectors, provinces, and districts to complete the task of assigning key cadres in districts within 1985, first in key districts. Policies are needed to encourage cadres to go to work at district and basic levels.

The Secretariat and the Council of Ministers must provide guidance to central sectors, provinces, and municipalities to uphold responsibilities and implement the great work to be done in building the district--concentrating first on building key districts and, likewise, providing urgent guidance and leadership in district-building work in districts throughout the country.

PARTY ACTIVITIES AND GOVERNMENT

LE QUANG DAO ATTENDS TRADE UNION MEETING

OW211653 Hanoi VNA in English 1453 GMT 21 Feb 85

[Text] Hanoi, VNA, 21 Feb--The Central Committee of the Vietnam Federation of Trade Unions (VFTU) closed its fourth regular session in Ho Chi Minh City Wednesday.

The session was attended by Le Quang Dao, secretary of the Central Committee of the Communist Party of Vietnam.

In his report, Pham The Duyet, alternate member of the CPV CC, vice-president and secretary general of the VFTU, praised the workers' and public employees' activities in 1984 which made positive contributions to the fulfillment of the state plan, the maintenance of political security and the defence of the border.

He paid particular tribute to their spirit of overcoming difficulties caused by the enemy's acts of war and natural calamities and their effective contribution to the revolution of the economic management mechanism.

The session adopted the tasks for the trade unions' activities in 1985 and appealed to all workers and employees to promote their sense of collective mastery, give full play to their sense of responsibility to fulfil and over-fulfil the 1985 state plan.

CSO: 4200/565

ECONOMIC PLANNING, TRADE AND FINANCE

RESOLUTION ISSUED ON HANOI'S 1985 PLAN

Hanoi HANOI MOI in Vietnamese 25 Dec 84 p 1

[Resolution of the 16th Session of the Seventh Municipal People's Council on the Municipality's Economic-Social Direction and Missions and Budget in 1985]

[Text] The Seventh Municipal People's Council held its 16th session on 18, 19, and 20 December 1984.

After studying the Resolution of the Municipal Party Committee and the opinions expressed by comrade Le Van Luong, Secretary of the Municipal Party Committee, regarding the 1985 direction and missions of the municipality, and after listening to and discussing the report of the Municipal People's Committee on the fulfillment of the 1984 economic-social plan, and the 1985 direction and missions.

Resolved:

I. The report of the Municipal People's Committee is approved.

In 1984, under the light of the resolutions of the Party Central Committee and the Council of Ministers, and the guidance of the ministries and central sectors, the cadres and people of the capital manifested a self-reliant will and a spirit of revolutionary combativeness, overcame many severe difficulties, brought about transformations, and made progress in many regards.

Industrial and handicraft production increased 12 percent over 1983. The quality of a number of products improved. The value of agricultural output increased 7.3 percent, the two-season rice yield amounted to 53.6 tons per hectare, and the corn yield amounted to 19.2 quintals per hectare, the greatest ever. The state purchasing of agricultural products increased considerably. The volume of capital construction increased. Progress was made in repairing houses and schools. Exports increased 8.3 percent. The activities of socialist commerce were expanded and the supplying of the nine rationed goods to cadres, workers, civil servants, and members of the armed forces improved and the work of transforming and managing the market was promoted. Prices did not undergo major changes toward the end of the year. Improvements were made in bank financing in order to serve production. Culture, education, public health, and physical education and sports developed. Order and security were

maintained, political security was ensured, and the military recruitment cycles were carried out rapidly and efficiently. Progress was made in the inspection work.

However, in general the rate of industrial development was still slow, productivity, quality, and economic effectiveness are not yet high, agriculture is not yet comprehensive and solid, exports and imports did not increase very much, market transformation and management are not yet strong, the existing potential has not been adequately exploited, joint operations and alliances were weak, many difficulties were encountered in living conditions, superstition continued to exist, and there were still many deficiencies in the civilized way of life and sanitation order.

II. In 1985 the people of the capital must make strong efforts and bring about transformations in all spheres, and fulfill six principal missions set forth by the Municipal Party Committee.

1. Industrial, small industry, and handicraft production will increase by 14.8 percent over 1984 and the output of central industry will increase 15 percent. Concentration will be on the essential consumer goods, exports, and implements and equipment serving agriculture, small industry, and handicrafts.

The quality of products with regard to the technical and esthetic aspects will improve and the ratio of inferior products will decline. Industrial management will be renovated, production will be reorganized, and the initiative of the basic level will be brought into play. There will be concentration on providing materials, raw materials, and energy, expanding joint operations and alliances, and supplementing imports by means of local foreign exchange. There will be a policy to encourage small industry and handicrafts production.

2. Agricultural production will continue to develop along the lines of comprehensive intensive cultivation, the grain output in paddy equivalent will amount to 450,000 tons, and the two-crop rice yield will amount to 65 quintals per hectare. The state will purchase 80,000 tons of grain, 14,000 tons of pork, 1,650 tons of fish, 80,000 tons of vegetables, 2,200 tons of tobacco, 3,000 tons of peanuts, 1,400 tons of jute, 1,000 tons of dry garlic, and 200 tons of pharmaceuticals, and 1,500 hectares will be afforested. The state will supply to the agricultural cooperatives 52,000 tons of nitrogenous fertilizer, 18,000 tons of phosphate fertilizer, 3,600 tons of potassium fertilizer, and 400 tons of insecticides.

3. We will continue to develop and strengthen the districts, perfect the contracting-out system, strengthen cooperative management in all regards, strengthen the management of the handicraft cooperatives, marketing cooperatives, and credit cooperatives, and consolidate the weak, deficient cooperatives.

4. We will promote exports and imports and the value of exports will increase 24 percent over 1984, with local exports increasing 62 percent and imports doubling. The focus will be on importing raw materials to serve production, increasing the local budget, and expanding the service, tourist, and maritime shipping activities.

5. Transportation must do a good job of serving production, construction, and life. There will be an increase of 800 tons in river and ocean facilities for north-south transportation.

6. Investment in capital construction must concentrate on the key projects, with emphasis on in-depth investment accompanied by the construction of a number of installations for the textile and food processing sectors, the electronics and microbiology industries, water conservancy pumping stations, and a number of agricultural, warehouse, and store projects. We will build 120,000 square meters of housing, while paying attention to repairing houses, improving a number of water supplying and water drainage projects, building streets, and building additional cultural, education, public health, social, and sports projects. Along with the ministries we will complete the road projects and improve and expand the electricity and telecommunications grids. We will mobilize the people's capital and achieve the slogan of the state and the people working together.

7. With regard to distribution and circulation, along with the ministries we will provide sufficient grain all month long and expand commerce in rice in order to master the market. We will expand socialist commerce, expand alliances, and expand consumer goods in order to meet 70 percent of the monetary incomes of cadres, workers, and civil servants, and meet the needs of the armed forces, the peasants, and the handicraft workers.

We will transform and essentially complete the organization of private commerce and achieve the unification of commerce in grain, pork, technical materials, and essential industrial goods. Efforts will be made so that by 1985 the organized market will account for 75 percent of the retail market. We will continue to improve the finance, banking, and price work in order to serve production and develop and strengthen economic management.

8. We will promote the application of science and technology and effectively serve production and life.

The all-round quality of education will be improved and moral education and vocational education will be stressed in the general schools. The vocational schools will be reorganized and further developed. The schools will be repaired, sufficient windows and light will be ensured, and protection will be strengthened so that the classrooms can be worthy of the name. Day-care centers, nursery schools, and the care of teenagers will be developed. Concern will be shown for the health of the people. The preventive sanitation work will be strengthened. The supply of medicine will be increased and outpatient treatment will be expanded. After-hours medical examinations will be organized in the subwards. The people's physical education and sports movement will be developed.

We will promote the campaign to build a civilized way of life and eliminate superstition, bad customs, and decadent, reactionary culture. We will organize the major anniversaries. There must be a clear transformation in keeping the city clean and attractive. The policies toward disabled veterans and families of war dead will be implemented well and concern will be shown for the lives of the ethnic minority groups.

Decreasing the natural rate of population increase will be encouraged and many effective measures will be used in drafting a plan for doing so. By all means employment will be provided for people who reach working age. One thousand households will be sent to the Lam Dong new economic zone and 600 households will go to the new economic zones outside the municipality.

9. The economy will be combined with national defense and the military draft cycles will be completed. We will build up the reserve forces, carry out the training program for troops, militia, and self-defense unit members, maintain combat readiness, and do a good job of aiding the border.

Political security will be maintained and there will be a clear transformation with regard to social order, traffic order, and the protection of socialist property, we will strengthen education among the people regarding laws and do a good job of considering and acting on the complaints and denunciations of the people.

We will prepare and do a good job of carrying out the Municipal People's Council elections, complete the decentralization of management to the districts, precincts, towns, subwards, and villages, and improve the cadres with regard to working methods so that all aspects of the work can develop well.

10. The budgetary income in 1985 will be 3,175 million dong and the 1985 budget is 3,175 million dong. The People's Council requests the sectors and echelons to practice economy, oppose boasting and waste, and strictly enforce the financial laws.

In order to carry out the resolution of the Municipal Party Committee, the People's Council requests the governmental echelons to improve their implementation guidance, promptly resolve problems for the basic level, and bring into play the basic level's creativity and initiative. The mass revolutionary movement is a decisive factor in winning victory. We must launch a strong mass revolutionary movement to carry out the three revolutions, compete in production labor, fulfill the state plan, protect the security of the homeland, and strengthen national defense.

The People's Council is confident that the cadres and people of the capital will continue to manifest a spirit of collective mastership and a spirit of struggling with initiative, creativity, and self-reliance in order to win great victories in 1985, achieve accomplishments to celebrate the 40th anniversary of the founding of the nation, and be worthy of the care of the Party Central Committee and government and of the aspirations of the entire nation.

On behalf of the Secretariat
Pham Sy Liem (signed)

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CSO: 4209/216

ECONOMIC PLANNING, TRADE AND FINANCE

EDITORIAL STRESSES IMPORTANCE OF COMMERCIAL TRANSFORMATION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 4 Dec 84 pp 1, 4

[Editorial: "Continue to Transform Private Industry and Commerce: Reasson and Sentiment in Policies"]

[Tex] The goals of the socialist transformation of private capitalist industry and commerce are to gradually eliminate the system of exploitation and exploiting classes, build new socialist production relations, create conditions for production to develop and for distribution and circulation to be unimpeded, and stabilize and gradually improve the lives of the people. In order to attain those goals it is necessary to combine transformation with construction, with emphasis on construction, and there must be appropriate contents, forms, and paths of advance.

With regard to the industrial bourgeoisie, in the form of joint public-private operations and other joint operations, the industrial bourgeoisie and the owners of private enterprises cooperate with the state in production and commerce in accordance with the economic direction of the state and the socialist management mechanism, and are distributed profits in the ratio of contributed capital.

In the joint public-private and joint operation enterprises, the state selects cadres to participate in management, while also encouraging the industrial bourgeoisie and the owners of private enterprises to use their technical knowledge, skills, management capabilities, capital, factories, and machinery to promote production and expand commerce. Capable people are permitted to participate in enterprise management by serving as directors and deputy directors, assuming responsibility for technology, etc. If fully qualified the relatives of the industrial bourgeoisie and private enterprise owners may also continue the work of the work of their fathers and elder brothers. Because the activities of a number of sectors, such as printing, communications and transportation, etc., are not purely economic in nature, the state must unify management, but most of the other industrial sectors set up joint public-private enterprises and joint operation enterprises. How long they will continue to exist depends on the needs of society and the activities of the economic components.

With regard to the commercial bourgeoisie and the other private merchants, in order to facilitate the socialist transformation, ensure that distribution-circulation activities follow the proper direction, and serve production and life well, the most important matter is that it is necessary to strengthen and

expand the socialist commercial activities, including state commerce and cooperative commerce. Furthermore, it is necessary to pay much attention to and urgently organize private commercial and service activities in many forms, utilize their positive elements, and contribute to promoting production and serve life.

We advocate eliminating the commercial mode of the capitalist type, of the commercial bourgeoisie, for that mode is outmoded and not only exploits workers and causes many calamities in society but also impedes the great undertaking of building socialism and defending the socialist homeland. Of course, the elimination of that mode is not like the elimination of the compradore bourgeoisie and the dishonest merchants, speculators, and blackmarketers, who must be overthrown and punished. With regard to the commercial bourgeoisie, we implement a policy of transformation with appropriate forms and methods. For example, the state has entered into commercial cooperation with the major private retail, restaurant, and service businessmen, who share profits based on the capital they invest. That is the form of the state and the private merchants jointly contributing business capital and sharing profits. With regard to the commercial establishments engaged in those commercial and service activities, the state encourages the private merchants to enthusiastically contribute capital and commercial facilities and to utilize their management ability and trade skills in the commercial activities. According to the actual situation of a number of bases which have entered into joint operations with the state (such as the large restaurants), profits are generally sufficient to ensure that the private merchants have a relatively good living standard. Not only the private merchants themselves but also the children of many of them have been employed as personnel in the jointly operated establishments. The long-time workers in those establishments are allowed to continue to work in them and it is guaranteed that their incomes will not decline. Indeed, there are welfare funds taken out of the business profits.

In addition to the joint operations form, the state makes extensive use of the agency or consignment (buying, selling, or both buying and selling) forms. Those agencies receive ample commissions based on income. Furthermore, on the basis of actual experience, in the transformation process it is certain that the responsible state organs will, along with the private merchants, find other appropriate forms of transformation, along the lines of bringing them into the orbit of socialist commerce.

