

JPRS-SEA-90-023
3 AUGUST 1990



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JPRS Report

East Asia

Southeast Asia

19990510 139

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

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East Asia Southeast Asia

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East Timor Governor Describes Province's Progress

90SE0090A Jakarta KOMPAS in Indonesian 17 Jul 90
p 7

[Text] Dili, 16 Jul (ANTARA)—East Timor Governor Mario Viegas Carrascalao stated that the success of development in East Timor will prove to the world that the 27th province of the unitary state of the Republic of Indonesia has truly taken its place among the provinces.

"This means that the choice made by the people of East Timor 14 years ago to integrate with the Republic of Indonesia was very appropriate," Carrascalao said on Saturday night [14 July] in Dili at a press conference related to the province's 14th anniversary, which occurs on 17 July.

This development success is a result of good cooperation by everyone involved. The province of East Timor has thus been changed step by step from backwardness to progress, Carrascalao said.

He said that the independence achieved on 17 July 1976 will not mean anything if it is not complemented by efforts to realize the ideals of independence, namely a society that is just, prosperous, and peaceful, in accordance with Pancasila and the 1945 Constitution.

"To achieve all of this, we must be able to implement development in a step-by-step and uninterrupted way through mobilizing all the strength and funds we possess," he emphasized.

He said that because of the government's great interest in improving the welfare of the East Timor people, it has allocated half a trillion rupiah over the last 14 years for development in a number of sectors.

Signs that East Timor has made drastic progress during 14 years of development can be seen in all sectors, he added.

In the education sector, all children have opportunity to attend school, from elementary school to higher education. In the health sector, all citizens have been reached by health services. In the farming sector, production has eliminated crisis and threats of hunger; and, in the communications sector, every village in East Timor can be reached within a day.

Nevertheless, this progress is still far from the successes achieved by other provinces, which have enjoyed 31 more years of independence.

Presidential Decision

With the issuance of KEPPRES [Presidential Decision] 62 of 1988, however, which went into effect at the beginning of 1989, backwardness in any sector can assuredly be resolved in the near future, the governor

said. The KEPPRES declared that the conduct of government, the execution of development, and the uplifting of society will be implemented fully, in accordance with Law 5 of 1974.

It is even more encouraging that at the end of 1989 ABRI [Indonesian Armed Forces] drastically changed its policy from focus on operations to territorial uplift, an action that supports KEPPRES 62 of 1988.

Carrascalao said this territorial uplift greatly helps the Regional Government in expediting the even distribution of physical development and community welfare at the village level.

He said that the KEPPRES and ABRI's policy are evidence of the ever improving security of the province. Maximum opportunity is thereby opened for people to conduct business and for investors to put their capital in this the youngest of the provinces.

The province of East Timor possesses special geographic conditions and can be categorized as a difficult area. It does possess potential in the form of natural resources, however, which represent dynamic elements that guarantee significant growth in the future.

"The direction and progress we seek in our development compels us to ensure that natural resources are steadily employed and that they are used to support uninterrupted, long-term development," he said.

The governor expressed optimism that East Timor will increasingly progress, seeing that 14 years of development have produced gratifying results. Thus, the entire province and all the people have begun to grow and advance, as they pursue the progress achieved by the other provinces of Indonesia.

Economy Described Strong Despite Lower Per Capita GNP

90SE0090B Jakarta SUARA KARYA in Indonesian
17 Jul 90 p 1

[Text] Jakarta (SUARA KARYA)—The decline in the Indonesian per capita GNP [gross national product] as expressed in U.S. dollars does not mean that Indonesia's economy is sliding. On the contrary, almost everyone feels that Indonesia's economy is steadily advancing.

Bank Indonesia Governor Adrianus Mooy and economic observer Drs. Frans Seda expressed the same views on this in interviews with SUARA KARYA during breaks at the Indo Forum conference in Jakarta last week. Both were asked their reactions to the latest World Bank report, which included a revelation that the Indonesian per capita GNP has declined sharply.

The World Bank's 1990 World Development Report, released yesterday, revealed that the 1988 Indonesian per capita GNP declined to \$440 per year, which returned Indonesia to the group of countries with the lowest output. In 1983, Indonesia's per capita GNP

reached \$560, promoting Indonesia to the group of countries with moderate-to-low output.

Frans Seda pointed out that the decline of the Indonesian per capita GNP in U.S. dollars has no effect on the people, because use of that currency is very limited. In his opinion, the drop in the per capita GNP was caused by the lower exchange value of the rupiah against the dollar. "We continue to feel, however, that our economic development is improving," he added.

Besides the effect of the lower exchange value of the rupiah, Frans Seda said, the population has grown while economic growth is not as fast as it was in the 1970's. According to the World Bank report, Indonesia's population in 1988 was 174.8 million, and the average annual economic growth between 1965 and 1988 was 4.3 percent. In 1983, Indonesia's population was 155.7 million, and the average annual economic growth between 1965 and 1983 was 5 percent.

Adrianus Mooy acknowledged that the relatively large increase in the population has an influence on the average distribution of income in society. In his opinion, however, when the average population growth of about

2.3 percent is taken into consideration, Indonesia's economic situation is still relatively better. Indonesia's economic growth of about five percent per year is still higher than the population growth.

According to the Bank Indonesia governor, the lower per capita GNP revealed in the World Bank report does not picture the true condition of the Indonesian economy. "We do not feel any negative effect, because we do not always make daily comparisons between the rupiah and the U.S. dollar," he added.

He said that the lower per capita GNP was caused by the lower exchange value of the rupiah, particularly after the devaluation of the rupiah against the dollar several years ago. "This may be rather difficult for laymen to understand, but we do not need to be dismayed by the fact that the output of our people as expressed in U.S. dollars is lower than before," he added.

When asked if the lower per capita GNP will affect Indonesia's international bargaining position, Mooy said that at first glance it may seem to be so. "But international bodies with precise knowledge of Indonesian economic development will not be much influenced by the World Bank figures," he said.

Official Comments on Progress of U.S.-Funded Road Project

90WD0440A Vientiane PASASON in Lao 7 May 90 p 2

[Article by Thin Sam Neua]

[Excerpts] The Houa Phan Bridge and Highway Enterprise was a branch of the provincial communications, transportation, posts and construction service. Its duties were to repair and build bridges and highways in the province.

This enterprise was divided into many units so that it could repair each road in Houa Phan Province and clear the way for the new road from Son District to Hiem District. According to the report of Comrade Onkham Phoummavong, the director of the enterprise, since the condition of the roads throughout the province was very bad, repairing the existing roads so that they could be used conveniently by vehicles in all seasons had been very difficult. Although the provincial budget had few funds for road and bridge repair and the funds apportioned by central authority for this purpose were limited, nevertheless the enterprise tried to complete its basic goal, namely, keeping the present roads in useable condition.

In the first three months of 1990 the enterprise repaired the old road between Sam Neua, Xieng Kho and Sam Neua, Xieng Sai, which required 16,046,000 kip. In addition it was contracted to build a new highway from Son District to Hiem District. The section of road was 12,800 meters long. They had the No. 1 Irrigation Construction Enterprise do the excavating. It was funded with assistance of the American Drug Enforcement Agency. In the first three months of 1990 they were able to move a total of 16,603 cubic meters of earth. [passage omitted] The total cost was 10,602,890 kip. It is estimated that the construction will be completed before the 15th anniversary of the LPDR [Lao People's Democratic Republic]. In addition the six crews for repairing all the roads worked to allow vehicles to use them in all seasons. Comrade Onkham told our group of reporters that repairing the bridges and roads had been important but that maintaining the roads was more important. This proceeded according to the policy line that central authority and the localities together performed the state's function and that the people performed [the maintenance]. Since 1980 in Houa Phan Province various roads have been transferred to the people of the localities who became responsible for them. In many localities they came to understand the importance of roads and wanted to build roads to villages with their own funds. They only asked that the state sell them explosives and shovels, etc. But there are still many branches and many villages on various roads where the people did not understand the importance of maintaining the national highways. [passage omitted]

Since the vehicles and equipment of the Houa Phan Province Bridge and Highway Enterprise were old and

broken down, the enterprise could not become a completely separate business. And for this reason the maintenance and repair of the bridges and roads did not meet the needs of the society. They could just take care of some of the roads because funds were lacking for bridge and highway repair.

Australian-Built Groundstation, Aid Reported

90WT0112A Vientiane PASASON in Lao 23 May 90 pp 1,4

[Text] The Australian government provided Australian \$1,780,000 of assistance to Laos at no cost for construction and assembly in the first stage of the project to set up a groundstation for communication via the "Vidstar" satellite which is in the "Intelsat" system. The Posts and Telecommunications Enterprise provided about 20 million kip for the project. The O.T.C. Company received the contract for the construction, which lasted from 1 February 1990 to 6 May. It was completed according to schedule, and there was an official presentation ceremony in the evening of 21 May. Mr. Bobdan, the head of the Australian Organization for International Assistance represented the Australian government and made the presentation. Mr. Bouathong, the Minister of Communications, Posts and Construction, represented the Lao government in receiving the aid. There were several Lao deputy ministers present who had been involved. And Mr. Michael Dukatman, the Australian Ambassador to Laos, and a number of invited guests joined the ceremony.

The satellite groundstation is small. It can carry only 15 telephone channels. It can be used for telephone, telegraph, teleprinters and fax 24 hours a day throughout the world.

This accomplishment is considered an important step for the Posts and Telecommunications Enterprise, which developed this system for telecommunications with other countries using modern technology. It will be able to serve its customers quickly; there will only be a five to 10 minute wait.

In addition to developing this system for telecommunications with other countries, the enterprise is rushing to develop a domestic telecommunications system and will soon start using a 1 kilowatt "practice" radio system between Vientiane and Luang Prabang, Thakhek, Savannakhet and Pakse. It will be able to handle telephone and teleprinters 24 hours a day.

The enterprise will also expand the telephone connections in municipality Vientiane by 1,000.

In 1989-1990 the Australian government provided assistance to LPDR [Lao People's Democratic Republic] worth a total of Australian \$6.8 million (equivalent to U.S.\$5.2 million) for the project to maintain heavy machinery, the Lao-Australian irrigation project, the Lao-Australian project to develop veterinary medicine, the Lao-Australian animal feed project, the job training

and education project, and the project to construct and set up this satellite groundstation.

Forests Along Borders Declared Protected Zones

90WN0204A Vientiane PASASON in Lao 30 May 90
p 2

[Report by Lakhanwansai]

[Text] Laos is a country with abundant mountains, forests and natural resources. And it borders five other countries.

The border areas Laos has with its neighbors are all densely forested and mountainous areas with many rivers and streams and many kinds of valuable wild animals. These forested areas along the border have been determined to make up a strategic defense for our nation and environment. Our party and state therefore must apply the measures which set aside certain areas as protective forests as these are important goals. These measures specify that:

1. Clearing for dry field rice and gardens is prohibited in the border forests within 10 to 12 km [of the border].
2. Haphazard forest burning is prohibited along the border.
3. Hunting is strictly prohibited in the border forests.
4. Haphazard, unplanned timber exploitation is prohibited along the border.

The extent of the forested areas along the borders with our various neighbors is as follows:

The forests along the Lao-Chinese border cover an area of about 6,204,000 km.

The goal is to set aside a forested area as protection along the Lao-Chinese border.

The forests along the border with Vietnam cover an area of 2,962,300 hectare. The goal is to set aside a forested area along the Lao-Vietnamese border.

The forests along the border with Cambodia cover an area of 138,000 hectare. The goal is to set aside a forested area as protection along the Lao-Cambodian border.

The forests along the border with Thailand cover an area of 1,030,500 hectare. The goal is to set aside a forested area as protection along the Lao-Thai border.

The forests along the border with Burma cover an area of 345,000 hectare. The goal is to set aside a forested area as protection for the border between Laos and Burma.

I would like to repeat that adopting the measures to set aside forested areas along the border for defensive purposes is strategically important because these areas will serve to protect the nation, its natural resources and the environment.

They will be a guarantee against losing the nation, its natural resources and the environment.

Economic Ministry on Inflation, Exchange Rates

90SE0078B Vientiane PASASON in Lao 15 Jun 90 p 2

[Excerpts] According to a report of the Ministry of Economics, Planning and Finance: [passage omitted]

Regarding prices and exchange rates, they used changes in prices in the free market of Vientiane Municipality for comparing the prices of March (3/90) with those of February (2/90); prices had increased 9.63 percent. And prices in February had increased 9.02 percent over those of January. The goods and services for which the prices were rising included food, which increased 3.72 percent; in this category rice increased 9.68 percent, fruit increased 10.05 percent and meat increased 11.60 percent. Housing increased 50.46 percent. Health supplies and medicine increased 6.69 percent. Education supplies increased 20.58 percent. Durable goods increased 14.75 percent. At the same time there were goods for which prices dropped, such as fish, which dropped 8.58 percent, vegetables, which dropped 9.59 percent and clothing, which dropped 5.85 percent.

As for the foreign exchange rate, in particular for the dollar, the rate in March of dollar for kip rose 1.78 percent compared with the rate for February 1990; the rate of kip for dollar rose 1.68 percent. During March 1990 the price of the dollar rose to between 732 kip per dollar and 747 kip per dollar. The rate for the baht was more stable. The exchange rate of baht for kip increased 0.79 percent, and the exchange rate of kip for baht increased 0.75 percent. In March 1990 the price of the baht in the market ranged from 29.2 kip per baht to 29.4 kip per baht.

The Ministry of Economics, Planning and Finance also reported that the reason for the change in the exchange rate between the kip and the baht or the dollar was because the demand for foreign exchange was greater than the supply. There has not yet been any determined effort to control the exchange rate. Sometimes it is necessary to sell foreign exchange to lower the exchange rate as in the beginning of March this year.

General Bounma at Department 3, Interior Ministry Ceremony

90SE0076B Vientiane VIENTIANE MAI in Lao
16 Jun 90 pp 1, 4

[Excerpt] In the morning of 15 June Department 3 of the Interior Ministry held a ceremony for the promotions of police officers with outstanding records for maintaining the peace and particularly for striving to carry out the duties of their profession. This ceremony was honored by the presence of Brigadier General Bounma Mithong, the deputy minister of Interior. The leaders of the units and the police officers and enlisted men of the department all joined in.

