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JPRS 83435

10 May 1983

Southeast Asia Report

No. 1284

19990929 101

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Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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SOUTHEAST ASIA REPORT

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POLICY CHANGE ON EAST TIMOR VOTE, FRETILIN VISITORS

Kuala Lumpur NEW STRAITS TIMES in English 28 Mar 83 p 15

[Text]

AUSTRALIA will change its United Nations vote on East Timor from support of Indonesia to abstention, Putra Laxana reports from Melbourne.

Foreign Affairs Minister Mr Bill Hayden said Australian Labour Party policy obliged the new Government to abstain.

"The policy switch will create fresh tensions with Indonesia on the issue," diplomatic sources said today.

Mr Hayden's move appears to be at odds with Prime Minister Bob Hawke's recent statement that his Government would be "moving

to try and place our relations with Indonesia on a friendly basis."

Mr Hawke told reporters last week: "It is just out of the question that Australia can move into a position of not having good relations with a country on its immediate doorstep, a country of vast population, economically significant and strategically important."

Unfriendly

Australia has voted with Indonesia on UN resolutions on East Timor for several years.

Last year Australia increased its level of support for Indonesia by ac-

tively lobbying countries over which it had influence, including several South Pacific States, to persuade them to support Indonesia.

According to diplomatic sources, Mr Hayden will have considerable difficulty in explaining to Indonesia how the Australian Government could reconcile a change in its UN vote with its desire for improved relations.

Another difficulty in relations with Indonesia could flow from the proposed visit to Australia by Mr Jose Ramos Horta, a senior representative of the East Timor independence movement, Fretilin. The Indonesian Government would regard such an official visit as an unfriendly gesture.

But Labour policy says the party will "demand that Fretilin representatives be allowed into Australia."

Mr Hayden said Australia would continue to abstain on who should occupy the Kampuchean seat in the United Nations.

But he said that as part of Labour's policy of better relations with Vietnam, Australia would privately seek greater accommodation with the Heng Samrin Government.

One Foreign Affairs Department officer described the new policy as "anti-Pol Potism" and said it amounted to tipping the balance away from the Sihanouk-led coalition and towards Heng Samrin.

CSO: 4200/537

GROWTH RATE, EXPORT EARNINGS EXPECTED TO DECREASE

Kuala Lumpur BUSINESS TIMES in English 23 Mar 83 p 2

[Text]

RANGOON, Mar. 22

BURMA has adopted modest economic and development programmes for the fiscal year beginning Apr. 1 amid anticipated lower export earnings.

The Burmese People's Congress set a five per cent growth target for gross domestic product (GDP) for the 1983/84 fiscal year, the lowest in the last six years.

Burma recorded a 7.1 per cent rise in GDP last year and an average of 6.6 per cent in the previous four years.

The lower economic growth target was announced at the conclusion of a five-day annual session of the Burmese Parliament.

The Congress approved a government ex-

port target of US\$520 million for next year, down from US\$567 million set for the fiscal year ending this month.

A recent Cabinet report said Burma was expected to face a 40 per cent shortfall in export earnings in fiscal 1982/83, with actual exports totalling only US\$340 million compared with the US\$567 million target.

The poor performance was blamed on recession-induced market conditions for agricultural and primary products.

Burmese Deputy Premier and Minister of Planning and Finance Mr Tun Tin told the Congress achievement of the export target depended on the country's ability to meet production plans and increase exports.

The Congress was told that Burma's foreign trade deficit would widen this year and in fiscal 1983/84, compared with a US\$383 million shortfall in 1981/82, which would lead to a heavier burden of servicing foreign debts.

The 475-member Congress approved a government proposal to set up a new ministry of livestock breeding and fisheries to handle a growing fishing industry.

It was also informed of falling crude oil production from the country's onshore oilfields in the past three years due to a higher water content.

Crude production was 8.4 million barrels in fiscal 1981/82, down from 9.7 million in 1979/80. — Reuter

CSO: 4200/539

VICE PRESIDENT MALIK SPEAKS OUT ON FOREIGN POLICY SUBJECTS

Nonaligned Conference, Trade Relations

Jakarta SINAR HARAPAN in Indonesian 16 Feb 83 pp 1, 12

[Text] Jakarta, 16 February--The Democratic People's Republic of Korea wishes to enter into discussions with the Republic of Korea in an effort to reunite that country. To achieve that objective, North Korea considers that it is not necessary to use force.

The views of the Democratic People's Republic of Korea were expressed to Vice President Adam Malik in discussions he had with DPRK leaders, including President Kim Il-song, during his 6-day visit to the DPRK from 9-14 February.

The vice president, traveling on Indonesian Air Force aircraft No 02, a Boeing 707, told journalists on the trip from Hong Kong to Singapore on Tuesday [15 February] that DPRK leaders, in achieving unification of the country, could agree to the existence of two political systems which would operate in the two countries on the Korean Peninsula.

Regarding the contents of the letter from President Soeharto to President Kim Il-song which he delivered on Friday, 11 February, the vice president said that it was a letter from one president to another president.

The content of the letter, among other things, touched on the need for relations between the two countries to be raised to a higher level, and on the visit of the vice president, who represented the Indonesian president. He added that in the conversations he had there was also some discussion of the nonaligned summit conference [KTT] in New Delhi.

According to the vice president, Indonesia supports Pyongyang as the host for the 8th nonaligned summit conference. The summit conference had to be held in the Indian capital because the situation in Iraq made it impossible to hold it there.

He also stated that the DPRK Government had expressed its strong appreciation of the ASEAN regional organization, because that organization had been able to grow stronger and had held at bay the influence of the great powers of the world.

The DPRK respects ASEAN because the DPRK also respects the same principles: a desire to strengthen itself with its own resources and to reject foreign influence.

While it was in Pyongyang, the Indonesian delegation, led by Vice President Adam Malik, and the DPRK delegation, led by Vice President Pak Song-ch'ol held three rounds of discussions.

During the discussions agreement was reached that the DPRK would buy rubber from Indonesia and that Indonesia would import cement and fertilizer from North Korea.

Regarding the Pyongyang request to carry on this trade using its own ships, Adam Malik said that if this were economically profitable, there would be no problem.

Minister of Agriculture Soedarsono Hadisapoetro, who accompanied Adam Malik on his visit to the DPRK, stated that agreement had been reached on cooperation in designing agricultural implements.

Cooperation in designing agricultural implements would be achieved by arranging technical cooperation between these two developing countries. The cost of various activities involved in carrying out this cooperation would be borne jointly.

In the course of this cooperation it was hoped that North Korea could design agricultural implements for densely inhabited agricultural areas such as Java and also design agricultural implements for areas where the population is rather sparse, such as areas outside of Java.

However, despite such cooperation in the design field, agricultural implements will continue to be produced in Indonesia, the minister of agriculture said.

Asked about direct trade with the People's Republic of China, the vice president said that in fact such trade relations already exist, although they are carried out through Hongkong.

The vice president felt there would be more benefit in opening direct trading relations with the People's Republic of China without going through Hong Kong.

The vice president said: "If, for example, Indonesia does not want to lose 10 percent of the profit on its trade, what is wrong about opening direct trade relations, perhaps through the Bank of China in Hong Kong. With such direct trade relations the People's Republic of China could be at the beginning stage of opening its own office in Hong Kong."

Adam Malik recalled that several million dollars would be diverted into the pockets of other people if trade relations continue to be conducted through Hong Kong.

Therefore, the vice president said, how much longer would this process take if it were not begun now.

Regarding surveillance and the security of people entering the People's Republic of China, he said that people going to the People's Republic of China always reported to the Indonesian Consulate General in Hong Kong. In that way it was possible to learn what they planned to do in the People's Republic of China.

In fact, he said, diplomatic relations with the People's Republic of China already exist, although relations have not yet been formally normalized between the two countries.

After spending one night in Hong Kong on his way back from Pyongyang Vice President Adam Malik stopped off in Singapore to refuel the aircraft and arrived back in Jakarta Tuesday afternoon [15 February].

Relations With PRC

Jakarta KOMPAS in Indonesian 16 Feb 83 pp 1, 12

[Excerpt] Jakarta, KOMPAS--There is no prohibition against businessmen visiting the People's Republic of China. In fact, relations between the two countries have not yet been normalized, but diplomatic relations were never broken. There have only been some problems between the two countries.

If businessmen want to go to China, a way can always be found. Businessmen report in to the Indonesian Consulate General in Hong Kong before going to the People's Republic of China because there are security officers there. They will be registered there. And when they return to the Consulate General, they report in again and are again registered. There is no problem.

Vice President Adam Malik made this statement on Tuesday [15 February] on his return flight to Indonesia, answering questions from reporters who had accompanied his delegation during the official visit to the DPRK.

The press asked: "If that's the case, why aren't there Indonesian businessmen going there?" The vice president answered: "It's just a matter of our people being afraid to go there. They are afraid of being called in by the security people. Haven't I said on many occasions that this security arrangement is only a formality to obtain information on our movements there (in the People's Republic of China). For example, if you go to Beijing, what did you do there. If you are in touch with the Information Office in Shanghai or Canton, what did you do there."

Then the businessman reports what was being said there. Therefore, this arrangement in fact is also useful for the security authorities to learn about conditions "inside" the People's Republic of China, and they thus avoid getting "secondhand information."

The vice president was asked by the press: "Why isn't trade carried on directly between the PRC and Indonesia, instead of through Hong Kong?" The vice president answered: "For us at this early stage it is better to go through Hong Kong. For if trade is carried out directly, they (the PRC) will have to open an office in Indonesia. For the time being we would like to avoid that. Only later, whenever this becomes necessary, would an office be opened. Even opening an office does not mean normalization."

Asked whether later on we could follow the example of Taiwan, which has representative offices in Indonesia although there are no diplomatic relations between the two countries, the vice president replied: "We must try to foresee various possibilities in the future."

The press asked the question because at the dinner offered by the Indonesian community in Hong Kong for the vice president and Mrs Adam Malik and party, the vice president had asked all Indonesian citizens there to mobilize all of their energies to join in the development of their country. He said: "Hong Kong is a place to study and watch over something, a place to observe and gather information in support of our development effort." He indicated that the information needed involves financial, trade, social, political, and other kinds of data.

Adam Malik continued: "Although you are located in Hong Kong, that includes a broad area covering China, Japan, and the two Koreas, the United States, Great Britain, and so forth. Therefore, Hong Kong is a very important place for us, especially in Southeast Asia. So don't just do whatever you feel like doing, like a spoiled child," Adam Malik stated.

He set out in detail the contribution his listeners could make including collecting information so that we can increase our trade and tourism. In the political field this is not so easy. In the economic field collecting information is easier, because many matters are interrelated.

The vice president urged Indonesian officials in Hong Kong from all services and at all levels to be more active. "For example, in convincing capital investors in Hong Kong to move their capital to Jakarta in order to play a role in our national development program. Among other possible areas investment could be made in the shipping field. Another area where Indonesian officials could be more active is in preventing people from engaging in smuggling goods to Indonesia."

He was asked whether the Beijing government had sent a message to Indonesia through Pyongyang. The vice president said no. President Kim Il'song avoided any discussion involving the PRC or even the Soviet Union.

Asked about the contents of the letter from President Soeharto which the vice president delivered to President Kim Il-song on Friday of last week [11 February], the vice president said: "The letter was the usual kind of message. It was a courtesy letter between the two presidents. Later

on in the letter President Soeharto said that the level of our relations should be raised." He continued: "Even if there had been no letter, relations between the two countries are now good. However, can't they be better?"

Speaking to the press about the unification of Korea, he again emphasized Indonesia's experience in the past. He said: "We did not engage in discussions until foreign troops were withdrawn." He stated that the DPRK told him that they will fight against any foreign power, however it may be armed, if it attacks North Korea. North Korea is convinced that it will be able to defeat the enemy. For its is not impossible that the enemy North Korea was referring to might attack it.

And as Vice President Adam Malik said, North Korea will be able to oppose an enemy more easily since its stance is defensive in character.

The attacking side will always be weaker than the defending side. The vice president said: "If foreign troops leave, discussions can begin. That is, if it is really desired to have discussions with North Korea. But the question now is whether they really want to have discussions with North Korea. For the 40,000 (U.S.) troops in South Korea, multiplied by \$100--that's a lot of money!"

Minister of Agriculture Soedarsono Hadisaputra, who accompanied the vice president to Pyongyang, also said on the plane that around the middle of 1983 the DPDK will send a team to Indonesia as a part of the technical assistance given by North Korea to Indonesia. They will design agricultural implements for both heavily populated and sparsely populated areas. "We don't intend to import their equipment but rather their skill in making designs suitable to the circumstances in Indonesia." He said that we have already agreed that North Korea will provide aid in the form of skilled technicians who will help us increase our production of fruits and vegetables.

Effect of Statements Assessed

Jakarta KOMPAS in Indonesian 19 Feb 83 pp 1, 12

[Text] Jakarta, KOMPAS--Vice President Adma Malik's call for foreign troops to be withdrawn from Korea in order to achieve Korean unity will not affect Indonesia's good relations with the United States and South Korea. This is because the statement was only an ideal concept which is in accordance with the principles of our independent and active foreign policy.

Dr Juwono Sudarsono made these statements in expressing his views to KOMPAS on Friday [18 February].

According to Juwono, the statement by the vice president is closely related to the Indonesian position at the future nonaligned summit conference in New Delhi. He said: "This statement of principles can be reserved for later use at the summit conference, showing that Indonesia continues to hold this kind of progressive attitude."

He said that the statement by Vice President Adam Malik cannot be expected to become a fact at once. The statement also does not contain specific details regarding the withdrawal of U.S. troops from South Korea.

The question of the withdrawal of U.S. forces from South Korea finally is a matter for resolution by South Korea and the U.S. themselves.

Asked whether the statement by the Indonesian leader concerns ideal concepts only and does not involve South Korea or the United States, Juwono replied: "Indeed this statement will not be very popular in Washington and Seoul. However, it will not result in economic sanctions or protests from the United States to Indonesia."

Juwono considered that the Adam Malik statement was very appropriate to clarify Indonesia's nonalignment principles.

Juwono recalled the Adam Malik statement on the bombing of Haiphong and Hanoi by the United States during the Vietnam War in 1972-73. "At the time Adam Malik, as minister of foreign affairs, repeatedly expressed Indonesia's regret that the bombing had taken place, and he expressed these views in public. However, his statements did not lead to a reduction of U.S. economic or military aid to Indonesia."

The statement by Adam Malik, Juwono said, was specifically useful for the Indonesian position, as Indonesia was not regarded as supporting the U.S. bombing campaign.

He also said that the question of the reunification of Korea could not be regarded merely from the point of view of Korea itself. Consideration must also be given to the maintenance of a desirable balance of forces between the Soviet Union, Japan, the United States and the PRC.

The situation in Korea at present, according to the expert on international politics, is just what the four powers referred to above now want. He said that the four powers do not want to see a new great power emerge in East Asia. "A united Korea would be a new power with great potential."

He said that if Korea were unified under communist influence, it would become a pistol directly pointed at Japan. And this would cause great changes in the Japanese attitude, particularly in terms of Japanese self-defense.

According to Juwono, the situation in Korea is parallel to the present situation in Germany. He said that the reunification of Germany, however it was accomplished, would disturb the Soviet Union and France, which have repeatedly been involved in war with Germany in the past.

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CSO: 4213/51

POLITICAL CHANGES ACCOMPANY RE-ELECTION OF PRESIDENT

Kuala Lumpur NEW STRAITS TIMES in English 22 Mar 83 p 16

[Article by Peter Griffiths in Jakarta]

[Text]

JAKARTA: President Suharto, with masterly finesse, has checked his potential rivals, re-arranged his ministerial team and modified the rules of the game as a prelude to his own graceful retirement. After 16 years at Indonesia's helm, he hinted when he was re-elected unopposed this month for a further five-year term of office that it would be his last.

The 62-year-old President, who likes to be known as the "smiling General," said it was almost time for his "1945 generation" which fought the war of independence against the Dutch to step down.