If all of the private merchants are enthusiastic and positively participate in joint operations with the state, they will be content in their livelihood, have legitimate incomes, and ensure the living standards of their families and the future of their children, and there will be conditions for contributing to stabilizing the market and prices, stabilizing the people's living conditions, and contributing positively to the enterprise of building socialism. Furthermore, only by accepting transformation in appropriate forms can the private merchants avoid falling into the trap of the dishonest merchants and separate themselves from the illegal commercial activities and livelihoods of the speculators and blackmarketers, who disturb the market and violate state laws.

Thus the policy, contents, and forms of the transformation of private commerce are both rational and sympathetic and benefit both the nation and the families. The process of commercial cooperation with the state is a process of the industrialists and businessmen transforming themselves and gradually becoming socialist workers. That is an honor and a source of pride of the industrial and commercial circles because they have contributed to the enterprise of building and defending the socialist homeland.

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CSO: 4209/220

ECONOMIC PLANNING, TRADE AND FINANCE

IMPROVEMENT IN ECONOMIC TRANSFORMATION WORK URGED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Dec 84 p 1

[Editorial: "Develop the Collective Mastership Right, Do a Good Job of Carrying Out Transformation"]

[Text] The goals, policy, contents, and forms of the transformation of private industry and commerce are very correct and are in accord with reason and sentiment.. That pressing task is demanded not only by the requirements of the socialist revolution but also by the situation of production and life. Clearly understanding the reasons and realizing the law of social development, the people in industry and commerce and those in the small industry-handicraft trades and in small trading, under the leadership and guidance of the party committee echelons and governmental administration in the city, and with the sympathy, assistance, and encouragement of the working people and the popular mass organizations in the Fatherland Front, have gradually accepted the transformation policy. In general, the transformation work has attained good results and has begun to play a positive role in production, distribution and circulation, market management, opposing speculation and blackmarketing, etc. The initial results of the transformation work have contributed to overcoming difficulties in production and life and have contributed to the good fulfillment of the economic-social missions of past years and of the first 10 months of this year. The real effect of the transformation work has also contributed positively to maintaining political security and social order and safety, and to building the new man and a new way of life. In the previous transformation campaigns, due to failure to fully understand the transformation policy of the Party and state at times and at places there were certain mistakes and distortions, but the party committee echelons and governmental administration in the city discovered them and resolutely guided the other places in overcoming and correcting them.

So that the transformation work can achieve better results at present and in the future, the Municipal Party Committee and the Municipal People's Committee have guided the echelons, sectors, and localities in gaining experience, and has positively cultivated the cadres doing transformation work, enabling them to firmly grasp the goals, policy, contents, and forms of transformation while at the same time strengthening the inspection work, etc., in order to carry out very flexibly and correctly that important stand and policy of the Party and state.

Close, meticulous leadership and guidance by the party committee echelons and governmental administration is very important in order to ensure the success of the transformation work, but that alone is insufficient. A more decisive matter is the response and active participation of the working people, all cadres, party members, Youth Union members, and association members, the mass organizations, and the various strata of people, including the enthusiastic, voluntary acceptance of the transformation policy by the industrial and commercial bourgeoisie and the small traders. Therefore, the industrialists, businessmen, people in small industry and handicraft trades, and small traders must fully understand the goals, policy, contents, and forms of transformation in order to voluntarily accept it and encourage others to accept it and carry it out. The cadres, party members, Youth Union members, and working people, and the other strata of people, must also understand and firmly grasp the goals, significance, policy, contents, and forms of transformation so that they can be exemplary in contributing to its implementation, and positively propagandize and encourage the industrialists, businessmen, and people engaged in small industry, handicrafts and small trading to enthusiastically and voluntarily accept the transformation policy of the Party and state.

The transformation of private industry and commerce is an important task of the entire population and party organization in the city, not just of any particular circle or sector. Manifesting a spirit of collective mastership and a sense of responsibility, all cadres, party members, and association members, and all of our citizens, must depending on their specific position contribute as positively and practically as possible to the transformation work. With the participation, sympathy, support, and encouragement of all strata of people, the industrialists, businessmen, people engaged in small industry and handicrafts, and small merchants should enthusiastically accept the transformation policy in order to contribute positively to developing production, do a good job of distribution and circulation and of market management, oppose dishonest merchants who speculate and participate in the black market, and stabilize the living conditions of the working people. That is for them an honor, source of pride, and responsibility toward the enterprise of building and defending the homeland and also benefits them and their children in the short range and in the long range.

The party organization, governmental administration, mass organizations, and people of our city, along with the industrialists, businessmen, people engaged in small industry and handicrafts, and small merchants must be determined to do a truly good job of carrying out the transformation work, combine transformation with construction with principal emphasis on construction, combine transformation with competition to overcome difficulties, and do a good job of fulfilling the 1984 economic-social plan and the other practical welfare projects, in order to celebrate the 10th anniversary of the city's liberation.

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CSO: 4209/223

ECONOMIC PLANNING, TRADE AND FINANCE

READER URGES BETTER MANAGEMENT OF ELECTRICITY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Dec 84 pp 1, 4

[Saigon People's Forum column: "Some Recommendations Regarding the Management and Use of Electricity"]

[Text] Economizing on electricity in production and consumption has long been a major policy of our Party and state and has been supported and carried out by all people who directly engage in production and the great majority of the working people. In the course of many inspections by the Electric Power Service, with the positive participation of the masses, many instances of the theft and illegal usage of electricity in production and business, or of the use of electricity beyond allowable limits, have been uncovered.

At present, however, in actuality every day we still encounter many "painful" instances of serious violations of that strategic material of the state. Some people regard state electricity as a kind of "common property" which anyone can tap onto and use as they see fit. That situation often occurs in the public housing areas, office buildings, students' dormitories, etc. That is not to mention "open" waste which cannot be calculated in the use of electricity in public places, in the organization of business and production by a number of organs and enterprises.

With its policy of economizing in the use of electricity, our state has promulgated many strict legal stipulations to get the use of electricity in production and daily life onto the right track. Most recently, the Council of Ministers promulgated Decree No 80/HDBT, dated 19 July 1983, on regulations regarding the supplying and use of electricity. The Municipal People's Council issued Directive No 11/CT-UB, dated 18 March 1983, regarding the measures of absolutely economizing on the use of electricity in daily life and giving priority in the use of electricity to production. The Municipal Electric Power Service also issued a document guiding the implementation of the above directive which recommended methods for economizing on the use of electricity in public places, in commercial organizations and organs, in consumption and daily family life, and in individual production. Those are initial, very important legal bases on which to transform the major policies of the Party and state regarding economizing on electricity into reality in life.

I would like to recommend the following:

-- The campaign to practice absolute economy among the cadres and people, especially in daily life, must be continued to be promoted. The organs, units, and individuals doing a good job of economizing in the use of electricity in production and life must be promptly rewarded.

-- The stipulations of the state regarding the use of electricity and the electricity use norms in production and daily life must be widely propagandized and disseminated. The Electric Power Service must cooperate with the Judicial Service in extensively propagandizing those stipulations in the press and by radio and television.

-- In considering registrations for doing business and granting permission to engage in production and commerce by the private production teams, the responsible organs must regard norms regarding the expenditure and use of electricity as one of the criteria. Any team that is formed and engages in production or business but deliberately surpasses the electricity use norm set by the state must be regarded as illegal and must cease all operations immediately.

-- It is necessary to deal strictly with people who illegally use electricity for illegal commercial purposes, including measures to deal appropriately with people with responsibility in inspecting or distributing electricity but who commit violations.

Hoai Phan
(Municipal Lawyers' Association)

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CSO: 4209/223

ECONOMIC PLANNING, TRADE AND FINANCE

DECISION ISSUED ON SMALL INDUSTRY-HANDICRAFTS IN HANOI

Hanoi HANOI MOI in Vietnamese 25 Dec 84 p 2

[Article: "Municipal People's Committee Issues Decision Supplementing Some Policies Regarding Small Industry-Handicrafts Production"]

[Text] Implementing Decision 133/CT of the Chairman of the Council of Ministers, on 17 February 1984 the Municipal People's Council issued Decision 504/UB concerning a number of regulations regarding small industry-handicraft workers. In order to encourage the strong development of small industry-handicraft production and implementing Directive No 23/CT-TU, dated 25 June 1984, of the Standing Committee of the Municipal Party Committee, on 14 December 1984 the Municipal People's Committee issued Decision No 8700/QD-UB, which supplemented a number of policies regarding small industry-handicraft production, as follows:

1. Regarding economic contracts:

All small industry-handicrafts production and commercial forms that have been granted permission to engage in commerce are fully qualified legally to sign economic contracts with the contracting-out and ordering organs in accordance with the contract contents that have been agreed to and the guidance of the cooperative federation organs at all levels. Valid economic contracts must be sent to the upper-echelon managing organ of the base (subward, village, city, or district cooperative federation), according to the municipality's management decentralization, and regular reports must be made to the upper-echelon organ on the implementation and fulfillment of the contract, under the guidance of precinct, district, and municipal economic arbitrators.

The managing organs are responsible for creating all necessary conditions for small industry-handicraft workers to be content and enthusiastically bring their talent into play in developing production, employing workers, surpassing the norms of plans and economic contracts, and producing many high-quality products to serve social consumption.

The Municipal Handicraft Cooperative Federation must continually keep in touch with the customer organs to firmly grasp the production needs, and on that basis take the initiative, along with the sectors, in reorganizing production and drafting annual plans.

2. Regarding the price policy: the Price Commission and the Municipal Handicraft Cooperative Federation must recalculate the unit prices of all products that have been and are being produced, in accordance with the spirit of Resolution 6 of the Party Central Committee. Prices must ensure the recovery of production expenses and ensure the living standards of workers, while also providing suitable profit so that the production organs can have conditions for accumulating capital for expanding production.

As regards products produced in accordance with the state plan, the Price Commission must approve their prices. The price approval period is one month after the price organ receives the declarations and the forms requesting price approval.

The Price Commission is responsible for guiding the handicraft bases document the determination of prices so that they can be approved more quickly and efficiently. If the above-mentioned time period has passed without the price being approved, party A and party B are authorized to carry out the transaction at the unit price recommended by the two parties.

3. Regarding materials and raw materials for small industry-handicrafts production: as regards contracted-out products and finished products produced from raw materials, the customer organ supplies sufficient quantities of principal and secondary raw materials to create conditions for the handicraft installation to fulfill its economic contract.

The Municipal Planning Commission provides the handicraft cooperatives with the various kinds of coal, POL, chemicals, self-produced materials, motors, and replacement parts via the Handicraft Materials Corporation, which distributes them to the production bases and meets some of the handicraft sector's needs for the transportation of materials and goods.

The Price Commission works with the Ministry of Supply in drafting regulations regarding the supplying of technical materials, electrical machinery, secondary materials, replacement parts, and equipment and tools for small industry and handicrafts.

The Planning Commission, the Agricultural Service, and the Municipal Small Industry-Handicrafts Federation must study the program of the Municipal People's Committee in determining plans and policies to encourage the growing of such industrial crops as jute, Nepal paper plants, lacquer trees, rattan, etc., in order to provide local sources of raw materials to serve production.

4. Regarding the marketing of products: the small industry-handicrafts production organizations which contract out or purchase products must sell products to the state and fulfill their obligation to deliver products in accordance with economic contracts. Products produced outside the plan must also be sold to socialist commerce. If state commerce does not buy the products or does not buy all of them, the Handicraft Cooperative Federation can open a number of stores to market the products directly to consumers, or sell them on consignment at the state commerce stores or marketing cooperatives.

5. As regards credit and money: in order to take the initiative with regard to finance, the small industry-handicrafts bases must draft quarterly and annual financial plans, including plans regarding money and loans. Monetary expenditures are adjusted quarterly. In the event of unexpected expenses, supplementary plans are drafted.

The money of handicraft installations is deposited in the State Bank, which ensures the monetary expenditure plan of the handicraft installations in order to promptly serve production.

When necessary, if a decision is made by a congress of cooperative members and the precinct, district, or city people's committee approves, the production bases may mobilize the idle capital of the cooperative members and cooperative team members, at an interest rate of 1.5 percent a month or 18 percent a year. At the same time, on the basis of economic effectiveness and in order to appropriately reward people who lend money, after each campaign it is necessary to make complete payments and report to the congress of cooperative members. When it sells goods and deposits money in the bank, the bases are authorized to withdraw money to repay the cooperative members.

6. As regards finance: it is necessary to ensure the sources of budgetary income and ensure the benefit of the collective and the workers. Taxes must be calculated in correct accordance with the regulations of the Council of State and the decrees of the Council of Ministers regarding the industrial-commercial tax. When carrying out its work the tax sector holds discussions between the sectors and the production bases in order to determine income tax rates that are in correct accord with the policy and rational, and are in accord with the actual amount that must be raised, in order to stimulate the development of production.

With regard to the products the installations that have only recently invested in producing, the goods the production of which is encouraged by the municipality, and the products produced primarily from local raw materials or by utilizing waste materials, etc., installations with rational tax reduction requests which are recommended by the managing organ are considered on a case-by-case basis by the tax sector, which reports to the precinct, district, or municipal people's committee so that it can decide to reduce or exempt the taxes on such goods and the income taxes for periods of from 6 to 12 months.

The materials supplying organs in the system of the Municipal Cooperative Federation, such as the Handicraft Materials Corporation, the materials stations, and the sector cooperative federations, are exempted from the submission of profits on receiving, developing and supplying materials to the production bases in the municipality. Between 5 and 10 percent of the profits from the other economic activities are paid into the state budget, while the remainder are added to the sector's existing capital to serve the development of production and the construction of public welfare projects in the sector.