During the ceremony the person representing Department 3 read the promotions of the outstanding police officers. There were 24 who rose from Aspirant to Second Lieutenant. There were 47 who rose from Second Lieutenant to First Lieutenant. There were eight who rose from First Lieutenant to Captain. And there were two who rose from Captain to Major. [passage omitted]

Houa Phan Trade Turned Over to Private Sector

90SE0076A Vientiane PASASON in Lao 18 May 90 p 2

[Report by Thin Sam Neua: "The Sam Neua District Markets Expanded"]

[Excerpt] As we all know Houa Phan Province abolished private trade so that state trade would have a monopoly. However abolishing the people's markets created more hardship. When this was recognized after the people's democracy took over, they realized that enlarging the markets would be an incentive for the farmers to increase production. This was in line with the policies of the new economic policy adopted by our party three to four years ago. Market activities were expanded in all areas. This was shown by the private and state investments which allowed merchants to borrow and invest in trade in industrial goods and bring goods for retail sale in the markets. The prices were not expensive compared with those of the goods in the markets of Vientiane because these goods generally came from the provinces of the North, namely: Oudomsai Province, [Louang] Namtha Province, Bo Keo Province, Luang Prabang Province, and the comrade provinces of the SRV. There were almost 300 licensed shops selling state and private goods throughout Sam Neua District. This did not include the small shops in front of houses. In one month they were able to collect 500,000 kip in taxes. The tax revenues for 1989 were 5,119,377 kip. State trade had achieved revenues of only 1,432,659 kip. It had not able to engage [sufficiently] in commerce because it lacked funds for stores in all locations and cantons, for example, for a store in Houa Khang, a store in Salia and in other places. So they assigned private parties to conduct the trade. The state collected taxes and license fees and achieved higher revenues than the profits it achieved from trade in the past. But this revenue was not sufficient to support the 369 cadres throughout the district. Each month they needed 2,300,000 kip for wages. For one year, including funds for construction etc., they needed 33 million kip. Therefore each year they had to ask the province for 25 million kip to balance the budget. Nevertheless this was still an improvement because the cadres had a normal amount to eat each month. The wages for 1989 had been paid already, but the wages for no month in 1990 had been paid "because salaries were paid in installments." [passage omitted]

Defense Economic Development Unit Operations Described

90SE0078A Vientiane PASASON in Lao 16 May 90 p 3

[Report by P. Sati: "The 'DAFI' Enterprise in 1990"]

[Excerpt] "DAFI" is an enterprise affiliated with the Ministry of Defense. It was set up at the end of 1989, and

its principle function was the development of agriculture, forestry, and animal husbandry, and in the long term it was to advance to complete industrial development. This represented determined participation in the party's plan to revolutionize the economy in the new era in conjunction with defense activities.

Even though this enterprise was recently established, in order to complete its political duties assigned by the party, it adopted many plans for 1990 as follows:

As part of its agriculture, forestry and livestock activities the enterprise would plant rubber trees on 5 hectare as part of a long-term project to plant 5,000 hectare. Teak trees would be planted on 3 hectare as part of the long-term project to plant 2,500 hectare. Kalaboun trees would be planted on 4 hectare as part the long-term project to plant 50 hectare. There would be an experiment to plant 2 hectare each of sesame and pokeo.

With regard to animal husbandry they would strive to raise 780 head of cattle as part of the long-term project to raise 12,000 head. They would raise 600 buffalo as part of the long term project to raise 6,000 head of buffalo and would raise 2,000 hogs.

In addition enterprise officials planned to build a center for seed in Mounkao District and would be involved in importing and exporting in conjunction with Champasak Province and other countries. Two-way contracts had been signed with the people of each village, each cooperative, and the towns and with the surrounding provinces: Saravane Province, Sekong Province and Attapeu Province. They were also working on a plan to raise crops in all areas to serve the various food processing factories which were to be built in the next five years.

With regard to finishing lumber, they had a plan to build a lumber finishing factory, a modern sawmill and three more highly efficient veneer factories to produce finished lumber of export standard.

To serve these various activities which were developing, enterprise officials had a plan to set up another transportation unit which would consist of 56 lumber trucks, 12 transport trucks, and four passenger vehicles.

In addition the enterprise assisted various districts, in particular Mounlapamok District and Soukhouma District, to improve their water supplies for production and household use. It helped build a new town, build a road, clear land for rice fields, improve saw mills and build sites for new economic expansion for Mounlapamok District etc.

With regard to cooperation with other countries, the enterprise was aiming for cooperation with Cambodia on many large projects such as: road construction, import and export, the construction of a lumber finishing mill, rebuilding an oil refinery, producing 100,000

tons of canned fish and fish meal a year, and a project to produce clean drinking water. [passage omitted]

UN Road Construction Aid in Luang Prabang, Xaignabouli

90SE0078D Vientiane PASASON in Lao 14 May 90 p 2

[Excerpts] The national highway from Luang Prabang to Xaignabouli was built almost 20 years ago. It is a gravel road and has not been repaired. [passage omitted] Now that the No. 1 Bridge and Highway Enterprise, which Luang Prabang Province handed over to the Ministry of Communications Transportation, Posts and Construction, has become the Luang Prabang-Xaignabouli Bridge and Highway Enterprise the road will be repaired again with assistance from the Feu-noui Organization (A project providing assistance at no cost from the United Nations). [passage omitted]

Comrade Daophet Bouaphan, the head of this enterprise, said that the work to repair the road from Luang Prabang to Xaignabouli had begun in October 1988. It cost many millions of U.S. dollars. The investment of the Lao government was more than \$5 million, and the funds at no cost from the UN assistance project amounted to more than \$6 million. The work was divided into three sections, which totalled 80 km in length. The first section was from Pakkhon to Phousaken and was more than 10 km long. The second section was from Tha Deua to Xaignabouli and was more than 20 km long. The third section was from the foot of Phou Saken to Pak Et (Xieng Ngeun District) and was more than 40 km long. The first section is 100 percent completed. The second section will be finished in the middle of 1990, and the third section is just being started and will be finished in the middle of 1991. This is a mountain area class five road and is paved with natural gravel. It is 10 meters wide, and the surface of the road is raised 30 cm. [passage omitted]

The repair of the national highway from Luang Prabang to Xaignabouli will not just serve communications, transportation and travel but will also open a door for Xaignabouli Province to other provinces, especially Luang Prabang Province.

Need To Recruit Intellectuals for Party

90SE0078C Vientiane PASASON in Lao 14 May 90 p 3

[Party and Cadres column: "Thoughts About Party Membership and the Problem of the Intellectuals"]

[Excerpts] [passage omitted] Raising the level of the character and capabilities of party membership is the primary problem which will be decisive for the victory or defeat of efforts to implement the policies of the party and state. No matter how correct the policies of the party and the plans of the state to develop the economy and society are, if they are not implemented, they will just be ideas. [passage omitted] Carrying out the policies of the party and the plans of the state requires cadres and membership with the character and capabilities to bring the policies into practice effectively. [passage omitted] The political duties of the revolution now require not only a rank and file of cadres and membership with a revolutionary spirit but also require a rank and file of intellectuals.

In the past character was primarily emphasized for membership in our party. We were indifferent to knowledge and ability. Those who worked hard with their hands, who were reliable, and who lived simple lives easily became party members, and these qualities are needed, but we must also recognize the standards of knowledge and capability and recognize that those who measure up to these standards are among the intellectuals. Therefore in the future if we do not change our direction and target intellectuals for party membership, it will be difficult to elevate the role of party leadership to a new level, and we will have great difficulty in building our new system. This does not mean that we will abandon other groups, people from the working classes and progressive individuals from other classes; we are just talking about intellectuals entering the party in appropriate numbers. This is needed because the decade of the 90's will be the decade of the mind and of new revolutions in scientific techniques. The party must have a rank and file of intellectuals capable of effectively using the scientific techniques and technology of the new age. [passage omitted]

Senator Calls for Caution on Ties With North Korea

90SE0079A Manila THE MANILA CHRONICLE in English 26 Jun 90 p 8

[Text] Senator Rene Saguisag yesterday cautioned the opening of diplomatic relations with North Korea, saying that the communist regime's human rights record must first be evaluated.

Saguisag said the government must first find out how South Korea, which he described as a "good friend and ally," will react to Philippine recognition of the communist North, and how such relations will affect efforts to reunify the two Koreas.

A few weeks ago, two members of the House of Representatives visited Pyongyang, the north's capital, and met with its long-reigning leader, Kim Il-sung. During the visit, Kim Il-sung assured Representatives Miguel Romero (Negros Or.) and Jose de Venecia (Pangasinan), chairman of the foreign affairs committee, that his government was not supporting communist guerrillas here.

De Venecia also announced that the visit could pave the way for the eventual diplomatic tie-up between the two countries.

Saguisag warned that establishing diplomatic ties with the hardline communist state might provoke local condemnation, especially from human rights groups. He said there is a need to ascertain reports that Pyongyang was behind several terrorist attacks against the South, including the bombing of an airborne Korean Airline jet.

NPA Appoints New Boss for Metro Operations

90SE0072A Manila THE MANILA CHRONICLE in English 2 Jul 90 p 8

[Text] A known rebel leader operating in Southern Luzon was assigned to Metro-Manila by the New People's Army [NPA] hierarchy to lead intensified operations that would make up for setbacks suffered by the Alex Boncayao Brigade, after the attack last Thursday at the funeral of NPA hitman, Benjamin Tabuena.

This was disclosed yesterday by Quezon PC/INP [Philippine Constabulary/Integrated National Police] Provincial Commander Reynaldo Wycoco. He said based on intelligence reports, Leopoldo Mabilangan, who heads the NPA's major guerrilla unit called the Mt. Banahaw Command, was reassigned to Metro Manila to supervise terrorist operations.

Wycoco said that Mabilangan's transfer of operational area was recommended by the Southern Tagalog Regional Party Committee based in Bondoc Peninsula.

Wycoco theorized that the re-assignment of Mabilangan would help boost the capability of NPA urban terrorists to conduct special assassination missions.

Military authorities had linked Mabilangan's reassignment to the NPA's recent pronouncement that the ambush killings during the funeral march for the slain hitman would be avenged.

YOU Reports More Recruits

90SE0080A Manila THE MANILA CHRONICLE in English 28 Jun 90 p 6

[Text] At least 1,000 young and junior military officers have already joined the clandestine Young Officers' Union (YOU) since December last year and have been organized into some 200 political "collectives," according to a leader of the shadowy rebel group.

The rebel leader, known only as Capt Carlos Maglalang, also said their group planned to double the number of their "political collectives" this month by increasing the number of recruits by at least a thousand more.

Maglalang's claim was supported by a two-page document distributed to media yesterday inside military camps in Metro Manila.

But the military dismissed the document as "merely propaganda materials to boost the rebels' image."

Loyal military officers consider the YOU as non-existent, a spin-off of the discredited Reform the AFP Movement (RAM) and Soldiers of the Filipino People (SFP) whose capability "lies in propaganda."

The document said the YOU has members in at least 45 provinces except in at least 10 camps in Metro Manila.

In Bicol, the YOU claimed it had organized 21 collectives with some five members each. Benguet, including the Philippine Military Academy (PMA) in Baguio City, had a dozen collectives while 11 collectives were organized in Quezon province alone.

The group also boasted to have established "cells" at the defense department, the elite Presidential Security Group (PSG) in Malacanang, and even the police organization.

The document, however, showed that the YOU had failed to organize in Muslim-dominated provinces like Sultan Kudarat, Lanao del Norte and Sur, Bukidnon, Basilan, and Tawi-Tawi.

Members of a cell do not necessarily belong to the same military unit. The members could come from the army, the constabulary and the navy, as long as they share the same area of responsibility.

Despite the YOU posturings, Maj Gen Rodolfo G. Biazon, the AFP vice chief of staff, said the military rebels still lack firepower, manpower, and organization to mount another attempt to change the government.

"They still don't have the capability to overthrow this government," he said. "Not this week, next month or even until the elections in 1992."

Other senior officials dismissed the YOU as "a paper organization" of a handful of rebel officers who are still at large.

"I have been talking to a large group of junior officers and they told me that they were not members nor they were being recruited to join the YOU," said a senior officer from the PMA.

POLITICAL

Problems in Local Party Leadership

902E0228A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 26 May 90 p 2

[Article by Ho Thanh Khoi: "Some Thoughts on Party Leadership at the Grassroots Level"]

[Text] In the crisis situation of the international communist movement at the present time, party leadership is one of the important issues. In speaking of party leadership, the role of party organizations at the grassroots level have a special significance. According to statistics at the end of 1989, our entire country had 41,777 party grassroots organizations. In evaluating achievement in the leadership role of grassroots organizations, there are many different opinions. Party Central Committee Resolution 5 stated, "In many locations, the leadership ability and combat strength of the party grassroots organization are extremely weak." How many is "many locations"? A research article in the February 1990 issue of CONG SAN magazine stated 30 percent. However, of what kind are the remaining 70 percent? Are they strong with sufficient leadership strength and combat strength following the renovation viewpoint of the party? This aspect must be reexamined because in the standards for evaluating a party leadership organization for effectiveness following the new viewpoint, many still unreconciled points remain.

Previously, in a bureaucratic system and state-subsidized economy, these standards were probably rational but now, in the new situation, some points are no longer consistent. For example: party statutes stipulate, "In accordance with its leadership responsibility, ensure that the line of the party, the resolutions and directives of upper echelons, and the policies and laws of the state are implemented at the grassroots level." However, how does leadership ensure implementation at the grassroots level? How does leadership differ from management? What must be done to keep the leadership role from marking time or becoming overloaded and lax? Or, in the need to develop the collective ownership rights of the masses at the grassroots level, how should collective ownership be conducted, while socialist democracy at the grassroots level remains unachieved and on the contrary is being seriously violated and presently has many different opinions? So, is a 70 percent level of strong party organizations following the new viewpoint possible or not? Surely not, because while the standards are old, the requirements and situation of today are extremely new, are undergoing complex changes and are in true crisis, and the theoretical as well as practical issues of party grassroots organization must be urgently brought forward for study and discussion. It is first of all a problem of the political leadership function differing from the management function.