The People's Consultative Congress, which meets every five years to elect the President, also ratified two fundamental modifications to State policy which Gen. Suharto regards as preconditions for an orderly transfer of power.

Transition

The most important of the changes, which sources close to the President said he saw as his last major statutory tasks, formalised the separation of religion and politics.

It legally neutered the Muslim opposition in the world's most populous Muslim country by preventing it electioneering on religious grounds.

The other change established the inviolability of the so-called 1945 constitution, of which Gen. Suharto has become the undisputed champion.

Gen. Suharto also changed the tradition of a civilian Vice-President from an outer island by replacing the outspoken Tun Adam Malik, a Sumatran, with a loyal but almost unknown retired General from West Java.

Unlike Tun Malik, the new Vice-President, Gen. Umar Wiradikusumah, would be acceptable to the all-powerful Armed Forces as a possible caretaker leader al-

though no one regarded him as Gen. Suharto's real successor.

There was no indication who would eventually follow Gen. Suharto, but Gen. Umar was seen as a potential interim Head of State who could guarantee a smooth transition of power if the President steps down before the next election in 1988.

Two men who once looked like possible presidential rivals, former Defence Minister and Armed Forces Chief of Staff Gen. Mohammad Jusuf and Information Minister Ali Murtopo, were dropped in a Cabinet reshuffle.

Indonesian political commentators believed Gen. Jusuf, 55, architect of Indonesia's military modernisation, might have shown too much personal ambition and

perhaps sought the top job himself.

"The secret of success in Indonesian politics is a big stick but a low profile. Gen. Jusuf seems to have been deliberately over-exposed just prior to the Congress session to rub the lesson home," said one Western ambassador.

Gen. Jusuf was made temporary head of the State Audit Board, the post held by Gen. Umar before he was plucked from obscurity to the Vice-Presidency.

Gen. Suharto split the powerful defence posts between two men. Gen. Poniman, 56, a former Army Chief of Staff, became Defence Minister and the job of Armed Forces Commander went to Lt-Gen. "Ben-ny" Murdani, 50.

Exception

As deputy head of State Intelligence, Gen. Murdani had acted as Gen. Suharto's trusted personal emissary and troubleshooter.

The Cabinet reshuffle was the most extensive since Gen. Suharto became President. Only eight men kept their origi-

nal portfolios and the number of full Ministers was increased from 24 to 32.

Despite the appearance of some new faces and the disappearance of some older ones, Gen. Suharto was careful, with one exception, to keep a cadre of American-educated technocrats known irreverently as "the Berkeley Mafia" in charge of the troubled oil-dependent economy.

He said at his swearing-in ceremony that the next few years would be dogged by economic problems. They include the probability this year of the first trade deficit since 1967, a 1983/84 current account deficit which might exceed US\$10 billion (\$23 billion), falling reserves and bigger loan repayments.

The exception was the most senior technocrat, Co-ordinating Minister for the Economy, Finance and Industry Wijoyo Nitisastro. But well-informed sources said Prof. Wijoyo, the chief architect of Indonesia's modern development, was dropped for personal reasons rather than dissatisfaction with his handling of the economy. — Reuter.

PANCASILA RESOLUTION WILL SEPARATE RELIGION FROM POLITICS

Kuala Lumpur BUSINESS TIMES in English 23 Mar 83 p 19

[Article by Jamal Ali in Jakarta]

[Text]

POLITICAL parties in Indonesia are no longer allowed to use religion as their political platform following the resolution passed by the Indonesian Congress at its recent session.

The resolution embodied in the state guidelines policy clearly says that the state's five-principle ideology "Pancasila" — will now be the sole political principle for all socio-political forces.

The core of the "Pancasila" is belief in god, humanity, democracy, national unity and social justice.

With the resolution endorsed by the 920 members of the People's Consultative Assembly (Congress) in its 11-day session which ended last week, the practice of "Pancasila" will be more meaningful to the people in creating a united society.

Stance

The political parties like the Muslim factions, Partai Persatuan Pembangunan and Christian factions which joined the Indonesian Democratic Party will now have to adjust their political programmes in line with the state ideology.

Political observers say that with the passing of the resolution firmly stated in the state guidelines policy, political parties can no longer advocate the establishment of an Islamic state in Indonesia.

Following this resolution, they feel that political parties like the Muslim faction PPP will soon have to explain to their hard-core members their new political approach and the abandoning of the religious-political stance.

A spokesman of the PPP, said the party

would have to re-educate the members on the new political programme.

He said the resolution called for a clear distinction between religion and politics so as not to confuse the people with religious political stance.

However, welfare Muslim associations or agencies will still be allowed to function without having any political colour in the country.

President Suharto in his inaugural speech recently said that the resolution to make "Pancasila" the sole principle of all political and social forces was extremely important.

With the resolution, all the conflicts, suspicions and division which were bitter experiences in the past would be soon be abandoned, he said.

He said the resolution meant that all

socio-political forces which adopted the "Pancasila" as their sole principle must automatically perceive and practice "Pancasila" in their respective socio-political lives.

Observers said that Indonesia with its 153 million people cannot afford to allow politicians exploiting religious issues or sentiments to gain political power.

The PDI's secretary general, Saban Sirait, views the resolution as vital to reduce politicking and compel all political parties in Indonesia now to accept the "Pancasila" as their major principle.

The PDI, he said, did not really concentrate on the religious platform despite having many Christian members in the party.

Resolution

He said Muslims in Indonesia did not oppose the "Pancasila" as one of its principles preached belief in god.

Functional group (Golkar) stalwart Swarno Uesumaatmadja said that since the country obtained its independence Muslim extremists had attempted twice to set up a Muslim state and introduce Islamic laws in the country but failed.

When the Congress passed the resolution embodied in the state guidelines policy the Muslim faction in the Congress supported the motion in the interest of political stability.

Religious ideological grounds should not be the foundation of political parties as religion must be kept apart from politics.
— Bernama

CSO: 4200/540

SURYA WONOWIDJOJO, FINANCIER OF FRETEK CIGARETTES, PROFILED

Kuala Lumpur BUSINESS TIMES in English 24 Mar 83 p 17

[Article by Richard Cowper in Jakarta]

[Text]

SOME of the world's, and Indonesia's, richest Chinese entrepreneurs have a remarkable facility for accumulating enormous wealth almost unnoticed by the world at large. But once in a while the veil slips.

Such was the case in the small and normally unpretentious east Javanese town of Kediri recently when a little known businessman called Surya Wonowidjojo presided over the marriage of his second son.

The wedding was spectacular. A special building was constructed, virtually all the major hotels in nearby Surabaya — Indonesia's second largest city — were fully booked, and the family's two helicopters were in constant use. In true Hollywood style almost 6,000 guests, including two Indonesian cabinet ministers, top Indonesian stars and friends of the family (flown in from all over the world) gazed open-mouthed as the bride walked to the dais through a smoking haze created by dry ice.

Outside, the people of Kediri paid homage to their richest citizen — a man who in the last decade has transformed the

heart of an ancient Javanese kingdom into the new centre of one of Indonesia's most unique and fastest growing industries: kretek cigarettes.

A mixture of tobacco and cloves, kretek cigarettes are made nowhere else in the world and with their pungent spicy aroma any visitor to Indonesia will tell you that kretek provides the country with its most characteristic smell.

Despite the growth of Western tastes and products as Indonesia has moved to modernise its economy, kretek cigarettes have become more rather than less popular. Ten years ago almost one out of every two cigarettes sold in Indonesia was a so-called "white" cigarette (containing just tobacco) but today almost seven out of every 10 are kretek.

The man who has perhaps been most responsible for the phenomenal growth of this multi-million-dollar industry, and now its undisputed king, is Surya Wonowidjojo.

A 58-year-old south China-born immigrant whose real name is Tjoa Yien Hwie, he stated his company — Gudang Garam — in Kediri just

over two decades ago. Today he is owner of the country's single largest cigarette factory which this year is expected to account for around 40 per cent of Indonesia's total kretek market.

Obtaining detailed and accurate financial information about Indonesian companies is often extremely difficult. According to industry experts, however, last year Gudang Garam produced around two billion cigarettes bringing the company a turnover of at least US\$700 million and yielding a minimum after tax-profit of US\$80 million.

These figures are probably conservative. Confidential estimates by some of Gudang Garam competitors range much higher. One figure that is a matter of public knowledge is that in 1981 Gudang Garam paid excise duty to the government of 183.4 billion rupiahs (M\$642 million). Just how much the company paid in corporation tax is unknown.

Aggressive

Company officials at Gudang Garam do agree, however, that it may not be long before the compa-

ny is turning over more than US\$1 billion a year.

The story of Gudang Garam's success is a classic case of how one man turned a basically cottage-style operation in a developing country into a modern manufacturing industry.

In 1949 Surya started a small kretek factory with his uncle at Kediri at a time when all kreteks were rolled by hand and the majority wrapped in leaves rather than paper. Finding it difficult to get along with his uncle he started up on his own in 1958 with one unit employing fewer than 50 people.

Ten years of steady but unremarkable growth led him to undertake a major change in his brand image, redesigning his cigarette packets and adopting a more modern and aggressive marketing strategy.

Between 1969 and 1979 Surya built five new factory units in Kediri, set up a nationwide distribution system and output grew to 9.5 billion cigarettes a year.

The company's biggest expansion, however, has taken place since 1980 when it started to manufacture machine-made Kretek cigarettes. In the

space of just two years output more than doubled to 21 billion and today Surya's Gudang Garam operates a fleet of more than 300 lorries, employs over 35,000 people and is by far Indonesia's most popular brand.

The proud father of eight children (the two eldest men help run the family business), owner of at least five personal homes and two helicopters, there is little doubt that Surya is now a multimillionaire, and one of Indonesia's richest men.

In Kediri itself, however, Surya Wonowidjojo — like a 19th century British textile baron — reigns supreme. Surya's last serious kretek competitor in the town went bust as long ago as 1965.

He provides most employment for the town's 90,000 people, he has built schools, mosques, roads and most recently a swimming pool. Wedding aside, all this is done in the least flamboyant way possible.

In a country where economically successful Chinese are often bitterly resented by the local In-

donesian population this policy has done much to ensure his acceptance in the local community, win him valuable friends in Jakarta and helped him to avoid public criticism at national level.

Controversial

With the apparent blessing of the government, Gudang Garam is now planning an even more rapid expansion over the next few years. According to company officials, 12 new machines are on order capable of boosting capacity to more than 45 billion cigarettes a year.

To house this new expansion the company has bought enough land to increase its existing factory site by 50 per cent. Four more buildings are to be erected. The new machinery, much of which is being bought from Britain, is likely to cost in the region of £20 million. Total new investment is unofficially estimated at well over US\$150 million.

This expansion could well prove controversial.

Conscious of the need to find more than two million new jobs every year the Indonesian government has ruled that kretek manufacturers are obliged to produce two out of every three cigarettes by hand.

Gudang Garam openly admits that this ruling is already being broken and company officials say that it will not be long before more cigarettes are being made by machine than by hand.

Some of these new machines, however, will be used to take the company into the "white" cigarette market, where Gudang Garam now appears to be planning to challenge British American Tobacco's Indonesian subsidiary on its home ground.

The stakes are big. This year the industry estimates that Indonesians will cough up approximately US\$3 billion to smoke around 83 billion cigarettes making the industry one of the country's largest both in terms of profit and turnover. — FT

CSO: 4200/540

LOW RATE OF INCREASE PROJECTED FOR RICE PRODUCTION

Kuala Lumpur BUSINESS TIMES in English 28 Mar 83 p 4

[Text]

INDONESIA'S rice production this year has been projected to rise by 1.3 to 3.3 per cent from last year, in the third successively lower increase rate since 1980, *Kompas* daily reported.

The reduced increase rate would compel the National Logistics Agency (Bulog), which now has a rice reserve of some 1.2 million tons in hand, to resort to substantial rice imports, a Bulog spokesman told the paper.

National rice consumption is estimated at 22,575,000 tons of rice in nett condition.

The Central Statistics Office has given a gross production estimate for 1983 of 23.96 million tons (up 3.3 per cent from last year), higher than Bulog's own projection of 23.5 million tons at a 1.3 per cent increase rate.

These figures still have to be cut down by 10 per cent for harvest-time and post-harvest losses to provide nett rice production amounts, the Bulog official said.

Indonesia recorded its highest rice production increase rate for many years at 13 per cent in 1980. The rate then dropped to 10 per cent in 1981 and further slid to 4.8 per cent in 1982, when rice output stood at 23.19 million tons.

The projections contradicted an earlier 1983 rice production estimate of 25 million tons given by former Minister of Agriculture Dr Sudarsono Hadisaputro, who handed over the ministry to Mr Achmad Affandie last week.

The 25 million tons estimate was also ruled out by Junior Minister of Food Production Wardoyo soon after his installation in the post last week when he said the figure looked "improbable" for various reasons.

He listed among adverse factors the fact that planting had been several months late in some 700,000 hectares because of the existence of locusts in parts of the country, including north Sumatra where some 50,000 hectares were being attacked by a new locust species. — AFP

CSO: 4200/540

POEM, CARTOON SCORE UNITED STATES ON NICARAGUA ISSUE

Vientiane SIANG PASASON in Lao 4 Feb 83 p 3

[Poem, cartoon by Thanongsak Vongsakda: "You'll Be Sorry"]

[Text:] Do not raise your axe up high in the sky. Do not stubbornly
Use the CIA to cause suffering and destruction
in the land of Nicaragua. Do not think it will be easy.
You see us as weak and small. Do not intrude on us, don't you dare.

You will be sad. You will regret it very much,
More than any other land that you have seen in the past
You might think Nicaragua is small and new and
You would oppress it. Do not hope to.

We like to construct our bright new society.
We do not want anyone to bother and trample and loot us.
You will truly be sorry. Do not threaten us.
Your plan is very wicked, indeed.

Our land is forever our parents' inheritance to us.
We will never bother anyone. Do not tease us.
Do not pretend to be crazy and fight endlessly.
Your blood will drip, it will not have promise or value at all.

Your mouth keeps saying that you want to live in peace,
You want to have freedom throughout the world.
However your hands are holding a large axe.
Using the CIA is not a good thing to do. Don't you do it.

Do not say that we did not tell you. We warned you nicely.
If you do not listen we will warn you with our hammers.
We will give you a lesson that will hurt you in your groin.
It will be even more painful than when you once were hurt in Indochina.



Key:

- (1) You'll be sorry!
- (2) CIA
- (3) New Nicaragua

9884

CSO: 4206/55

SE SAMSOI ROUTE 9 BRIDGE CONSTRUCTION, HUNGARIAN HELP DESCRIBED

Progress Reported

Vientiane SIANG PASASON in Lao 29 Jan 83 p 2

[Article by Insi Souphab: "Progress on Route 9 Construction"]

[Text] Construction of strategic route 9 is entering its 3d year. One project that they are working on feverishly and hurriedly with the emulating spirit of the workers is Se Samsoi bridge construction No 4 in Phalan. It is the second bridge that is near completion with the help of the Hungarian People's Republic; the other is the Lao-Hungarian Friendship Bridge. Six pairs of pulleys are moving to support the over 100-meter 400-ton bridge crossbeams across the Se Samsoi River from west to east by using human force to turn the [pendulum]. Early this month the Hungarian experts and workers who are constructing the bridge along with the Lao engineers and workers all carried out their own duty with care and skill in [scientific techniques].

Comrade Bansak, chief of Bridge Construction Company No 4, told us that after completing the plan for the preparation and construction of housing for the Hungarian experts and our Lao workers, they prepared the construction site, e.g., where to put and assemble the bridge crossbeams and [the temporary posts]. They succeeded in the plan for preparing the bridgehead in early 1982. On 5 September 1982 our Lao workers along with the Hungarian experts started to assemble the bridge crossbeams. This initial preparation included designing a [crossbeam assembly shop] and a shop for putting wheels on to pull the bridge; this used a total of 50 cubic meters of wood. The preparation was completed on 10 October as planned. Then they continued painting the bridge crossbeams, and designed the [bridge front] and assembled wheels and steel tracks on the bridge crossbeams. These were completed on 23 December 1982, and they successfully pulled the crossbeams to put in the supports from 3 to 7 January 1983. Their plan was actually completed as projected.