In assigning missions, the tax branch recommends that the Ministry of Finance authorize it to adjust the tax exemption rate so that it can be appropriate to changes in prices.

7. With regard to grain and the essential goods, while awaiting the state policy toward improving the salary system, at present we will carry out the policy regarding grain and the essential goods, in accordance with Decision 503/QD-UB, dated 17 February 1984, of the Municipal People's Committee. Retired cooperative members are allowed to buy 13 kgs of grain per month.

The Financial Service, the Commercial Service, and the Grain Service will provide guidance regarding ways to sell goods promptly and conveniently to handicraft workers. Handicraft workers who wish to sell their food rations to state commerce may do so under the stipulations regarding state workers and civil servants who wish to sell their ration stamps back to the state.

In addition to the products and amounts stipulated in Resolution 503/QD-UB, depending on the supply of goods the Commercial Service will sell handicraft workers additional quantities of food products and manufactured goods at guaranteed commercial prices.

The handicraft cooperatives, along with the sectors, are responsible for drafting plans to provide for the material lives and morale of the small industry-handicraft workers with regard to all aspects: public health, culture, and social security.

8. With regard to social security and labor protection, the small industry-handicraft cooperative federations at all levels must organize the full implementation of the policies and temporary regulations regarding social security of the Central Cooperative Board of Directors, promulgated in Official Letter 292/LD, dated 15 November 1982.

In order to provide part of the social security fund of the sector, the Municipal People's Committee will provide a subsidy of 300,000 dong.

The Municipal Cooperative Federation has a plan to take good care of retired workers, and also has a specific plan regarding those who will retire in future years.

Children of cooperative members who are sent to local day-care centers and nursery schools receive their food standards in money instead of ration stamps.

The handicraft bases with economic relations with the state are allowed to buy labor protection equipment and receive the supplementary standards for heavy work, insalubrious work, and third-shift work, as do state workers in the same sectors and trades.

The Municipal Handicraft Cooperative Federation, the Planning Commission, the Price Commission, the Financial Service, the Bank, the Commercial Service, the Grain Service, the precincts, districts, and cities, and the relevant sectors must, depending on their function and mission, organize and specifically guide the good implementation of this decision, in order to stimulate the strong, correct development of small industry and handicrafts and contribute to fulfilling the state plan.

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20 March 1985

ECONOMIC PLANNING, TRADE AND FINANCE

JOINTLY OPERATED PORK STORE TERMED SUCCESSFUL

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 4 Dec 84 pp 1, 4

[Article by Le Tien Tuyen: "Mr. Sau Pon and the Jointly Operated Food Processing Store"]

[Text] The State Pork Wholesale Store at the Nguyen Van Thanh Market

The Nguyen Van Thanh market in Precinct 5, which has "grown up" since 1978 does not have the imposing, grand appearance of the large markets in the city. At first, it was only a section of Nguyen Van Thanh Street where there were concentrated merchants dealing in the various kinds of processed agricultural products and foodstuffs. But that does not mean that it does not have a certain position with regard to the city's commercial market. In fact, it is a key market as regards meat hogs, breeding hogs, and the various kinds of poultry and dried fish.

In the past, when they went to the Nguyen Van Thanh market many people were disappointed by the pell-mell buying and selling. The market had only a little more than 50 stores and stalls, but the wholesalers controlled hundreds of middlemen and dealers from the eastern, western, and central provinces. With regard to live hogs alone the market received between two and three tons a day. They competed for the middlemen and dealers, raised prices, and lowered prices. On a single day the wholesalers set two or three different prices. That is not to mention the hands which "controled from afar" and did not directly do business at the market but controled money and goods, created tenseness with regard to prices, and upset the market. By the end of September 1984 the state still was unable to control the "drifting" hogs reaching that market.

That situation would have continued if a policy regarding the organization of the pork sector and economic cooperation by Precinct 5 had not been adopted in September 1984. Now, when people visit the Nguyen Van Thanh market they cannot fail to notice a small building only a few meters wide which displays a new sign, "Joint Operation Food Processing Cooperative Store." There can easily be seen a new order in the methods of livelihood, buying, and selling. The cooperative store, which the people usually call the "state pork wholesale store" -- has truly served to stabilize the price of pork on the Precinct 5 market.

Mr. Sau Pon Cooperates

Two months after the cooperative store began operations we went there to study its working method. We were truly surprised and delighted to meet Mr. Sau Pon. He happily spoke with us while going about quoting the price of live hogs to the retailers and itinerant merchants who brought in hogs, and signing receipts.

The real name of Mr. Sau Pon, a person on the fat side, was Thai Hoang Tong. At some time or another his friends jokingly began calling him "Pon" (the French "Paul"), which became "Sau Pon", a name which stuck. The stall owners and itinerant merchants only know him by that name. Although he is only 38 this year Sau Pon has more than 20 years of experience in his trade. His pork trade was passed on from generation to generation. Since coming to Saigon from My Tho, when he operated a hog slaughter house at home, to the time when he was in business at the open-air market in Precinct 6 and then moved to the Nguyen Van Thanh Street market in Precinct 5, he has plied only one trade: buying and selling pork. Just by looking at a hog Sau Pon knows what area it is from, and before he slaughters a hog he knows how many kilograms of meat it will yield and whether it should be roasted or sold in pieces, and whether the meat is good or grainy or whether it has yellow fat. He pointed out some of the hogs among the dozens in the pen and said authoritatively: Nghia Binh hogs have short legs, short snouts, and big ears; Kampuchean hogs have big bones but much lean meat; Hau Nghia hogs have long bodies; Minh Hai hogs have thick skins and a lot of fat, etc.

If one knows the origin and features of each breed of hog and each individual hog it is not difficult to determine a purchase price or to earn a profit after processing. Those two aspects go together in the trade!

Sau Pon's trade is not only the source of support for his family but is also needed by society. In 1978 the city's commercial sector invited him to cooperate, but because there was as yet no clear policy he worked for only a brief period. In 1982 Precinct 5 opened the Processed Food Store and set up a hog purchasing station at the Nguyen Van Thanh market. Mr. Sau Pon again cooperated with the store, contributed a share worth 50,000 dong, and worked with the state by buying hogs which were brought to the store to be processed. He was the first and only one of the 54 stall owners at the market who worked with the state. The results were that during the first month there was a loss, during the second month there was a loss, and during the third month there was also a loss! After 7 months of operating at the market the purchasing station had to close, in part because the private merchants competed in buying the hogs and in part because the methods of management and profit distribution were not yet appropriate. During that time Mr. Sau Pon only received a modest salary.

This time, when the city reorganized the meat sector and encouraged the private merchants to cooperate commercially with the state, Sau Pon could not but avoid making calculations and worrying. It would be better, more permanent, and more stable to work for the state. His oldest son was in the final year of secondary school and he wanted his children to make progress and be admitted to college. He did not want to set a bad example and "impede" the progress of his

children. But Sau Pon was unwilling to fail, as in the past! He thought things over and after many discussions realized that in the past he had worked alone at the market while the sources of goods were widespread and the quantity purchased was small because the "outside" wholesalers raised prices and competed in purchasing. Now there was a policy of reorganizing the entire pork sector and there was a clear formula for sharing profits. The state guaranteed the rights of those who cooperated and had skills and contributed shares. It was certain that the situation would be different.

That was not the conclusion of Sau Pon alone but was the common thought of the owners of stores dealing in pork, breeding hogs, and slaughtering and processing tools at the Nguyen Van Thanh market. Therefore, when Mr. Sau Pon decided to enter into commercial cooperation with the Joint Commercial Corporation of Precinct 5, after which the merchants Nguyen Thi Huong, Mai Thi Pho, Nguyen Tan Hai, Nguyen Thi Phung, etc., also applied to cooperate in business. Mr. Sau Pon boldly contributed two shares (each worth 50,000 dong) so that the store could expand its business, after which Mr. Luu To Ha and Dam Kim Thanh also contributed two shares. By the end of September at the Nguyen Van Thanh market there were no longer any pork dealers outside the organization. The commercial cooperation store had appeared and begun to operate.

The Persuasive Force of an Actual Situation

That night, like all other nights, the working atmosphere at the store was urgent and bustling. The shareholders, who were at the same time the workers of the store, concentrated on their work. The members of the slaughtering team and the hog roasting team worked together like a machine. They were true workers and no longer stall owners as in the past. Hogs that had been marked in advance for slaughter were brought into the slaughter house one by one. There was a long line of processed hogs hanging from hooks. After the last hog of the night was slaughtered three-wheeled carts and motorized cyclos pulled up to the door and waited to receive goods. On that day the Pork Commercial Cooperation Store of Precinct 5 also provided 3,000 kgs of meat to the marketing cooperatives in Precinct 5 in order to stabilize the market. The store ensured both the quantity of meat and the delivery dates. Mr. Sau Pon, who now serves as the assistant manager in charge of business operations, was satisfied with his work and enthusiastically spoke with me about his profession. He explained that a number of itinerant merchants and suppliers are very clever. They bring in diseased hogs, recently fed hogs, and water-saturated hogs. If the store is not aware of such things it will suffer a loss and the interests of the workers will be affected, so it appointed highly skilled people to the principal jobs. For example, Sau Manh is in charge of slaughtering and Luu To Ha is in charge of roasting hogs. The store has a complete "team": some people find sources of hogs, some buy hogs, and others slaughter and process hogs.

Those were positive transformations of the pork sector in Precinct 5 after forces were reorganized and individual businessmen became effective assistants of socialist commerce. However, an important problem has arisen: how should

profit sharing and real income be calculated in order to both satisfy those who entered the cooperative and keep and bring into play their skills?

According to Tran Thanh Tam, manager of the food processing commercial cooperation store, the income of the merchants who enter into commercial cooperation consists of salaries based on skill, supplementary allowances, and share profits. The monthly salary of the assistant manager in charge of business operations is 2,800 dong a month, the salary of processors is 4,000 dong a month, and the salary of purchasers and slaughters is 3,000 dong a month. In addition, they receive supplementary allowances. For example, 20 dong for each hog purchased and between 1,500 and 1,800 dong a month for working overtime or at night. The shareholders are paid every month, after taxes are paid, expenses are deducted, 10 percent is set aside for the welfare fund, and 10 percent is set aside for the business development fund.

Specifically, in October the store distributed a profit of about 5,195 dong per share. Mr. Sau Pon received more than 19,000 dong in the first month after entering into commercial cooperation. Tam said, "That method of distribution and income level reflected the commercial effectiveness of the store and the contributions and hard work of everyone. Everyone began to manifest a sense of responsibility in his work.

That is the persuasive force of an actual situation. The concerns of Mr. Sau Pon and the other wholesalers no longer exist. In the very first month after entering into commercial cooperation they received a minimum of 10,000 dong and a maximum of nearly 20,000 dong. The material interests of the skilled workers and laborers were ensured.

Confirmation of the New Method of Livelihood

Although only recently formed, the method of livelihood and initial results of the Food Processing Commercial Cooperation Store of Precinct 5 have confirmed its economic effectiveness. In the past the door was wide open and the "drifting" pork could not be brought into the orbit of distribution by the organized market, but the store was formed and reversed that situation: every day it purchases more than two tons of live pork. In October, the first month of commercial cooperation, the store bought 1,521 meat hogs weighing a total of 72,286 kgs. The store maintained the middlemen and itinerant merchants and increased its purchasing of hogs due to fair buying and selling. During the first 3 weeks of November the store purchased nearly 70 tons of pork. It is noteworthy that in addition to maintaining the number of hogs brought to market the store has also maintained the state purchase price. The commercial sector set a price of 135 dong per kg of live hog (with a supplement to cover the cost of bran), but the store paid an average price of only 124 dong (with no supplement). Mr. Sau Pon said that the reason for that price was a high level of skill, which prevented the store from suffering losses. It was also the foremost factor in ensuring profitable operation.

On the basis of increasing the number of hogs purchased the store brought the meat into the orbit of the organized market. At present, in addition to the meat it supplies every day to the restaurant sector corporation the store also

supplies 1,000 kgs of cut pork and dozens of roasted hogs to the food stores, the subprecinct marketing cooperatives, and the retail agency stalls of small merchants at the Hoa Binh, An Dong, Xa Tay, and other markets. Depending on the market requirements, every day the store determines the number of hogs to be slaughtered. At present the store is concentrating its forces on organizing regular supplying to the consumer cooperatives in 24 subprecincts in the precinct. It is noteworthy that with those methods the store has won the confidence of its customers: the meat is fresh and tasty and the cut pork is sold at the prices set by the Commercial Service. Especially, its price for roasted pork is lower than elsewhere and is 20 dong per kg lower than the price set by the sector. In October alone the store earned a profit of nearly 60,000 dong.

It may be said that Mr. Sau Pon plays an important role at the Precinct 5 Food Processing Commercial Cooperation Store. He is in charge of the store's business activities and personally examines the hogs, guides the purchase prices, and recommends that a hog be cut into pieces or roasted. He is well aware of the skills possessed by the shareholders and how they work. Now Sau Pon truly accepts the state's way of livelihood and works hard. Those are good, encouraging signs but Sau Pon's work at the store has only begun. People have confidence in him and expect even more.

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CSO: 4209/220

AGRICULTURE

IMPOVERISHMENT OF PROSPEROUS AREA DECRIED

Hanoi NHAN DAN in Vietnamese 31 Dec 84 p 3

[Article by Thanh Phong: "A Prosperous Region is Becoming Impoverished"]

[Text] Speaking about the Nghia Dan (also called Phu Quy) economic zone, in Nghe Tinh as elsewhere in the country everybody thinks that this is a fertile red earth area, the longstanding home of various long- and short-term maturing industrial plants. It can be said that this is the "Central Highlands of the Former Zone Four." One of the two main capital assets that enable this area to get rich is that out of its 730,000 hectares of land, there already exists 300,000 hectares of natural basaltic red earth, of which 130,000 hectares has a cultivable stratum of more than 70 cm; there are also 27,000 hectares of tropical forest containing valuable varieties of wood. This soil is extremely appropriate to many varieties of industrial plants, to fruit trees with long- and short-term yields having high export values.