Political leadership is the proper course:

To this time, despite the complex situation and the debate on whether the role of the party must be this or that, no one denies the leadership role of the Vietnam Communist Party, even in the grassroots units. There must be total leadership, not simply leadership in some aspects. Political leadership is the designation of a proper strategic policy objective and course; and leadership to inspect and formulate cadre projections for achieving that objective and course throughout all society and for each grassroots unit. How has previous party leadership been? Accurate identification is necessary for renovation. In the democratic national revolution, the party has provided incomparable leadership, and has set forth the proper line and leadership for achieving glorious victory. In the socialist construction revolution however, party leadership has followed a socialist mold with erroneous aspects, and a socialism not yet fulfilling achieving the nature of Marxism-Leninism. Thus, when the theme of political leadership, that is setting a course for all society, is wrong, that course in each grassroots unit is also wrong. Some of these mistakes are the presentation of erroneous issues for the benefit of mankind, seeking social impetus in overall collective ownership rights, and sacrificing the individual interests of mankind to swiftly reach the objective of socialism in a subjective and voluntaristic manner. Mistakes made in arranging the economic structure, socialist transformation, the economic management mechanism, distribution and circulation, and achieving the dictatorship of the proletariat are primary indications. Since the Sixth Congress, we have made gradual corrections.

Thus, renovation of leadership must first of all be renovation of the political leadership theme. This theme, since the Sixth Plenum of the Party Central Committee, has been confirmed in new viewpoints, courses and major positions. For example, in the economic aspect, it has been clearly stated, "Consistently achieve a policy of an economic structure with many components, liberate every production ability, and renovate the economic management system by shifting it to business accounting methods following a viewpoint of developing a planned commodity economy." In other words, political leadership from the Central Committee to the grassroots level is aimed at properly resolving contradictions in interests.

At the present time, examined from the function angle, there are three types of grassroots levels: the village; subward; and business production and career administration. Depending on the type of grassroots level, the party contributes in making decisions (if a subward or village) or participates (if a business production unit implementing a command system) in setting the proper course for each unit.

By setting a course, not a specific achievement plan, and leading, not managing, the party conducts its leadership by persuasion, education, and the example set by the party member. At the grassroots level, there is no task that the party does not lead, meaning to set the proper course for responsible agencies to achieve and handle.

For example: in production contracting, a course is set that will promote productivity, ensure correct costs, and ensure the interests of both the laborer and the state; while the percentage, specificity and method of resolution are under agency management. Sidewalk clearance is a major policy in security and order; the party organization must give leadership concern to achievement of order, security, and social civilization requirements, and ensure employment for the laborer; while the specific methods and who will clear whom is the job of the responsible agency, with the party leading and party members setting an achievement example, not the party organization undertaking the task itself.

From the analysis above, setting a proper course at the grassroots level does not entirely depend on the party organization but on many other factors, including the positions, policies, and laws of upper state echelons. Putting something to practice to attain a total political mission is dependent upon the intelligence of the grassroots level unit whose creative theme is the masses of the people under leadership of the party. The grassroots party organization is a leadership nucleus, meaning it assembles, persuades, educates and influences the management apparatus and mass organizations to develop the collective ownership rights and creative strength of the masses in formulating an action program and the most rational and scientific course and mission, and in resolving contradictions in interests, not an authoritative organization deciding every matter like a management agency.

A leadership viewpoint is to set such a course that the party organization role at the grassroots level has a different function and mission from the state organization and apparatus. First of all, the party organization is not separate from the state apparatus, standing above and outside to lead. However, they are also not blended into one, or both leading and managing, stepping on each other's toes, and overlapping or obstructing each other. The party acts within the framework of the law and precisely in accordance with the law.

The state apparatus at the grassroots level is a management organization of the people elected by the people or appointed by the professional sector. The party organization is an organization of the worker class, is loyal to the worker class and represents the interests of other classes in society, leading society to ensure those interests. On one side is the state organization with jurisdiction, and on the other is the political and social organization. However, there is no legal decision on a clear demarcation.

It was 1984 before a few party documents differentiated between leadership and management functions in state-operated economic facilities and in agencies, but in practice, not much changed because the mechanism did not change. Only in 1988, after the Sixth Congress and the resolution of the Third Party Plenum, did Decision 217 of the Council of Ministers and Decrees 50 and 98 of the state systemize this relationship, with the purpose of

properly developing the management role of the state apparatus, clearly stipulating that the party would only participate and contribute opinions, not decide matters under the authority of worker and civil servant congresses, enterprise councils, and directors.

Practice is still extremely complex with achievement in some locations, upholding the leadership role following a proper course and fully developing the command system; but not a few places are still confused, either maintaining the old viewpoint or relaxing and neglecting the leadership role of the party. Clearly, we are wrong not only in leadership methods at the grassroots level but still have problems in examining theme and principle. A research assignment is needed to make corrections.

MILITARY

City Official Interviewed on Security Drive

902E0227A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 25 May 90 pp 1, 3

[Interview with Senior Colonel Tran Thanh Lap, Deputy Municipal Armed Forces Commander, by correspondent Hong Son: "Successful Political Activity Phase of Building People's Armed Forces and Strengthening National Defense Requires Guidance Concern of Party Committee, Administrative Echelons, Especially at Primary Level"; date and place of interview not given; first paragraph is SAIGON GIAI PHONG introduction]

[Text] Editor's note: The Standing Committee of the Municipal People's Committee recently issued a directive initiating a phase of political activity on the mission of building the people's armed forces, strengthening national defense, protecting the fatherland and maintaining political security and social order and security. A SAIGON GIAI PHONG correspondent exchanged opinions with Senior Colonel Tran Thanh Lap, Deputy Armed Forces Commander of the city and Vice Chairman of the Standing Committee implementing this directive, regarding organization and achievement of this activity phase.

[Hong Son] Sir, could you further clarify the objective of this major phase of political activity in the city?

[Col. Lap] The Secretariat of the Party Central Committee and Standing Committee of the Council of Ministers decided to conduct a phase of political activity among local area cadres and people, primarily at the subward, village, ward, district and equivalent levels. This phase of political activity is aimed at raising the honor and pride of achievements made by local areas, cadres and the people during the past 15 years (since liberation of the South and reunification of the fatherland), in the mission of building the people's armed forces, strengthening national defense, protecting the socialist fatherland, maintaining political security and social order and safety, fulfilling the international mission and achieving the army's rear area policy. Through

this phase of activity, primary level localities will also formulate plans for developing strong aspects and overcoming weak aspects, aimed at more successfully achieving the mission of strengthening national defense and building the people's armed forces to protect independence and socialism and our party's task of renovation during the new situation; and to examine suitable collective and individual rewards for accomplishments made in achieving these missions during the past 15 years.

[Hong Son] What is the theme of this phase of political activity?

[Col. Lap] The theme of this phase of political activity is based on the resolution of the Sixth Party Congress and resolutions of the Central Party Committee and the Political Bureau relating to security and national defense and mentioning the viewpoints, principles and ideology of supervising, achieving and building a national defense of all the people and the people's armed forces to positively defend the country, and to take the initiative in every situation to protect the fatherland and ensure political security and social order and safety. Strengthened education for the entire party, all the people and all the army in vigilance against every plot and stratagem of the enemy, and establishment of a mass movement of participation in building national defense and protecting the security of the fatherland are also a theme of this phase of activity.

In a report on 2 May 1989, the Municipal Party Committee stated: Educate the entire party and all the people in a concept of constant vigilance and struggle against every enemy destructive "peaceful evolution" plot and action, of active achievement of the national defense and security mission, and of establishing a mass movement to protect the security of the fatherland and social order and safety. Redirecting the national defense mission, the mission of protecting the security of the fatherland and construction of the city's armed forces consisting of: local troops, militia and self-defense forces, especially the management and mobilization of reserve troops, has a plan for constructing a national defense of all the people and building a people's war disposition in the city. This work is aimed at raising the level of combat readiness and building the economy in coordination with national defense; with a more specific policy on the armed forces and strengthened party leadership over the armed forces. These are the basic themes and the themes that must be grasped to properly apply the summarization process in each local unit.

[Hong Son] Local areas must concentrate on resolving many tasks at the same time. What methods does the municipal guidance committee have on achieving good results for this phase of activity?

[Col. Lap] Local areas, agencies and units are encountering a great many difficulties because they must concentrate on resolving many socioeconomic problems. This phase of political activity and summarization has

extremely high objectives and requirements and the summarization period is long (15 years). Moreover, during a short period of time, they must also examine rewards for collectives and individuals, and must work from the primary level unit, subward, village, agency and enterprise and up. Therefore, if understanding is not careful and thorough, the designation of responsibility for each echelon is not good (especially at the primary level), and plans and methods are not positive, uniform, active or urgent, the results attained will not be high.

To overcome the situation above, the municipal guidance committee has set forth a number of methods. Municipal, precinct, district, subprecinct, village, agency, enterprise and unit levels, in accordance with the directive of the Municipal People's Committee, must establish guidance committees (at the present time, the city and many precincts and districts have done so and now have guidance committees). Military agencies and related responsible agencies have actively and positively served as a staff for the people's committee and guidance committee of each active echelon.

A plan and time are stipulated for each echelon by steps (sequentially or simultaneously). Guidance committees (especially their standing components) must regularly and closely grasp the situation of primary level units, provide guidance and assistance, and rectify errors if any exist.

The city's guidance committee states that the task of summarization must be extremely straightforward and objective with accurate achievements, strong points and weaknesses, and accurate evaluation of units and individuals while avoiding generality, superficiality, self-abasement and exaggeration of achievements.

[Hong Son] Will this phase of activity halt at strengthening comprehension and evaluating rewards?

[Col. Lap] No, it will not stop after concluding the summarization and rewards. Leaders at all levels must have plans and measures for expanding unit and individual achievements, and stimulating stronger movement advancement.

Each agency, unit, enterprise and local area will set forth an effective action program, initiate specific and collective achievement measures to change still substandard aspects, actively participate in the task to build the city into a strong defensive area, strengthen the mobilized reserve forces, build the militia and self-defense forces, actively participate in maintaining political security and social order and safety within the city, and successfully conduct the second phase of recruiting for 1990.

To successfully achieve these tasks, we think it important to have the supervisory concern of party and administrative leaders at all echelons, especially at the subward, village, ward, district, agency and enterprise level, and to truly properly develop the responsibility of guidance

committees at all levels. Thus, we believe that this phase of political activity, throughout our entire city, will achieve good results.

Tay Nguyen Corps Deals With Recruit Problems

902E0231A Hanoi QUAN DOI NHAN DAN in
Vietnamese 24 May 90 p 2

[Article by Mai Hong Binh: "Thoughts on Three Receipts of New Soldiers in a Number of Central Provinces"]

[Text] During the two years of 1988 and 1989, the Tay Nguyen Corps [binh doan] military administration school received troops from the central provinces for training. The quality of these new soldiers was excessively low and during three months of training, nearly 50 percent deserted. Through several reviews, we have made efforts to overcome the situation and at the same time have suggested that upper echelons coordinate a solution. However, virtually the same situation occurred during phase 1 of the 1990 troop draft. Recently, we received 450 new soldiers from Thuan Hai but more than 40 percent had deserted within three days after arrival in their new unit.

Here, within the scope of a small unit subordinate to Tay Nguyen Corps and assigned to train new soldiers from a number of local areas in Military Region 5, although the third draft since undertaking this mission was recently received, little experience has been gained. However, unacceptable occurrences on the part of localities delivering troops have appeared in the delivery and receipt work, that if not satisfactorily resolved, could adversely affect the army, do great damage to state assets and public efforts, and diminish the traditions of a heroic corps. Below I wish to mention some specific difficulties in the receipt of new soldiers.

The first concerns low educational levels: the percentage of illiterates is increasingly higher with most at level 1, creating great difficulty for education and training following the ministry's presently stipulated curriculum. On the other hand, building a mobile main force corps with modern technical equipment, arms and transportation resources is impossible on the basis of soldiers lacking cultural knowledge. This fact has and will greatly restrict the combat capabilities of the corps.

Secondly, in our relations with provincial and district military agencies, we are requested not to mention Tay Nguyen Corps. When we ask why, the answer is that if training in Tay Nguyen Corps is mentioned, local areas will not deliver troops because the youths will all flee. Could an heroic corps that was previously the pride of cadres and soldiers now be feared by the youths of the central provinces? This certainly could not be the case and surely the military cadres of these local areas simply think that by not telling the youths the obvious in order to have sufficient troops for delivery to the corps, they have completed their mission. They then have the data necessary for reporting their achievements of completing

and exceeding the norms assigned by upper echelons. They do not think ahead about movement to the corps, and many of the youths, upon learning their destination is Tay Nguyen Corps, flee during the very first days.

Third, education can only be effective with a firm grasp of the objective and by stating the facts.

Specifically, to effectively educate and manage new soldiers, it is necessary to firmly grasp all of their aspects and their economic and social conditions. Only with an understanding of their family environment and the economic, political, cultural and social situations in the locality in which they live can education and management be effective. However, cadres engaged in the selection of new soldiers have lacked sufficient conditions for doing their job, simply because their contracts with local areas state "units receiving troops may not arbitrarily penetrate the primary level," meaning that a local cadre must accompany them wherever they go. Worth mentioning here is that perhaps cadres receiving troops have not known how to propagandize or motivate the inducted youths; or if they penetrate the primary level without a local cadre, perhaps the people and youths will tell the truth about the "situation." The results of this stipulation have led to unit cadres unable to ascertain anything they need to know to support future management and education. Often, when recruiting cadres want to go, local cadres are "busy" and they are thus resigned to chat and drink and fail to complete their mission. This is not yet mentioning differences in opinion between cadres receiving troops and those delivering them, so what is the attitude of the local area? Some locations can only spare 50 men while the local area has delivered hundreds of dossiers.

With such final results and available reports, local areas surely know better than anyone else. In some local areas, only several days after delivery, 100 percent of the inducted youths are home. The unit blames the local area for delivering troops lacking in quality and the local area says units have poor management and education, fail to provide good living conditions, etc. Finally, neither the local area nor the unit will admit anything. Only the state suffers great economic losses and many adverse social consequences will be created.

Therefore, we suggest that responsible sectors and echelons give concern to satisfactorily resolving present impediments in recruiting, and clearly stipulate the responsibilities of parties delivering and receiving troops. There are standards for inducted youths but local records usually differ from those held by the receiving unit. Suitable methods for dealing with violations occurring during new soldier delivery are necessary. Local areas and units should closely examine their own deficiencies, directly and properly organize recruiting, and subsequently assist in building an army with sufficient strength to firmly protect our beloved fatherland.