Comrade Bansak also told me that this bridge construction is expected to be completed on 31 March 1983 and officially transferred. Thus, in order to complete the expected plan the Lao workers and the Hungarian experts must work feverishly and also guarantee the technique and quality of the work in order to succeed with certain expectation. During the first 3-month period they were involved with taking apart the bridge tracks, putting up the bridge crossbeams and the bridge [beams], supports, tying steel cables in order to pour concrete,

and putting up the bridge front. Based on calculations this project would take a total of 51 tons of steel. They filled the entrance to the bridgehead using 10,800 cubic meters of dirt; repainted 1,000 square meters of crossbeams; poured 80 cubic meters of steel-reinforced concrete on the side of the bridge for a footpath; and took apart the bridge front mold and the temporary posts.

With determination to carry out strictly their work the Lao workers and the Hungarian experts gracefully pulled the ready-made bridge structure across the river on 7 January 1983. After that the tearing down of the bridge [scaffolding], pulling out the bridge tracks and untying the steel cables, etc., started in earnest. On 10 January 1983, based on the evaluation of the bridge construction committee the bridge was 75 percent completed and is expected to be completed this coming March for certain, because the main work has already been done.

Interview With Hungarian Expert

Vientiane SIANG PASASON in Lao 31 Jan 83 p 3

[Interview with Comrade Gyula Szunder, chief of the Hungarian experts who have been helping in the Se Samsoi bridge construction, by a public health officer, on the occasion of finishing 75 percent of the construction, on 10 January 1983.]

[Text] On the occasion of the 75-percent completion of the basic construction of the Se Samsoi bridge, Comrade Gyula Szunder, chief of the Hungarian experts who honorably helped on the construction of the Se Sangsoi bridge on route 9 in Savannakhet Province, gave an interview to a public health reporter who visited on 10 January 1983 to collect news on the route 9 construction.

[Question] How do you feel being honored as an expert to help in constructing the Se Sangsoi bridge in our country?

[Answer] On behalf of the Hungarian experts who were appointed by our government to help in constructing this big bridge in order to carry out the agreement signed by the Hungarian and Lao Governments, this economic aid is a gift to the Lao people. We were most happy to come and help in constructing a big bridge on strategic route 9 in 1978. We were told that the help in the bridge construction is proletarian international assistance. We appointed a number of experts to do the survey and design with the Lao technicians.

After that the assembling, construction and transportation of machinery, different materials, and heavy equipment from Hungary to Laos started in 1980, and arrived in Laos in late 1981. First, there were 12 Hungarian experts who came to help our Lao friends; now 12 more people have come, making a total of 24 people. We, together with the Lao bridge construction company, succeeded in building the bridge supports, pouring the bridgehead, and assembling the bridge crossbeams, and gracefully pulled it across the Se Sangsoi River on 4 January 1983.

We have been skillfully working without errors and with no vacation. Now we are pulling out the tracks and laying down the bridge. We are going to put steel [rods] in the surface and pour concrete on the bridgehead and front and for sidewalks. It might take 500 cubic meters of concrete. This bridge is 103 meters long and 7 meters wide; the sidewalks are 1.25 meters on each side. There are 850 tons of steel and 150 tons of concrete for a total bridge weight of 1,000 tons. This construction work has been accelerating to its completion before the official transfer to the LPDR at the end of March 1983. Today we together with the fraternal Lao are very happy to see our craftsmanship become real and graceful, as we hoped.

[Question] After having gone through this experience up to now, what do you think are the good points and what are the problems?

[Answer] The good points are that the people of all races of the parties and governments of both Laos and Hungary, all the ministries and departments involved, have facilitated our work and have worked closely together. In terms of materials, morale and labor there has been cooperation between the experts and Lao. A great many people all came to help. We have a place to stay, electricity, different modern vehicles to be used in construction, and enthusiastic and diligent workers who work tirelessly. There is good security, and there have been no incidents. There are many good aspects.

As for difficulties, first we have not gotten used to the weather here. It is difficult to adapt. Transportation and hauling take a long time. Drilling, welding and steel-cutting equipment and some materials were broken down when they arrived and they had to be replaced. The weather was unusual, etc. It is common that everything must have its good points and problems at the same time. However, our important problem is that when we have a contract for any work we must work hard and pay attention to it from morning until dark with little rest, and work until it is finished as planned. This is the way we are accustomed to.

[Question] What is your opinion as to how quickly the plan will succeed?

[Answer] The important thing in construction is that everything is planned scientifically with clear calculations. Thus, it is necessary that we the contractors struggle through all problems and work together to quickly score honored and glorious achievements on the rest of the work. When we return to our country we will bring with us a fine incident and an excellent achievement to greet our party, government, people, and our families and children. We will tell them all about the sweat and the energy, which is as strong as diamond and as resolute as steel, the experts and the fraternal Lao who together gloriously struggled to achieve. There will be a beautiful ceremony to turn the bridge over to the Lao people as expected to care for and use it forever.

Based on the initial calculations, this bridge will cost a total of \$2 million and will be able to carry many tens of tons, and will last over 100 years if it is not destroyed. When this work is finished we will be incomparably most happy because we will have completed the duty assigned by the nations and the people of the two countries, Laos-Hungary. We promise we will struggle to do our best at every opportunity so that we can complete our duty before expected. (The end. Thank you.)

BRIEFS

LOUANG NAMTHA YOUTH MOBILIZATION--In 1982 over 300 youth in different localities in 8 districts subordinate to Louang Namtha Province voluntarily and diligently served the country by working in the ranks of national defense, public security, and different factories. This is to increase the forces for defending and constructing the nation based on the content of the First 5-Year Plan and also the plenum of the Third Party Congress in order to struggle to turn their localities into all-around strategic areas, and victoriously to advance themselves to socialism. [Text] [Vientiane SIANG PASASON in Lao 4 Feb 83 p 1] 9884

CSO: 4206/55

FORMER PAS PRESIDENT FORMS NEW ISLAMIC PARTY

Kuala Lumpur NEW STRAITS TIMES in English 25 Mar 83 p 1

[Text]

KOTA BAHARU,
Thurs. — A new party — Hizbulmuslimin Malaysia (Hamim) or Party Islam — was formed today.

Its two principal aims are:

- To set up a Government and society which reflects the purity and fairness of Islam taking into account the social composition; and

- To strengthen Muslim brotherhood and to forge national unity, to safeguard the valuable aspects of life, politics and society.

Addressing more than 1,000 supporters who gathered at the former "Juita Palace" in Jalan Kebun Sultan here, former Pas president Datuk Asri Haji Muda said the new party would be registered within a month.

He said the party would:

- Strive and further the Islamic cause through practice, writings and verbally;

- Strive to set up a system of administration, laws and justice based on Islamic values;

- Strengthen society through Islamic culture, politics and values of life;

- Uphold and strengthen political and economic development and encourage Islamic efforts, while ensuring the political stability, national integrity and racial harmony and ensuring national sovereignty and freedom;

- Co-operate and/or merge with any body or organisation whose struggles are along the same lines and within the law;

- Take any action within the law to achieve the aims of Hamim; and

- Carry out activities for the benefit of members and Muslims and non-Muslims of the country.

CSO: 4200/541

TRADE RESTRICTIONS ON BRITISH GOODS MAY BE WITHDRAWN

Kuala Lumpur BUSINESS TIMES in English 25 Mar 83 pp 1, 22

[Text]

DATUK Seri Dr Mahathir Mohamad said today the government may withdraw the "buy British last" directive to the public sector following a change of Britain's attitude towards Malaysia.

The Prime Minister told the Dewan Rakyat that Britain had adopted a more positive attitude towards Malaysia, particularly in trade and educational opportunities in Britain for Malaysians.

He was replying to a supplementary question from Encik Shamsuri Salleh (BN-Balik Pulau) during question time.

The directive issued in October 1981 requires all government agencies and departments not to buy British goods or services if there is an equal choice from other countries.

Datuk Seri Dr Mahathir said he would discuss with his cabinet reversion to the previous system under which British offers were given equal treatment with other offers.

The government had issued the directive after Council of the Securities Industry in Britain amended rules governing large share acquisition and takeovers on the United Kingdom stock

market following the successful bid by Malaysia's Permodalan Nasional Bhd to acquire control of Guthrie Corporation.

The directive also came after Britain imposed full cost fees for foreigners studying in Britain.

To the original question from Wan Mohamad Najib Wan Mohamad (BN-Pasir Putih), the Prime Minister said the government welcomed the British government's decision to inject funds into the subsidy for Malaysia students in the United Kingdom.

British firms and some universities in Britain had made or planned to make contributions to the subsidy and offered to train Malaysian officers in efforts to help bring about aims of the New Economic Policy.

"All these are indications of a change of attitude by the British government and people towards our country," he added.

He said offers of educational assistance were not enough to improve the existing relations between the two countries.

"What is more important is a comprehensive change in attitude and thinking of Britain towards Malaysia as a sov-

ereign and independent country," he added.

He said that when he was in London recently, British Premier Margaret Thatcher had entertained him to dinner, giving him the opportunity to discuss with her international issues and bilateral relations.

He said the impression he got from the discussions was that the British government was concerned with improving relations with Malaysia and with changing its attitude towards this country.

"These factors point to potential for improved relations with Britain," he said.

To a supplementary question from Haji Azharul Abidin Haji Abdul Rahim (BN-Batang Padang), Datuk Seri Dr Mahathir said Puan Thatcher and her ministers had expressed their desire for better economic ties and trade with Malaysia and increased British investment in this country.

He told Mr Yew Foo Weng (BN-Menglembu) that he could not give a guarantee that this new attitude would last in view of the possibility of a change of the government of Britain through elections.

To a supplementary question from Dr Koh Tsu Koon (BN-Tanjung) he said the British Prime Minister accepted the concept of the government's New Economic Policy.

She recognised the need for restructuring British companies in Malaysia under the policy and accepted the assurance that Malaysian policies would not endanger interests of British companies operating in Malaysia.

On the suggestion by Haji Nik Aziz Nik Mat (Pas-Pengkalan Cepa) that the government make known its requirements with regard to economic ties with Britain, Datuk Seri Dr Mahathir said this was not necessary.

He said that being a country that was always well-informed on developments in the world, Britain was fully cognizant of the sentiments of not just Malaysia but all other countries that had economic ties with her.

He said this was not the first time Britain experienced deterioration of relations with other countries and Britain should have by now identified the causes that could lead to such a deterioration. — Bernama

CSO: 4200/541

LOAN OF \$550 MILLION FOR DEVELOPMENT PROJECTS

Kuala Lumpur BUSINESS TIMES in English 19 Mar 83 pp 1, 16

[Text]

MALAYSIA has obtained a US\$550 million loan for general development purposes from the Asian and European markets — just six months after it raised a US\$1.1 billion external loan to finance development projects.

Bank Bumiputra Malaysia Bhd in a statement yesterday confirming earlier reports of the loan said that it was being coordinated by Bank Bumiputra and Citicorp.

The 10-year loan with a grace period of five years is in three tranches. The first portion of US\$300 million is at 0.5 per cent above the London Interbank Offered Rate (Libor). This is higher than the 0.375 per cent over Libor which Malaysia is currently paying for its billion dollar loan obtained last August.

The second portion of US\$200 million bears interest based on the US prime rate. For this portion Malaysia will pay 0.125 per cent over the US prime rate, the same as the country is paying for the US\$1.1 billion loan for

one to three years, and a margin of 0.2 per cent for the remaining five years.

The balance of US\$50 million is to be raised on a tax spared basis with a maturity period of eight years. This preferential rate is made possible by the British-Malaysian tax treaty.

The loans were ~~fore~~ shadowed by the disclosure earlier in the week of the Finance Minister Tengku Razaleigh Hamzah that the government would be raising loans of \$1.6 billion.

The brief statement adds that the US prime rate tranche and the tax spared tranche are extendable to a final maturity period of 10 years. This is, however, subject to an agreement between the lenders and borrowers.

Malaysia's loan carries the same interest rate for the Libor-related tranche as the US\$1 billion arranged for Indonesia by Morgan Guaranty Trust Company earlier this week. But the interest rate for the US prime

tranche is at 0.125 per cent lower than 0.2 per cent Indonesia is paying. However, the spread for this tranche rises after the first three years in Malaysia's case to 0.5 per cent. Available reports suggest that Indonesia's 0.2 per cent spread will continue for the entire maturity of the loan.

The Indonesian loan which is in two tranches carries interest at 0.5 per cent over the three or six month Libor while the second is priced at 0.2 per cent above the US prime rate or the 90-day secondary rate, whichever is the higher, with a ceiling of 125 basis points.

As usual a Malaysian bank is coordinating the loan with Citibank. Bank Bumiputra has played a leading role in most large Malaysian loans, except for last year's which was coordinated by Malayan Banking Bhd in which some 70 banks and financial institutions participated.

The loan being syndicated which has received favourable response

from banks and general syndication, according to Bank Bumiputra, is expected to close before the end of the month.

Besides the two coordinating banks, 10 well known banks are underwriting the loan. These are the Bank of Tokyo, Chase Manhattan Asia, Fuji Bank, Gulf International Bank BSC, IBJ Finance Company (HK), Manufacturers Hanover Asia, Midland Bank PLC, Morgan Guaranty Trust Company of New York, National Westminster Bank PLC and Orion Royal Pacific.

It is understood that a number of the foreign banks involved in the syndication would be raising funds for the facility in Singapore.

While Hong Kong is expected to play a major syndication role, Bank of Tokyo may act as the Japanese coordinator while the Hong Kong branch of Lloyds Bank International is expected to coordinate the loan portion

dealing with the interest linked to the British-Malaysian tax treaty.

The British-Malaysian tax treaty permits banks with British operations to take a tax deduction for certain loans to Malaysia. This increases their profit margins from such lending and makes it possible for them to offer reduced rates to the borrowers.

KUALA LUMPUR TAKING INITIATIVE ON ANTARCTIC ISSUE

Kuala Lumpur NEW STRAITS TIMES in English 24 Mar 83 p 7

[Text]

MALAYSIA is actively bringing up the Antarctica as a subject of attention to the world so that its expected wealth could be exploited for the benefit of mankind, the Parliamentary Secretary for Foreign Affairs, Encik Kadir Sheikh Fadzir, said yesterday.

Malaysia, he said, wanted to see some kind of world agreement on the Antarctica so as to avert any unpleasantness, confusion or disputes between countries.

It was about time Malaysia take her part in the international political arena to help bring about

a better world, he said when replying to Wan Najib Wan Mohamed (BN-Pasir Putih).

"We cannot wait for others to make the decision. For if we leave it to others, we might end up at the raw end, just as we are where prices of our commodities are concerned," he said.

Replying to Encik Ismail Said (BN-Kemaman) who wanted to know if other nations had brought up the issue at the 37th General Assembly of the United Nations last year, Encik Kadir said it could not be included in the Assembly's agenda as the question was brought up by Prime Minister Datuk Seri Dr Mahathir Mohamad af-

ter the assembly had started.

"We have to have the support of 50 per cent of the UN members before it can be included in the agenda for the assembly," he said.

"In this respect, we have succeeded in getting the Antarctica issue for discussion at the coming 38th UN General Assembly since we have already gained the support of the 101 non-aligned countries at New Delhi," he said.

Discussions

Most of the non-aligned countries are also members of the United Nations.

Encik Kadir said in reply to Mr Oo Gin Sun (BN-Alur Setar) that seven countries — Norway, Australia, New Zealand, Chile, Argentina, Britain and France — had laid territorial claims to the Antarctica.

This, plus an agreement made among 12 countries in 1959, had made the Antarctica re-

gion exclusive for them.