Formation of a Large Economic Zone

By now, the Phu Quy Economic Zone has over 45,000 laborers trained in the cultivation of long- and short-term industrial plants; there are over 28,000 laborers in the collective sector, with the state farm and the state forestry station accounting for over 17,000 laborers, including the 10,000 laborers in the state farm alone. The technical cadres and skilled workers concentrated in this zone are not small in number either: 2,683 technical workers, 2,211 mid-level technical cadres, 761 economic management cadres, 462 college-level technical and management cadres. In order to exploit the economic potentialities of the area, besides the investment in labor and technical cadres, the government has also invested a large amount of physical and technical base units. The whole zone has a capacity of 3,000 kW in electric power (including 2,200 kW in diesel-power), has 8,000 horsepower in treaded and regular wheel tractors of all kind (which average out to 0.48 horse power per hectare of land), 300 cars, and 370 rubber-wheeled ox-drawn carts. With this transportation capacity, the zone can move up to 70,000 tons of commodities yearly. Here, there are five coffee-processing plants, four rubber-processing plants, 1 fruit-canning plant, 1 processing plant for vegetable oil with a total processing capacity of 20,000 tons of products. We have yet to count the wood-processing plants with a capacity of 10,000 m³ of wood per year. There are also two large machine repair plants which can fix 500 or more engines per year: one belongs to the Ministry of Agriculture and one belongs to the Ministry of Forestry, which are located less than 1 km apart.

The total amount of capital invested into this zone came to 392 million dong (old currency) by 1983, of which the agricultural state-operated sector received 215.7 million, the state-operated forestry sector received 20.5 million, the other state-operated units received 49 million, the district and the collective economic sector received 76.7 million. Just the salaries every year account for 40 million dong.

With the potentialities and investment in material-technical bases as described above, if they get effectively used and if the investments are efficiently put to use, then each year this zone could yield a relatively high volume of production. Estimates based on the existing acreage have shown that each year one can harvest from 1,700 to 2,000 tons of coffee beans (in 1 year the harvest was as high as 2,600 tons), from 10,000 to 15,000 tons of oranges (1 year the harvest came to 10,000 tons), and possibly up to 1,000 tons of dried rubber latex. As far as peanuts are concerned, with two crops in a year as in recent years and with a correct policy, one could have a production of up to 3,000 or 4,000 tons per year or even higher. Besides, in this economic zone, every year one can harvest thousands of tons of sugarcane and honey, thousands of tons of oleaginous nuts, soya and other kinds of bean. Generally speaking, if the organization of production, management, harvesting and processing is done well, the Nghia Dan economic zone alone can have an annual volume of production of over 70,000 tons, with a laborer creating on the average 2.6 tons of agricultural products. The animal husbandry capabilities of this zone are also very great. With its existing fields and the volume of fodder it actually possesses (about half a million tons per year), Nghia Dan can expand its buffalo and cow herd up to 30,000 head, which can yield annually 2,000 tons of buffalo meat and beef good enough for export.

Sad Numbers

Over the last 20 years, thanks to their own labor and to that of cadres and workers on the state farms and forestry stations, the people of the villages in Nghia Dan have step by step transformed this rich but relatively uninhabited area into a multifaceted economic zone, a great economic center in the western part of Nghe Tinh. But the results achieved so far have not yet corresponded with the potentialities and the relatively high investments made by the state. What is worrisome is that owing to many objective and subjective reasons, a rich soil and forestry area is being impoverished. We would like to present here a few figures which do not quite give the complete picture nor are they quite accurate yet. In this area, 25 years of timber exploitation have turned 10,000 hectares out of the 27,000 hectares of timberland into wasteland and treeless hills, and 12,000 hectares of rich and average forest have turned into exhausted woodland that seems incapable of recovery. The level of leaf tree coverage over all of Nghia Dan has decreased by 30 percent. This one fact alone has completely changed the environment and climate here: the weather is drier, the humidity is less, and the soil erosion is serious. The end result is that over 1,000 hectares of cultivated land have become laterite, 3,000 hectares have become waste because of the exhausted level of humus, which makes it impossible for cultivation to yield anything. The proportion of humus which was 4 to 5 percent for the entire zone has now come down to 1 to 2 percent, making the land uncultivable. These sad numbers can also be proven

even better by the ever-declining production of long-term industrial plants in this area. Coffee which in its highest year reached 2,000 tons in Nghia Dan is down to 384 tons in 1980, 257 tons in 1981, 266 tons in 1982, and all way down to 110 tons in 1983. Orange production in 1982 reached 2,400 tons but went down to a mere 1,000 tons in 1983. If one is to look into the manpower figures and quality, into the investment levels and their economic efficiency, then one is certain to have even sadder figures.

Is it a Matter of Soil, of Climate, or of People?

To be fair, it is true that nature favors Nghia Dan with a rich soil but at the same time confronts it with the challenge of intemperate weather that man must overcome before he can be rich. The basaltic soil is highly fertile for the cultivation of long- and short-term maturing industrial plants but at the same time it retains water poorly, thus keeping no surface water. The rainfall distribution in this area, furthermore, is not even, and the humidity level is seriously deficient and the irrigation question is far from being solved. The temperature range in this area is also extremely variable, sometimes reaching up to 70°C during the day and at other times falling down to -2°C. And it seems almost cyclical that every 3 or 4 years frost comes and destroys up to hundreds of hectares of rubber and coffee trees.

Such natural conditions have created not a few difficulties for people but strictly speaking, can it be said that all the above natural factors cannot be overcome? Has man done everything he can to control nature? After over 20 years of exploitation, what has man given back to the soil and to the forests in this area? Maybe what went wrong, the greatest mistake that man has made here is that one has demanded too much of the soil and given back too little. It takes someone who has had the honor of being among the pioneering groups coming to this area to reclaim the land for rubber and coffee to realize the pain of seeing so much unconscionable destruction of the ecology of the area. All at the same time, thousands of hectares of forest land were cleared away to make way for planting coffee trees. People only thought about the hectares newly planted with coffee trees, then they thought about the months and years that it would take for the coffee trees to yield while almost nobody thought about planting something else to cover and protect the soil during the many years when the coffee trees did not quite produce enough leaf coverage. And the result was that for the 10 years that it took for the coffee trees to come up with enough leaf coverage, thousands of hectares of the fertile land were left to undergo the eroding action of rain and storms. At times, people did think about "ti-ga" grass and "hong dao" beans, etc but it seems that it was done for a couple of years then was promptly forgotten. The history of the last 20 years, therefore, was a history of wasteful cultivation on this vast land area.

We have visited the state farms, starting from the "first born ones" like Tay Hieu, Dong Hieu all the way to those in the process of development, such as 1 May, 3 February, Red Flag, 19 May etc. Everywhere the leading comrades have complaints about the irrigation work needed for long-term industrial plants. It can be said that the tens of thousands of hectares of rubber trees, coffee plants, tea plants and orange trees, practically all have to rely on the weather since there has not yet been an irrigation project actively meant for the

plants, not even in the high-production areas. In intensive cultivation, the equilibrium between animal husbandry and cultivation is extremely necessary. Yet in the state-operated agricultural units in this zone, this equilibrium between animal husbandry and cultivation is simply not rational. In the 5 state farms in Nghia Dan that are planted with nearly 10,000 hectares of rubber, coffee, orange and tea plants, calculations give only 0.6 cow and 1 hog per hectare whereas in the collective sector, 1 hectare has 1 buffalo and 2.3 hogs (even though here, too, there is still not enough organic fertilizer). This is the reason why the plants found in the state farms do not have enough organic fertilizer and they primarily have to rely on chemical fertilizers. The Red Flag state farm has the most orange groves and produces the most oranges for export. In the conversation we had with Engineer Duong Tien Ngoc, director of the state farm, we learned many interesting things about the new management and the reasons for the "ups and downs" of the farm. Most noticeable is a detail he told about "the rebirth of a 'thanh ly' orange grove." The story was that in his state farm there were several hectares of orange trees that did not yield any during several years; everybody said that the trees had retrogressed. Brother Ngoc picked one hectare of orange trees relatively far from the people's habitation, one that for 3 years had not yielded any fruit, and gave it in contract to Comrade Nguyen Quynh, a retired worker who now had an appropriate contract. Day and night, the family of Comrade Quynh gave every attention to the grove, picked the weeds, gave the trees fertilizer, destroyed the wild growth, and practiced alternating crops of peanuts and soya beans to protect the soil. In the end, in 1983 this "thanh ly orange grove" not only produced fruit, it produced fine fruit: 1 hectare alone produced up to 4 tons of oranges good enough for export. The state farm takes half of the product but Comrade Quynh was still rewarded more than 19,000 dong. Thus when production falls or when the soil is poor, is it because of the soil itself, because of the weather, because of the trees, or is it because of man? Also in this same soil, many orange groves, coffee, rubber or tea plantations, when given in contract to workers, also experienced the same kind of "revival." And the clearest evidence is found in the garden plants belonging to the families of state farm workers and of the cooperative members: here, one always finds orange trees above and peanuts below, and every plant yields high productivity thanks to being taken good care of, being irrigated and nurtured. Very many comrade directors of state farms and forestry stations affirm that poor soil leading to poor trees is essentially a function of man, most concretely the irrationality of the management link which leads to the irrational organization of production.

There are not a few active blueprints of the forestry stations, of the state farms and especially of the Nghia Dan District Committee and of the People's Administrative Committee regarding the improvement of management and the exploitation of this economic zone. But all these blueprints remain on paper since who is going to stand up and present them, defend them and take responsibility for implementing them? Just counting the major units, in this zone there are already three ministries directly in charge of management: the Ministry of Agriculture with tens of different enterprises, the Ministry of Forestry with also tens of different enterprises, then the Ministry of Food Industries. just on the sliver of land of the Thai Hoa main town and along the banks of the Hieu River, the various ministries already have hospitals, nursing

stations, different construction materials depots and repair plants despite the fact that some of these units have the same function; but since they belong to different ministries they "cannot be fenced" together. This situation of dissipated management due to everyone "standing his ground" has led to no small waste of material resources. There is quite a bit of equipment of various kinds for this economic zone: cars, tractors, a huge repair capacity, and far from negligible mechanical repair capabilities, yet it sometimes happens that the state farms have plenty of those while the forestry stations do not have enough; at other times, the state farm tractors run out of things to do but the peasants do not have enough manpower to work the soil, missing the season for growing and even going so far as to let the land go to waste. Because many things have not yet been incorporated in the implementation plan, at the present time there is the common situation where the state farms cannot use all the land for production but the various villages in Nghia Dan do not have enough land to work simply because the land lies "within the implementation plan" of the state farm and therefore is inviolable as far as the local population is concerned. The greatest damage, however, is that the irrational management leads to poor concentration of investments; it is so bad that investments do not see their effects being promoted because of lack of coordinated business and cooperation. After having studied the resolution of the Sixth Plenum of the Central Committee, many comrades at the forestry stations, at the state farms, and in the enterprises have come to believe that there must be a concrete implementation plan and that there must be early division of labor so as to allow the district to manage a number of base units which are considered to be best left outside the direct supervision of the ministries. At the present time, from a superficial viewpoint the district of Nghia Dan is clearly one that is fully agricultural, industrial and forestry combined but because the management is in reality divided into many directions, the district itself as yet does not have anything more than a few thousand hectares of paddy rice and another few thousand hectares of peanut, corn, yam and taro root.

The leading comrades of Nghia Dan confess: "The fact that we have within our territory many centrally controlled state farms and large enterprises should have been something to perk us up. But in actuality we have not yet perked up and instead worry because every year the product of our territory goes to the center, with nothing left for the district--in fact, we do not even know where they go, yet we are always expected to provide adequately for the requirements of cadres, laborers, desk workers and their dependents, we have to provide schooling, health care and even have to take care of public order and security. We consider this to be an unfair distribution of income, and this is the reason for the lack of cooperation between those sectors stationed on our territory and the locality; the difference in income distribution leads to the distancing in cooperative efforts and sometimes even creates economic contradictions within the same territory, leading to a situation of localism, of "standing on one's ground," causing a weakening of the economic zone as a whole.

To overcome this situation, we must have at once an implementation plan for the whole zone, change management methods so as to create cooperation among the various sectors, between the center and the locality, between the ministries and the territory. This is an economic zone with many potentialities; should we have good exploitation and management methods, we will gain great economic results. Should we continue the situation as at present, then this great economic zone, this prosperous land will become impoverished at an alarming rate.

AGRICULTURE

CENTRAL SRV PROVINCE BOOSTS PRODUCTION

OW191736 Hanoi VNA in English 1523 GMT 19 Feb 85

[Text] Hanoi, VNA, 19 Feb--Over the past ten years, Quang Nam-Da Nang Province in central Vietnam has progressed by leaps and bounds not just in the economic field but also in cultural, social and security matters.

Quang Nam-Da Nang was a densely-populated region. The small acreage was arid land which, moreover, was badly damaged by war through neglect or bombings and shellings. Nine hundred and twenty seven out of the total 1,218 hamlets were literally destroyed. Two thirds of the crop fields left fallow, 70 per-cent of buffaloes and oxen killed and irrigation projects were non-existent. Half a million inhabitants were in need of food and 200,000 unemployed. That was in early 1975, before the liberation of South Vietnam.