Quyet Thang Corps Dealing With Desertion Problem*902E0231B Hanoi QUAN DOI NHAN DAN in Vietnamese 23 May 90 p 2*

[Article by Ho Anh Thang: "Quyet Thang Corps Clearly Defines Causes To Seek Soldier Management Methods"]

[Text] Troop desertion in primary level units at the present time is a problem of concern to leadership and command cadres at all levels. The nature and ratio of desertion in each unit is different but it exists in nearly all units. What are the causes of this situation? To clearly define the causes and acquire methods of effectively overcoming the situation, Quyet Thang Corps [binh doan] recently organized a group of cadres to conduct a direct survey in a number of primary level units. The survey group consisted of political, staff and rear services components under the direct command of Senior Colonel Le Xuan Yen, Deputy Chief of the Corps Political Department.

The survey group reached the following conclusions: the mental state of soldiers is extremely varied, each individual has a different attitude, many reasons exist within each man, and there is rarely a desertion due to one or more definite reasons. Let's examine some composite results from ballots submitted by 204 soldiers who: deserted because they were homesick, 73.5 percent; because of poor living conditions, 80.3 percent; because of hunger and hardship, 90.6 percent; or because they did not like being a soldier and were not proud of a soldier's title, 37.7 percent.

I have no intention of presenting all the results attained in this survey of the desertion situation at the present time in Quyet Thang Corps. Only the few illustrative figures above are enough for us to understand that efforts to reduce the desertion ratio to two percent, as is the corps' determination, is a difficult thing. Through the survey, in coordination with many factors, the corps leadership and command cadres studied and clearly defined causes leading to the desertion situation. It must be clearly stated that among the primary causes, that of society was important. In the 27 April issue of QUAN DOI NHAN DAN, in the article, "Why Hasn't Soldier Desertion Been Thoroughly Overcome?," we presented three objective causes (social factors). However, under present conditions in which we are gradually stabilizing and restoring social order and discipline, clear definition of the subjective causes by the primary level unit in order to restrain and gradually overcome desertion is a decisive issue: nearly all the corps' primary level unit command cadres participating in the survey agreed on the necessity for precise and accurate definition of the subjective causes and responsibilities of the primary level unit. Through discussions with corps command cadres, we recognized that units had many causes of the subjective type. Through an exchange of opinions, we agree on the following number of primary causes:

First is that units recently have done poorly in personnel selection. Because the recruiting periods are short, cadres lack the conditions necessary for penetrating the local area. Moreover, units are unable to directly receive the men and situations exist in which files and names are changed. Therefore, upon arrival at their unit, there are soldiers with serious ailments, illiterates and even opium addicts. However, it must be recognized that the consequences above are because cadres have not maintained close and resolute contact with the local area in receiving personnel, and have not thoroughly prepared every aspect for new soldier selection.

Second is that the role, responsibility, and feelings of the primary level unit management and command cadres are still substandard. A number of cadres fail to set an example in ethical qualities and live degenerate lives, and even some platoon-level cadre desertions have occurred. Relations between the cadres and men are not close or cordial. Cadres do not understand the men, and many cadres have low educational and understanding levels but are unwilling to study and train. Nearly all the political cadres are deficient and most are former military cadres. Their weaknesses in many aspects, ineffectiveness before the men and inability to persuade and influence the men have led to a militarist situation. Extremely grievous occurrences of militarism have occurred with punishments violating the dignity of the men. Therefore, they affect the thoughts and feelings of the men, and even lead to counteractions. Most of the cadres with militarist violations are concentrated in the platoon, company and battalion-level cadre ranks. An examination of ballots submitted by 92 men from Unit M02 showed us that 78.2 percent thought the cadres were militarist; 45.6 percent thought the cadres were taking bribes from the men; and 19.5 percent thought the cadres were decadent in quality and life style. Clearly, the percentage of men who thought the cadres were militarist was fairly large. However, in primary level units, the handling of militarist cadres is not severe or satisfactory. Some cadres with militarist actions have the outlook that their deeds are wrong but they continue to occur. If militarist cadres are not dealt with severely, efforts to regain the confidence of the men are impossible.

Third is to improve troop living conditions that are incomplete and imperfect compared to systems and standards or within the capabilities of overcoming. An investigation of two units indicated that 70 to 80 percent of the buildings leaked and were in serious disrepair and unsafe; and 40 to 50 percent of the soldiers had to sleep in common bunks. In Unit M02, 70 percent of the men had torn sleeping mats. Gouging of the troop standards system and irrational use of ration funds still occur. Investigation of the 204 ballots also revealed that 38.7 percent thought the unit lacked economic democracy; 41.1 percent thought there was no economic equality; 35.2 percent thought there was no equality in rewards and punishments; and 34.3 percent thought there was no equality in the granting of leave, or in efforts made when soldiers encountered difficult circumstances.

In clearly defining the subjective causes, cadres at all levels of Quyet Thang Corps first of all clearly and correctly accepted their own responsibilities and those of their unit. They did not use social occurrences as an excuse or blame society although the disposition of social factors is decisive. In desertion resistance seminars, corps leaders and commanders have developed a number of measures for primary level units. Included are decisive measures such as severe prosecution of cadres lacking responsibility or acting as a militarist toward the men; and giving concern for improving the material and spiritual lives of the men. The results of these measures that primary level units have and will be conducting on the basis of clearly defining objective causes are still dependent upon time. However, this may be called an objective and accurate method of examination.

ECONOMIC

Economic Relations Between Two Countries

902E0232b Hanoi QUAN DOI NHAN DAN
in Vietnamese 27 May 90 p 3

[Article by Duy Duc: "Vietnamese-Japanese Economic Relations—Realities and Potentials"]

[Text] The two countries of Vietnam and Japan are not close neighbors but both are located in Asia and have similar points for establishing mutually beneficial relations for economic cooperation and interchange.

During past decades however, cooperation in economic relations between Vietnam and Japan, primarily in the area of commerce, has not developed. Even in commercial relations, moments of difficulty and various ups and downs have occurred. According to data of the Japanese Ministry of Foreign Industry and Economy, Japanese businessmen since the 70s have invested in only 33 projects in Vietnam with fixed capital of 5,185,000 U.S. dollars. In 1977, they halted investment and by the end of 1989 had withdrawn 3.7 million dollars.

Only in the field of commerce have the two countries continued to maintain normal trade, although total export value remains at a modest level (about 200 million dollars annually).

During the past several years, changes in the world and area situation have created a general trend of peaceful coexistence and developed cooperation between countries with different political and economic systems, and especially because Vietnam's efforts in total renovation have achieved extremely important initial results, economic relations between the two countries of Vietnam and Japan have enjoyed a pleasant prosperity. During 1988, the total value of foreign trade between the two reached 390 million dollars: including Japanese exports to Vietnam of 190 million dollars, and conversely, Vietnamese exports to Japan of 200 million dollars. From January to October of 1989, Japanese exports to Vietnam amounted to 110 million dollars (a decline of

71.9 percent), while imports from Vietnam were 270 million dollars (an increase of 73 percent); with the total foreign trade value attaining 380 million dollars (a 22 percent increase over the same period of 1988). Thus, during two successive years, Vietnamese exports surpassed those of Japan. The Ministry of Foreign Industry and Economy of the Japanese government analyzed that the reason why Vietnamese exports surpassed Japanese exports was an increase in the volume of scrap iron and steel exports and significant sales of crude oil to Japan. The amount of Vietnamese scrap iron and steel exported to Japan during the first 10 months of 1989 tripled over the same period of the previous year. Vietnam also made adjustments in Japanese imported goods such as reducing power generator imports by 53.6 percent and color television sets by 23.2 percent (data supplied by the Japanese Ministry of Foreign Industry and Economy). In the area of developed cooperative investment, Japan has expressed interest in "working" with Vietnam. During 1988, among the 3,300 groups that came to Vietnam on tourist junkets, visits, or trade surveys, one third were Japanese. Vietnam issued permits for a proposed joint port equipment repair venture (Seaportfacil) between the two Japanese corporations of Kansai and Kyodo and the Vietnamese Materials Export-Import Corporation of the General Sea Transportation Department, (former) Ministry of Communications and Transportation with fixed capital of 100,000 U.S. dollars.

Generally speaking, Vietnamese-Japanese economic relations have not yet reached a stature matching the potential of the two countries, especially in investment of Japanese capital in Vietnam. Recently, we were invited by the Japanese Ministry of Foreign Trades to visit the land of the rising sun. A representative of our host country's Ministry of Foreign Industry and Economy stated, "One of the obstacles preventing Japan from investing heavily in Vietnam has been the problem of Cambodia (the excuse used by the United States and other western capitalist countries for the 'embargo' against Vietnam). Because this problem is being resolved and Vietnamese troops have withdrawn from Cambodia, conditions exist for 'working' with Vietnam." Japan has been extremely pleased and expectant over the renovation task, as well as the liberalized foreign economic policies of Vietnam. Along with the political problems, representatives of the Keidanren Association (a group of more than a thousand major businessmen composed largely of general corporation chairmen), the Kubota Company (producing agricultural machinery), and the Mazda Automobile Company all mentioned that the still weak Vietnamese infrastructure was causing hesitation among Japanese investors in putting their capital to work in Vietnam. They all want Vietnam to strengthen and improve its infrastructure, especially in transportation and communications, supply points, ports, signal communications, etc. In the not too distant future, Japanese businessmen will give extreme attention to investment and economic cooperation with Vietnam. Internally, the Keidanren Association intends to request that Japan restore development aid to Vietnam and

persuade the United States to immediately end its economic "embargo" policy toward Vietnam without waiting for a total political solution of the Cambodian problem.

At the beginning of March 1990, a Japanese economic delegation consisting of 23 members, mostly directors heading major business organizations and corporations, conducted a working visit to Vietnam. Leading the delegation was Mr. Wasuke Miyake, Chairman of the International Development Research Center; the group also contained members from the Overseas Construction Department, Overseas Business Department, Economic Cooperation Department, Overseas Machinery Department, Sony Corporation and JN Airlines. The delegation chairman declared, "The objective of our trip is to survey the economic situation in Vietnam in preparation for impending economic cooperation between our two countries." He said that prior to the trip, many doubted the possibility for economic cooperation "but when we set foot in Vietnam, we saw the development of an extremely favorable private economy within a varied economy. Primarily because of this, we have great confidence in the potential for expanding individual cooperative relations between Japan and Vietnam." Questioned about criticisms that Japan had yet to make a strong move and was still somewhat slow, Mr. Wasuke replied, "Japanese businessmen are usually extremely cautious when they enter a new market. We always figure the results more than the form. However, once we decide to work with each other, there is extremely strong and unstoppable development. To achieve cooperation and investment, we must examine the resources of the country we are leaning toward, with our greatest emphasis on the people. Vietnam has extremely diligent, intelligent, and creatively rich people. They are the resource assisting us with sufficient reasons for beginning cooperation with your country. Our delegation came this time to clarify those things for which immediate cooperation can be initiated. Let's begin with cooperation in small areas, and with gradual advancement to large items. Additionally, successful cooperation in small things will confirm that cooperation on a large and long-term scale will be fine."

The developments above provide a basis for believing that Vietnamese-Japanese economic relations are confronted by bright expectations within a historical background of new advantages. Vietnam has the sufficient and varied natural resources to develop industry and ensure raw materials, fuel, and supplies for production, and an abundant labor force, including "grey matter" and ranks of skilled workers. Japan is a progressive industrial nation capable of great investment (Japanese foreign investment during 1988 amounted to 47 billion dollars).

Contributions From 'Overseas Vietnamese'

902E0232A Hanoi QUAN DOI NHAN DAN in
Vietnamese 29 May 90 p 3

[Article by Nguyen Duy: "Our Overseas Compatriots in Foreign Countries: Contributions and Points of Concern"]

[Text] There are presently about 2 million Vietnamese (commonly called overseas Vietnamese), residing in 60

countries throughout the world and concentrated most of all in the industrially developed countries. This no small potential has resulted in definite contributions to the Vietnamese fatherland.

According to still incomplete statistics, during only the past two years under the effect of the new policies of our party and state, overseas Vietnamese have returned home as tourists and their investments have steadily increased. There are more than 50 corporations in which overseas Vietnamese do business and trade in the country, including those for which our state has issued nearly 20 permits for overseas Vietnamese corporations to invest in the areas of light industry, posts and telecommunications and aviation.

Overseas Vietnamese have contributed opinions and economic and technical argumentation during the construction process on a number of fully equipped projects, and assisted in importing various pieces of equipment such as that for a small oil refinery in Ho Chi Minh City; helped in importing the equipment and designing and installing the cigarette production line of the Thanh Hoa Cigarette Plant (worth more than 1 million dollars); imported equipment and the assembly line for vermicelli production for the Ministry of Agriculture and Food Industry (500,000 dollars); tile production lines for local areas, etc. The importation of complete equipment or single pieces on a small scale is generally speaking, consistent with the capabilities and requirements of local areas; and creates favorable conditions for exploiting available potential. Overseas Vietnamese corporations have also assisted within the country in the search for markets to export and exchange goods.

Tens of thousands of overseas compatriots have returned as tourists and have sent money and goods to help their relatives, amounting to an annual value of about 150 million dollars.

A number of overseas Vietnamese intellectuals, returning home to visit or to work, have participated in and contributed ideas in formulating policies (inflation resistance; exports and imports, etc.), assisted a number of local areas in the formulation of business and production plans; and worked with a number of colleges in establishing training curriculums, and supplied a number of modern courses to schools producing reference data.

The contributions of our overseas compatriots to our homeland have been effective and we must encourage and stimulate their positive aspects and restrict their negative aspects to make them better. In the report of the Fourth, Fifth and especially the Sixth Party Congress, our party reserved the proper motivation and evaluation for overseas Vietnamese. However, confronted with the complex upheavals at the present time, our overseas compatriots especially need the concern of the entire party and people in all aspects related to community life

so our kinsmen can stabilize their lives, integrate into native society, maintain their national characteristics and orient themselves toward their native country.