After Datuk Seri Dr Mahathir's call at the UN General Assembly as well as at the non-aligned summit to make the region the heritage of mankind, some of the countries which had signed the exclusive agreement, had asked that Malaysia discuss the issue with them before bringing it up at the next General Assembly.

Among these countries was Australia, he added.

The main reason behind this call for discussions was that the countries concerned did not want Malaysia to create trouble for them. If Malaysia insisted on bringing the antarctica issue to the UN General Assembly, their positions would be threatened, he added.

When Encik Daud Haji Taha (BN-Batu Pahat) asked why Asean did not make similar territorial claims, Encik Kadir said: "We don't want to follow in the footsteps of the other countries. Two wrongs don't make a right."

CSO: 4200/541

DRAFT TERRITORIAL LAW CRITICIZED BY PRO-INDEPENDENCE SIDE

Paris LE MONDE in French 30 Mar 83 p 36

[Text] The High Commissioner of the Republic in New Caledonia, Mr Jacques Roynette, has submitted to the local elected representatives the draft text of the new statute of the territory worked out by the State Secretariat for the DOM-TOM [Overseas Departments-Overseas Territories].

This document advocates broad internal autonomy which makes it possible "to guarantee a fair balance among the different communities in New Caledonia" and "to accomplish the task of decolonization to which the government is committed". A "government of the territory", composed of a president elected by the Territorial Assembly and by territorial ministers appointed and recalled by it, would replace the present council of government (local executive) placed under the presidency of the high commissioner. He would become "the representative of the government of the republic and chief of state services".

The draft likewise provides for the integration, in the new statute, of the ordinances passed in 1982 to ensure, in the fields affected,--particularly that of land tenure--the guarantee of the commitment of the state. The latter would guarantee "national solidarity to New Caledonia through technical and financial aid".

From the moment of its publication the government's draft was criticized by the Independence Front, one of whose principal leaders, Mr Jean-Marie Tjibaou, has at present taken over the leadership of the local executive in the capacity of vice-president of the council of government. The groups composing this front point out that their territorial representatives, who until now have supported government policy, were elected "for the goal of independence, not for a program of internal autonomy".

Rejecting the idea that the Melanesian community of New Caledonia be considered "as a simple ethnic community among others in its own country", they are further indignant over "the abuse of language which dubs as internal autonomy a draft, the contents of which attribute to the French state the essential powers which determine the life and the economy of the territory as internal autonomy"

The Independence Front threatens, "the organ of a liberation front which will lead to the unilateral proclamation of independence of the Kanaka country if the French Government maintains the intentions displayed in its text", to "consider its retreat from the institutions of the Republic and the creation of a provisional government,

The government draft, which will be defended henceforth by the new state secretary, Mr Georges Lemoine, inspires reservations about it among the members of the Federation For a New Caledonian Society (FNSC, centrist). On the other hand the main local opposition group, the Rally for Caledonia In the Republic (RPCR) regards this draft on the whole as positive.

"The initiative taken by the state, with some reservations, is of a nature to strengthen our determination to work for the maintenance of New Caledonia within the Republic", said its president, Mr Jacques Lafleur, RPR [Rally for the Republic] deputy from the 2nd circonscription.

6108

CSO: 4219/54

CONCERN OVER GOVERNMENT CONTROL OF PRIVATE COMPANIES

Kuala Lumpur BUSINESS TIMES in English 25 Mar 83 p 19

[Article by Emilia Tagaza in Manila]

[Text]

THE government take-over last month of Construction and Development Corporation of the Philippines (CDCP), the country's largest construction company, has heightened the debate over the government's growing degree of control of major private corporations. Apart from CDCP, the government now has controlling interests in many of the country's major luxury hotels, big mining companies and manufacturing concerns — all accomplished within four years of buying into private companies' equity.

But foreign banks and multilateral lending agencies which have substantial exposure in the Philippines are not happy with the way with which the government has been taking over companies, even if the rescue of distressed concerns that show promise of being profitable in the future is involved. One foreign banker says that the government is nursing ailing companies with public funds, and that "this is worrying because government ownership in sick companies is haemorrhaging the country's budget, which has been cut under pressure from international creditors."

The Philippines has just obtained US\$510 million in concessional facilities from the International Monetary Fund (IMF) to help tide it over its balance of payments problems — the deficit last year reached US\$1.1 billion, double the US\$560 million shortfall incurred the year before.

Profile

In granting the amount of the loan, the IMF had set certain conditions on the Philippine government, primarily the cutting of its budgetary spending, partly through the reduction of its outgoings on corporation equity account. "Considering the pressure on the budget, the takeover and sustenance of sick companies are exercises the government could ill afford," says another banker.

Meanwhile, the Philippine Chamber of Commerce and Industry (PCCI), an influential group of local businessmen, has also criticised the state's involvement in business. The PCCI argues in general that incompetent management of ailing companies should not be rewarded with security of tenure for the sake of continuity

alone. It also says that salvaging the distressed CDCP "does not appear to be the most prudent and optimal use of scarce resources, most especially during these difficult times."

The government began to take on a high profile in private business in the late 1970s, when the Development Bank of the Philippines (DBP) started to convert its loans to big hotels into shares. When Manila hosted the 1976 annual meeting of the IMF and the World Bank, 10 huge hotels were constructed on government encouragement. Funds came mainly from two state-owned banks — the DBP and the Philippine National Bank (PNB). However, the hoped-for number of tourist arrivals has not materialised, and most of the hotel have fallen into the red, disabling them from paying off their loans. Since then, DBP and PNB have been converting debts into equity.

Fund

The rate of conversion of debts into companies' shares became even more frenetic after 1981, following a run of withdrawals from banks and

other financial institutions precipitated by the repercussions of the Dewey Dee affair. Dewey Dee, a Filipino-Chinese banker and industrialist, left the country with some 635 million pesos (US\$67 million) in outstanding debts, mostly unsecured. His departure resulted in a major crisis in the capital market, with corporate borrowers scrambling for funds.

In order to prevent the shutting down of fund-starved but viable companies, the central bank created a 5 billion peso (US\$580 million) rescue fund. Money was loaned to distressed companies in exchange for government shares in ownership and management. The DBP, PNB and the National Development Company (NDC), the government's investment arm, served as the major channels of the rescue fund.

CDCP was the first beneficiary of the rescue fund. Beset by short-term debts carrying high interest rates, CDCP was on the verge of financial collapse. To avert this, NDC injected some US\$33 million.

However, two years after the rescue operation, CDCP still showed little improvement in financial performance, and the government two weeks ago gave further aid. A total of 3.9 billion pesos in loans from state financial institutions — mostly from PNB — were converted into shares, raising the government's interest to 90 per cent.

The CDCP takeover has been supported on the grounds of the US\$1 billion-worth of contracts it is currently undertaking. Most of CDCP's projects are abroad, mainly in the Middle East, and the government does not want to spoil its record as a reliable contractor. Moreover, the Middle East projects have provided a fertile market for the Philippines' manpower exports, the foreign exchange earnings of which have become the country's single largest dollar earner. Remittances by Filipinos working overseas, more than 60 per cent of whom are in the Middle East, reached almost US\$1 billion last year.

Mr Roberto Ongpin, the Trade and Industry Minister, who has now taken over as CDCP president, also said that the collapse of CDCP, with its huge overseas contracts, could trigger cross-defaults which could, in turn, undermine the Philippine financial system.

Policy

Private businessmen also resent the government's substantial involvement in companies as they see it as a formidable competitor which commands almost limitless resources. The president of a local insurance company says: "If the government continued with its present policy, private firms would soon make up the minor business sector in the country."

One foreign banker has said that it would help the government greatly if it allowed the liquidation of some of the companies it has taken over, specially the unredeemable ones. He said that some are worth rescuing, but instead of stretching its budget on these weak companies, it could open up their majority ownership to foreign companies. Under Philippine laws, foreign companies can own only up to 40 per cent of non-pioneering companies.

"Some foreign companies may be initially wary of buying sick firms. But I could see them venturing into the Philippines, and they could easily resuscitate distressed firms with their long financial strings. The foreign option is one thing that the government could consider as an alternative to its own heavy exposure in private companies." — FT

CSO: 4200/543

TRANSPORTATION PROBLEMS HAMPER DEVELOPMENT OF SAMAR

Kuala Lumpur BUSINESS TIMES in English 31 Mar 83 p 17

[Article by Lucino Rebamontan in Borongan]

[Text]

THE Philippine government is racing against time to redress age-old grievances against the neglect that had made Samar, the country's third largest island after Luzon and Mindanao, highly vulnerable to communist propaganda and insurgency.

On top of the government's agenda for development of the three Samar provinces is the construction and improvement of roads and bridges, irrigation and water supply systems.

The lack or inadequacy of these vital infrastructures is the most visible evidence of government neglect of the island, particularly this province.

The grievances are real and, as the peace and order situation in the island attests, explosive.

The lone highway that links the three provinces runs along the coastline of the island, but even this circumferential road is disjointed in the northern section of Samar by vast tracts of lands where roads remain to be built.

A road has yet to be constructed along the western coastline of Eastern Samar facing Leyte province, although plans are afoot to revive a road project along this coast which had been shelved and buried by other "priority" projects.

The longest inland road of the island is the Wright-Taft Highway, a one-lane gravel highway that disintegrates into mud during rainy days.

The Wright-Taft Road, which links Western Samar and Eastern Samar, cuts across thickly forested jungles and has been the scene of several ambushes on military personnel by the New People's Army, the military arm of the Communist Party of the Philippines.

Inequilibrium

But in Eastern Samar itself, a new asphalt road is finally under construction after years of haggling with foreign lending institutions over the economic viability of the project.

The World Bank, the foreign bankroller of the project, had hedged on financing the undertaking because of its low investment possibilities.

It finally agreed to help finance the 200-km project under intensive persuasions by the Philippine government.

Even then, the World Bank was willing to finance only the construction of a gravel road.

But Public Works and Highways Minister Jesus S. Hipolito, realizing that a gravel road would only exacerbate instead of mollify the Eastern Samareños' pent-up anger over what they perceive as the inequilibrium in the distribution of national development resources among the three Samar provinces, decided to upgrade the project to an asphaltic concrete road.

Eastern Samareños are still sulking over the government's decision to blot the province out of the country's longest road project,

the Maharlika Highway, which runs along the coastlines of both Western Samar and Northern Samar.

Mr Hipolito argued that the additional US\$6.5 million needed to upgrade the Eastern Samar project from gravel to asphaltic concrete road was too small an investment in the continuing political struggle to win the "hearts and minds" of the Eastern Samareños.

It was a decision that has endeared Hipolito to the residents of one of the country's most economically backward provinces, although he has yet to set foot on Eastern Samar.

Actually, the additional bill the government will shoulder will amount to only US\$1.5 million. Mr Hipolito had succeeded in convincing the two South Korean contractors undertaking the project to reduce their contract price by US\$2.5 million each, leaving the government with an additional burden of only US\$1.5 million.

To underline the government's anxiety over

the early completion of the Eastern Samar project, Mr Hipolito has assigned his deputy, Aber P. Canlas, to personally supervise the project.

Mr Canlas is best known in the country's construction circles as the "miracle builder" for finishing such projects of the Philippines First Lady, Mrs Imelda Romualdez Marcos, as the Cultural Centre of the Philippines, the Manila Film Centre, the Folk Arts Theatre and the Philippine International Convention Centre in record time.

But even if the current momentum of road and bridge construction in the three Samar provinces were to continue through the next three decades, a number of remote villages (barangays) would remain isolated because of lack of roads.

A study on the transport problem of 30 municipalities of the island conducted by the Development Coordinating Council for Leyte and Samar, an inter-agency group under the office of the President, said that in addition to the 3,166 km of various types of roads in the province, 2,000 km more of rural roads would have to be constructed to link all remote barangays of the three provinces.

Said the study: "Based on optimistic assumptions and projections, the aforementioned length (2,000 km) of proposed roads will be completed in 30 years."

In the face of limited resources, the inter-agency group has recommended the launching of the Samar

Frontier Riverine Transportation Development Project to complement the barangay road programme of the government.

Until this day, outrigger bancas, motorised riverboats and launches remain the chief means to reaching the hinterlands of Samar.

The island has 38 rivers with 50 tributaries, all navigable, with a combined length of 1,308 km.

Of the 1,122 barangays covered by the study, 304 or 27 per cent are situated along the main highway, 114 or 10 per cent are linked to existing road networks, while 505 or 45 per cent are dependent upon navigable rivers as their means of mobility.

Emphasis

The balance of 199 barangays are accessible only by trails.

The study noted that "since most of the crops are raised in the flood plains and fertile valleys along navigable rivers, 75,519 tons or 51.6 per cent of the total agricultural products are raised within the influence area of the navigable waterways."

Until the study was put together, the development of river routes as inland transportation system to the interior areas of the island had not been seriously considered.

The emphasis has been on the construction of barangay or farm-to-market roads.

The study said that despite the current emphasis on the construction of barangay roads, the programme was moving ahead very slowly because of "inad-

equately funding, scarcity of aggregates, wide river crossings that require long spans of costly bridge structures, rugged terrain and adverse climatic conditions prevailing in the area."

It said that economically depressed conditions, as well as political tensions gripping the remote upstream villages of the island, could be attributed mainly "to inadequate or absence of a transportation system that would make the vast underdeveloped interior areas easily accessible."

Facilities

"These isolated inland areas, where clusters of settlements are existing on a survival state of livelihood, are practically by passed by almost all of the innovative development programmes of the government," it added.

The initiative of people living in the upstream villages to produce more has been admittedly dulled by their inability to earn hard currency from their produce.

More often than not, surplus production cannot be transported to market centres usually down river because of lack of riverboats.

"The absence of facilities for loading and unloading of goods at the riverbanks are also drawbacks to an efficient riverine transportation system. Likewise, the flow of commodities upriver is unreliable and could not supply the increasing demands of the people in the interior areas," the study said.

In a blunt recitation of government neglect, the study faulted state planners for ignoring the riverine mode of transportation as the cheapest and fastest way to reach remote upstream areas.

"Moreover, the government has not programmed, much less appropriated, for river landing facilities at barangays and poblaciones along the riverbanks. There is no project in the country at present, whether government or private, that undertakes the maintenance or improvement of navigable waterways, except the Pasig River Development Authority in Manila.

But even the inter-agency committee that undertook the study admitted that its proposal for a riverine transport system was up against insurmountable odds.

"The present size of the population and the economic activities

within the underdeveloped interior areas of Samar Island will certainly not meet the economic parameters for feasibility studies of any transportation system project proposals in the area," it said.

But as one optimistic member of the study group said: "Who knows, our proposal may just be the catalyst for the accelerated development of the interior areas of the island. After all, 10 years ago nobody would believe that entire length of the Eastern Samar road would be asphalted, or that this island would be a hotbed of communist rebellion." — Depthnews Asia

DELEGATION CHAIRMAN CRITICIZES U.S. OBJECTIONS

Kuala Lumpur NEW STRAITS TIMES in English 29 Mar 83 p 11

[Text]

MANILA, Mon. — A Philippine supreme court judge has called US President Ronald Reagan "a rich man's president" and charged Reagan objects to the Law of the Sea convention because "American big business objects to it."

Justice Vicente Abad Santos, chairman of the Philippine delegation to the UN Conference that adopted the convention last year, described US objections to the agreement as "a lot of bull" and "born of pure selfishness." He also accused the United States of "belly-aching."

Abad Santos, a former Justice Minister in President Ferdinand E. Marcos' Cabinet, assailed the US position in a speech last weekend before a conference of the Philippine Society of International Law.

The convention is an international agreement governing the use and exploitation of the world's seas, seabeds, and ocean floors. At least 117 countries, including the Philippines, have signed it but the United States and about 20 other countries declined.

Heritage

"Reagan objects to the convention because American big business, not simply any business, objects to it," Abad Santos said. "Reagan is correctly perceived as a rich man's president. No wonder a recent poll showed that a substantial majority of those queried do not want him to run for re-election. I dare say that with Reagan out, the US will re-examine its position vis-a-vis the convention."