Today, the province ranks among the best in agricultural production, yielding 522,000 tons of food grain in 1984, or a per capita production of 315 kilos compared to 105 in 1975. One hundred of its 259 co-operatives have produced eight tons of food per hectare upward. Four northern districts achieved ten tons, and 20 co-ops reaped as much as 17-18 tons per hectare. A food-deficient province 10 years ago, it has began selling surplus rice to the government.

All this stems from wide revolutionary movements among the masses, such as the land reclamation, campaign, the movement for irrigation and co-operation, the movement of tree planting on sandy beaches and bare hills and the movement to combine efforts of the state and of the people....

Quang Nam-Da Nang has completed a 350 million-cubic-metre reservoir in Phu Ninh which in 1982 supplied water for 10,000 hectares of crop fields, helping the farmers in the recipient districts, to double and even treble their crop output per land unit.

Besides the Phu Ninh irrigation project, an irrigation network has been formed including 44 smaller reservoirs, 125 dams and sluices, five hydro-electric power stations and 36 electric pumping stations.

Most illustrative of the economic success in Quang Nam-Da Nang is the Dien Tho no. 1 co-operation. After its founding in 1978, the co-op raised its

rice production to 6.5 tons per hectare, and to 10 tons in 1979, then 14.5 tons in 1984. The co-op now groups 1,028 families with 4,227 persons tilling 510 hectares of crop land. It has been equipped with 60-hp tractors, 12-hp mechanical plows, heavy-duty trucks, sugercane presses, rice huskers and grinders, and a machine repair shop.

The population growth rate dropped from 3.8 percent in 1977 to 1.3 percent in 1984.

Danang, capital of the province, is a thriving productive and servicing town inhabited by 340,000 people, 130,000 of them factory and handicraft workers.

It has 47 state-run or joint state-private enterprises compared with only five in the first year after liberation. Its small industry and handicraft service now produces more than 140 items of goods, including goods for export.

Hoi An City, a port town, is also a thriving weaving centre grouping 600 families with 1,000 workers, who produce 10-15 million metres of cloth annually.

CSO: 4200/565

TRANSPORTATION AND COMMUNICATIONS

STATE PROPERTY LOSSES HIGH IN RIVER TRANSPORTATION

Hanoi GIAO THONG VAN TAI in Vietnamese 29 Nov 84 p 5

[Article by An Thanh: "Preliminary Review of Effort to Protect Socialist Property Transported on Inland Waterways of Southern Provinces"]

[Text] In Ho Chi Minh City recently, the Inter-Ministry of Communications, Transportation and Interior met to review the effort to protect socialist property transported on the inland waterways of the southern provinces over the 3 years from 1981 to 1984. Nguyen Dinh Doan, vice minister of communications and transportation, opened the conference on behalf of the two ministries.

Thoroughly understanding the task of protecting socialist property transported on inland waterways, units have, over the past 3 years, strengthened and made internal adjustments to transportation and freight handling, coordinated with public security forces, carried on indoctrination to purify the ranks of cadres, and improved and strengthened internal regulations which have had, as a result, a positive effect in curtailing and limiting corruption and theft of state property during the transportation and freight handling process and contributed to stimulating production. Transportation units of the Mekong River transportation enterprise, the Tay Ninh River transportation enterprise, the Rach Gam River transportation cooperative (Tien Giang), Binh Dong Port, etc., are units which have satisfactorily completed the transportation and freight handling plan with the percentage of annual loss gradually falling below the allowable norm (according to inter-ministry circular 08).

However, the work of internal cadres generally remains weak and without resolute, substantive and concrete measures; management aspects are still fraught with many flaws and laxity; virtually all do not manage the itinerary of the equipment and allow a number of bourgeoisie and former puppet army officers who have refused reform to slip in to organize, take control, and buy off leadership cadres to monopolize the organization and, in coordination with associates, illegally avail themselves of the goods along the rivers; engage in corruption, sabotage, and extortion of state property (sinking equipment after selling all the stolen cargo to destroy the evidence). Hundreds of cargo shortages occur, which cause hundreds of millions of dong in losses; hundreds of large accidents due to the illegal takeover of river beds cause losses to the state in tens of thousands of tons of equipment.

In the conference review Tran Quyet, member of the party central committee and vice minister of interior, stated that the principal reason for the occurrence of the cargo losses and shortages and the damage and sinking of equipment currently in river transportation and freight handling is due to sectors and levels failing to fully realize their responsibility in carrying out the text of the party central committee's and inter-ministry's resolutions.

He clearly indicated that the responsibility of the inland waterway communications and transportation sector is to make itself even cleaner internally and strive to build a strong party organization; clearly and fully stipulate the functions and responsibilities of the transportation worker in equipment turnaround and, at the same time, in opening up and satisfactorily managing routes. The public security sector should cooperate closely with the communications and transportation sector and other related sectors to combat negatives, have specific plans to expunge groups trading illegally on rivers, and create conditions for the communications and transportation sector to embark on this tenth-month grain transportation campaign and record high productivity, quality, and effectiveness in transportation by inland waterways.

6915

CSO: 4209/202

TRANSPORTATION AND COMMUNICATIONS

REASONS FOR DELAYS IN SHIPMENT FROM HAIPHONG CITED

Hanoi GIAO THONG VAN TAI in Vietnamese 6 Dec 84 p 5

Article by Nguyen Quang Liem: "Why is the Rate of Movement of Goods From Haiphong by the Railroad Sector Still Low?"

Text According to research data the rate of movement of goods from Haiphong by the railroad sector during 9 months of this year is 16.8 percent lower than during the corresponding period last year.

This is a problem of concern since it affects many ends and parts of the communications and transportation sector and is related to many national economic sectors, affecting requirements in support of national defense.

Of the many factors limiting the capabilities of the railroad sector to move goods we see a number of problems which should be cited.

During the first 9 months of this year, the pattern of goods arriving at the Haiphong Port has been somewhat uneven, some months coming in great quantity, some months a shortage. Many items for key projects have decreased. Imports versus exports are unequal with greater disparity this year, causing the railroad sector to run 90 percent of its trains moving freight one way. Two-thirds of the goods are iron and steel with various markings and codes, but the freight handling equipment and specialized railroad cars are not the same, impacting on equipment turnaround time.

Freight handling is slow at the Haiphong terminal, the second reason why the railroad sector's rate of moving goods has declined. This is one of the main factors, both objectively and subjectively, which must be looked at from many angles.

The port, the freight owner, and the equipment are the three parts of the freight handling operation. From the port angle one sees the railroad sector is not completely fulfilling the contract to deliver railroad cars to the stevedores. When there are railroad cars they are not the standard type! According to the deployment plan, the railroad sector must have six train units moving freight each day, but the average for 9 months has been only three units per day. Of the 20 railroad cars delivered to the port, only from seven to eight have been the right type and up to standard!

When working with the responsible comrades at the railroad they affirm: the engines and cars provided for moving imported goods are not inadequate, but the cargo handling at the Haiphong Port is slow, and this affects equipment turnaround. So, we cut back on the plan to provide freight cars for other routes. The comrades at the railroad also expressed to us the negative aspects in the port, the procedures and policies toward the railroad sector in general and norms on loading railroad cars which have not been improved over a span of 30 years, and so on.

As for the freight owner, we hear the chorus whenever discussed: "Communications have no equipment, so our goods pile up!"

The port, the freight owner, the equipment owner all use objective reasons to diminish their subjective responsibility; this is a hidden "cause of the disease" handed down over many years of doing business according to the grant administration model with a cumbersome, ineffective organizational structure.

In recent years the Haiphong Port has undergone many changes, but in unloading cargo for the railroad sector to move out there remain several subjective responsibilities which should be discussed. For example, because the objective of freeing domestic as well as foreign vessels is very "tense," the percentage of cargo going directly from ships onto railroad cars does not meet the railroad's desires. The railroad sector's plan requires receipt of approximately 70 percent of the total volume moved directly from ships onto railroad cars, the remaining 30 percent being located in warehouses and yards. Currently, however, only 40 percent is going directly, with 60 percent located in warehouses and yards. The percentage of freight loaded from warehouses and yards onto railroad cars not only is an added burden for the port but also impacts greatly on the working time of the train units because an extra shift must be added to do the moving and, in particular, iron and steel goods left down at the warehouse and yard are voluminous and pile up on the railroad traversing the port, creating difficulties for grouping railroad cars together.

While adjustment of the unit cost for freight handling and the salary and bonus system is pending the subjective responsibility of the Haiphong Port is to internally adjust the unit price for loading freight on railroad cars so that it is suitable; this is the way to combat the railroad's greater hesitancy to load freight onto railroad cars than onto automobiles and board barges and, at the same time, is the way to gradually reduce negative phenomena.

All freight owners want freight to be quickly loaded and moved but fail to realize in entirety their own subjective responsibilities. This was the case recently on 15 November when we saw the owner of a load of ore come to the Haiphong railroad depot to demand that the goods be moved out when the railroad sector did not even have the transportation plan! There is also the story of an irresponsible freight owner employee who was not present to "put on the seal" when the railroad car had been loaded, which greatly affected the port's and the equipment's working schedule.

Railroad bridges and depots, and locomotives and railroad cars are the two links synchronized with each other in the transportation operation. It must be clearly realized that the reason for the decline in the railroad sector's movement of

freight in the port is because the quality of the bridges, roads and depots on Route 5 and at the Haiphong center is deficient, inadequate and not in synchronization with the locomotives, railroad cars and the material and technical base of the engine terminal.

The railroad from the Haiphong railroad depot (where the trains are set up) to bridges, warehouses and yards in the port has not been improved. Many of the old switching devices from the French colonial period are still in use; for many of the curved sections the minimum radius is smaller than 90 meters. The branch of railline from the depot where trains are linked together to the port where the freight is picked up is poor in quality; meanwhile, the plan trickling down from above, from the calculation point of view, still maintains that assignment of two locomotives to hook the cars together from the Haiphong railroad depot to the port is excessive. But in actuality, daily there is only one locomotive in operation, running constantly to ensure only two of the four freight handling shifts of the port in a 24-hour period. This leads to delays from the very beginning and greatly affects equipment turnaround. Twenty-five percent of the freight moved by the railroad sector must be picked up at the Chua Ve Port area, but now there is no railroad, so it must be moved to the Haiphong railroad depot, adding another handling link here which obviously affects the working schedule of the train groups, etc.

There are many factors leading to the reasons why the rate of movement of goods by the railroad sector is lower than during the corresponding period last year, such as handling at the railroad sector's other end in the Giap Bat depot, the Gia Lam depot, etc.; and procedures and policies, etc.

The recent party central committee's resolution 6 is the basis for creating conditions for sectors and levels to reverse objective difficulties. But for our own subjective problems themselves there is only the path of self-reversal through many methods: in production organization and management, alter plans in conjunction with balancing and synchronizing right within each level and sector itself.

Aside from changes at the port and in the organizations of the freight owners, the railroad sector must clearly realize its subjective part in order to rearrange the organization and management of the movement of imports according to a central unified model: planning, implementation and authority to sign contracts with freight owners are a factor.

Synchronization between the network of bridges and lines from the points goods are moved from the port to the railroad's central transfer depots such as Giap Bat, Gia Lam and Yen Vien must be improved and rebuilt to be quickly put into use (e.g., the section of railroad from the Chua Ve Port area to the Haiphong railroad depot).

We should rearrange and rebalance train units and specialized railroad cars consistent with the pattern of import goods (e.g., two-thirds of the goods moved in Haiphong are iron and steel, so there must be two-thirds specialized railroad cars to move it).

There is a communications and transportation sector individual with a masters degree who is familiar with the railroad sector's movement of imports and has cited a figure: the total volume moved annually by the railroad sector in Haiphong almost equals that of the railroad stations from south of Hanoi to Nha Trang. This is cited so we see even more clearly the importance of the railroad sector's movement of imports in the Haiphong terminal.

Levels, sectors and, especially, the railroad sector should clearly realize their responsibility, actively reverse difficulties, and further accelerate the rate of moving goods from the Haiphong terminal.

6915

CSO: 4209/202

TRANSPORTATION AND COMMUNICATIONS

BRIEFS

RED RIVER BRIDGE COMPLETION--Hanoi, VNA, 18 Feb--The last steel girder of the 11-span Chuong Duong Bridge, being built across the Red River in downtown Hanoi, was installed yesterday, 50 days ahead of schedule. This is the biggest bridge ever designed and built by Vietnam. Its total length is over 1,218 metres, and its two-lane motorway, 7.5 metres wide. Construction is being speeded up in order to open the bridge to traffic in May. The Chuong Duong Bridge is Vietnam's second biggest bridge after the Thang Long Bridge which also spans the Red River, in Hanoi, and is nearing completion with Soviet assistance. [Text] [Hanoi VNA in English 0759 GMT 18 Feb 85 OW]

CSO: 4200/565

HEALTH, EDUCATION AND WELFARE

CORRECTION OF DEVIANT CULTURAL PREDILECTIONS DISCUSSED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 16, 17, 18, 19 Oct 84

[Series of articles of Hoang Quan: "The Problem of Predilections--The Last Blots"; passages within slantlines in italics]

[16 Oct 84 p]]

[Text] 1. From Foreign Ampicillin Tablets to Startling News

During our cordial meeting with him, pharmacist Que of Pharmaceuticals Enterprise 1 May spoke about Ampicillin tablets and stated the reasons why this locally made medicine is rather nice-looking and cheaper and better than its foreign counterpart now on sale on the city market: On receipt of the imported raw materials, we immediately start producing this medicine and pouring it into the market to serve the people while foreign Ampicillin tablets which are sent as gifts to people at home by their overseas relatives or introduced by smugglers have had to make rather lengthy detours before reaching their destination during which their medicinal substances have been somewhat impaired--not to mention instances when they were concealed in unhygienic and humid places, sometimes even in bathrooms, toilets, etc.