In this task, the agency responsible for welcoming our country's overseas citizens is the Central Committee for Overseas Vietnamese, which for many years has closely coordinated with concerned agencies to suggest or participate in policies bearing the renovation spirit of the Sixth Party Congress, such as the policies for overseas Vietnamese returning as tourists, investing capital and sending money and goods to their relatives, the policies for family reunification, visits, overseas study, etc., that our overseas compatriots have highly praised and noted with heartfelt gratitude for that concern. Primarily by correct, reasonable, and logical policies, our party and state have directly engaged in efforts to propagandize and motivate our overseas compatriots in a extremely effective manner; and rejected every counterpropaganda and distorted argument of a small number of exiled Vietnamese reactionaries. On the other hand, although there are still no newspapers reserved for our overseas compatriots, it is known that our immigrant management agency has worked with press information agencies (at both the central and local levels) in regularly providing information on the overseas Vietnamese situation, to discuss methods of propaganda or to directly conduct overseas Vietnamese symposiums with newspapers. A reality that must be calculated is that those producing overseas Vietnamese newspapers rarely have the conditions necessary to return home; because they are affected by the propaganda of the huge information machines of western countries; and because of many subjective and objective reasons, some (and even many) individuals at times (and specially now) have an erroneous understanding of the country's situation. For that very reason, when the newspaper correspondents of overseas Vietnamese associations return home, their management agency has created conditions for them to meet leaders and visit primary level units and local areas; to exchange opinions and hold private conversations with their colleagues, and through that to assist them in comprehending the situation of the country. It has been learned that the Central Committee for Overseas Vietnamese is also selecting and assisting in the purchase of tons of newspapers and hundreds of films and video tapes (including video-taped letters and newspapers) for overseas Vietnamese associations and individuals. These actions have earned extreme praise from our overseas compatriots and made the exiled reactionaries furious. Enemy newspapers, such as THOI LUAN VIET NAM TU DO [Free Vietnam Current Event Discussion], VAN NGHE TIEN PHONG [Vanguard Arts and Letters], KHANG CHIEN [Resistance War], etc., each loudly clamor, "Vietnamese communist culture must be stopped from penetrating the community" or "Don't let the Vietnamese communists confuse us with culture," etc. Naturally, we have not yet agreed on the quality and quantity of cultural works to be sent overseas and concern for the spiritual lives of the overseas Vietnamese must also have investment that is

greater both in breadth and in depth. This is the job of our entire party and people. No individual agency can successfully achieve this task, even with the publication of a newspaper reserved for overseas Vietnamese. Nevertheless, to contribute along with the mass media in foreign propaganda, we must have a newspaper reserved for overseas Vietnamese and their relatives, providing information for overseas Vietnamese to correctly understand the situation of the country. Before as well as now, our party and state gives constant concern to safeguarding the legitimate interests of overseas Vietnamese; and emphasizes motivation of our overseas compatriots in turning toward and supporting their country. At the same time, we applaud and are prepared to accept every contribution from overseas Vietnamese on the basis of complete conscientiousness, with no anticipations and without taking advantage of the overseas Vietnamese in any matter.

The difficult situation at the present time in socialist countries, including our own, is being heavily exploited by enemy forces. About 90 percent of our overseas compatriots long for a decent job, to stabilize their lives and to maintain their national characteristics, and constantly have the wish to return for a visit, to assist their families and to support the country. We decidedly cannot allow a minority of exiled reactionaries (not exceeding four percent), imperialist lackeys who fled Vietnam, to beguile, bribe, and even intimidate to recklessly solicit our Vietnamese compatriots into dark objectives aimed at resisting and destroying the revolution in the country.

Nationwide Telecommunications Network Described

*902E0230A Hanoi QUAN DOI NHAN DAN
in Vietnamese 10 Jun 90 pp 1, 4*

[Article by Hoai Nam: "North-South Axis Telecommunications in Our Country"]

[Text] The national telecommunications network in our country now covers 100 percent of the provinces, cities, districts, and towns, and 24 percent of the villages throughout the nation. The country has three international communications centers (Hanoi, Da Nang, and Ho Chi Minh City), 44 provincial and municipal-level communications centers, and 501 district, town and village-level communications centers. Playing a mainstay role in the national telecommunications network is the north-south communications axis between the primary means of telecommunications interchange of barewire carrier wave and satellite communications.

Since reunification, communications between the northern and southern parts of the country have been a constant problem of foremost importance to the posts and telecommunications sector. Shortwave radio communications have many weaknesses and are unable to answer increasingly higher quality and quantity requirements. To swiftly establish a safe and reliable means of

communications supporting the two sections with specific capital, material, technical, and other important conditions, on 5 July 1977, the Premier approved plans for a Hanoi-Ho Chi Minh City-Minh Hai telephone project. This was the first bare-wire communications line built in Vietnam with 2,080 kilometers on poles, 11,900 kilometers of paired cable, and 104,000 kilometers of telephone channel carrier wave.

In June 1984, the project was considered basically completed. Construction required 44,000 concrete poles, 132,000 crossbars, and hundreds of thousands of insulators scattered over 2,000 kilometers. On the line are more than 40 river-crossing poles 22 to 94 meters high. Some sections of the line cross rivers more than a kilometer wide and are strung 40 meters below the surface; and there are 29 technical stations and 50 maintenance stations over the entire line with 330 carrier wave sets of various types, including terminal carrier wave and repeater sets, all transistorized with microcircuit and distant-feed technology.

The Hanoi-Ho Chi Minh City-Minh Hai carrier wave bare-wire communications project shouldered much of the communications volume on the north-south axis. Immediately from the first quarter of 1983, 80 percent of the north-south telephone forces were shifted to this line, developing an effect on the entire national telecommunications network. However, after more than 10 years of use under all conditions, increasingly greater weaknesses and limitations were revealed on this carrier wave bare-wire communications line. Large quantities of expensive materials were required and the line was easily damaged by floods, readily stolen, inefficient, etc.

To support the flow of north-south carrier wave communications, the posts and telecommunications sector recognized the need for a different, economically superior, and technologically better method: satellite communications, originating in the mid sixties, now undergoing extremely rapid development and in use by many other countries. On 3 November 1978, an intergovernmental agreement between Vietnam and the Soviet Union was reached in which the party, government and people of the Soviet Union presented the party, government, and people of Vietnam with a satellite communications earth station.

After a survey period, Soviet and Vietnamese specialists at the beginning of June 1980 urgently installed equipment for a parabolic mirror antenna and antenna mast 124.8 meters high at Kha Lieu. At 1700 on 27 June 1980, after many tests and adjustments, the equipment operated satisfactorily and the board of directors of the Intersputnik organization permitted station Hoa Sen [Lotus] I to begin test operations. With the Hoa Sen I satellite communications earth station operating through the Stationan 5 N geosynchronous satellite of the Intersputnik system over the Indian Ocean, our communications with other countries have been expanded. To coordinate the general demands of society in international communications and television for the southern

provinces and north-south intercommunications, in November 1984, Hoa Sen II was constructed in Ho Chi Minh City. The Hoa Sen II satellite communications earth station, operating in the Intersputnik system, is more modernly equipped than Hoa Sen I.

In June 1985, both Hoa Sen I and Hoa Sen II were shifted to operate on Channel 10 of the Stativiar-13 satellite at 80 degrees longitude over the Indian Ocean, initiating north-south intercommunications with a reliable and high-quality means of communications under the severe climatic conditions of our country. Since then, besides the 66 voice channels of the carrier wave telephone communications line, our country's north-south intercommunications route has had an additional 19 voice channels via satellite communications. Besides that, a number of shortwave radio communications channels established immediately after the south was liberated are still in use.

In the world, in addition to the Intersputnik satellite communications system, there is also the Intelsat system in which we also participate. Now at the end of the eighties, the Intelsat system has more than 650 earth stations in 165 countries operating through 13 geosynchronous satellites. The issue presented was that our construction of a satellite communications earth station in the Intelsat system for direct communications through the Intelsat system would be both economically beneficial and of high technical quality. The posts and telecommunications sector of our country signed an agreement with the Australian Overseas Telecommunications Corporation (OTC) to construct a satellite communications earth station for the Intelsat system. The station was built in Ho Chi Minh City and named Huong Duong [Sunflower].

On 12 August 1989, Ho Chi Minh City Intelsat earth station SAG-1A was inaugurated. In April 1990, the A-level communications earth station HAN-1A was also inaugurated in Hanoi. Thus, we now have two major international telecommunications windows. The introduction of two Intelsat system satellite earth stations, besides permitting direct transmission of voice and television signals through an Intelsat satellite to all countries with earth stations operating through satellites in the Indian Ocean area (according to Intelsat statistical data calculated to June 1989, the number of satellite communications earth stations working with the 60 degrees longitude satellite in the Indian Ocean area, the satellite with which our HAN-1A operates, there are 76 stations from 66 countries), there are also 30 voice telephone channels between Hanoi and Ho Chi Minh City. Therefore, the north-south communications axis of our country will have nearly 40 voice telephone channels by satellite communications and the communications and liaison situation between the two sections will surely be improved. We no longer need shortwave communications because, when the Da Nang Intelsat earth station is inaugurated in the near future, a number of direct Hanoi-Da Nang and Da Nang-Ho Chi Minh City voice telephone channels will exist. At the end of this June, a

narrow-band microwave system will be extended to Da Nang and the number of intercommunications channels between south and north will become increasingly greater, answering every communications operations requirement of society.

Today, the scientific and technical revolution is exploding. Communications and liaison technology is developing in an extremely rapid manner. Although just beginning and with many superiorities over carrier wave bare-wire communications, satellite communications also have many shortcomings, clearly in their interference and their assurance of secrecy. To meet the technical and quality standards of communications and liaison at the present time, the posts and telecommunications sector has plans for studying the establishment of new telecommunications methods on the north-south communications axis. First of all is the establishment of optical cable and wideband carrier wave communications. At that time, all requirements of domestic and foreign users in diversified individuality and quality of communications services will be answered in a rapid, complete and high-quality manner.

Regulations Made Public

902E0225A Hanoi NHAN DAN in Vietnamese
11 Jun 90 p 2

[Text of Council of State regulation: "Regulation on Banks, Credit Cooperations, and Financial Corporations"]

[Text] [Begin boxed text] On the basis of article 100 of the SRV Constitution and article 34 of the Law on Organization of the National Assembly and the Council of State, on 24 May 1990 Council of State Chairman Vo Chi Cong signed an order to make public the Regulation on Banks, Credit Cooperations, and Financial Corporations, which the SRV Council of State had passed the day before, 23 May 1990. [end boxed text]

In order to strengthen the management and to guide the activities of banks, credit cooperatives, and financial corporations so as to create favorable conditions for development of a multipartite economy, to implement the monetary policy of the state, and at the same time to protect the legal interests of organizations and individuals;

On the basis of article 100 of the SRV Constitution,

This regulation defines the organization and activities of banks, credit cooperatives, and financial corporations, or for short credit organizations.

Chapter I

General Articles

Article 1: In this regulation, the following organizations are understood as follows:

1. - "Commercial banks" are money business organizations, the main and regular activity of which is receiving

money deposited by customers, with the responsibility for returning it and using the deposited money to lend, to carry out discount services, and to use as a means of payment.

- "State-operated commercial banks" are commercial banks being established with 100 percent of capital provided by the state budget.

- "Publicly owned commercial banks" are commercial banks established in the form of publicly owned corporations, in which an individual or an organization cannot own a number of the banks' shares exceeding the percentage set by the State Bank.

- "Foreign banks" are banks established in accordance with foreign laws. "Foreign bank branches" are establishments of foreign banks in Vietnam and operate in accordance with Vietnamese laws.

- "Joint banks" are banks established with capital contributed by both Vietnamese-side and foreign-side banks, are located in Vietnam, and operate in accordance with Vietnamese laws.

2. "Investment and development banks" are state-operated banks receiving capital invested in development from the state budget mainly to invest in the state's economic and technical development projects and getting middle- and long-term capital from domestic and foreign sources to issue middle- and long-term loans.

3. "Credit cooperatives" are collectively-owned credit organizations established with capital contributed by members, getting capital from members, and granting loans to members.

4. "Financial corporations" are state-operated or publicly owned corporations the main activity of which is to lend money for purchases and sales of commodities and services using capital they themselves have or borrow from the population.

Article 2: Any organizations that carry out the services of credit organizations in Vietnam must have licenses issued by the Vietnam State Bank, or state bank for short, to permit them to operate.

Article 3: 1. Each credit organization and its branches operating within the territory of Vietnam are a juridical person.

2. One or more branches of a foreign bank operating in Vietnam are a juridical person.

Chapter II

Conditions for Operations of Credit Organizations

Article 4: The conditions for the state bank to consider and to grant licenses to the organizations which apply for permission to carry out the services of credit organizations in Vietnam are determined as follows:

1. To have the needs for banking and financial services in accordance with the need for economic development;

2. To have the necessary sources of capital and the way to get such capital;
3. To have the ability to make profits;
4. To have headquarters suitable for money and credit business operations;
5. Chief executive officers (CEO's) have managerial, technical, and professional capabilities in connection with money and credit matters;
6. The forms of money and credit business activities are legal.

Article 5: 1. The organizations that want to carry out the services of credit organizations in Vietnam must send to the state bank an application file to request the granting of licenses.

This file of application for license consists of:

- a. Application for a bank, credit cooperative, or financial corporation license;
 - b. Operational plan indicating the economic and financial interests of the money and credit business activities;
 - c. Statutes of the credit organizations;
 - d. Personal background information and documents proving the capabilities of members of boards of management and CEO's;
 - e. Other documents requested by the state bank and used to clarify any matters having to do with the above-mentioned documents.
2. Foreign banks wanting to open branches in Vietnam and joint banks in Vietnam, in addition to satisfying the requirements mentioned in section 1 of this article, must submit the following legally certified documents:
- a. The banks' statutes used in their own country;
 - b. Licenses granted to them in their own country;
 - c. Statement confirming the authorization for the banks to open branches or joint banks in Vietnam;
 - d. Joint business contracts;
 - e. Balance sheets, loss-profit statements, and reports on operations of the banks in their own country in the last three years;
 - f. Names of the persons assigned the task of being the banks' CEO's in Vietnam.

Article 6: The credit organizations' statutes have to include the principal information as follows:

1. Names and headquarters of the credit organizations;

2. Legal money and credit business activities;
3. Period of operations;
4. Statutory capital and way to raise this capital;
5. Organization and makeup of boards of management and CEO's;
6. The credit organizations' representatives in the law courts and state organs of Vietnam;
7. Finance, accounting, and auditing principles;
8. Circumstances and procedures for dissolution;
9. Procedures for revision of statutes.

Article 7: 1. Within a period of three months from the day the application for license is received, the state bank will grant or refuse to grant the license.

2. In a period of 15 days from the day the license is issued, the credit organization must pay to the state bank a fee equal to .2 percent of its statutory capital.
3. No later than 12 months since the day the license is issued, the credit organization must fully comply with the conditions mentioned in the license before beginning to operate.