Abad Santos accused the United States of "bad faith in repudiating the convention."

While the US claim that the sea-bed mining provisions would deter development of deep sea-bed mineral resources "is true in a sense," Abad Santos said, it is precisely the convention's purpose "to safeguard the common heritage of mankind and prevent the technologically advanced countries from rushing to the area and denuding it of its resources."

The United States, of all nations, "has the money and technology to ravish the resources of the sea-bed," Abad Santos charged. — AP.

CSO: 5200/8201

PHILIPPINES

BRIEFS

MUSUARI ATTENDS INTERNATIONAL CONFERENCE--Al Bayan al Awal, Jumada Thani 30, April 13, JAMAHIRIYAH NEWS AGENCY--The 1st international conference on the thought of Mu'ammarr al-Qadhdhafi, the Green Book theory and practice, resumed their this morning at Gar Yunis University here in Banghazi. [as received] Discussions today also were divided into three groups. Today's morning session was addressed by Mr Nur Musuari, secretary-general of the Moro Liberation Front who said that the Green Book dicta call for overthrowing the dictatorial regime as well as ending colonialism and imperialism. "The ideology of Colonel Mu'ammarr al-Qadhdhafi has emancipated the oppressed masses and lifted oppression. Therefore we should all preach the same ideology." He also pointed out the oppression to which the Muslims in Philippines are subjected. [Excerpts] [Tripoli JANA in English 1620 GMT 13 Apr 83]

CSO: 4200/555

MILITARY AFFAIRS AND PUBLIC SECURITY

SUCCESS OF MANEUVER BY DIVISION UNITS REPORTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 28 Dec 82 pp 1, 4

[Article by Le Dai and Phuc Nguyen: "A Progressive Step to Regularization and Modernization"]

[Text] Casting an overall glance over the determination-to-win drill festival of the Quan Tien Phong [Vanguard] Division which took place late in 1982, we feel more confident of the high degree of combat readiness and determination to fight and win of one of our army's divisions which were founded at the earliest date and which are advancing firmly toward regularization and modernization.

It was an intensive, comprehensive and manifold test in the military, political, logistic and technical fields and involving the execution of orders and regulations--a test designed, on the one hand, to assess what had been done over the past year and, on the other, to affirm the willpower and combat abilities of soldiers bearing the very new name of "mechanized infantry." The drill showed very clearly that the mechanized infantrymen had the characteristics proper to soldiers of a regular army. These characteristics were manifested by a neat, scientific life style of each detachment staying in field tents, by the regular march of soldiers within their ranks and also by the swift and accurate motions of all members of each vehicle team in making combat preparations, boarding the vehicle, getting out of it and implementing vehicle maintenance systems....

Training to become a regular army is essentially a process full of hardships and painstaking efforts. It also takes time to turn regularization patterns into habits. Watching Sec Lt Truong Quang Giam and Third Lt Truong Van Dung--two skillful workers in the 58th Regiment--carry out a test by inspecting and adding oil and gas to the braking, reverse and elevating devices of a 122 gun, we saw clearly their careful, meticulous and scientifically-minded manners in each job and motion. It can be said that from the first to the last movement, they did not omit any technical regulation, no matter how minor it might seem. They prepared their repairing tools just like doctors prepared for a surgical operation. They cleaned their tools completely and put them in order. There was a harmonious and rational coordination of the movements made by both of them, which could be seen in each of their steps and minor moves and in the way they handed tools to each other and dismantled and reassembled mechanical

parts. We heard that both were high-grade mechanics who achieved such a working style after undergoing intensive training. The Truong Quang Giam-Truong Van Dung mechanics' duo scored the highest marks in the gun repair and maintenance test.

The mechanized infantry, tank and armored car teams also showed very clearly the result of a year of training for army regularization. At the test area reserved for the tank crewmen, we found that they exactly complied with regulations on movements though they were not put under strict restrictions about the time limits allowed for various tests such as boarding vehicles for combat purposes, technically inspecting vehicles, concluding combat activities and folding up tents and fixing them onto the vehicles. The crewmen acted calmly, neatly and with precision and neither confused any movement with another nor skipped any one of them. Under the command of Le Van Quynh, the tank team of the Thu Do [Capital City] Regiment was considered to have achieved precision and swiftness of action and was ranked first among all tank teams in the regiment. As for the "Boarding the Tank for Combat Purposes" test in particular, Quynh's team completed it in only 12 seconds, surpassing other teams by 10 to 20 seconds. In case of combat alert, acting only 1 second quicker than others would make an appreciable difference.

Watching closely the tank crewmen throughout the drill festival, we noted that every tank team had not only undergone a basic training and achieved a stable technical standard but had also received a careful training in will-power and physical strength. For instance, there was a moving part which went out of order and it was thus necessary to replace the No 1 load bearing wheel under field combat circumstances. Our soldiers were allowed to use only one set of tools specified by the examination board and had to cope with this situation within the shortest time limit. For the tank crewmen, this proved to be one of the hardest tasks, for they had to cut off a chain and to pull out the load bearing wheel weighing 262 kgs before replacing it.

Actually, there were heavier tasks that had to be done during the drill festival. Another tank wheel became jammed but the tank team of the Thu Do Regiment failed to pull it out after toiling and moiling for more than 1 hour and using all tricks. Though it was cold--about 10 degrees C in the open--and though wearing only a combat vest, everyone was sweating. After this tank crew admitted their failure, a team of the tank battalion came in for the contest, ready to overcome all seemingly unsurmountable challenges. Hua Viet Lieu, leader of the team, calmly directed his crewmen to dig a hole in the ground to cut off the chain and pull it out... But the wheel had been stuck too tightly. Many other crewmen who were standing nearby shook their heads with the belief that this situation would come to a deadlock as it did with the previous team. But the entire team from the leader to every crewman was determined to overcome this thorny situation at all costs. They likened it to a veritable combat circumstance. They told each other that it was necessary to get out of this situation by all means to enable the vehicle to go on with the military operation. Then, six bolts were unscrewed from an inner grease disk-shutter. Our crewmen had a hard time lying on their backs under the vehicle and using crowbars and big hammers to thrust outwardly at the wheel which suddenly began to move by only 1 mm at a time. Our crewmen

guessed that only some broken balls or a cracked inner ball bearing could have jammed the wheel so tightly. Finally, they managed to pull out the wheel but the inner ball bearing remained stuck inside. After another moment of hardships, our crewmen succeeded in pulling out this final obstacle. Indeed, the ball bearing had a visible crack and should be replaced entirely if this problem was to be solved. Thus, owing to their patience, persistence, creativeness, versatility and determination to fight to the end, the team led by Hua Viet Lieu succeeded in overcoming a difficult situation.

During the 1982 training year, the Quan Tien Phong Regiment paid special attention to raising the qualities of both each crewman and the entire crew of every vehicle and also concentrated on the degree of joint action by each vehicle team. During an inspection of the firing practice at the end of the recent second training phase, many tank teams of the regiment had an opportunity to show their combat abilities. The recent drill festival of the regiment was an occasion for skillful combatants to meet each other. It was possible for us to watch a contest between the teams of two self-propelled antiaircraft artillery carriers belonging to two regiments. Both teams had been considered to be sharpshooters for 3 years in a row. They were the team of the Thu Do Regiment and that of the Bac Bac Regiment. The contest was composed of three parts: Joint action by the entire team in preparation for combat, coordinated movement of the vehicle to shoot airborne targets according to system 4, and equipment maintenance. The Bac Bac Regiment's team--who hit the targets with three bullets during the firing practice--was rated as the better competitor in fulfilling all these three parts of the contest. The moves made by the members of this team were accurate, smooth and orderly according to regulations. It took only 2 seconds from the time team leader Vu Xuan Dinh issued the order to the moment the scanner caught the targets. The close and rhythmic coordination and synchronization existing between the team leader, scanner and vehicle driver constituted very important factors conducive to victory.

9332

CSO: 4209/270

MILITARY AFFAIRS AND PUBLIC SECURITY

MOBILIZATION PRACTICE IN CAPITAL MILITARY REGION REPORTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Feb 82 pp 1, 4

[Article by Quang Anh: "Capital Military Region Practices Mobilization of Reservists, Commanders and Organs"]

[Text] The Capital Military Region recently organized a phase of practice during which troops were shifted to a combat-ready stand, reservists mobilized and commanders and organs subjected to open field training.

Because they had been aware of the objectives, requirements and meaning of the training aimed at raising their level of and capabilities for combat readiness--, when the order for the shift in stand was issued, the commanders, organs, cadres and soldiers participating in the practice were able to implement regulations quickly to adapt themselves to the new conditions, to prepare their weapons, technical equipment and individual gears and to move to the open field for the military operation while assuring absolute safety.

As a result of the practice of mobilizing reservists, commanders and organs, it was initially possible to visualize a uniform plan for mobilizing reservists and forming new units, to understand the mission of each organ with regard to mobilization in wartime under combat circumstances, and to learn the method of making out documents and dispatch notes and issuing mobilization orders and taking specific dispositions to ensure that these documents reached the persons to be mobilized.

On arrival in the open field, --despite definite difficulties with the living and working conditions but with their will to carry out the practice under circumstances most closely related to combat realities--, the participating cadres and soldiers actively overcame these difficulties and made the necessary preparations such as digging trenches and installing signal, liaison and night lighting systems... to ensure that the practice carried out at the field command post conformed to the specified requirements.

By coping with different situations, commanders further enhanced their ability to direct the various organs and units to carry out the combat campaign according to the set goals and became more conversant with the application of combat methods and with the way to use weapons, technical equipment and fire power and to do fighting according to the military line and art of the party.

Through the practice, organs, assistants and the personnel were able to visualize the total volume of work to be done, to clearly understand their responsibilities and to learn to make out documents, to draw up combat plans, maps and statistical charts and to help commanders conduct the campaign according to the fixed timetable and requirements.

After many days of practice, the military region organized an evaluation session to accurately assess the good points, shortcomings and weaknesses of each individual and organ--from the commander in chief to soldiers and technicians--and to formulate guidelines for further study and training aimed at continuously raising the combat-readiness level and capabilities.

9332

CSO: 4209/270

MILITARY AFFAIRS AND PUBLIC SECURITY

SUPPLY CORPORATION PERSONNEL PUNISHED FOR BRIBERY

Hanoi HANOI MOI in Vietnamese 1 Mar 83 p 4

[Text] From 21 to 24 February, the Municipal People's Court held a first instance session to try openly the case of Tong Cong Binh and his accomplices on charge of offering and taking bribes.

Following is a summary of the case:

--Both Tong Cong Binh and Vi Van Bao were employees of the Supply Bureau of the Supply Corporation of the Thang Long Bridge Enterprises Combine.

--From 1976 to 1980, Binh and Bao were entrusted with the task of going to various localities to buy cheap, nondurable goods for the enterprise such as bamboo baskets, ropes, carrying poles, mattock handles, gunny sacks, etc. At the instigation of Supply Bureau chief Huynh Phi Long, whenever they purchased goods, these two men asked money from the sellers named Bui Dac Vuong, Duong Van Khang, Pham Van Uy and Do Van Khai and many others under the pretext that these dealers would be allowed to sell their goods only if they complied with their request. Binh received bribes amounting to more than 50,000 dong and Bao 13,500 dong.

Of the money received as bribes, these two men shared out 11,800 dong to Huynh Phi Long and about 5,000 dong each to Le Nhat, chief of the Financial Affairs Bureau, and Phan Van Huong, an employee in charge of cutting out checks and transferring money.

The persons guilty of offering bribes were Bui Dac Vuong, Duong Van Khang, Pham Van Uy and Do Van Khai who used money to bribe the supply bureau personnel many times in order to be able to sell large quantities of goods and make a great profit.

Because he bought goods from outsiders and then sold them to the enterprise, a salesclerk at a metal goods counter in the Mo market also bribed Vi Van Bao with 1,600 dong.

To cope with the monetary management by the bank, these traders bribed cadres with relevant responsibilities in nearly 20 organs subordinate to the provinces of Ha Son Binh, Ha Bac, Ha Nam Ninh and Hai Hung and to the city of Hanoi in order to be allowed to use the current amounts of these organs and then to transfer the state money thereto, thus creating conditions for them to withdraw large amounts of cash.

Tong Cong Binh used the illegally collected money to buy 14.5 taels of gold, 1 50 [--cc] Honda woman motorbike, 1 sewing machine and many other utensils.

This is a major bribery case because it involved many serious circumstances, because the culprits committed crimes in an organized manner and repeatedly asked for, received and offered bribes and because these acts had a very bad influence.

Considering the gravity of each culprit's crime, the court handed down the following sentences:

-Tong Cong Binh, 13 years in prison.

--Huynh Phi Long, 8 years in prison.

--Vi Van Bao, Bui Dac Vuong and Duong Van Khang, each 6 years in prison.

--From 8 months to 4 years in prison to each of 5 other culprits because their crimes were less serious.

In addition, Binh was fined 70,000 dong and each of 4 other culprits was fined between 8,000 and 30,000 dong.

All the property which Binh bought with his illegal income together with the money received as bribes by the other culprits would be forcibly returned to the public fund.

9332

CSO: 4209/324

INTERNATIONAL RELATIONS, TRADE AND AID

ARTICLE DEALS WITH FLOURISHING TRADE WITH SOVIET UNION

Hanoi NHAN DAN in Vietnamese 14 Mar 83 p 2

[Article by Foreign Trade Minister Le Khac: "Vietnam-Soviet Union Commercial Relations Grow and Expand Everyday"]

[Text] Exactly 25 years ago, on 12 March 1958, the Commercial and Maritime Agreement between Vietnam and the Soviet Union was signed in Hanoi.

Through the proud but challenging historical stages in the past 25 years, the commercial and maritime relations between the 2 countries have not ceased to be consolidated and developed.

In the late 1950's, implementing the economic and commercial agreements between the 2 countries, the Soviet Union helped us to quickly overcome the serious aftermaths of 9 years of resistance against the French colonialists and to restore and build 33 industrial enterprises and agricultural construction projects. A series of old installations were restored and expanded; many new installations, including the Hanoi Machine Works, the first child of our country's machine-manufacturing sector, were built. In the same period, the Soviet Union helped us to train our first scientific and technical and economic management cadres.

As we entered the first 5-year (1961-1965) plan, on the basis of the agreement signed on 23 December 1960, we received a great assistance from the Soviet Union in many aspects -- financial, economic and technical. With such an assistance, by the end of 1964, we improved and built more than 90 enterprises and projects in many sectors of the national economy.

In the 1965-1972 period, in which the American imperialists extended the war to both parts of the country, many new agreements on Soviet assistance to our country were signed. According to those agreements, a series of machine enterprises and medium and small repair installations and a network of

stationary and mobile diesel power-generating stations were built, thus providing the local industries with more energy and on-the-spot rear service for the resistance against America for national salvation.

After the American imperialists had been defeated and forced to sign the Paris agreement on ending the war and restoring peace in Vietnam (in January 1973), the party and government of the Soviet Union, knowing our people's difficulties, declared that they were writing off all of the debts Vietnam owed them up to that time and at the same time would continue to provide us with economic and technical aid to allow us to heal the war wounds and to restore and develop our economy.

According to the agreement signed by the 2 countries on 18 December 1975, the Soviet Union agreed to help us to build more than 40 projects in such sectors as energy, engineering, chemistry, agriculture, communications and transportation, culture, education, etc., including such important ones as the Hoa Binh hydroelectric power plant, with a capacity of 1,920 megawatts; Pha Lai thermoelectric power plant, with a capacity of 640 megawatts; Vang Danh coal mine, with output being boosted from 1.8 to 3 million tons per year; Cao Son coal mine, from 2 to 3 million tons per year; nitrate fertilizer- and soda-manufacturing plants; and many factories making engines and parts.