The pharmacist added:

"I told you the truth, not for advertisement purposes. We cannot produce enough Ampicillin for sale so there is no need for advertisement!"

However, we have heard with our own ears some people in our city say in a tone proper to "connoisseurs":

"What! Locally made Ampicillin? Buying it would be a waste of money! It would be better for you to pay five or six times more and buy foreign Ampicillin which has a better 'guarantee'!"

Life has thus become more complicated. Though still poor, the state has continued to save foreign currency to import raw materials to produce medicines for the people's use. Thus, our locally made Ampicillin tablets not only contain medicinal substances but also symbolize the effort, intellect and affectionate sentiments of many collective units who take pride in this medicine, and so forth.

But people are unaware of the above-mentioned facts when they superstitiously believe in foreign "trademarks." People readily place greater confidence in a man squatting on the Nguyen Thong St sidewalk, waiting for passersby and asking them "do you have some medicine for sale?" or in a trader standing in Nguyen Phi St and approaching passersby to make propositions--than in pharmacists and physicians!

On 5 September 1984, a reader sent us a letter complaining that though prohibited long ago by the administration, the smuggled Western medicine open-air market still remains rooted in some streets. Maybe we must add that it still remains "rooted" in the aforementioned blind worship of foreign medicines. Not only has the open-air market existed but so, too, have the smuggling activities, the manufacture of "spurious" medicines and the launching of false rumors causing disturbances to medical treatment and the people's health protection been going on so far by capitalizing on this continued state of mind--a sickish psychology which has led to the importation of "Tylenol" and five-color weight-reducing pills have been proven harmful to our society.

Let us tell another story. More than a month ago, the municipal public security forces caught a gang in the act of clandestinely organizing the projection of obscene, depraved and reactionary movies and seized 36 rolls of films including 6 blue movies and 4 projectors. The principal culprit was Tran Vy Gai alias A Ty. Was he involved in the manifold sabotage schemes of the enemy? No need to speak about this matter right now, for all henchmen will be apprehended in turn. We merely want to speak about this criminal's "customers." Without the presence of these persons and without their moral degeneracy and depraved predilections, there would have been no milieu for the survival of such vicious and depraved products as well as for the existence of people like A Ty to carry out their dark plots!

That unfortunate event really is not longer a topic to be heard of superficially and then dismissed.

A week ago, a group of teenagers from the 21st Ward, Binh Thanh Precinct, called on us to help eliminate the bad habit of "gambling on lottery prizes" which was impoverishing their parents and would affect their own future. We all know that accessory lotteries are big gambles which cannot be kept secret and that the bankers can absolutely not avoid being denounced. At first, people thought that since the administration had decided to eliminate it, this evil practice of gambling on lottery prizes would not survive for a year, for the "bankers" would, of course, fear that they would go to jail while the "players" would be afraid of losing both their capital and prizes. Who knew that this inveterate passion would give a number of people enough "courage" to stealthily harbor this vicious habit up to the present time? We have now realized that 9 years are not enough to wipe out such a blatantly vicious habit.

Likewise, in the field of cultural and artistic delectation, a similar influence has been exerted by old, backward predilections. Today, we have heard so many people living under the former regime say: "At present, whenever by chance we hear 'golden' pieces of music, we find that they are really very

senseless!" Nevertheless, there are still a few people who are still obsessed by that kind of music, even by those pieces which were, in the puppet regime times, demoted by the masses to the rank of "maidservant's" or cheapest songs. Last week, along the sidewalks of Le Loi St, we still saw those "golden" pieces of music put up for sale, mixed up with newly composed and foreign ones. The godparents of these open-air market dealers in depraved arts and letters are none other the persons who, as said above, are still confining themselves in the swamp of the past.

We can hardly imagine how such a distorted and superficial predilection can stand up as an invisible wall separating those people from the progressive sense of esthetics but this is true and its consequence is that, up to now, these people still have a very vague idea of the novelties taking place around them....

In the past few years, in our own city and some sister provinces we had the opportunity to visit, there has been a tendency to optimistically view the fast pace at which the cultural, literary and artistic revolutionary mass movement has won success and registered huge, wonderful achievements in all fields of local activity; this opinion holds that even if the old things may have survived, they are, as some said, merely "ashes clinging vainly to heels of a pair of 7-mile boots."

From the aforesaid prematurely optimistic tendency to the disregard for the harmful vestiges of the colonialist culture, there is only a short step; in the meantime, though only some 10 years have gone by, neocolonialism has again gathered a composite and subtle strength to gradually distort the predilections of people in the former temporarily occupied areas and has considered it a primary task instead of its psychological warfare tricks which have become too blatant.

The arguments presented above are merely for introductory purposes. We will go deeper into this subject matter in the next few chapters.

[17 Oct 84 p 2]

[Text] 2. "Elixir of Life" for Strays

We still remember that on 24 December 1981, the Municipal People's Committee issued Circular No 36 which said, in particular: "Private restaurants and teahouses will be allowed to let customers hear only Vietnamese music records whose circulation has been authorized."

A continuous and protracted struggle has been waged to implement this regulation but our investigations have revealed that until now noxious music has been "unexpectedly" played at a number of coffee shops scattered in the 3d, 1st, Phyl Nuan, 5th, 6th, Binh Thanh and Tan Binh Precincts and in Thu Duc, Nha Be, Hoc Mon and Cu Chi Districts.... Moreover, music-coffee shops have a common trait in that they use foreign music only. If Vietnamese music is ever played at some shops, it will be the kind of music composed under the neocolonialist rule. At best, they choose those pieces of music which are Vietnamese in name

only but do not smack of anything Vietnamese or which are of a "noncommittal" kind or have seemingly been composed with some amorous image in mind; or they play only the newly composed songs which have afterward been "gilded" during the audition and recording process.... Even a number of restaurants and tea-houses authorized to do business in the zoological garden play nothing but foreign music!

So what should we think about the lengthy survival of that noxious music and about the worship of foreign music by the gentlemen and ladies who own coffee shops and restaurants? How can we so far accept their simultaneous entreat-and-"trick" explanation that they "inadvertently did not know" [of noxious music] or that they were "merely guilty of greediness without knowing the extent of the harm done"? We must stress that we have used the word "trick" and put it in quotation marks only with the intention of laying emphasis in all seriousness and not joking. We have in hand a list of more than 10 noxious music-coffee shops which had been warned, fined and even compelled to stop doing business twice or thrice but are still continuing to do it their own way. What kind of "medicine" have these shops taken to survive so long though their activities are of a type that "cannot be kept secret"?

The other side of the story is no less important: It is the "customers" of that music! Far from being "inadvertent" or "greedy," they are persons who "voluntarily" go to great expense when paying for a glass of coffee a price nearly 10 times higher than usual just to be allowed to sit for hours on end with their solitary daydreams in oases surrounded with captivatingly sweet, plaintive and whining sounds that pierce their hearts and souls--thus enabling those dishonest gentlemen and ladies who own coffee shops to earn their living and, at the same time, ensuring the survival of those wretched, empty music products. Why have they resigned themselves to this role of docile disciples?

--"Predilection"! That is all there is to it--an utterly unwholesome predilection developed by themselves from the former lifestyle or through some "hereditary" influence which has kept hold of them until now.

To avoid giving such a vague answer, we spent many stifling evenings in late 1983 in the delinquent coffee shops and recently in Hai Ba Trung, Vo Van Tan, Ly Chinh Thang and Cach Mang Thang Tam St.... If you sit many times at these shops, you will see the very same persons come in and spend so much money every evening that you will be convinced that if these faces did not show up, these shops would have been shut down because their owners would not have had the opportunity to earn their living by breaking the law.

Obviously, if there no longer remained in our city a considerable number of persons who could not yet give up their usual lifestyle and individualist enjoyment proper to the former society as well as their predilection for a kind of music that intensified their feelings and if some localities did not slacken control, such noxious cultural products inspired by the use of narcotics and expressing debility and insanity could have at most survived only in obscure corners instead of becoming a means of exploitation (or speculation) by the gentlemen and ladies owners of coffee shops who, "just like a horse, followed the same path as before."

Beside giving a place in the sun to the "coffee shops with noxious music," these predilections which still bear some harmful vestiges of the former society have also promoted deviant business methods of the nature of "literary and artistic marketability" which is completely estranged from the new typical society we are intent on building. We do not want to speak much about the "foremen-bosses'" practice of vying with each other in hiring good singers, causing them to "transgress regulations" to "perform many shows at many places" just to cater to a bad taste. Many singers have thus left their troupes and given up their noble "cultural combatant" role in order to make money by gesticulating and shouting as hired singers. Mingled with the crowd at such places, a small group of persons with a sickish taste and money in hand often consider a singer as their slave and compel him or her to please them by singing songs which do not in the least express the vitality and sentiments of the society in which they are living.

To date, we have frequently received letters from readers complaining about "cheap buffooneries" on the theatrical stage, such as composing phrases with all words beginning with the same alphabet letter--phrases which are forged strenuously and absurdly and which, depending on the actor's mood, are pronounced in a casual, babbling or "humorous" manner but neither at the proper time nor in a suitable way, etc. We did witness these scenes and find that they were really cheap buffooneries. However, it is regrettable that there still are people who can laugh--that is, these scenes still have a place in the theatrical predilection of a number of people--a long-standing predilection inherited from the former theatrical stage. Is there any connection between this predilection and the misuse of and deviation from the "laugh-in stage" movement and the recent sporadic "transgressions of regulations"? And because one is ready to pay to each such "spoiled actor" for each "show" from 1,000 to 2,000 dong plus a few liters of high-priced gasoline to enable him to run four or five "shows" a day or night, is it necessary to question the vitality of this predilection?

Last May, the Theatrical Control Section of the Municipal Culture and Information Service had to draw up an official report and expel from the city a "ghost collective" renovated theatrical troupe which sneaked into the city suburbs to run plays thoroughly permeated with the former Saigon renovated opera style. At about the same time, the Municipal Culture and Information Service had to take measures to suspend the performance by some "provincial theatrical troupes" of essentially unhealthy and unwholesomely presented dramas titled "Bloodshed on the Pagoda Courtyard," "I Am the King," "The Sovereign With a Single Sword," "Shouts in the Green Forest," "Over the One-Thousand-Horses Bridges" and so forth which reeked of the commercialized theatrical stage of the past.

Though the problem of managerial responsibilities has been resolved, the "predilection" issue remains for all concerned people. As a matter of fact we did see some of the aforesaid plays. From script to performance, makeup and accompanying music--everything was old features disguised under new names and characters but the old performance style was not eliminated. There still remained the kicks in Ly Tieu Long's fashion [a character in an old Chinese martial drama], the humorous scenes which "titillated" spectators very awkwardly, however, and sorrowful, grievous scenes--that is, features that almost met the

"criteria" which the bourgeois dramatic art set for each play and which consisted in trying by all means to make people "laugh and cry" and to "terrify" them. How could these plays have been run for more than a month if the absolute majority of spectators had a refined taste for theatrical dramas? Anyway, these plays survived for many years in many localities and when introduced into our city, their life span was extended a few months before the curtain fell forever.

Passing judgment on the above-mentioned acts, people usually contend that they were only intended to "meet the predilection of a number of spectators." Why should one cater to the predilection of a minority instead of everyone? Such artistic performances have done nothing good for socialism. Sporadically in our city in the recent past, there has been the practice of adding "captivating, horrifying" and ghostly scenes involving the apparition of a tortoise deity, Satan and fairies and other specters to a number of dramas whose scripts were based on mythology and legends and which have been criticized by public opinion for catering to predilections to earn an unwholesome income. The size of the domain infiltrated by evil has not become quite visible.

Last week, we saw a young man of the intellectual class wearing a shirt with the English words "Dallas Cowboy" on the chest. You know that Dallas is a U.S. city where murder is committed every day. Since bearing the mark of a citizen of that city is already shameful, it is all the more shameful to bear the mark of a simple "Dallas Cowboy." Nevertheless, there still are people who wear on their bodies--which were carefully taken care of and expected to grow up every day by their parents--gratuitous "advertisement signs" for the "Capstan" and "555" cigarette companies and for automobile repair shops, streets and entertainment centers in foreign countries. How can such shirts be put on the skin and flesh of Vietnamese citizens having a wholesome esthetic taste?

We will have to use many more pages to mention other predilections acting as accomplices of bad habits which have persistently clung to the city people's cultural life. For example, there is the erroneous tendency to follow "fashions" so blindly that one will readily give up one's peculiar traits and accept clothing manners identical to those displayed by some people in foreign countries who are being employed to "set" the fashion in order to create a trend for commercial purposes--even when these "fashions" have become obsolete or are no longer appreciated by the broad masses abroad.

Other examples are the worship of "stars" and idols, the advocacy of selfish enjoyment, the disregard for the collective's values and so on... or the former intoxicated preference for "detective" and "espionage" novels on James Bond by Ron Messmann, Ian Flemming, [and on] "The White Scarf Man" and "Z.28" [as published].... Such predilections promoted the "adventure of illegal printed matter" which recklessly exploited and distorted the "criminal cases" that were squelched in time by public opinion in early 1983....