Article 8: 1. Prior to being granted by the state bank licenses permitting them to operate, credit organizations are not allowed to use under any circumstances the names defined in article 1 of this regulation.

2. To transfer licenses issued by the state bank is prohibited.

Article 9: 1. Credit organizations must receive from the state bank written approval whenever they need to change any of the following:

- a. Names, statutes of the credit organizations;
- b. Increase of statutory capital through issuing share certificates or decrease of statutory capital;
- c. Moving headquarters to a new location, opening or closing of branches;
- d. Separating from or merging with another or many other credit organizations;
- e. Dissolution, write-off of credit organizations.

2. Transfer of a number of shares equal to more than 15 percent of credit organizations' statutory capital must be authorized in advance by the state bank.

Article 10: Credit organizations will have their licenses revoked by the state bank in the following cases:

1. More than 12 months after licenses are issued they fail to fulfill all of the conditions mentioned in the licenses, or fail to begin operations;

2. They fail to get up to the amount of statutory capital determined by the state bank;
3. Following losses, they are unable to restore capital up to the amount determined by the state bank;
4. They stop paying back to customers the money they have deposited;
5. They voluntarily apply for dissolution;
6. They are declared bankrupt;
7. They separate from or merge with another organization.

Article 11: Granting licenses to credit organizations or revoking licenses from them by the state bank must be printed in the official journal.

Article 12: Credit organizations operating in Vietnam must have statutory capital at the amount determined by the state bank and publish it at the beginning of each financial year.

Article 13: During the period in which the publicly owned credit organizations have not yet begun to operate, they must put the money resulting from sales of shares into a collateral account opened in the state bank.

This money can be released to them only when they begin to operate.

Article 14: 1. Credit organizations in Vietnam must establish the following reserve funds:

- a. "Reserve fund" supplementing statutory capital is established every year on the basis of 5 percent of their net profits, with a ceiling to be determined by the state bank.
- b. "Special reserve fund" covering emergencies is established every year on the basis of 10 percent of their net profits, with increases to reach 100 percent of their statutory capital.

2. The use by credit organizations of the reserve funds mentioned in section 1 of this article to pay dividends to shareholders or to transfer money abroad is prohibited.

Chapter III

Management and Administration

Article 15: 1. State-operated credit organizations are under the management of boards of management and the administration of directors general or directors.

The appointment and dismissal of members of boards of management, directors general, or directors of state-operated credit organizations are made by the chairman of the Council of Ministers, or by assignment by the governor of the state bank.

The term of board members, directors general, or directors is 5 years. They can be reappointed.

2. Publicly owned banks and publicly owned financial corporations are under the management of boards of management and the administration of directors general or directors. Chairmen and members of boards of management are elected or dismissed at general meetings of shareholders; directors general or directors are appointed or dismissed by boards of management, with approval from the governor of the state bank.

3. Credit cooperatives are under the management of boards of management and the administration of directors of credit cooperatives. Chairmen and members of boards of management are elected and dismissed at general meetings of cooperative members; credit cooperative directors are appointed and dismissed by boards of management.

Article 16: The following persons cannot be elected to boards of management or appointed administrators in any capacity in a credit organization, nor given the authority to provide any professional service of the credit organization:

1. Persons currently under investigation for criminal responsibilities;
2. Persons convicted of violations of national security, violations of socialist properties and citizens' properties, and of economic crimes;
3. Persons convicted of other criminal offenses, with these crimes being not yet removed from court records;
4. Persons convicted by foreign law courts of charges being also considered criminal offenses by Vietnamese laws and, according to Vietnamese laws, being not yet removed from court records; persons declared bankrupt by a foreign law court, with their rights being not yet restored.

Article 17: The duties, powers, and status of operations of boards of management are determined by the governor of the state bank.

Chapter IV

Activities of Credit Organizations

Article 18: Commercial banks can get short- and long-term capital in order to grant short-, intermediate-, and long-term loans.

Commercial banks must get permission from the state bank if they want to offer foreign bank services.

Article 19: 1. Investment and development banks receive capital invested in development from the state budget or from other sources, must use this capital for the right purpose and investment pattern, and must pay the right interest rate and commission determined by the state bank, following consent granted by the Ministry of Finance.

2. Investment and development banks can get capital for periods of more than a year in the forms of deposits and

savings, and by issuing bonds, in order to grant long-, intermediate-, and short-term loans, but they are not permitted to get capital for less than a year.

Article 20: 1. Financial corporations operate with their own capital or with money borrowed from the population by issuing drafts, are not permitted to accept savings deposits from the population, and are to avoid using capital borrowed from the population as a means of payment.

2. Credit cooperatives operate in accordance with the functions, duties, and localities determined in their statutes, which are approved by the governor of the state bank.

Article 21: Credit organizations must open accounts in the state bank and keep in these accounts the minimum amount of reserve money required as determined by the state bank.

Article 22: 1. As credit organizations carry out credit services they offer, they must adhere to the following principle: to avoid risks, to avoid granting loans to just a few customers, to ensure their own ability to make payment, and to correctly observe the rules set by the state bank.

2. Credit organizations have the right to ask customers to produce documents proving the purpose for borrowing money and their financial capabilities before deciding to lend them money. If they discover that a customer has given false information or has been dishonest, they have the right to terminate the lending and to recall the amount of loan that has been disbursed.

3. Credit organizations must keep credit files, which consist of:

- a. Lending contract and documents showing the use of the money borrowed, legal base, and value of the loan collateral;
- b. Report on the true financial situation of borrower or loan insurer;
- c. Decision to grant the loan bearing the signature of the director general, director, or authorized administrator; in the case of a collective decision, the minutes of the meeting showing approval of the decision to grant the loan.

Article 23: Credit organizations are not permitted to get capital exceeding 20 times the total of their self-supplied capital plus the reserve funds.

Article 24: Credit organizations are not permitted to issue the kinds of bonds which, through this act of issuing, create an opportunity for bond holders to seize the direct or indirect management of the organizations themselves.

Article 25: Credit organizations are not permitted to grant a customer a loan exceeding 10 percent of their

self-supplied capital plus their reserve funds. The total amount of money being lent to 10 customers who borrow the most money cannot exceed 30 percent of the total excess loans available for the credit organizations to lend.

Article 26: As credit organizations carry out their lending and borrowing services, they must ensure the ability to pay, in compliance with article 44 of the Regulation on the Vietnam State Bank.

Article 27: Credit organizations must post and correctly apply the rates of interest, commissions, fees, and amounts of penalties to all of their services.

Article 28: Credit organizations can use their self-supplied capital and reserve funds only to make capital contributions or to buy shares, which should not exceed 10 percent of the capital of the corporation or enterprise to which they contribute capital or from which they buy shares.

Article 29: The participation of credit organizations in contracts or the use of various ways to put themselves in a position to control the monetary, financial, and foreign exchange markets, or to get unfair advantages over third parties or other credit organizations is prohibited.

Article 30: 1. Credit organizations are not permitted to give the following privileges to the objects mentioned in section 2 of this article:

a. To grant loans only to these objects and not to other customers to allow them to do business, although the purpose, characteristics, and risks of their business plans are the same;

b. Interest charged, dividends paid, fees, commissions, and penalties are different from those applied to other customers.

2. The following objects cannot be given the above-mentioned privileges:

a. Members of boards of management and administrators of credit organizations;

b. Inspectors and comptrollers of credit organizations;

c. Spouses or direct relatives of first, second, and third generation of management board members, administrators, inspectors, and comptrollers;

d. Shareholders owning more than 10 percent of the shares with voting rights of credit organizations;

e. Organs overseeing credit organizations and all members of these organs;

f. Corporations having one of the above-mentioned objects as members, with the shares owned amounting to 10 percent or more;

g. Corporations holding control rights over credit organizations;

h. Shareholders owning more than 10 percent of the shares with voting rights of another corporation holding control rights over credit organizations.

3. Credit organizations can grant loans to the objects mentioned in section 2 of this article only if there is a decision to this effect of the boards of management after the boards have considered reports made by administrators on the relationships between borrowers and credit organizations, business plans, and borrowers' financial situation and prestige.

The total amount of loans granted to these objects cannot exceed 5 percent of the credit organizations' self-supplied capital.

Article 31: Credit organizations doing business in foreign currencies must be authorized by the state bank and comply with the state regulations on foreign exchange management.

Article 32: Banks and financial corporations can offer services involving:

1. Gold, precious metals, and precious stones;
2. Keeping, buying, selling, transferring, and managing stocks and other valuable papers;
3. Leasing movable properties and real estates, in the case of banks and financial corporations offering credit services involving rentals and sales;
4. Advisory services regarding money and management of properties according to customers' request.

Chapter V

Foreign Bank Branches and Joint Banks in Vietnam

Article 33: Foreign banks can open branches and joint banks can establish headquarters in Vietnamese cities, by permission of the state bank.

Article 34: Foreign banks must transfer a part of their capital to their branches operating in Vietnam in accordance with the determination of the state bank as stated in article 12 of this regulation.

Article 35: Foreign bank branches and joint banks in Vietnam have the right to transfer to other countries:

1. The net profit that is left, after having established the funds and fulfilled the financial obligations mentioned in article 14 and in section 3 of article 40 of this regulation.

2. The assets that are left, after having liquidated their assets, if they terminate their operations in Vietnam.

In transferring money to other countries, they must comply with the Law on Foreign Investment in Vietnam and with the state regulations on foreign exchange management.

Article 36: When they terminate their operations, foreign bank branches and joint banks in Vietnam must settle their debts on a first-priority basis with Vietnamese creditors.

Article 37: Foreign bank branches and joint banks in Vietnam must recruit on a first-priority basis cadres and employees who are Vietnamese citizens and have plans for their training.

Article 38: Within a period of six months from the day their balance sheet at the end of a financial year is made, foreign bank branches and joint banks in Vietnam must send to the Vietnam State Bank statements on assets, losses and profits, and state of operations during the year of their own and their main banks in other countries, along with the latest lists of members of their boards of management and administrators.

Chapter VI

Financial Year, Accounting, Balancing of Accounts, and Auditing

Article 39: The financial year of credit organizations begins on 1 January and ends on 31 December each year.

Article 40: 1. Credit organizations must do accounting in accordance with the current-account accounting system determined by the state bank.

2. Credit organizations must do full and accurate accounting of all services and keep books and documents relating to these services as mentioned in the Regulation on Accounting and Statistics.

3. Credit organizations must observe the law when they put up money for payment of taxes and for setting up their own welfare, commendation-reward, and service development funds.

4. Balance sheets and loss-profit statements must be certified by auditors.

Auditors must be recognized by the state bank.

Article 41: 1. On the 15 of each month, credit organizations must send to the state bank an accounting statement of the preceding month, with explanations attached to it.

2. In addition to periodical reports, credit organizations must immediately report to the state bank any changes affecting their administrators and anything abnormal in their operations.

Article 42: 1. Within 45 days after the end of a financial year, state-operated credit organizations must hold a meeting of their board of management; publicly owned credit organizations must have a general meeting of shareholders to adopt their annual financial statement and annual report.

No later than 10 days after this meeting, credit organizations must send to the state bank their balance sheet,

loss-profit statement, report on operations, resolution of the meeting, and the latest lists of their board of management and administrators.

2. Within 60 days after the end of a financial year, credit organizations must make public their assets statement, loss-profit statement, and the latest lists of their board of management and administrators.

Article 43: Staff members of credit organizations must maintain confidentiality in regard to the service activities of their organizations and of customers.

Article 44: Credit organizations must submit themselves to control and inspection by the state bank.

Expenses resulting from this inspection are to be paid by the inspected credit organizations.

Inspection is carried out in compliance with the Regulation on Inspection and Procedures for Bank Inspection.

Article 45: 1. In the case the financial situation of a credit organization indicates there is a danger that it is being incapable of paying its customers, the state bank can put it in guardianship and take appropriate measures to restore its normal operations.

2. During the guardianship or at the end of the period of guardianship, if it is determined that the credit organization cannot be restored, or that restoration will not be more useful than its dissolution, the state bank will announce that the credit organization is incapable of paying its debts and must be dissolved.

Dissolution must be carried out in conformity with the law.

Article 46: 1. The credit organization that is dissolved or terminates its operations must go into liquidation immediately. Liquidation of credit organizations is placed under the control of the state bank and Ministry of Finance.

2. All expenses in connection with liquidation must be paid by the liquidated credit organization.

Chapter VII

Dealing With Violations

Article 47: 1. When credit organizations violate the regulations on licenses; do not observe the requirements regarding the level of reserve funds and safety percentages; fail to pay the correct interest rates, commissions, fees, and penalties that have been published and posted; and do not observe other requirements in this regulation, the state bank will apply one of the following punishments:

- a. Warning;
- b. Fines.

2. In addition, the state bank can apply the following measures:

- a. To increase the minimum percentage imposed on the required reserve funds;

- b. To increase the percentage of required purchases of bonds;

- c. To limit or to prohibit a number of services performed by the punished credit organizations;

- d. To force the punished credit organizations to dismiss some of their management board members and administrators;

- e. To revoke licenses.

Article 48: Persons who abuse their positions and authority by violating this regulation, protect violators, take advantage of their position and professional occupation to pursue personal interests, depending on the gravity of their offenses, will be subjected to disciplinary action, administrative punishment, or criminal prosecution in conformity with the law.

Chapter VIII

Last Articles

Article 49: 1. This regulation takes effect on 1 October 1990.

- 2. Any previous regulations that are contrary to this regulation are null and void.

Article 50: 1. In a period of three months from the day this regulation takes effect, the credit organizations that are now operating must adjust their statutes, organizational mechanism, and operations in accordance with this regulation.

- 2. In a period of six months from the day this regulation takes effect, the state bank is to grant licenses to the eligible credit organizations in accordance with this regulation.

- 3. The credit organizations that are not granted licenses by the state bank must stop their operations and go into liquidation as required in article 46 of this regulation.

Article 51: All organizations and individuals who are offering one of the services of credit organizations without having been authorized by the state bank to do so must terminate such services.