The Vietnam-Soviet Union friendship and cooperation treaty, signed on 3 November 1978, marked an extremely important development of strategic significance in the relations between the 2 countries and brought to our people an extremely great new strength for the construction and defense of our fatherland. The 10-year long-term economic agreement signed on 3 November 1978 further extended the overall cooperation between the 2 countries. Right after the Beijing expansionists had launched an aggressive war against our country, the Soviet Union helped us in time to stabilize the standard of living; to restore the economic, cultural, educational and public health installations that had been destroyed; and to continue to build the projects that the reactionaries in the Beijing ruling clique had left unfinished, such as Thang Long Bridge across the Red River, the Hanoi railway terminal and the Hanoi-Haiphong railway line.

In the third 5-year (1981-1985) plan, on the basis of the agreement on economic and technical cooperation, the Soviet Union has accepted to assist us in making studies, planning and improvement for and building dozens of projects, including many important ones like the Tri An hydroelectric power plant, with a capacity of 280 megawatts; the network of transmission lines of Pha Lai Electric Power Plant; the coal mines of Na Duong, Mao Khe, Lang Cam, Be and Hong mountains; a number of coal-sorting and -washing factories; Chua Ve Harbor; the Hanoi-Lao Cai railway line, etc.

In addition to the great economic assistance mentioned above, the Vietnam-Soviet Union commercial relations did not cease to be consolidated and extended, not only for the interests of the two countries but also for the growth of the socialist community. These are not normal trade relations but rather the cooperation and mutual-help relationships based on the spirit of proletarian internationalism and mutual consideration and understanding. In such a spirit, the Soviet Union has granted us many important privileges in all matters related to our commercial and maritime activities, thus creating favorable conditions for helping us to exploit the great potential capabilities of the tropical agriculture and forestry, the abundant sources of labor and the rich natural resources in order to expand our export. On the other hand, in the form of giving us raw materials and taking back finished products, such as textile goods, clothing, woolen rugs, etc., it has also helped us to provide tens of thousands of laborers with jobs.

Through cooperation in agricultural and industrial production, the Soviet Union has been assisting us in creating new goods for export, particularly the lines of goods that are of high value, large volume and good quality and are attractive in the international market. The two countries have cooperated with each other in the planting and processing of many tropical industrial crops, such as rubber, tea, coffee, pineapple, medicinal plants, etc.; the exploitation and processing of timber; the exploitation of resources from the sea; and the exploitation and processing of a number of useful minerals, particularly in the exploitation of oil and gas in the continental shelf of the southern part of our country.

In the field of import, the Soviet Union has been satisfying most of our most urgent needs, such as fuels, equipment, materials and the main consumer goods, and helping us to maintain and develop production and to stabilize the standard of living under the conditions of our economy still encountering many great difficulties and a serious lack of balance in many aspects -- the aftermaths of decades of bitter war.

Based on the results of a coordination of the national economic plans, the long-term goods exchange agreement signed for the 1981-1985 period has increased by 1.8 times the value of import and export between the 2 countries as compared to the 5-year period of 1976-1980, in which Vietnam's export to the Soviet Union was raised by 2.8 times. In the first 2 years of the agreement (1981-1982), the import and export between the 2 countries was steadily and surely developed. In 1982 alone, the value of our export to the Soviet Union was increased by 50 percent compared to 1980.

The lively and rich realities in our country's commercial relations with foreign countries have shown that for our country, the Soviet Union is a market

of strategic significance, a large and stable market for our exported goods and at the same time a steady and stable market that satisfies many of our essential and important needs for imported goods. In our country's foreign trade, our import-export relations with the Soviet Union always hold a leading and most important position, with exports to the Soviet Union accounting for more than 50 percent of the total value of our export. The fact that we have ceaselessly extended the commercial relations with the Soviet Union and linked ourselves closely to the Soviet market has been creating steady and favorable conditions for us to develop Vietnam's foreign trade and helping us to step up production, to develop the economy, to stabilize and improve the standard of living and to fulfill the very important task of the foreign trade sector in particular and of the foreign economic relations in general toward the socialist construction in our country, particularly the socialist industrialization -- the central task in the entire period of transition.

In our economic and commercial relations with other countries, the strategic principle and primary direction that the 5th Party Congress has recommended for our party and state are as follows: To extend and strengthen the total cooperation with the Soviet Union and to develop the cooperation with the CEMA countries, along the line of socialist economic alliance and active participation in the international labor process; to turn production into a specialized and cooperative undertaking in the appropriate fields; to extend the total cooperation and mutual assistance with Laos and Kampuchea in order to develop the economic potential of each country; and at the same time, to expand in an appropriate manner the economic relations with countries outside of the socialist system.

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CSO: 4209/323

INTERNATIONAL RELATIONS, TRADE AND AID

NEW REGULATIONS ON MONEY TRANSFER, GIFT SHIPMENT TO VIETNAM EXPOUNDED

Paris DOAN KET in Vietnamese No 346 Mar 83 pp 2-3

[Text] Money Transfer

We received the new regulations on the transfer of money to our country when the present magazine issue was still being in the printing process. Following is a summary of the principal points:

Effective Date

The new policy will be applied as of 1 March 1983.

Exchange Rate

The official exchange rate plus the money reward is fixed as follows:

--U.S.\$ 1.00 is equivalent to 40 Vietnamese dong.

--French Fr 1.00 is equivalent to 5.87 Vietnamese dong.

At the same time and also as of 1 March 1983, the policy of issuing "certificates of foreign currency exchange" enabling the holders to buy merchandise will no longer be applied.

Limitation on Amount of Money To Be Received by Relatives Residing at Home

Each individual residing in either Hanoi or Ho Chi Minh City will be allowed to receive during each quarter (3 months) an amount of money not exceeding 6,000 dong (that is, not more than 1,022 French francs according to the current rate) for once or in several times.

Each individual residing in the provinces or other cities will be allowed to receive during each quarter not more than 4,500 dong (that is, not more than 766 French francs).

In case of emergency (such as funeral, wedding, house repair or purchase, illness, etc.) and with the local administration's confirmation, each individual may receive two extra special amounts of money not exceeding 10,000 dong each during the course of a year.

If the money sent to the country exceeded the above-mentioned limits, the excess money will be transferred to a bank deposit account called "Money Transferred from Abroad" account. This excess-money deposit will be entitled to a yearly interest rate of 6 percent which may be withdrawn without any limitation.

There will also be no limitation if the money deposit owner wants to withdraw his money to share his capital either with the state for production and business purposes or with other individuals for the purpose of founding an industrial production-consumption cooperative.

Money Transfer Formalities

There is no change in the current money transfer formalities: Money may be sent through the agency of the French banks or the Vina-Paris Company under the form of "Packages T" which are valued at 500 French francs each. Overseas Vietnamese may use dispatch notes issued by Vina-Paris to transfer money through the medium of any branch whatever of the Paris National Bank [Banque Nationale de Paris]. The use of the Vina-Paris dispatch notes will have three advantages over the direct transfer through the banks:

--The receipts may be used [by the sender residing in France] to claim a reduction in his yearly income tax (as if the money transfer were effected through a bank).

--The [sender's] relative [at home] will receive money quicker [than through the banks]--that is, in 3 or 4 weeks--owing to the direct telegraphic liaison between Vina-Paris and the domestic bank.

--In unexpected cases such as change of [the relative's] address or delivery [of the money transfer notice] to the wrong address [in Vietnam], Vina-Paris will obtain a direct answer from the Foreign Trade Bank [in Vietnam].

Gift Shipment

According to the latest news received by DOAN KET, as of 1 April 1983, the shipment of gifts to relatives residing at home will be subjected to the following regulations:

Number of Shipments and Limitations

Tax Exemption: Each household will be entitled to receive gifts without having to pay tax three times a year provided the value of each gift package received each time does not exceed 2,000 dong (at the prices to be fixed periodically by the Ministry of Foreign Trade).

Taxation: In each of the above-mentioned times, if the value of the gift package exceeds 2,000 dong, the recipient shall pay tax on the excess value.

Confiscatory Purchase: If the gift package contents are composed mainly of a few types of goods in large quantities, the recipient will be entitled to

receive only a fixed quantity and the remainder will be subjected to confiscatory purchase [by the state].

Beginning with the fourth gift package to be received during the course of a year, the recipient shall pay tax and sell this batch of merchandises at the confiscatory purchase price to the state.

Authorized and Forbidden Goods

--If the gift is composed of production means (machines, equipment, raw materials, etc.) destined to be sold to various organs in the country, it will be exempted from import tax and the number of shipments will not be limited. If the recipient receives it for personal use, he shall pay tax (very light, only about 10 percent of its value).

--The following goods are tax-exempt: Artificial limbs, hearing aids for the deaf, tools designed for invalids, etc.

--The following goods are tax-exempt but an authorization by the Ministry of Culture must be obtained beforehand: Various kinds of books, newspapers and cultural products including prayer books, rosaries, religious pictures and statues, etc.

--The following goods are tax-exempt but shall go through the epidemic control organ: Various types of plant cuttings, seeds, medicinal plants, etc.

--A small amount of tax will be levied on staple goods such as western medicines, fabrics, etc. if they are in reasonable quantities just enough for a household's use.

--Luxury articles will be subjected to a heavy tax.

Concerning the list of 14 forbidden types of goods (which will be published later on by DOAN KET), attention must be paid to cigarettes, used clothes, clothes printed with drawings and letters incompatible with the Vietnamese good morals and customs, and all types of canned products.

Merchandise Reception Procedures and Organizational Period

Each household in Vietnam desiring to receive either gifts or money regularly shall apply for an authorization by the provincial or municipal People's Committee in order to be issued a money or merchandise receipt book.

To our knowledge, the issuance of such books in large cities such as Hanoi and Ho Chi Minh City will be feasible only at the beginning of May 1983 at the earliest.

9332

CSO: 4209/311

PARTY ACTIVITIES AND GOVERNMENT

RESOLUTION OF HANOI PEOPLE'S COUNCIL ON SOCIOECONOMIC TASKS

Hanoi HANOI MOI in Vietnamese 26 Feb 83 pp 1, 4

[Text] The Eighty Municipal People's Council in its Eighty Session--after hearing the Municipal People's Committee report on the state of implementation of the state plan and budget for 1982 and on the planned socioeconomic tasks and draft budget for 1983 and after hearing a briefing by the Budget Planning Committee of the People's Committee and the opinions of delegates--passes the following RESOLUTION:

The Municipal People's Council warmly praises the cadres, manual and office workers, armed forces and laboring people in the capital for making great efforts to overcome difficulties and to utilize all potentials to carry out successfully the 1982 socioeconomic plan of the city. The Municipal People's Council approves the 1983 missions and requests all sectors at all levels in the city to develop advantageous points and to overcome weaknesses in order to implement the 1983 socioeconomic plan successfully.

1. Compared with 1982, the gross output value of industry, small industry and handicrafts in 1983 must increase by 15.7 percent including 13 percent for local industry, 21 percent for consumer industrial goods and 32 percent for export industrial goods.

In the field of industrial production, it is necessary to consider it highly important to raise the quality of products, the aesthetic aspect of industrial goods and economic effectiveness. To this end, we must transform and perfect the socialist production relationships, intensify the movement for technical application and improvement and continue to inspire and develop the socialist spirit of collective ownership among workers and laborers employed in the handicrafts sector. There is a need to strengthen the coordination of production activities between centrally run and local enterprises and between small industry and handicrafts cooperatives and production teams, on the one hand, and household and individual handicrafts, on the other, and to expand the economic relationships between the city and the provinces and between Hanoi industry and the industry in other cities. In-depth investments must be made to broaden the production scope of enterprises and cooperatives and simultaneously to build an additional number of new installations.

2. The agricultural sector must strive hard to increase the volume of grain, food products and raw materials for industry and also the volume of export goods. In comparison with 1982, grain output in 1983 must increase by 3 to 8 percent and importance must be attached to the intensive cultivation of corn to increase the yield of this crop. The herds of hogs, buffaloes and cattle must increase by 12.5, 3.3 and 20 percent respectively. Attention must be paid to developing various handicrafts in the agricultural sector. The Uncle Ho's orchards and fish ponds movement and the mulberry planting and sericultural movement must both be developed strongly. Some 40,000 tons of grain obligation must be delivered to the state and another 25,000 tons must be purchased at the incentive price [for the state]. It is necessary to purchase 90,000 tons of vegetables, 13,000 tons of pork, 2,500 tons of fish, 2,000 tons of cigarettes, 2,000 tons of peanuts, 1,300 tons of kenaf and 330 tons of silkworm cocoons. Efforts must be concentrated on completing 13 small-sized water conservancy works and on urgently formulating an economic-technical project for the Thanh Diem pump station.

It is necessary to launch vigorously a movement for the application and improvement of technique in crop cultivation and animal husbandry, to continue to improve the system of product contract with laboring groups and individuals and to go on educating the collectivized peasants and imbuing them with the spirit of collective ownership. The policy of letting out animal husbandry on contract with cooperative members' households must be implemented and the decline in animal husbandry among cooperatives firmly overcome.

3. The value of export goods must increase by 76 percent [over 1982] including a 2.1-fold increase in the locally manufactured export goods.

4. It is necessary to transform infrastructural installations and, at the same time, to build new ones homogeneously in order to better promote the people's life and simultaneously contribute gradually to renovating the architectural appearance of the city. House construction by the people must be guided and managed and the habit of building houses unlawfully must be eliminated firmly.

--Houses with a total area of 80,000 square meters must be built or reformed.

--It is necessary to plan and build some villages of a new type and to begin by building village centers.

--The electric power distribution network must be reformed and the repairs to the public lighting network completed as soon as possible.

--The plan for a continuous solution to the problem of water supply, drainage and sanitation must be implemented.

--The implementation of the bridge and road construction plan must be considered important.

--The greatest attention must be paid to the application of the "joint efforts of both the state and people and of the city, precincts, districts, wards and villages" slogan in order to build more child-care centers, kindergartens, classrooms, public health stations and clubs...

5. Compared with 1982, the long- and short-distance transport volumes assumed by the city must increase by 13 to 25 percent respectively.

6. Special attention must be paid to strengthening the socialist battleground on the circulation and distribution front. It is necessary to strengthen the state commercial sector and marketing cooperatives, to step up the purchase and control of sources of goods, to revamp the distribution task, to master the market and to oppose the practice of buying and selling at high prices according to the free market. Collectivized peasants, handicrafts cooperative members and individual handicrafts producers must sell their products to marketing cooperatives according to contracts and at the (directed) incentive prices. The financial, banking, pricing and commercial sectors must carry out their activities intensively and homogeneously to contribute to developing production, strengthening the socialist battleground, stabilizing the economic situation and rationally regulating the incomes of various strata.

The total volume of retail sale must increase by 1.2 percent on the social market and by 15.9 percent on the organized one. It is necessary to see that goods are supplied in the specified quantities to cadres, manual and office workers and the armed forces and that various types of goods are supplied at the directed, stable retail prices to handicraftsmen having economic relationships with the state. Efforts must be made to provide certain staple commodities for collectivized peasants.

Small traders and persons engaged in the restaurant, service and repair business must be organized under appropriate forms and placed under intensive management and guidance so that they may do business in a legitimate manner and contribute to promoting the people's life; speculation and price hike must be opposed and a number of small traders transferred to the production field.

7. The natural population growth rate must be lowered to 1.7 percent. The city, precincts, districts, wards, villages, state organs, enterprises and cooperatives must draw up plans to assign labor to develop production in the small industry, handicrafts, construction, industrial and agricultural sectors in the city and provinces and also to solve the employment problem for persons reaching the working age.

Adjustments must be made to reduce the staff of materially unproductive administrative organs in order [to transfer them] to reinforce basic installations and the production sector.

8. The total budget income of the entire city must increase by 8.4 percent. Efforts must be exerted to fulfill the revenue plan and to ward off any failure in tax collection. To increase the budget income,

enterprises must set and implement norms of reduction in production expenses and manufacturing cost and must strictly practice thrift in making expenditures.

9. Every installation and sector must draw up a plan for scientific-technical research and application while the city must have a scientific-technical cooperation program aimed at resolving the most pressing problems arising from production, life and socioeconomic management.