Also worth considering is the fact that at present many parents are still inadvertently or deliberately passing on to their children--a pure budding generation--the bad tastes acquired by themselves in the past. For instance, some

parents have taken pains to obtain for their children foreign-made clothes, hats, tools and toys which are not only expensive but also bear words and images often lacking wholesomeness, seriousness, purity and ingenuity. Some parents have taken so much trouble not because these goods are durable but only because of their desire to help their children "excel" those of other parents, thus inculcating vainglory and boastfulness in them; sometimes, these parents even told their children that these items were "jeans" and "super" products made in France and America... and that "your friends cannot have these foreign clothes to wear!" and so forth... thereby inbuing them with a contempt of domestic merchandise early in their childhood when their concept of esthetics is very simple, when what they want is only newness and bright colors, when the goods made in our city are actually rather abundant and fashionable with a great variety of colors and when we notice that the home-made "pullovers" bearing the words "well-behaved child" and worn by many children are really nice-looking!

In short, at this point, we already have more than enough grounds for concluding that erroneous predilections have really and seriously affected the endeavor to build a social lifestyle which is wholesome not only in the cultural, literary and artistic fields but also from the political and economic points of view. These predilections also constitute a hotbed for the survival of the former society's vestiges and pernicious aftereffects and for the infiltration of exploitative schemes including plots to sabotage our city's objective of building socialism.

[18 Oct 84 p 2]

[Text] 3. Hope in the Dark

We do not try to plead for ourselves when saying that irrational predilections are a hotbed for the survival of the vestiges and pernicious aftereffects of the former society which was victim of neocolonialism. In fact, these predilections were a byproduct of the former society in matters of feelings and consciousness and because they were created by that society, their vestiges are now necessarily correlated to those of that society.

We all know that together with their puppet administration, the U.S. imperialists spend some 10 years and concentrated all means and tricks to bring about many predilections for their own benefit and to keep South Vietnam under their imperialist and capitalist domination which gave rise to political, economic, cultural and other predilections....

It is not yet necessary to mention the official activities of the American state and its puppets who used a frightful power to implement that fundamental cultural policy of imperialism; we need only to speak about a kind of activity--temporarily called "state-promoted extrastate activity"--to realize that they cultivated innumerable unwholesome predilections: Activities of this kind were carried out in the field of commercialized culture, arts and letters.

It is true that during the U.S. imperialist war of aggression, there emerged in South Vietnam--mainly in Saigon--a class of bourgeois compradores including

dozens of cultural bourgeois compradores who were originally part of the bureaucratic-militarist compradore bourgeoisie who controlled the cultural market by relying on the U.S. puppet administration.

Full of power (because it was the class foundation of the so-called state mentioned above), this clique founded large movie companies and printing houses, published large-circulation newspapers, set up installations to produce and issue musical records and tapes, expanded movie houses and opened branch offices to import foreign cultural products and so forth--which gave it more than enough power to decide on the cultural, literary and artistic market throughout South Vietnam and to create a neocolonialist cultural, literary and artistic structure without the U.S.-puppet state's trademark.

Then, under the U.S.-puppet guidance, this clique noisily dumped on the market numerous products (let us not mention them in detail because they were innumerable) cast in the same mold as those representing the /cultural denial/ tendency in America and Western capitalist countries. Activated by profitmaking law, these products became ever more /noncultural/ and were finally turned into /mere consumption goods/. A /subtle snare/ was thus set. People believed that they were neither munitions and defoliants nor anticommunist and anti-national leaflets, etc... but actually these seemingly purely recreational and nonpolitical goods contained so much poison that gradually eroded correct concepts and replaced them with sweepingly unrighteous predilections which imperceptibly and gradually led to a passion for the American way of life characterized by unhealthy material enjoyment, profligacy, and selfishness, and to fantasy about and reliance on things foreign, etc.... Finally, persons who had firmly resisted the action of the enemy psychological warfare apparatus fell down before these seemingly "mere consumption goods." After falling, these persons could hardly stand up again because their consciousness could no longer warn them of their own downfall.

Above is a short explanation of the neocolonialist law on cultural and ideological activities and of the collusion of U.S. imperialism with its henchmen and the indigenous compradore bourgeoisie to invade our country and rule over our people.

Today, realities have demonstrated eloquently that all the cunning policies of the U.S. imperialists in our country have failed to save them from inevitable defeat. In the cultural field, however, we must admit that they have, to some extent, secured a standing position among the unwholesome predilections and way of life of a section of our people living for many years under their rule, including a segment of our laboring masses....

Since liberation day, these predilections have survived as an objective reality and, though restricted in a fairly large measure by the effect of new things, still have the strength to create the consequences we have discussed in the previous chapters.

But there remains another problem: After being obliged to pack up shamefully for good, the U.S. aggressors have continued to apply a hostile policy to hamper our nation's resuscitation. Looking back at our country from a distance

equal to half the earth's circumference, the U.S. imperialists cannot help placing some hope--no matter how faint it may be--in the byproduct they once created, that is, the neocolonialist cultural, literary and artistic predilections which, after furling up their banners and fleeing, they hoped would survive for at least some decades! That is the crafty last ditch of neocolonialism.

What else--if not primarily these sickish predilections--has the so-called "Overseas Vietnamese Musical Program" broadcast daily by VOA with its obsolete, and nonsensical songs sung with whinings and croonings been aimed at?

We asked a man we met by chance at a coffee shop after hearing him tell his friend that he never listened to VOA:

"Why so"?

"Because the United States is hostile to us, whatever the U.S. radio station says, right or wrong, is only for its own benefit. So why take the trouble to listen to it"?

Clearly, he was not a man to whom the U.S. imperialists should gratuitously beam these sad songs. To be sure, the thousands of reactionary, depraved "cultural products" invading our city under the form of gifts could not place any hope in people with the healthy predilections of this man! Even with regard to the volume of gifts which we [allow our people to] accept for humanitarian reasons, the enemy has certainly taken every opportunity to "culture" in them a little "leaven" to breathe a new life into the predilections he has created.

In recent years, the Beijing expansionists have also copied their elder brother's tactics and carried out activities on the basis of these unhealthy predilections.

In short, unhealthy predilections are also a hotbed chosen and taken advantage of by the outside enemy to wage a manifold war of destruction in which the most cunning scheme is to sabotage our ideology and culture, disrupt our confidence and undermine our internal ranks. In this scheme, as reported by the municipal public security sector, the enemy has chosen the most concealable method, that is, to instigate a luxurious, debauched and pleasure seeking way of life--primarily among youths and teenagers--and to lure the young generation into the path of superstition and religion. Predilections and an unwholesome lifestyle have always been the enemy's spoiled children.

[19 Oct 84 p 2]

[Text] 4. Reforming Predilections: An Important and Urgent Task

When we were completing documents and data and beginning to write the present article, the party Central Committee issued Resolution No Six. Of course, we had to stop to study it. Following is a passage quoted from General Secretary Le Duan's speech at the plenum which promulgated this latest resolution:

"... It is necessary to overcome the failure to slacken control on the ideological and cultural front, the failure to firmly struggle against the bourgeois, colonialist and feudalist ideological and cultural systems, and the failure to criticize and reform the thoughts, lifestyle, psychology and habits peculiar to small producers as well as the former cultural vestiges and backward customs and habits which spoil human beings and inspire selfish individualism...."

The party has displayed keen foresight. Therefore, whether we have or have not done something to reform unwholesome predilections--an aspect of the former culture's vestiges--is no longer a topic for discussion.

Right now, there remains only one question: Reforming predilections is an urgent and basic task--one of the important tasks involved in the cultural revolution, one which is important not only to one but to all sectors.

The public opinion we collected recently holds that to reform unwholesome predilections and elevate esthetic tastes ever more energetically, it is necessary to eliminate all opportunities for following base tastes in cultural, literary and artistic activities--that is, thoroughly to oppose the /commercialization tendency/ in this field. Carrying out cultural, literary and artistic activities to do business and make a profit is a prevalent phenomenon in our city and it is just because of them that many evils have been brewing and developing. Some say that our present theatrical troupes are using business methods quite similar to those formerly applied in Saigon. Public service and the combative and revolutionary spirit are still at a very low level but the... profitmaking purpose is rather visible. And also because this purpose has been served more attentively than the said service and spirit, to see their theatrical performances, people must have much money (with black market tickets going up to 100 dong each how can the laboring people attend!); enticing scenes must be added to scripts to dilute the politico-ideological theme and it is necessary to please stars and idols, to bribe actors and actresses and so forth. One theatrical troupe complains that because the ticket price is currently fixed at 15 dong, despite a "capacity attendance," the income is not sufficient for the troupe to pay its "share to the tontine" [expenses and overhead]! It is true that its income is insufficient because the troupe has to pay each night to the "start" a sum equal to half its turnover--a sum 10 times larger than that paid to ordinary actors and actresses; its income is insufficient also because the theater does not create favorable conditions for the troupe to serve the people and even charges too high a rent! Each factor contributes to... commercialization so that culture, letters and arts have had to destroy themselves and give room to "products" of a neutral nature which contribute nothing to meet the daily requirements of socialist transformation. One needs only to watch the negativistic acts happening each day and night in front of and around some theaters--such as dealings in black market and phony tickets, snatchings, brawls, shovings and assaults, etc--to ascertain whether these troupes have contributed anything to exert a good influence in the theaters' surroundings. Apparently, the relationships between theatrical troupes and the people are still of a "money versus merchandise" character and do not yet create any feeling of sincerity and mutual affection on the basis of progressive esthetics.

What is it that has induced people at these places to readily welcome from other areas singers who are good only at satisfying the audience's predilections and performing many "shows" [at different theaters in the same day or night] and who are being subjected to disciplinary measures for leaving their management units, who make deceitful and impressive advertisements, present on the stage "disco"-like, bizzare, foreign-influenced or ridiculous fashions and manners and employ special lighting tricks to deceive the spectators' feelings and senses in order to hide the absence of genuine art? It is nothing but the encroachment by the "arts-and-letters marketing" trend. And if we take pains to investigate the majority of nightly "customers" of these gathering centers, the question of "to whom service is rendered" will be clearly answered and we will no longer be surprised by the anticultural phenomenon happening every night at these places.

The commercialization tendency has also invaded some movie houses in our city. Instead of fulfilling their duty to bring socialist culture, arts and letters within the reach of the laboring majority, some movie houses have made the masses "shiver" at the thought of going to see motion pictures: The seat numbers indicated on tickets have been ignored in order to make it easy to clandestinely let more spectators come in beyond the seating capacity; the "obstinacy" of black market ticket dealers has been used as a pretext and magnified or the blame has been put on the low organizational standard and on managerial inadequacy....

Generally speaking, commercializing culture, arts and letters amounts to ruining culture, arts and letters; to preventing the wholesome culture, arts and letters from reaching the laboring masses; to creating negative practices; and instead of helping improve the esthetic taste of the masses, to fostering bad, unhealthy predilections and disrupting social order and so forth....

Our city is reorganizing and thoroughly reforming the theatrical sector and unifying the ranks of actors and actresses. These are essential tasks which will have a decisive effect on the struggle to transform the longstanding, deep-rooted predilections in our city.

Only by making the above-mentioned two basic moves can we provide a favorable environment to create a wholesome life for actors, actresses and the cultural sector personnel, and only by doing so can we motivate these brothers and sisters to improve their thinking way, manners and ethics, to raise their political consciousness, to further their artistic talents, to readily share in the common difficulties of the people and soldiers and to deserve the title of messengers and vanguards on the cultural, literary and artistic front who are going to build a wholesome society with culture and civilization. Consequently, the tendency to follow vulgar predilections will be eliminated gradually.

Doing the foregoing tasks means also creating favorable conditions to improve the quality of cultural and artistic works and activities, to continuously enrich and variegate art and attentively and sufficiently to develop various forms and types of popular songs and traditional culture, arts and letters.

To compose serious works is to greatly contribute to transforming predilections; doing otherwise is highly detrimental to the society's cultural life in general.

Witness the recent play titled: "The Bell Is Ringing for Return, Darling!" We can say that this was not a serious work. It staged scenes and circumstances saturated with permissiveness and naivete: Workers joked, expressed love for and "trifled" with each other even in their offices; out of seven workers, six were lovers and everyone of them contradicted his/her lover in carrying out tasks; without a thorough knowledge of materials in stock, "team heads" planned the repair of this or that item and noisily quarreled... and finally became reconciled easily and perfunctorily.

Such a work made the audience "angry" not only with the way art was performed but also with the characters representing our cadres and workers as belonging to a silly, scatterbrained collective--which is not true. By doing so, did one intend to elevate or lower taste?

In the present complex situation, any ordinary play which caters to base taste may sometimes reap a large turnover and promote dealings in black market tickets; on the contrary, a low income may be the lot of a good-quality play of an ideological and educational nature capable of helping reform society. If one follows the commercialization trend, one will readily apply the former method, thus forgetting the predilection-reforming function.

We have had the opportunity to see the play titled "The Last Storm" by the Kim Cuong troupe. The play was not quite perfect but had a modern and good educational and ideological theme. It did not give rise to black market ticket dealings: spectators had easy access and filled all seats and the turnover was, of course, lower than for other plays. But all that was not really noteworthy. During the performance, when the character actor played the director of a reformatory state farm who resolutely forsook his bourgeois sweetheart because she refused to awake to the situation and continued to show a stubborn attitude, the audience warmly applauded the director character. Clearly, the spectators' appreciation of and alignment with the beautiful and righteous and the revolutionary art have thus helped gradually and effectively cultivate a new and wholesome taste and foster a revolutionary and correct concept of life.