Hanoi, 23 May 1990

For the SRV Council of State,

Signed: Chairman, Vo Chi Cong

Rice Crops, Zones Discussed

902E0224A Hanoi NONG NGHIEP VA CONG
NGHIEP THUC PHAM in Vietnamese Mar 90
pp 132-136

[Article by Professor Bui Huy Dap]

[Text] Rice farming in our country took a definite step forward when people began exploiting the River River,

Ma River, and Lam River deltas. A bronze culture, represented by the Dong Son culture, arose and developed, and this had a widespread effect, spreading north to Van Nam, south to Indonesia, and west to Thailand. Today, rice farming in Vietnam is making new progress, especially in the Mekong Delta, with programs to exploit Dong Thap Muoi, the Long Xuyen quadrangle, and the western Hau River area.

Analyzing the special characteristics of the rice crops and rice farming zones in Vietnam will contribute to determining the direction of expanding rice farming in the coming decades.

I. Rice Crops

Running from 23.22 degrees north latitude to 8.30 degrees north latitude, a length of 15 degrees of latitude, and with various climatic, topographical, soil, and hydrological conditions, Vietnam produces many rice crops each year. The north produces fifth-month, spring, early tenth-month, and mid-tenth-month rice crops. Central Trung Bo produces winter-spring, spring-summer, summer-autumn, late, and tenth-month rice crops. The Mekong Delta produces winter-spring, summer-autumn, autumn-winter, and floating rice crops, rice that has been transplanted once or twice, late rice, and "rang" rice. The country as a whole has arranged these in three main rice crops: the winter-spring, summer-autumn, and tenth-month rice crops.

1. The winter-spring rice crop is planted at the end of the rainy season, or the beginning of the dry season, and harvested around the middle of the dry season or beginning of the rainy season the next year. This season is longest in the north, where the winter is very cold, lasting 5-7 months (with respect to the fifth-month or early spring rice crops). From the Hai Van Pass on south, the winter-spring crop occupies only about 3.5-4 months of the agricultural calendar.

In general, the winter-spring crop has been expanding in recent years in terms of area and yield. From 1.3 million hectares with a yield of 26.7 quintals per hectare and a total yield of 3.7 million tons of paddy in 1976, by 1988 these figures had increased to 1.8 million hectares with a yield of 37 quintals per hectare and a total yield of 6.9 million tons. This tendency will continue in the coming years. Of the three rice crops, the winter-spring crop produces the highest average yield. The yields produced during the winter-spring season are much higher than those produced during the tenth-month season, and since 1983, yields have been 1-1.5 tons higher per hectare. This is a general law in rice farming in tropical Asia. The Mekong Delta produces the highest winter-spring rice yield, producing 44 quintals per hectare during the past several years. The direction of development in the coming decade is to expand the winter-spring rice area to 2.5 million hectares and increase yields to 40 quintals per hectare and 10 million tons of

paddy. This can be done by using water conservancy, electricity, and technical materials. The winter-spring crop must be expanded throughout the country but primarily from the Hai Van Pass south, where the dry season climate is favorable.

2. The summer-autumn rice crop is planted at the beginning of the rainy season and harvested around the middle of the rainy season. This season lasts 3.5-4 months. This crop is planted mainly in the south, from the Hai Van Pass on south. Interzone 4 plants some summer-autumn rice, but yields are low.

The summer-autumn rice crop is expanding, too. From 615,000 hectares with a yield of 24.9 quintals per hectare and total yield of 1.5 million tons in 1976, in 1988 the figures were 988,000 hectares, 33.4 quintals per hectare, and 3.3 million tons. Of the three crops, the summer-autumn rice crop produces the second highest yields, and in recent years, its yields have exceeded those of the tenth-month rice crop by 1 ton of paddy per hectare. Yields are highest in the Trung Bo coastal area, with yields in recent years reaching 35-38 quintals per hectare.

The direction of development in the coming decade is to strive to expand the summer-autumn rice crop area to 1.3 million hectares and increase yields to 38-40 quintals per hectare and approximately 5 million tons of paddy.

3. The tenth-month rice crop is planted at the beginning of the rainy season and harvested at the end of the rainy season or at the beginning of the following year's dry season. On the agricultural calendar, the period of the tenth-month rice crop lasts anywhere from 3.5-4 months to 5.6-7 months (twice transplanted rice in the Mekong Delta) depending on the rice plantings and the localities.

The tenth-month rice crop is contracting in terms of both area and yield. From 3.2 million hectares and yields of 19.9 quintals per hectare and 6.5 million tons of paddy in 1976, by 1988, these figures had declined to 2.8 million hectares and 6.4 million tons of paddy. The total yield has not declined very much, because the yield per hectare has increased to 22.7 quintals. But of the three rice crops, the tenth-month rice crop produces the lowest yield, producing on the average 1-1.5 tons per less per hectare than the other crops. This is because of the unfavorable conditions that exist during the tenth-month season (there is less light, there are droughts and floods, and tall varieties of rice plants that produce low yields have to be used).

The Red River Delta produces the highest yields during the tenth-month season, not because it has the most favorable natural conditions but because it has a higher level of intensive rice cultivation. In recent years, tenth-month rice crop yields in this area have reached 26 quintals per hectare.

The direction of development in the coming decade is to continue to reduce the tenth-month rice crop area to about 2 million hectares and enable the other rice crops

to expand and to strive to have the tenth-month rice crop produce an average of 25-26 quintals per hectare or a total of 5 million tons of paddy.

In 1988, the tenth-month rice crop, with 2.8 million hectares, produced only 6.4 million tons of paddy. The winter-spring rice crop, on the other hand, produced 6.9 million tons of paddy on only 1.8 million hectares.

With a stronger material and technical base, during the first decade of the 21st Century, it may be possible for the winter-spring rice crop to produce 50 quintals per

hectare. The summer-autumn rice crop may be able to produce 45 quintals per hectare, and the tenth-month rice crop may be able to produce 30 quintals per hectare. Thus, it may be possible to have an average yield of 40 quintals per hectare (on approximately 6 million hectares) and a total yearly yield of 24 million tons of paddy.

Of course, to hit these targets, besides having a material and technical base and making use of the scientific and technical advances, effective use must be made of the distribution and circulation policies so that rice farming can become a real commodity production sector.

Table 1. Area of the Country's Rice Crops (1976-1988)

Winter-Spring Crop			
Year	Area (1000s hectares)	Yield (1000s tons)	Yield (Quintals/hect)
1976	1,394	26.7	3,730.3
1977	1,538	21.3	3,278.3
1978	1,619.5	21.9	3,558.7
1979	1,746.3	22.3	3,838.9
1980	1,707	22.7	3,874.0
1981	1,638	25.4	4,172.7
1982	1,623.1	27.9	4,526.5
1983	1,649.8	31.1	5,134.2
1984	1,658.3	33.5	5,560.5
1985	1,765	35.1	6,191.3
1986	1,828.5	33.4	6,118.2
1987	1,840.1	29.9	5,499.0
1988	1,881.8	37.0	6,973.6
Summer-Autumn Crop			
1976	615.4	24.9	1,531.1
1977	616.6	21.6	1,336.2
1978	686.9	16.0	1,100.1
1979	659.8	19.0	1,294.4
1980	681.2	23.4	1,593.8
1981	618.5	24.0	1,489.3
1982	704.1	27.8	1,958.0
1983	614.1	32.5	2,193.9
1984	797.1	33.0	2,631.7
1985	856.6	33.3	2,855.3
1986	944.6	32.9	3,008.6
1987	892.0	28.4	2,529.3
1988	988.7	33.4	3,309.9
Tenth-Month Crop			
1976	3,287.9	19.9	6,565.7
1977	3,314.1	18.0	5,982.4
1978	3,156.1	16.2	5,131.1
1979	3,079.1	20.0	6,169.6
1980	3,211.9	19.2	6,179.6

Table 1. Area of the Country's Rice Crops (1976-1988) (Continued)

1981	3,395.4	19.9	6,753.2
1982	3,384.2	23.2	7,903.5
1983	3,287.1	22.6	7,415.2
1984	3,219.6	22.7	7,313.4
1985	3,082.3	22.2	6,828.2
1986	2,945.5	23.3	6,878.1
1987	2,586.0	22.1	6,375.1
1988	2,816.0	22.7	6,414.0

(Statistics General Department)

II. Rice Growing Zones

In general, the southern rice growing zones, from the Hai Van Pass on south, have more favorable production conditions with respect to climate. Because of the cold winters, an important limitation in the north is the temperature. The winter-spring rice can head safely only after the late winter monsoons, and the tenth-month rice can head safely only before the early winter monsoons. Three rice crops cannot be grown in one area here. In the south, the limiting factor is water (a shortage or excess). The temperature is favorable the entire year and allows three crops of rice to be planted in areas that have sufficient water. The winter-spring crop produces higher yields than the tenth-month crop in all zones. But the difference increases gradually the farther south you go. The summer-autumn crop produces a high yield in the south, but in the north the yield is low. Tenth-month rice crop yields vary somewhat between zones.

1. The northern mountain zone: This zone includes the Bac Bo mountain provinces and the two midlands provinces of Ha Bac and Vinh Phu. In the two midlands provinces, the winter-spring and tenth-month rice yields are higher than those in the mountain provinces. As for the region as a whole, the winter-spring rice yield is lower than that in any other region in the country. As for the tenth-month rice crop here, the only places where yields are lower are in Interzone 4 (which is easily affected by storms during the tenth-month season) and in the Central Highlands (where much upland rice is grown). In this zone, winter-spring rice yields are not much higher than tenth-month rice yields. As for the mountain provinces, in places that grow rice at elevations above 200 meters, only one crop of rice can be grown each year. If planted at the right time of the year, the spring-summer rice crop here can produce yields similar to those of short varieties of rice. The mountain areas have the capabilities to expand the wet rice area somewhat in the "phieng" and "fields," or terraced fields can be prepared. Increasing intensive rice cultivation will have a good effect in this zone.

2. The Red River Delta Zone: This zone has been cultivated in rice longer than any other zone in the country. Good fields have been built. The spring rice crop produces a high yield, but yields are unstable. The tenth-month rice produces the highest yields in the country, but yields could be even higher. The special characteristic of this zone is that a

system of thick dikes has been built and solidified, and the dikes have constantly been raised. If the rains are heavy, the fields flood. And during periods of drought, it is difficult to obtain irrigation water from the rivers. It is hoped that these obstacles can be overcome better with Hoa Binh electricity. And once there is an adequate material and technical base and enough electricity, studies can be done on abandoning the fifth-month rice and the early spring rice crops, reducing the main spring rice crop, and greatly expanding the spring-summer rice crop, which has a shorter growing period and more stable yield and which is easier to grow. The two-crop land area is relatively large. Therefore, the main direction of development is to intensively cultivate two crops of rice and arrange the crop pattern in order to grow another crop of winter vegetables and subsidiary food crops.

3. Interzone 4 Zone: This zone has difficulties in both the winter-spring and tenth-month seasons. The winter-spring rice here produces a higher yield than the winter-spring rice in the northern mountains, but yields are much lower than those in the other zones. Because of the effects of the storms, the tenth-month rice produces the lowest yields (being only slightly higher than those in the Central Highlands). However, spring rice yields are higher than those of the tenth-month rice by about 7 quintals per hectare. The direction of development here is to improve water conservancy and strengthen intensive cultivation in order to expand the spring rice crop. Summer-autumn rice yields here (the area is very small) are lower than in any other zone that grows summer-autumn rice. But yields are still higher than tenth-month rice yields by 2 quintals per hectare. Thus, Nghe Tinh and Thanh Hoa have made an effort to expand the summer-autumn rice area. The main guideline for strengthening rice production in this zone is to continue solidifying and expanding water conservancy, investing additional fertilizer, and actively preventing and controlling harmful insects and diseases. The capabilities of the spring rice crop must be exploited more actively.

4. The Trung Bo coastal zone: This zone stretches from Quang Nam-Danang to Thuan Hai. The climate here is intermediate between those of the north and the south. The rains usually don't come until the final months of the year, that is, from September on. The cold periods of the winter monsoons are usually confined to the zone north of the Hai Van Pass. Only occasionally does it become very cold in Quang Nam-Danang or Quang Ngai. These conditions are favorable for producing rice.

Studies on average yields during the past eight years (1981-1988) show that in the central coastal region, winter-spring rice yields have been inferior only to those in the Mekong Delta, and tenth-month rice yields have been inferior only to those in the Red River Delta. Summer-autumn rice yields have been higher than those in other zones that grow summer-autumn rice. The summer-autumn rice here is grown in conditions in which there is abundant sunlight just like the dry-season rice crops in South Asian climates.

By expanding water conservancy, making use of underground water and Yalin electricity, and engaging more in intensive cultivation, the winter-spring and summer-autumn rice areas can be expanded even more, and higher yields can be achieved. The tenth-month rice crop here also has much potential with respect to yields. A number of places here have implemented a system of growing three rice crops a year. From Binh Dinh on south, this system has become relatively stable. In the north (Quang Nam-Danang and parts of Quang Ngai), in years when it is cold, the winter monsoons can affect one crop. A two-rice-crop farming system: plant spring rice in January and harvest the rice in May, and plant summer-autumn rice in May and harvest it at the beginning of September. This will be a more stable system, and the yields of both crops will be high. Yields may reach about 12 tons per year, which is about the same as that for the three-crop system. This is without mentioning the fact that subsidiary food crops can be grown from September to December.

5. The Central Highlands: This rice area is the smallest area, having only about 150,000 hectares planted in rice. Most of this rice is tenth-month rice. The tenth-month rice yields here are the lowest in the country. The winter-spring rice yields are rather high, but the area is small, that is, approximately 25,000 hectares. The strengths of the South Asian climate here must be exploited in mountain or tropical highlands conditions with respect to wet rice. Additional wet rice fields must be built, winter-spring rice must be cultivated intensively, and a winter-spring and summery-autumn rice farming system must be implemented. With Yalin hydroelectricity, studies can be done on using underground water not only for industry but also for rice in order to produce additional paddy on the spot.

6. Eastern Nam Bo: In this zone, winter-spring, summer-autumn, and tenth-month rice yields are about average as compared with those in other zones in the country. The winter-spring and summer-autumn rice areas are much smaller than the tenth-month rice area, but yields are higher. The favorable conditions of the South Asian climate with respect to wet rice have not been exploited very much. Water conservancy must be expanded, and the effects of the Dau Tieng lake and Tri An electricity must be exploited. The use of additional underground water can be studied in order to expand the winter-spring and summer-autumn rice areas and intensively

cultivate these two rice crops. But the remaining tenth-month rice area must not be slighted. This is the direction of struggle in order to increase paddy yields in this zone in the coming decade.