10. In the field of general education, the "two goods" emulation movement must be expanded continuously. Overall education must be improved qualitatively with special attention to be paid to intensifying political and ethical education and the teaching of general technique in general schools. Schools designed to develop special aptitudes must be strengthened. The people and all installations must be continuously motivated to join the state in taking care of schools and preserving and repairing them. It is necessary for vocational middle schools and other vocational training schools in the city to improve their curricula, to increase the number of their teaching cadres and to add more material facilities.

The mass movement for literary, artistic, physical education and sports activities must be developed vigorously among enterprises, organs, wards and villages. A sound organization is necessary to fully use clubs, meeting halls and the existing playgrounds. A contingent of actors, actresses and athletes must be trained and then given advanced training. Youths and teenagers must be motivated to write and compose literary and artistic works.

All cultural activities in the city must be managed uniformly and more rigorously. Firmness must be displayed in opposing reactionary and depraved cultural products and in fighting against superstitions while strongly developing national arts and letters as well as all wholesome cultural activities. The new life style and new culture family movement must become a real mass movement aimed at building up a refined life style accompanied by order, sanitation and obedience to the law.

The "three sanitations" project and the movement to grow and process traditional medicinal plants in the suburbs must be broadened continuously. The public health network at the grassroots level in enterprises, organs, wards and villages must be developed and consolidated. Special attention must be paid to improving the organization of hospitals and to enhancing the spirit of service to patients. It is necessary to soundly coordinate the treatment of inpatients with that of outpatients, to increase the number of patient beds in village public health stations, to control medicine distribution tightly and also to strengthen child-care centers and to train and improve female keepers and teachers.

It is important to take care of the families of fallen heroes and disabled veterans, of families who had rendered a meritorious service to the revolution and also of old persons having no close relatives.

11. The mass movement for public order and security and social safety must be promoted continuously and vigorously. Persons guilty of criminal offenses, speculation, smuggling and counterfeiting must be firmly punished.

The mobilization plan for military obligation must be carried out satisfactorily and care must be taken of the armed forces' life. It is necessary to regularly train the militia and self-defense forces and to educate the armed forces to heighten their vigilance and combat readiness.

It is necessary to employ all instruments and mass organizations to carry out propaganda to disseminate the law among the people. The examination of complaints and denunciations must be reorganized and these cases solved promptly and in equity. The organization of a legislative system at every level and in every sector must be completed.

12. Under the leadership of the party committees at the municipal and other levels, the administration and mass organizations must carry out uniform activities to step up the mass revolutionary movement aimed at simultaneously conducting the three revolutions, the emulation movement for productive labor and thrift, the movement for the defense of the fatherland's security and social order and security as well as the movement to build a new life style and new- culture families.

The decentralization of precincts and districts must be implemented strictly. It is necessary to review the building of the district level in a pilot district and then extend this task to other districts, to reinforce cadres at the ward level and to continuously increase the number of cadres to strengthen production, business, educational, cultural and public health installations... Supplementary education in policies and law must be provided for administrative and economic management cadres and attention paid to the necessity of training legislative cadres.

Every manual and intellectual laborer and every responsible cadre must develop their initiatives, creativeness and sense of organization and discipline with the aim of successfully implementing the resolution of the Ninth Congress of the Municipal Party Organization and the resolution of the Political Bureau on the tasks of the capital city of Hanoi.

For the Presidium: (signed) Tran Vi

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CSO: 4209/324

ECONOMIC PLANNING, TRADE AND FINANCE

STRUGGLE AGAINST ILLEGAL TRADERS IN HOAN KIEM PRECINCT SCORES SUCCESS

Hanoi QUAN DOI NHAN DAN in Vietnamese 10 Feb 83 p 3

[Article by Ngo Anh: "Hoan Kiem Precinct Strives to Reestablish Order in the Market"]

[Text] In Hoan Kiem Precinct (Hanoi) as well as in many other areas, the free market has recently expanded in an unorganized manner without complying with any regulation and law. To eliminate the current disorder in the market (including the organized and free market), Hoan Kiem Precinct has been taking many energetic and uniform measures to manage the market with a view to bringing about a change in the situation on the distribution and circulation front.

Close Coordination, Uniform Deployment

In pursuance of the Council of Ministers' directive on the registration of industrial-commercial business and service activities, the Hoan Kiem Precinct People's Committee has immediately set up a Market Management Guidance Committee chaired by the [People's] Committee vice chairman. The vice chairmen of the Guidance Committee include the chief of the Commercial Bureau, the deputy commander of the District Public Security Station, the deputy chiefs of the Food and Industrial-Commercial Tax Bureaus and the director of the Restaurants Corporation.

The precinct has drawn up a plan to manage the market periodically and to concentrate on each spot in executing this plan. The Commercial Bureau and the Industrial-Commercial Tax Bureau have strengthened their forces, organized teams to watch out for and detect smuggling hubs and illegal goods caches so as to take prompt action and have also coordinated with the public security force to intensify control at communication centers, harbors and bus stations in order to limit and ultimately stop the illegal trading of commodities from other places into the city. The bureaus have also assigned qualified financial-commercial cadres with a sense of responsibility to coordinate closely with market management boards and the ward administration to carry out investigations, to make a list of every unregistered household with the type and volume of goods it is dealing in and to examine its status prior to issuing a business registration certificate.

The management boards of the Dong Xuan, Bac Qua, Cua Nam, Hang Be and Hang Da markets have intensified the supervision and management of traders and have geared their activities to the right direction. At the same time, market management boards have been set up in various wards and are carrying out activities to assist the precinct market management teams in promptly dealing with illegal traders and in motivating the people to participate in the education of and struggle against persons who deliberately infringe the business registration regulations.

By uniformly taking managerial measures, Hoan Kiem Precinct has recently begun to rearrange commodity exchange points to make them neat, clean and good-looking. The 19-12 market and the Gam Cau [Under the Bridge] textile market have been created. The textile market has attracted over 200 trading households and has paid 200,000 dong of tax to the state in the past 2 months. The Commercial Bureau has completed the rearrangement of buying and selling sections in the 19-12 market which has been collecting 75,000 dong of fees per month [from traders]. That is one of the measures designed to make up for the industrial-commercial taxes which had not yet been paid to the state. Simultaneously with reorganizing the various sections in markets, market management teams have proceeded to break up the meeting places of hand-to-hand dealers and to disband the illegal traders gathering in front of state store counters. In addition, they have inspected the posting up of price lists and the sale of goods according to the published prices by commercial households, especially by those who render services such as dressmaking, laundry and ironing, keeping bicycle parking lots, doing certain works on contract and so on.

A preliminary survey has revealed that there are now in Hoan Kiem Precinct over 6,400 traders including about 4,700 ones who have already registered their business activities. Over the past 9 months, by closely coordinating with various sectors at all levels to carry out market management, Hoan Kiem Precinct has taken action against 2,353 cases of illegal dealings and business valued at 5,404,350 dong, fined 4,000-odd cases 708,350 dong, paid this amount of money to the state budget, uncovered many households who had made false declarations about their business turnover to evade taxes, and collected for the state's benefit a further 3,390,250 dong of overdue taxes.

Struggle Against Speculation, Smuggling and Counterfeiting

Simultaneously with managing business activities in various markets, Hoan Kiem Precinct has urgently conducted a struggle against speculators, smugglers and counterfeiters. To carry out this task satisfactorily, the various sectors at all levels in the precinct such as the Public Security Station, the Industrial-Commercial Tax Bureau, the Commercial Bureau and the People's Committees in various wards have coordinated their activities according to a common plan.

In this respect, the economic security unit has played the most important role by exercising an in-depth control to detect and foil attempts to establish connections to steal state-owned merchandises and sneak them out into the market. Efforts have been exerted to uncover and severely deal with producers, keepers and sellers of bogus goods and also to investigate and expose persons

speculating in and smuggling state-managed materials and goods such as gold, foreign currency, opium, and firecrackers...

Upholding the view that "all trading transactions aimed at making a profit are considered to be speculation and exploitation," the Hoan Kiem Precinct Party and People's Committees and mass organizations such as the Women's and Youth Unions chapter and the trade-union local in every ward have organized wide-spread education and propaganda to disseminate the party and state policy and regulations on market management to dissuade all party members, cadres and union members from taking part in illegal commercial and business activities. To step up market management and simultaneously with performing the educational task to inculcate the sense of responsibility into everyone, the Hoan Kiem Precinct Market Management Board has also promulgated a policy to congratulate and reward meritorious persons instrumental in discovering counterfeit goods. The chairman of the Precinct Market Management Board Guidance Committee has announced that over the past few days the precinct caught 10 cases one of which involved 290 firecracker boxes and 30 parcels of cigarette paper weighing 5 kgs each. Some more serious cases were the discovery of 4.7 kgs of bogus modern medicines in Hang Buon [Street] and the seizure of 10 kgs of white chemical used by counterfeiters to prepare western medicines (investigations still being conducted to see whether the chemical is genuine or false).

It was also during the past week that the market management forces of the precinct caught persons using canteen books to buy 155 woolen sweaters and then selling 50 of them to illegal dealers for 13,000 dong right in front of a department store.

In the Dong Xuan market, public security agents in conjunction with other forces seized many bogus goods such as flashlight batteries, woolen sweaters, tea, medicines, etc. These proofs are being "exhibited" at a store counter in order to arouse everyone's vigilance.

After deploying their forces to carry out their mission for a week, the public security, commercial and financial sectors working in close cooperation have launched attacks on key areas, uncovered ringleaders, caught and dealt with 50 cases of speculation, smuggling and counterfeiting.

From these results we can draw the following lesson: If every precinct manages the market as satisfactorily as Hoan Kiem Precinct, the prices of goods in the city will certainly be less disrupted and the distribution and circulation task will surely be stabilized. The experiences drawn from Hoan Kiem Precinct have also demonstrated that to carry out market management satisfactorily, it is absolutely necessary to form at all costs a contingent of incorruptible, highly responsible and professionally skilled cadres and to entrust them with this difficult and complex task.

After obtaining these initial results, Hoan Kiem Precinct is continuing to closely coordinate the activities of various sectors in the precinct in order to quickly reestablish order in the precinct market, thereby contributing to reestablishing discipline in the entire city's market.

ECONOMIC PLANNING, TRADE AND FINANCE

SUPPLY OF RICE, PORK, FISH DIMINISHED AFTER TET

Hanoi HANOI MOI in Vietnamese 25 Feb 83 p 3

[Article by Nguyen Thi Huong, of Hoan Kiem Precinct, in "Customers' Opinion" Column: "Service Should Be Better after the Tet"]

[Text] After the 3 Tet holidays, certain commodities such as rice, pork, fish and vegetables have become a pressing problem in daily life. If one visits various markets, one will easily notice that the prices of rice, meat and fish tend to rise gradually. Generally speaking, by mid-February, the amount of rice sold [to the people] in many precincts represents only about 22 to 30 percent of the supply standards. This is due to difficulties with the sources of goods. At present, the grain sector is still urgently receiving commodities in order to sell them afterward. Though food stores have reopened since the second day of the Tet to sell pork and fish, the amount of food products for sale has not yet met the demand. As late as the eighth and ninth day of the first lunar month, food stores have not yet had fresh pork for sale while pork can be found easily at an exorbitant price in the free market. On the contrary, pork of fairly good quality is available at the price of about 70 dong per kilogram in some suburban markets such as Dong Anh and Gia Lam. We have heard that after the Tet holidays, many people in some suburban villages have sold hogs or slaughtered them for sale at the markets for 50 to 55 dong a kilogram of meat on the hoof.

At present, the price of pork on the hoof is between 63 and 65 dong per kilogram in the urban areas of the city. Had the Food Corporation promptly purchased hogs or brought back into the city the hogs previously entrusted to the [suburban] people [for rearing] and then put up fresh pork for sale, the market price could have been lowered. Moreover, processed meat such as pork pie and fried and roasted pork which were sold only in small quantities during the Tet holidays by state stores are now found in even smaller quantities. If there are more meat for sale at the retail price and more processed meat, private traders will find it difficult to raise the market price.

In particular, the supply of fish is still insufficient in view of the demand. Since the seafish available are usually of a small size, the price of freshwater and sea fish sold in markets remains high--from 50 to 90 dong a kilogram depending on the type of fish. Though available now, fish is not as abundant as before the Tet.

Our opinion is that despite numerous difficulties, the commercial sector had organized a relatively good service before the Tet. Since there still are many difficulties after the Tet, the sector should exert greater efforts to help improve the two daily meals of laborers.

9332

CSO: 4209/324

AGRICULTURE

DAC LAC TO BOOST OVERALL STRENGTH, TO GROW MORE COFFEE

Hanoi NHAN DAN in Vietnamese 14 Mar 83 p 2

[Article by Phung Dieu: "Dac Lac To Develop Its Combined Strength, To Extend Coffee-Growing Area"]

[Text] On the agricultural production front, Dac Lac Province is basically capable of resolving the grain problem by itself, satisfying its people's food needs, making larger and larger contributions to the state every year and overcoming the perpetual threat of famine among the minority groups. This historic victory creates the material base for growing more industrial crops and developing other production sectors, mostly promoting a vigorous development of the coffee crop in many forms. That is the key task to be fulfilled by the Dac Lac party organization and people in the coming years, for the purpose of quickly boosting the production and export capacity with ever increasing economic effectiveness and exploiting the province's potential capabilities in order to boost its industrial crops-based strength. Nearly 200,000 people from other provinces having come here to build new economic zones and more than 50,000 people from the minorities in the province having given up the practice of destroying forest land and turning it into slash-burn upland field have started to work collectively and have created sources of labor and grain to extend the coffee-growing area by tens of thousands of hectares. The fact that the above-mentioned achievements have been scored actually was due to very great efforts to overcome difficulties and hardships on the part of cadres and people in both their concept and action, under the close leadership of the party committee echelons and local administrations in the province. They were the results of a serious implementation and creative application of the correct state and party line to the production realities in a manner suitable for the characteristics of a highland province in its first steps in the period of transition to socialism.

However, Dac Lac must try harder to move forward in order to continue to develop its strengths, to overcome the difficulties and weaknesses in production organization and leadership, to grow industrial crops on a larger scale,

to develop the strength of forestry and to build a new managerial mechanism for various sectors of the national economy.

Located in the heart of the high plateau of the Central Highlands, Dac Lac has an area of 1.98 million hectares, with over 700,000 hectares of red basalt soil. Its annual rainfall is over 2,000 millimeters; with flat surface features and the layer of crop-growing soil of over 70 centimeters, its conditions are suitable and favorable for short- and long-term industrial crops in general, and for coffee in particular, to grow nicely. The climatic and soil conditions of the province and its minority people's understanding of the revolution, industry and experience in growing industrial crops become its rich potential capabilities and open up new possibilities for a vigorous expansion of coffee growing on a large scale. Coffee is a kind of crop of great economic value and particularly of high export value. Although Dac Lac still has limited coffee-growing area and coffee production, it remains the leading province since it accounts for one-half of the total area and about 60 percent of the total value of export as nationwide figures. On the basis of its production realities and leadership over economic development in the past years, Dac Lac has obviously realized that the direction for it to take to get rich is to step up its planting such industrial crops as coffee, rubber, castor-oil plant, beans of various kinds, etc. and to create more commodities, among which coffee must be considered a leading crop of decisive importance capable of promoting a balanced, total and steady development of its economy. From the strength provided by industrial crops and coffee a new momentum can be created for the development of other economic sectors, the base of which is a stable production of grain. Dac Lac pays attention to extending the areas of wet rice crop and investing in intensive cultivation of wet and dry rice crops in the former slash-burn upland field; continuing to build high-yielding rice crop-growing zones in all villages and districts, for the purpose of providing enough grain on a district and provincial scale to satisfy the long-term need for grain; and striving to have a grain reserve to cope in time with any population increase in the province and the work force sent over as reinforcement from other localities. It continues to consolidate and expand the coffee-growing state farms, to strengthen and raise the capabilities of management and scientific and technical cadres and to quickly send them to the basic level where they will assume direct leadership over production, to bring ethnic minority people to these state farms to work as laborers and to ensure good growth and intensive cultivation wherever new land is used to grow coffee and new plants exist. Where conditions are favorable new state farms can be established on a rational production scale. And in the face of the need to grow more coffee in Dac Lac, responsibility must be positively required from the State Planning Commission and the central and local committees and sectors in connection with uniformly carrying out, supervising and running plans in order to serve production in time and in a realistic manner. The production installations in

the province are to make sure they are doing a profitable job when they extend the coffee-growing area, invest in intensive cultivation and build at any cost high-yielding coffee-growing zones. The coffee-growing state farms truly have a greater capacity to move forward than they used to have and deserve playing a key role and holding a leading position in the development of the collective and family-based economy.