We have also had the opportunity to attend a musical program titled "The Dien Bien Phu Victory" at 126 Cach Mang Thang Tam St. This program was not very interesting and some singers failed to perform with true sentiments and inspiration. Near the end of the performance, a few spectators left but the majority (yes, absolute majority), remained seated till the end. Thus, if all entertainment places refrain from trying to satisfy a minority's predilection just to make a profit and if they persistently aim at giving wholesome shows and simultaneously use their intellect and effort to improve performance quality, they will certainly obtain greater results and even gradually attract the above-mentioned "difficult to please" spectators.

A segment of public opinion complains that the cultural and artistic activities in our city are neither plentiful nor variegated. Indeed, we have provided renovated opera for people who like it and youth-oriented music for a number of youths but have offered nothing else to those who dislike both renovated opera and youth music, and to the intelligentsia and old people, etc. Popular songs and traditional arts still represent too low a ratio; artistic works are

circulated within the city only without any exchange with good and selected works from other localities throughout the country which will contribute to developing a new concept of life and cultivating new tastes and predilections for our city people in the face of the country's common achievements.

In short, the former predilections were painstakingly fostered by the enemy during a decade with the objective of creating long-term evils prejudicial to our society. "Drastically changing" these predilections is naturally not a simple task but we must neither delay it nor underestimate the influence of these predilections.

It is hoped that this article which is written with some small ideas based on actual facts will attract the attention of public opinion to the transformation of predilections and put this problem in the right context in correlation with other reforming tasks in our city.

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HEALTH, EDUCATION AND WELFARE

RATIONAL PRODUCTION, DISTRIBUTION, USE OF MEDICINES DISCUSSED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 19 Oct 84 p 2

[Article by Quoc Ke: "Hopes for Exploitation of Medicine Potentials"; portions within slantlines in italics]

[Text] In the process of improving the quality of medical treatment, medicines are the most effective "helpmate" of physicians. Therefore, medicines are a daily topic frequently mentioned and discussed from different angles. After all, do we lack medicines at the present time?

Frankly, it is really necessary to raise this question even though it cannot be easily and quickly answered.

Are Medicines Running Short or Not?

If we hold that medicines are a qualitative factor in medical treatment, we will notice that at present we do not lack them, especially those used to treat ordinary diseases. Almost all the public health cadres whom we have met and who come from different training schools have asserted that with the amount of medicines currently available, it is possible to prevent any decline in the quality of medical treatment. Worth mentioning is the fact that beside the amount of medicines supplied every year by seven municipal pharmaceuticals' enterprises (excluding the centrally run ones located within the city) to meet the city people's needs, there remains a noticeable quantity of medicines used for exchange with various provinces. Here is an example: The present medicine distribution network--from ward and village public health stations and precinct and district drugstores included in the state-operated system to people's dispensaries and import medicines agencies--is an effective supply source of medicines used to treat both ordinary and special diseases to meet the people's requirements.

The present average yearly need for medicines of each citizen amounts to about 140 dong, which is still far below the production and supply norms assured by the municipal pharmaceuticals enterprises. It must be affirmed that basically we do have enough ordinary medicines to treat diseases. As compared with the data provided by the WHO, our per capita public health expenses (including medicines, treatment...) is not lower than that in other developing countries.

If so, why is there the opinion that we are running short of medicines? Clearly, we are in a /seemingly paradoxical situation/: There is no shortage but medicines are lacking!

As in the countries formerly dominated by colonialism, a number of people in our own city have got into the habit of preferring foreign medicines, using medicines at their own convenience and wastefully and using only the "super" ones! There has been the practice of using medicines at random regardless of consequences--especially antibiotics such as penicillin and ampicillin or hematinics such as "Compolon" and [vitamin] B12 and "tonics" such as vitamin C. To build up "prestige" with patients, certain physicians have also prescribed "strong doses for quick effect." Therefore, some people have correctly assessed the present situation when saying that we do not lack medicines but are only running short of the "super" ones.

In the meanwhile, what has happened? The WHO has voiced concern about certain kinds of medicines which are not effective at all or have only a negligible effect such as "Ganidan," camphor, papaverin, and vitamins C and B12--"wondrous medicines" produced by capitalist countries and dumped into the market with much advertisement designed to make a big profit rather than for therapeutic purposes! On the other hand, experts have admitted that the reckless use of antibiotics will, as an immediate consequence, cause a loss of red blood corpuscles and a deficiency of marrow, not to speak of innumerable dangers in the future for the reason that antibiotics are blind and cannot distinguish bacteria from red blood corpuscles. On our visit to many hospitals, we saw many instances of patients insisting on the use of antibiotics and the injection of "sea water" (solution) though their illnesses did not require these two types of medicine. /It is principally this "habitual" predilection for extravagant, expensive treatment which is one of the causes of the feeling that medicines are lacking and also of the medicine shortage itself!/

Over the past few years, we have drawn up a program for rational and safe use of medicines. On this basis, physicians have carefully considered the pros and cons in prescribing medicines and dosages. However, this scientific program is still encountering numerous difficulties because of the continued preference for "super" medicines--a habit that can be called outmoded.

Moreover, from an overall point of view, the wasteful use of medicines will lead to serious consequences. Beside the danger to the user's life, wasteful use (or misuse) is synonymous with artificial shortage--a situation in which persons who really need medicines cannot obtain them for use. (In 1979, up to \$2 billion worth of medicines were wastefully used in the developing countries, according to WHO.)

What Are the Causes?

Every year, in addition to the aid provided by the central level, the city has spent a fairly large amount of foreign currency importing raw materials, finished products and certified chemicals... which, together with the domestically produced raw materials and other sources, have enabled us to carry out public health activities down to the ward and village levels.

Nevertheless, beside the unfortunate funneling of medicines from hospitals into the... open-air market, pharmaceutical enterprises (at the municipal and even precinct and district levels) are still continuing to produce medicines in a passive fashion by "working only on whatever material available," by duplicating each other's products, by "taking their time" early in the year and by racing up by the end of the year. While medicines are lacking in hospitals, they can be found in abundance in the unorganized market, etc, not to mention the fact that /oriental medicines are still an uncontrolled market!/"

Nor have we compiled accurate statistics on the pressing needs at the grass-roots level in order to make a list of medicines to be produced. A leading comrade once told us that the existing stock of medicines at Level-2 Pharmaceuticals Corp was unsalable while the medicines people wanted to buy were not put up for sale. Except for a few of them, almost all enterprises have been waiting for the raw material supplied by the high level and have not yet taken the initiative to exploit all the four sources of raw materials in order to fully use their machine capacities--of which 50 percent still remains dormant! The pharmaceutical product culture movement has, generally speaking, stopped after some hectares have been cultivated sparsely, on a self-sufficient basis and at random just for experimental purposes! Had not it been for the guidance and support provided by the sector concerned, any enthusiastic alliance with the peasantry in growing the "râu mèo" [cat's whiskers] plants for use as a raw material would have been doomed to failure as was the cause of Enterprise 1 May. A leading comrade of the Ministry of Public Health said at a meeting: "We have often proudly claimed that we have a vast potential of pharmaceuticals but can we procure 50 tons of hydrocotyles for sale to foreign countries?" Truly, the municipal pharmaceuticals sector has some potentialities but is still going at a slow pace in the face of the strategic need to build an independent industry. Resolution No 7 of the municipal party committee standing committee has pointed out that "production potentials have not yet been well developed." Is it because a long-term plan has not yet been formulated? Here is another example: For a long time we have been speaking about the building of a chemical pharmaceuticals installation but this project has seemingly got nowhere! though almost all pharmaceuticals enterprises in the city are already chemical pharmaceuticals ones! Resolution No 55 of the Council of Ministers has also stated: /"The antibiotics and chemical pharmaceuticals producing industry has been built up too slowly; the cultivation and raising of medicinal plants and animals have not been considered truly important; nor has a realistic plan been drawn up for this purpose...."/

On the other hand, because of the instability of domestic sources of raw materials, the production of medicines through extraction of essential oils has become difficult. In 1983, Nguyen Manh Hung, PhD, extracted 350 kg of caffeine from "bụi trà" plants and reaped a fairly large amount of foreign currency for the state's benefit. Instead of being discarded as in the past, "bụi trà" has thus become a valuable plant. A similar state of affairs can be seen regarding other substances such as "phyton" (from artichokes), "morinda" (from rễ nhào) [nhào roots], "berberin" (from cây vàng đắng) [yellow-bitter plant] and so forth.

We must also add that the way our medicines are packed and presented leaves too much to be desired. We must recognize that the packaging method and outward

appearance of medicines may increase the user's confidence. In the capitalist countries, the forms in which merchandise is presented are intended for advertisement purposes and account for between 30 and 50 percent of its manufacturing cost. On our part, we have not only done without advertisement but have also "made light of" the outward appearance of goods. Slipshod packaging and the fact that the medicine tablets' edges are not sharp and nice-looking will make the user... wary! In this respect, thriftiness must not be exercised automatically; on the contrary, we must consider the user's psychology important and /"place ourselves in the user's position while manufacturing goods"/. In view of the means and equipment at the city's disposal, packaging difficulties have been invoked frequently for justificative reasons only but are not the real cause. This problem has been raised recently for a more positive solution. Generally speaking, medicine production has thus shown new and brighter prospects.

The most pressing problem concerning medicines in our city is the organization of a distribution and circulation network. Beside the state network, there still really remains the "Tan Dinh open-air market network"--a gathering place for smuggled Western medicines, stolen medicines, fake medicines and modern medicines with... overdue "expiry date"! To some extent, the existing 42 private drugstores have also contributed to the abnormal fluctuations in this market. For instance, antibiotics and stomach remedies are now "much sought-after" goods!

It is clear that /we have neither tightly controlled the sources of medicines nor taken appropriate measures to abolish the Western medicine free market/. (The case of Nguyen Son Hai who counterfeited millions of medicine tablets and seriously affected the people's health in the recent past has sounded a warning!) Instead of being uniformly managed and distributed by state agencies and drugstores, the amount of medicines sufficient for the city people's use has been siphoned off to the unorganized market and tagged with a higher price before reaching the user's hand. Many doctors confided to us after their working hours: "We charge only from 10 to 12 dong for each visit but the patients taking our prescriptions out to the free market have to pay 20 times more for the medicines." High prices are due not merely to shortage but mainly to price hiking and speculative activities in the free market. Seen from another point of view, artificial price hikes impair the quality of medical treatment given by the public health sector.

In the recent past, we have committed certain shortcomings in management and failed to creatively apply the high-level policies to the actual situation and needs of the city. For example, irrational purchase prices, excessive bureaucracy and sluggishness... have made it impossible to develop the strong position of special medicine agencies and popular drugstores in order to advance toward mastery of the medicine market. In its Resolution No 7, the municipal party committee standing committee has indicated the following trend: "Draw up a project, reorganize the medicine distribution network, set up special shops, strengthen the medicine distribution network on the precinct and district scale and expand the popular drugstore network."

On the other hand, the way medicines are being distributed is detrimental to the suburban people. On the average, /the medicine cost for each person in a

rural district amounts to only 62 percent of that for each person in the urban areas of the city/. This does not mean that the suburban people need less medicines; on the contrary, they need more. For them, import medicines are scarce and cannot be bought even if they have enough money.

Medicines for the Sick

From the foregoing chapters, a number of questions may arise and lead to solutions aimed at meeting the people's need for ordinary and first-aid medicines and certain special medicines indicated in the resolution of the municipal party committee. Despite innumerable difficulties, this need is really urgent and its solution is within our reach.

Based on the spirit of the resolution of the municipal party committee standing committee and taking into account the scope of this article, may we propose some specific solutions:

--It is necessary to boldly invest in the building of areas for specialized cultivation of medicinal plants according to economic-technical treatises. Rational purchase prices must be considered important. The land to be used may be located in the city's rural districts or in the neighboring provinces.

--A Municipal Pharmaceuticals Enterprises Federation must be created soon to act as a foundation for the building of a modern pharmaceutical industry and simultaneously to meet the medical treatment requirements of the city.

--Collective agencies and precinct, district and popular drugstores must be used as tools to eliminate the unorganized medicine market. The municipal party committee resolution has stated that "by the end of 1984, private citizens will no longer be allowed to deal in modern medicines." (The experience in disbanding the Western medicine open-air market in the Tan Dinh and 11th Precincts may be used as subject matter for study).

--With regard to medicine speculators and smugglers and persons who counterfeit medicines or manufacture low-quality ones, harsh sentences up to 20 years in prison must be handed down to set an example for those making a profit by criminally impairing the people's health.

--A list of medicines for export and domestic consumption must be drawn up.

In our opinion, the municipal pharmaceuticals sector will succeed beyond expectations and ensure that the city people will no longer have to worry about the use of medicines.

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According to Sotion, on the basis of preliminary indications it is clear that in connection with industrial development action needs to be taken to deal with industries which experienced sluggish conditions during 1984.

Action will be taken in two directions: trying to create a climate to deal with the factors that have created economic sluggishness by coordinating trade, the export drive, encouraging the use of goods produced in Indonesia, and so forth.

The second course of action will be pursued through the business world by increasing efficiency and effectiveness, so that competitiveness in foreign and domestic markets can be achieved, and by increasing coherent relationships between small industry and upstream or basic industry, as well as by improving distribution channels.

He urged businessmen to look at every available opportunity to carry out industrial restructuring aimed at modernizing machinery and equipment and productive processes. In this way the products turned out will be competitive in the international market, and we will stabilize the organization of the business world. As a result, we will be able to play a role, not only as a link between the government and the business world, but also in helping our members to become effective businessmen.

In the introductory portion of his address he also mentioned that the level of industrial exports still plays a small role in earning foreign exchange. Among other things he mentioned that annual exports per capita in Indonesia only amount to \$13; in Malaysia, \$130; in Thailand, \$37; and in South Korea, \$493.

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