7. Mekong Delta: This is the country's largest rice bowl. In 1988, the Mekong Delta produced 7.7 million tons of the country's 16.7 million tons of paddy. Prior to 1945, this zone produced only one crop of rice per year. This was basically true even up to 1975. But today, the Mekong Delta has changed the crop pattern and is expanding the two-crop rice area to have a winter-spring and summer-autumn rice pattern or a summer-autumn and late tenth-month rice pattern. Attention should be given to the rather rapid expansion of the winter-spring and summer-autumn rice in terms of area and yields in recent years. In 1988, winter-spring rice was planted on 577,000 hectares, and yields reached 44 quintals. Summer-autumn rice was planted on 699,000 hectares, and yields reached 34.9 quintals. In 1989, winter-spring rice was planted on 680,000 hectares, and yields were 44 quintals. Summer-autumn rice was planted on 767,000 hectares. In 1988, the 577,000 hectares of winter-spring rice produced 2.5 million tons of paddy, and the 699,000 hectares of summer-autumn rice produced 2.4 million tons of paddy. In the coming decade, the Mekong Delta may expand the winter-spring rice area to 900,000-1,000,000 hectares, and the summer-autumn rice area may expand to 1-1.2 million hectares. The tenth-month rice area may decline to only 500-600,000 hectares. This will make it possible to produce 10-12 million tons of paddy using better intensive cultivation of the three rice crops. The projects to exploit Dong Thap Muoi, the Long Xuyen Quadrangle, and the western Hau River area will contribute greatly to hitting these targets. Using underground water will enable us to carry on multicropping in a number of saline areas. There is also great hope for the "rice plus shrimp" pattern in the coastal areas. The problem for the Mekong Delta is prompt consumption of the rice produced. Perhaps adhering closely to outside markets will help turn rice farming, which is becoming more deeply involved in intensive cultivation in the Mekong Delta, into a real commodity rice farming occupation. At the beginning of the 21st Century, the Mekong Delta may be able to hit the target of 14-15 million tons of paddy per year.

In general, rice farming in Vietnam is expanding in accord with our long-standing tradition: increasing the number of crops per year, changing the crop patterns, and intensively cultivating rice crops better in the new conditions. The struggle targets in the coming decades are 20 million tons and then 25 million tons of paddy per year. How soon these targets are hit depends on how much is done to strengthen and improve the material and technical base, our ability to satisfy the material and technical requirements, and, in particular, positions and policies to enable the farmers to persist in growing rice on fields that they have put into use and enable rice-

farming to become commodity farming with free circulation and distribution.

But even if the above targets are hit, with the predicted increase in the population, per capita paddy yields will still decline. And even if subsidiary food crops expand greatly, it will still be difficult for the country to "get out of poverty."

A country with a large population and little land for growing rice cannot rely just on rice or other grains if it wants to prosper.

This situation can be changed only by actively diversifying agriculture and greatly expanding a number of key industrial sectors in accord with our capabilities and the needs of world markets.

Table 2. Changes in Rice Yields in Various Zones, 1981-1988 (quintals per hectare)

Winter-Spring Rice							Mekong Delta
Year	Northern Mountain Zone	Red River Delta Zone	Interzone 4 Zone	Trung Bo Coastal Zone	Central Highlands	Eastern Nam Bo	
1981	19.5	27.6	19.6	26.2	22.5	21.6	32.1
1982	19.8	31.2	22.2	26.2	25.8	22.5	35.6
1983	24.5	34.3	24.5	31.7	24.3	26.2	40.0
1984	23.2	33.3	28.8	39.7	34.9	31.7	44.3
1985	27.8	38.0	25.3	34.3	34.8	32.7	43.0
1986	25.1	30.0	30.5	29.9	33.5	31.9	43.9
1987	18.8	22.0	22.7	33.2	35.7	34.0	45.1
1988	27.7	39.8	27.8	37.7	34.3	30.0	44.0
Average	23.3	32.0	25.1	32.3	30.7	28.8	41.0
Tenth-Month Rice							20.0
Year	Northern Mountain Zone	Red River Delta Zone	Interzone 4 Zone	Trung Bo Coastal Zone	Central Highlands	Eastern Nam Bo	
1981	22.0	20.4	17.1	17.6	13.5	19.4	20.0
1982	24.6	28.7	18.5	22.1	15.9	21.5	23.3
1983	21.8	25.4	16.4	28.3	17.3	23.5	23.6
1984	21.9	21.4	18.4	23.2	17.0	22.8	23.9
1985	20.4	21.5	17.4	26.5	19.7	23.8	23.7
1986	22.1	26.6	17.7	24.9	19.8	24.6	23.7
1987	24.4	34.3	24.5	25.4	19.4	23.7	21.5
1988	22.4	26.7	13.1	24.5	17.6	24.2	23.5
Average	22.4	26.1	17.8	24.0	17.5	22.9	22.9
Summer-Autumn Rice							24.1
Year	Northern Mountain Zone	Red River Delta Zone	Interzone 4 Zone	Trung Bo Coastal Zone	Central Highlands	Eastern Nam Bo	
1981	—	—	16.7	29.4	—	21.3	24.1
1982	—	—	17.8	32.6	—	23.4	28.5
1983	—	—	20.8	35.1	—	28.3	31.1
1984	—	—	18.8	37.1	—	26.6	34.8
1985	—	—	20.0	38.4	—	28.5	34.6
1986	—	—	23.3	39.2	—	28.7	33.4
1987	—	—	19.2	34.8	—	28.4	28.6
1988	—	—	19.5	37.9	—	28.9	34.9
Average	—	—	19.5	35.5	—	26.7	31.6

(Statistics General Department)

BIOGRAPHIC**Information on Personalities**

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[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese language sources published in Hanoi, unless otherwise indicated. An asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

Vu Xuan Ang [VUX XUAAN ANG]

SRV ambassador to India; on 19 May 90 he attended a ceremony in New Delhi to inaugurate a new boulevard named after Ho Chi Minh. (NHAN DAN 23 May 90 p 1)

Le Khac Binh [LEE KHAWCS BINHF]

*Chairman of the People's Committee, Ho Chi Minh City; he was mentioned in an article on a future meeting of the city's People's Council. (Ho Chi Minh City SAIGON GIAI PHONG 26 May 90 p 1)

Nong Quoc Chan [NOONG QUOOC CHAANS]

Vice minister of culture, information, sports and tourism; on 31 May 90 he attended the closing ceremony for the multi-ethnic cultural and sports week in Ho Chi Minh City. (Ho Chi Minh City SAIGON GIAI PHONG 1 Jun 90 p 1)

Dang Viet Chau [DAWNGJ VIEETS CHAAU], deceased

Former vice premier; member of the 1st-6th National Assembly; he was born on 2 July 1929 at Nam Trung Village, Nam Ninh District, Ha Nam Ninh Province; his real name was Dang Huu Rang; he was vice premier and director of the State Bank from 1974-1976; was appointed minister of foreign trade in July 1976; he died on 21 May 1990 at the Viet-Soviet Friendship Hospital. (NHAN DAN 23 May 90 p 1)

Vo Tran Chi [VOX TRAAFN CHIS]

Secretary of the CPV Committee, Ho Chi Minh City; on 30 Mar 90 he attended a meeting at Tan Son Nhat air base to mark the 25th anniversary of the SRV Air Force's first victory. (Ho Chi Minh City SAIGON GIAI PHONG 3 Apr 90 p 1)

Vo Nguyen Giap [VOX NGUYEEN GIAPS], Senior General

Vice chairman of the Council of Ministers; recently he visited Ha Nam Ninh Province. (NHAN DAN 4 Jun 90 p 1)

Nguyen Thi Hang [NGUYEENX THIJ HAWNGF]

Vice minister of labor, war invalids and social welfare; her article on Vietnam-GDR labor cooperation was published in the cited source. (NHAN DAN 24 May 90 p 4)

Nguyen Thi Minh Huyen [NGUYEENX THIJ MINH HUYEENF]

*SRV counselor at the UN ECOSOC (Economic and Social Council) recent meetings; on 25 May 90 she gave a speech at an ECOSOC meeting. (Ho Chi Minh City SAIGON GIAI PHONG 29 May 90 p 4)

Pham Van Hy [PHAMJ VAWN HY]

*Secretary of the Dong Nai (Province) CPV Committee; on 30 Mar 90 he attended a meeting at Tan Son Nhat air base to mark the 25th anniversary of the 1st victory of the SRV Air Force (Ho Chi Minh City SAIGON GIAI PHONG 3 Apr 90 p 1)

Nguyen Thanh Ke [NGUYEENX THANHF KEES]

*SRV charge d'affaires in Algeria; recently he welcomed State Council President Vo Chi Cong when the latter visited Algeria. (NHAN DAN 4 Jun 90 p 1)

Nguyen Minh Khanh [NGUYEENX MINH KHANH], Lt Colonel, Engineer

Deputy secretary of the CPV Committee, People's Police General Department, Ministry of the Interior; he was mentioned in an article about his organization. (NHAN DAN 6 Jun 90 p 3)

Trinh Xuan Lang [TRINHJ XUAAN LANGX]

Ambassador; head of the SRV Permanent Delegation at the UN; on 18 May 90 he spoke to a group of overseas Vietnamese at the UN on the occasion of the centenary of Ho Chi Minh. (Ho Chi Minh City SAIGON GIAI PHONG 26 May 90 p 4)

Le Kim Lang [LEE KIM LAWNG]

*Vice minister of commerce; on 24 Apr 90 he met with officials in his ministry. (KINH TE DOI NGOAI 5 May 90 p 1)

Bui Danh Luu [BUIF ZANH LUWU]

Minister of communications, transportation, post and telegraph; recently he paid a visit to the post office in Ho Chi Minh City. (GIAO THONG-VAN TAI VA BUU DIEN 31 May 90 p 1)

Le Mai [LEE MAI]

*Vice minister of foreign affairs; recently he accompanied State Council President Vo Chi Cong on a visit to Algeria. (NHAN DAN 4 Jun 90 p 1)

Le Chinh Nhan [LEE CHINHS NHAAN]

*Vice chairman of the People's Committee, Ben Tre Province; he was mentioned in an article on a major smuggling case in Ben Tre. (Ho Chi Minh City SAIGON GIAI PHONG 3 Apr 90 p 1)

Ho Ngoc Nhuong [HOOF NGOCJ NHUWOWNGF]

*Chief of the Council of Ministers' Office (Chu Nhiem Van Phong Hoi Dong Bo Truong); his name was listed on the funeral committee for former Vice Premier Dang Viet Chau. (NHAN DAN 23 May 90 p 1)

Do Nguyen Phuong [DOOX NGUYEEN PHUWOWNG]

*Deputy director of Nguyen Ai Quoc Institute; recently he gave a lecture on renovation in teaching Marxism-Leninism in colleges. (HANOI MOI 12 Jun 90 p 1)

Hoang Quy [HOANGF QUY]

Minister of finance; recently he accompanied State Council President Vo Chi Cong on a visit to Algeria. (NHAN DAN 4 Jun 90 p 1)

Nguyen Duy Quy [NGUYEENX ZUY QUYS], Professor

*Deputy head of the Department of Science and Education of the CPV Central Committee (Ban Khoa Giao Trung Uong); recently he taught a class in renovation in teaching Marxism-Leninism in colleges. (HANOI MOI 12 Jun 90 p 1)

Bui Van Suong [BUIF VAWN SUWOWNGS]

Vice minister of communications, transportation, post and telegraph; his article on transportation was published in the cited source. (GIAO THONG-VAN TAI VAN BUU DIEN 31 May 90 p 1)

Nguyen Cong Tan [NGUYEENX COONG TANJ]

Minister of agriculture and food industry; on 25 Feb 90 he accompanied CPV General Secretary Nguyen Van Linh on a visit to a cow farmer. (NHAN DAN 3 Mar 90 p 1)

Tran Trong Tan [TRAANF TRONGJ TAAN]

*Head of the Ideology and Culture Department of the CPV Committee; (Ban Tu Tuong-Van Hoa Trung Uong); recently he gave a lecture on renovation in teaching Leninism-Marxism in colleges. (HANOI MOI 12 Jun 90 p 1)

Chu Luong Thi [CHUWR LUWOWNG THI], Colonel, deceased

Former director of the People's Security Forces and standing member CPV Committee in Lai Chau Province; former political commissar of Lai Chau (Province) Security Forces; head of a department at the Ministry of Interior; former CPV secretary of the Rear Services

General Department of the People's Security Forces; he was born in 1925 at Tu Xa Village, Lam Thao District, Vinh Phu Province; he died on 31 May 90 at the Ministry of Interior's '19-8' hospital. (NHAN DAN 2 Jun 90 p 4)

Truong Thien [TRUWOWNG THIEENJ]

*Vice minister of heavy industry; director general of PETROVIETNAM; on 15 Jun 90 he attended the inauguration of an oil exploration project off the coast of Hue-Danang. (NHAN DAN 20 Jun 90 p 1)

Trinh Thanh Thiep [TRINHJ THANH THIEEPJ], Colonel

Permanent deputy director of the People's Police General Department, Ministry of the Interior; he was mentioned in an article about his organization. (NHAN DAN 6 Jun 90 p 3)

Pham Gia Trieu [PHAMJ GIA TRIEEUJ], *Major General, deceased

Former deputy director of Military Hospital 108; former representative of the 6th National Assembly; he was born in 1918 at Hanh Thien Village, Xuan Thuy District, Ha Nam Ninh Province; he died on 13 Jun 90 at Military Hospital 108 after a serious illness. (NHAN DAN 15 Jun 90 p 4)

Nguyen Thanh Tuyen [NGUYEENX THANH TUYEENS]

*Chef de Cabinet, Ministry of Culture, Information, Sports and Tourism; his article on his ministry's recent activities appeared in the cited source. (NHAN DAN 11 Jun 90 p 3)

Phan Dinh Vinh [PHAN DINHF VINH]

Deputy head of the Foreign Relations Department of the CPV Central Committee; on 22 May 90 he attended a meeting to mark the 40th founding anniversary of the Vietnam-USSR Friendship Association. (NHAN DAN 23 May 90 p 1)

Phan Van Xoan [PHAN VAWN XOANGF], Major General

*Acting commander of the Guard Forces (Quyen Tu Lenh Canh Ve), Interior Ministry; on 5 May 90 he was present at a ceremony held by his organization to mark Ho Chi Minh's 100th birth centenary. (NHAN DAN 7 May 90 pp 1, 4)