The province is to adopt the product contract system, to sign economic contracts, to create a combined strength for extending the coffee-growing area and raising crop yield and output and to increase the contribution of products to society. The cooperatives and production collectives that operate under favorable land, labor and other conditions and particularly can overcome the water problem and be self-sufficient in water are urgently including the task of producing and doing business in coffee in their own production and business plans.

The family-based economy is a component of the socialist economy. In the actual situation in Dac Lac, i. e., while its material and technical base remains poor, the water conservancy works and processing machinery are still rudimentary and both the population and manpower are still small, the efforts to grow coffee on a large scale still encounter many difficulties and require more time. Therefore, it is necessary to have a new policy to encourage the people to step up planting coffee and practicing intensive cultivation of coffee in the form of family garden cultivation. In the last 5 years, the province as a whole had only 11,000 hectares of coffee. Both output and crop yield were still low. As an immediate step, the province has plans for extending coffee product contracts to organs, mass organizations, families of cadres and those families who still work on an individual basis. The areas to be assigned under such contracts can be up to a few hectares for a collective or family, depending on the available manpower. The collective and family sector delivers and sells all of its coffee to the state. On that basis the state adopts a rational policy to purchase products, to prepare sources of goods for signing two-way contracts and to pay proper attention to the interests of laborers. In so doing it encourages and mobilizes a larger number of laborers, as well as more capital, materials, labor skills, etc. from the people, for coffee growing; at the same time, this is a good measure to be taken to cover bald hills with vegetation and to quickly reduce the 700,000 hectares of fertile basalt soil that have not yet been fully exploited.

Dac Lac has more than 1.18 million hectares of forests and forest land, which account for nearly 70 percent of its total area. It is the province that has the largest forest reserve among the provinces in the Central Highlands and of all provinces in the country. But with 226,820 hectares of land that remain uncultivated, Dac Lac still has an extremely demanding task -- it must quickly cover

the bald hills to protect the soil and environment and to develop the forest-based economy. To achieve a combination of agriculture and forestry is a measure to overcome the backward crop-growing habits and a form of sound economic alliance in accordance with the motto, "The state and the people work together," and combining the central economy with the local economy within the locality. To plant coffee under the dense canopy of forests not only helps to fight soil erosion but also improves the soil and protects water sources. To plant trees on bald hills, as well as to plant coffee in uncultivated land, is to afforest and quickly cover bald hills with vegetation.

The province can combine its sources of capital and the tasks of its organizations in charge of the settlement of nomads with the new economy and forest-related capital in order to build up the new countryside, to establish cooperatives and production collectives of combined agriculture-forestry structure and at the same time to resolve by itself the grain problem and to do business in coffee and forestry and to increase its sources of income. Chu Pong, a village in Krong Buk District, is the province's typical example of achieving settled farming and settled life for the E De ethnic minority people. After the settlement was achieved, all villages have been able to build models of combined agriculture-forestry production with "four layers" of tree planting. Villagers not only know how to plant wet rice, to practice intensive cultivation of rice in the former slash-burn upland field, to afforest land and to improve and protect the existing forests, but also plant coffee to develop the garden-based economy. With a close economic alliance and active assistance from the E A Sup Forestry-Industry Federation, carrying out the motto, "The state and the people work together," the villages have been building the headquarters for their people's committees, stores, public health stations and day nurseries; building dams and reservoirs; and stepping up animal husbandry in order to practice intensive cultivation in hundreds of additional hectares of wet rice and coffee. Dac Lac has been striving to have more settled-farming-and-settled-life villages like Chu Pong and E A H'leo. The people of these villages have enough grain and more and more land for coffee growing, produce more and more coffee and maintain and protect hundreds of hectares of natural forests.

Dac Lac has vast land, a small population and rich potential capabilities, but it still faces many difficulties and shortages in terms of the material and technical base, machinery, water conservancy and mostly its work force and consumer goods. To achieve a close business association among villages, districts and sectors in the locality is a good measure of important significance in terms of distribution and regulation of labor and grain supply in vast and sparsely populated areas for the development of coffee growing. To extend the economic integration between the central sectors and the locality and between Dac Lac and the provinces in the Central Highlands and Region 5, Ho Chi Minh

City, etc. so as to complement one another with good aspects is to create a combined strength for development of the local economy on the basis of making it beneficial for all parties. This integration is reflected in their plans, the signing of economic contracts and a determination of the actual responsibility of each party, for the purpose of creating favorable conditions for all parties to step up the coffee production and business and to produce large quantities of raw materials for the processing industry and export. With an appropriate agriculture-forestry-industry economic structure, clear production guidelines and goals, firm and creative organizational measures and the concern of and assistance from the central sectors, every year Dac Lac can double or triple its coffee-growing area and coffee production.

5598

CSO: 4209/323

AGRICULTURE

SPRING RICE SEEDS SOWN IN RURAL HANOI, HIGH-YIELDING RICE PLANTED IN SONG BE

Hanoi QUAN DOI NHAN DAN in Vietnamese 10 Feb 82 p 1

[Text] VNA--Taking advantage of the warm sunshine, the rural districts of Hanoi have sown supplementary seeds on more than 1,000 hectares of hard soil to make up for the seedlings killed by a long, intense spell of cold weather. In rural Hanoi, large quantities of seedlings for this year's spring crop have died because of the cold weather but the planned allocation of rice varieties has not been upset since cooperatives have had laid in a stock of seeds. The agricultural committees in 12 districts and cities in rural Hanoi are directing cooperatives to sow late-spring seeds on more than 1,000 hectares to obtain enough seedlings for transplanting onto 50,000 hectares of 5th-month and spring rice during the most favorable season.

The Hanoi agricultural sector has assigned many technical cadres to important rice planting districts such as Dan Phuong, Hoai Duc, Phuc Tho, Thach That, Gia Lam, Me Linh and Soc Son to help cooperatives inspect and classify seedling fields and concentrate efforts to take care of them in order to ensure that all seedlings are of an equally good quality according to specifications prior to pulling them up and transplanting them. Last week, cooperatives in rural Hanoi continued to fertilize the spring seedlings. The irrigation networks in Dan Hoai, Phu Sa, Ap Bac, Nam Hong, Cong Thon and Xuan Phu have supplied enough water to irrigate seedling fields according to a scientific method, thus actively contributing to protecting over 14,000 hectares of spring seedlings from the cold weather. The Hanoi Municipal Vegetation Protection Station has also sent out cadres to help the districts.

During the winter-spring agricultural season this year, Song Be Province has sown and transplanted high-yielding rice varieties on 3,660 hectares mostly in Thuan An, Ben Cat and Tan Uyen Districts and in Song Be City. By the end of January 1983, these districts had completed this task in nearly half of their farming areas. While carrying out sowing and transplanting in the remaining winter-spring rice areas, these districts are considering it important to apply the intensive cultivation method to increase the rice output of the fields grown with high-yielding rice varieties.

On a priority basis, the province has supplied seeds, fertilizers, gasoline, oil and insecticides to the regions which grow high-yielding rice varieties and has made sure that, on the average, each hectare receives 90 kgs of oil

to fight drought and 250 kgs of nitrate fertilizer. The Provincial Vegetation Protection Station has prepared 20 tons of insecticide for distribution to farmers. The station has also organized professional training in vegetation protection for 90 specialized cadres from high-yielding rice areas and has set up field inspection teams and units to carry out periodic surveys with the aim of adequately protecting the 5th-month and spring rice crop.

9332

CSO: 4209/270

HEAVY INDUSTRY AND CONSTRUCTION

JANUARY CEMENT PRODUCTION NORMS OVERFULFILLED

Hanoi QUAN DOI NHAN DAN in Vietnamese 10 Feb 83 p 1

[Text] VNA--In January, units subordinate to the Federation of Cement Enterprises (Ministry of Building) produced 57,300 tons of cement and 62,700 tons of clinkers fulfilling 28.6 to 33 percent of the plan norms for the first quarter and representing an increase of 153 to 184 percent over January last year. The Haiphong and Thu Duc Cement Factories are two units which have carried out production in a relatively stable manner and have fulfilled fairly high plan norms.

Ever since the beginning of this year, all factories have actively exercised technical guidance and have concentrated on repairing kilns and machines in order to produce cement and clinkers according to regulations on specific types and qualities.

The federation has also got in touch with supply agencies to make transportation means available in time to move as much as 2,250 tons of cement each day out of [the] Bim Son and Haiphong [factories].

As a leading unit in the 1982 emulation movement in the building materials sector, the Haiphong Cement Factory has produced in January 1983 nearly 2,000 tons of bagged cement above and beyond the monthly plan norm and has thus achieved an increase of 9,000 tons over January 1982; meanwhile, its clinkers output has also increased by 5,200 tons. The factory is making energetic efforts to overcome equipment difficulties and is striving to carry out the [current] plan with an increase of 13.5 percent over 1982, including the production of 30,000 tons of a special type of cement to be used to build key projects. In particular, after successfully carrying out an experimental production of fused phosphate fertilizer in rotary kilns, the factory has included 20,000 tons [of this fertilizer] in its production plan for this year.

9332

CSO: 4209/270

TRANSPORTATION AND COMMUNICATIONS

MODERNIZATION OF TELECOMMUNICATIONS SYSTEM ENVISAGED

Hanoi TAP CHI HOAT DONG KHOA HOC in Vietnamese Dec 82 p 35

[Article by Thai Thanh: "Gradual Modernization of the Telecommunications, Posts and Telegraph Sector"]

[Text] A telecommunications system is composed mainly of the following types of equipment: Terminal equipment, circuit transfer equipment, channel coupling equipment and conduction equipment.

To heighten the quality of telecommunications and modernize their network, one has to concentrate on improving the above-mentioned four parts.

--The terminal equipment is composed of telephone sets, teletypes, recorders, etc.--that is, the use equipment for hire.

--The circuit transfer equipment includes such devices as regional, inter-provincial and international telephone switchboards, etc.

--The circuit coupling equipment [is one of these four components].

--The conduction equipment makes it possible to communicate by means of bare wires, microwaves, short-wave radio sets, various types of cable, satellites and so on.

In our country, all of these four types of equipment are patchy, outmoded and nonhomogeneous so that the quality of telecommunications is very low. To date, we have had a project for a nationwide network but when it will be carried out depends on our economic possibilities.

At present, the continued existence of more than 20 independent telecommunications networks outside the posts and telegraph sector has led to scattered and expensive investments, caused a wasteful use of technical cadres and made it impossible to organize a perfect national telecommunications network and to modernize it gradually.

However, since 1980 the posts and telegraph sector has striven to put the Hoa Sen [Lotus] satellite project into operation after spending 5 months to build it and has also put the Hanoi-Haiphong coaxial cable project into use

in June 1981; 16 months have gone by ever since and the quality [of telecommunications] has been ensured and has proven almost ideal as compared with other conduction methods. Throughout these 16 months, telecommunications were cut off for only 13 hours because of the damage done to cables by house construction.

For the purposes of improving the conduction equipment so as to widen the frequency bands and achieve safety under all circumstances, telecommunications cables are the most perfect modern means of wired telecommunications because they can ensure the high quality of telecommunications within the necessary ranges.

An advantageous characteristic of telecommunications wires is the fact that they can be influenced only slightly by weather conditions and interferences, that their operation is stable, that they can be used for a long time (50 years) and that they do not require the installation of equipment on the ground. For this reason, the quality of telecommunications can be heightened.

If any technical improvement is needed, cables will require only the widening of conductive bands and an improvement in their properties, mechanical durability and degree of electric insulation to enable them to conduct various types of high-frequency signal up to 8.5 MHz and more. One can take advantage of any high-frequency telephonic line whatever to conduct from 18 to 24 telegraphic lines or one wired photo-telegraphic line; as for [wired radio] transmission programs, they can be transmitted by means of two or three high-frequency telephonic lines; and (wide-band) high-frequency coupled circuits can transmit images, computerized data and other types of news.

We have recently built the Hanoi-Haiphong coaxial cable line the complete equipment of which was supplied by the French Telecommunications Industry Company. This type of cable line has been built in many countries in the world. Owing to the superior feature of coaxial cables, almost all advanced countries have modernized their telecommunication networks by substituting cables for other conduction modes.

The coaxial cable which was launched across the Atlantic Ocean to connect North America with Europe is 5,000-km long and immersed in water to a depth of 5 kms. The immersed portion is 3,400-km long and equipped with 50 amplifiers with a range of 68 kms each.

In the southern part of our country, there are also some submarine cable lines. To use these lines, it is necessary to make substantial investments to replace certain parts and equipments and to control submarine amplifiers.

In 1983, the Posts and Telegraph General Department will proceed to build the 180-km long Hanoi-Pha Lai-Quang Ninh symmetric cable line and will draw up a plan and make preparations for building the 300-km long Hanoi-Vinh coaxial cable line. Moreover, to ensure the north-south wire axis, steps will be taken in 1983 to build the Hanoi-Ho Chi Minh City wide-band microwave line to meet the telegraphic and telephonic needs of the provinces and to transmit television programs from the central level to the provinces.

To fully develop the output of telecommunications means and to heighten their quality, it is necessary not only to invest in the building of lines and axes but also to pay attention to the transformation of an investments in the circuit transfer and terminal equipments at both the central and local level such as by equipping the provinces with more automatic switchboards and by building cable networks in Hanoi and the provinces.

Of course, the above-mentioned action program depends on economic possibilities and must be implemented by gradual steps. The ultimate goal is to modernize the telecommunications network to enable all regions in the country to make automatic telephone calls rapidly and with a good quality [of operation], thus greatly reducing traveling, gathering and working expenditures and making a notable contribution to raising labor productivity.

9332

CSO: 4209/311

POPULATION, CUSTOMS AND CULTURE

ACTIVITIES OF SUPERSTITION ABETTORS SUSPENDED IN HANOI

Hanoi HANOI MOI in Vietnamese 25 Feb 83 p 4

[Text] At present, a number of persons are openly or clandestinely carrying on superstitious practices such as interpreting the meaning of dividing sticks [jerked out of a vase by the consultants] or keeping a place equipped with an altar where consultants come and place a bowl of incense on their heads for exorcising purposes, fall into a trance or burn votive paper articles and so forth.

In pursuance of Communique No 16/UB/VX of 7 February 1975 of the Hanoi Municipal Administrative Committee forbidding occupations based on superstitions, the Hanoi Cultural and Information Service wishes to notify the people of the following:

1. Occupations based on superstitions--such as telling fortune by means of cards and physiognomy and by reading horoscope, evoking spirits, going into a trance, producing and dealing in votive paper articles--are prohibited.
2. Owners of private altars are forbidden to entice people into these places to worship and practice superstitions under the above-mentioned forms.
3. Temples and pagodas are requested to implement strictly Notice No 03/PG/HN of 15 January 1976 of the Hanoi Municipal Chapter of the Unified Buddhist Association on the abolition of superstitions and bad practices.

All forms of superstition are bad practices and deceitful tricks which are prejudicial to production and society and contrary to the policy of freedom of faith. Therefore, the present notice is issued to make people in both the urban and rural areas of the city fully understand this subject matter. Anyone who deliberately infringe these provisions will be dealt with according to law.

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CSO: 4209/324

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